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Hon. John J. Connolly: Honourable senators, I think it might be ungracious not to say a word in reply to what our distinguished colleague, Senator Vaillancourt, has said this afternoon. He has mentioned the fact that Mr. Desjardins was the originator of this co-operative movement which now involves some two million people in an organization which has promoted the idea of initiative and of constructive work in many communities across the land.

It is not necessary for me to elaborate, as he has done, upon the value of this movement to the communities where it has been allowed to develop. I am impressed too, as we all have been, with the attitude this organization has inspired, which is due not only to the idealism of its founder, but to the leadership of a distinguished Quebecker, and indeed a distinguished Canadian, our colleague Senator Vaillancourt.

While I cannot close in the poetic manner of our honourable colleague, I am constrained today, particularly having regard to the temperature outside, to add to what he has said these words: Mon pays, ce n'est pas un pays, c'est l'hiver.

INCOME TAX AGREEMENTS ACT

BILL TO IMPLEMENT AGREEMENTS BETWEEN CANADA AND TRINIDAD AND TOBAGO AND CERTAIN OTHER COUNTRIES AND TO IMPLEMENT A CONVENTION BETWEEN CANADA AND THE UNITED STATES OF AMERICA—SECOND READING

The Senate resumed from Thursday, February 2, the adjourned debate on the motion of Hon. Mr. Hayden, for the second reading of Bill S-56, to implement agreements for the avoidance of double taxation with respect to income tax between Canada and Trinidad and Tobago, Canada and Ireland, Canada and Norway and Canada and the United Kingdom, and to implement a supplementary income tax convention between Canada and the United States of America.

Hon. Gunnar S. Thorvaldson: Honourable senators, some years ago when those of us now on this side of the chamber occupied the other side it was my privilege to introduce bills of the kind introduced by Senator Hayden the other day. I refer of course to Bill S-56, known as the Income Tax Agreements Act, which deals with the problem of avoiding double taxation.

As honourable senators know, we find it necessary in our international relationships

especially in regard to those countries with which we have close commercial and business relationships, to deal with the problem of double taxation. Of course the most competent expert in this house in regard to these matters is the honourable Senator Hayden; after he has spoken on a bill such as this the subject is usually so clear that little more need be said on the subject. At the same time one must realize that the explanation of a bill such as this must to some extent be in technical phrases because the subject matter itself is extremely technical. However, this bill contains the substance of five conventions which we are now ratifying in the same way as Parliament is required from time to time to ratify treaties with other countries.

As you observe by referring to the bill, the countries with whom we are now dealing in this manner are Trinidad and Tobago, Ireland, Norway, and the United Kingdom; and we are also implementing a supplementary income tax convention between Canada and the United States.

Senator Hayden made clear with regard to Trinidad and Tobago that the reason we are making this agreement is because Trinidad and Tobago is now an independent country. It was formerly a dependent part of the Commonwealth and, consequently the agreement we had previously with Great Britain applied to it. However, it has now become an independent country, so it is appropriate to have a separate convention with this territory.

Hon. Mr. Connolly (Ottawa West): But it is still, fortunately, within the Commonwealth.

Hon. Mr. Thorvaldson: Yes of course it is still within the Commonwealth.

These agreements are of great importance, and if you refer to the schedule Senator Hayden placed on *Hansard* last Thursday, February 2, at page 1372, you will see that it gives one a bird's eye view of the enormous number of subject matters of taxation which are affected by these agreements. For instance, some of the important items are fiscal domicile, permanent establishment, shipping and air transport, dividends, interest, copyright royalties, film royalties, and a number of other subjects which come into the field of income either of Canadians resident in those other countries or their residents in Canada.

It must be said also that these agreements can have a great deal to do with the question of national policy in regard to such things as our investments abroad and foreign investments here. For instance, as you are all