

Quite simply, the object of this bill is to raise the ceiling of the total amount of loans that remain outstanding as the result of loans made to immigrants or refugees to help defray their transportation costs to Canada.

Under the present provisions of the Immigration Act, the ceiling on the amounts of such loans that can be outstanding at any one time is \$20 million. The bill proposes to raise that limit to \$60 million.

As honourable senators are undoubtedly aware, the transportation loan scheme has been a component of Canada's immigration program since 1951. Under the scheme loans are made to refugees and certain groups of immigrants from a revolving fund that is constantly replenished as individual loans are repaid.

Over the years many groups have taken advantage of the loans. In fact, one of the principal advantages of the loan fund is that Canada can react positively to refugee situations as they arise and bring people here quickly, for while ordinary immigrants can plan ahead for their move to a new country, refugees often face considerable pressure and require assistance in a hurry.

I should like to stress, however, that this amendment to the Immigration Act does not represent any cost to the federal government. Refugees and other immigrants do in fact pay back their transportation loans. I understand that since the program's inception, 95 per cent of the loans issued have been repaid. While that figure applies to all loans, the repayment rate by refugees is higher than average. Presently 90 per cent of all transportation loans are made to refugees. Whilst loans to refugees are interest free, interest is charged on loans to regular immigrants. Immigrants, including refugees, are required to pay back the loans after arrival, and for that purpose repayment schedules are established and payments begin 30 days after arrival. The repayment schedules are worked out with each immigrant in accordance with the circumstances of the particular case. That money goes back into the fund.

As repayment rates are about 95 per cent of the money lent with interest charges, normally the fund has been self supporting. However, as we all know, the Government of Canada has committed itself to bringing into Canada 60,000 Southeast Asian refugees between January 1979 and December 1980. The refugees are being brought to Canada by means of an airlift involving approximately 180 flights, which are paid for in part by the refugees themselves through transportation loans. As a consequence of these additional 60,000 refugees, the loan fund has been over-extended, and unless this bill is passed and the allowable ceiling is raised there is the probability of substantial cancellation of the airlift that is presently underway.

That, I am sure, is not a consequence which honourable senators would want to have happen to such a project, and it is therefore hoped that this bill can be treated with expedition and dispatch.

[Senator Lewis.]

I might say that during the past few months the program has been maintained during the dissolution by resorting to Governor General's warrants, but now that Parliament is sitting again the time within which government can ask for a warrant will expire some time in early May. Accordingly, there is urgency in passing the bill as soon as possible. In the circumstances I would hope that quick passage of the bill can be given by honourable senators.

On motion of Senator Macquarrie, debate adjourned.

## INCOME TAX CONVENTIONS BILL

### SECOND READING—DEBATE ADJOURNED

**Hon. Henry D. Hicks** moved the second reading of Bill S-2, to implement conventions between Canada and Spain, Canada and the Republic of Liberia, Canada and the Republic of Austria, Canada and Italy, Canada and the Republic of Korea, Canada and the Socialist Republic of Romania and Canada and the Republic of Indonesia and agreements between Canada and Malaysia, Canada and Jamaica and Canada and Barbados and a convention between Canada and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation with respect to income tax.

He said: Honourable senators, the purpose of this bill is to implement conventions and agreements between Canada and a number of other countries, specifically Spain, Liberia, Austria, Italy, Korea, Romania, Indonesia, Malaysia, Jamaica, Barbados and the United Kingdom of Great Britain and Northern Ireland, to achieve the avoidance of double taxation with respect to income tax. In addition, the bill provides that the Governor in Council may, subject to a resolution of Parliament, give effect by order in council to any supplementary convention or agreement.

At the time of tax reform Canada had 16 tax treaties in force. The number is now 24. It is expected that some 40 other countries will in due course be added to the list.

As in the case of similar legislation approved by Parliament over the last three years or thereabouts, this bill contains a part which deals with supplementary conventions or agreements.

The words "conventions" and "agreements" are apparently interchangeable. In treaties with some countries we use the term "convention"; with others we use the term "agreement", but there is no substantive difference that I can discern between the two. Anyway, the portion of the bill that deals with these matters is Part XIII. That part is designed to ensure that the tax treaties can be kept up to date as a result of changes in the tax systems of Canada and of the other countries. The mechanisms provided under this bill are similar to those agreed to previously by this house and by the other place.

● (2110)

The 11 tax treaties under review follow the general pattern of the treaties concluded with other countries after tax reform.