

You will note, if you compare these figures with those that I referred to in April, that they are the same, because the 11 countries that we hoped to deal with in April have not yet been dealt with.

As in the case of similar tax treaty legislation approved by Parliament in the past, this bill contains a part which deals with supplementary conventions. That is Part III of the bill, which is designed to ensure that the tax treaties can be kept up to date when there are changes in the tax systems of Canada and the other countries. The mechanisms provided for under this bill are similar to those agreed to previously.

The two tax treaties under review follow the general pattern of the treaties concluded with other countries after tax reform. They also follow, to a large extent, the format and language of the Model Double Taxation Convention, prepared by the Committee of Fiscal Affairs of the Organization for Economic Cooperation and Development—OECD.

The treaties generally provide that dividends can be taxed in the country of source at a maximum rate of 15 per cent. A general rate of 15 per cent is also provided for in the case of interest originating in one country and paid to a resident of the other country. With respect to royalties, the treaty with Australia provides for a general rate of 10 per cent, and the one with New Zealand provides for a rate of 15 per cent.

The only limitations provided for under the old agreements were 15 per cent in the case of dividends with Australia, and an exemption for copyright royalties with both Australia and New Zealand.

The provisions of the treaties relating to capital gains preserve the right of the source country to tax gains arising on the sale of real property, business assets and shares in real estate companies.

Contrary to other tax treaties concluded by Canada, the treaties with Australia and New Zealand do not contain an article on non-discrimination. It is those countries' firm policy not to include such an article in their tax treaties and, as a matter of fact, the existing agreements already reflect their position.

With respect to teachers—I dealt with this in the spring—no special concession for teachers from abroad is included in the tax treaties. The reciprocal exemption now granted teachers, under both the Australian and New Zealand agreements, will consequently be terminated, as have similar agreements with other countries in the more recent conventions that we have arrived at.

Under the existing agreements, pensions and annuities are taxable only in the country where the recipient resides. Under the new conventions, Canada has preserved its right to tax pensions paid to residents of the other countries. In the case of New Zealand, there is, however, a special provision whereby that right will be exercised only if the pension paid in a year exceeds \$10,000. The country in which the recipient of the pension resides retains its full taxing powers.

Double taxation of foreign source income of Canadian residents is alleviated by way of a foreign tax credit. In addition,

[Senator Hicks]

an exemption is granted for certain dividends received from a foreign affiliate of a Canadian company. In order to promote the flow of capital and investment, the tax treaties also ensure that proper relief will be granted in the other countries in respect of taxes paid in Canada.

On balance, the terms of the tax treaties provide an equitable solution to the various problems of double taxation existing between Canada and these two countries.

Honourable senators, I commend this bill to the favourable consideration of this house.

On motion of Senator Phillips, debate adjourned.

• (1450)

STATUTE LAW AMENDMENT PROPOSALS

REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE
ADOPTED

The Senate proceeded to consideration of the report of the Standing Senate Committee on Legal and Constitutional Affairs on the document entitled: "Proposals to correct certain anomalies, inconsistencies, archaisms or errors and to deal with other matters of a non-controversial and uncomplicated nature in the Revised Statutes of Canada, 1970, and other Acts subsequent to 1970", which was presented yesterday.

Hon. Richard A. Donahoe moved that the report be adopted.

He said: Honourable senators, I am very relieved to have finally picked the appropriate spot in the proceedings of this house when I should speak to this report. I have a few words to say with respect to it, but most honourable senators are more familiar with what goes on in this connection than I am.

We are concerned with, in effect, a number of proposed amendments to a wide variety of statutes which are put forward, not in the form of a bill but in the form of a proposed bill, and which were submitted for consideration to a committee of the other place, and subsequently submitted for consideration to the Standing Senate Committee on Legal and Constitutional Affairs. They were submitted on the basis that if any one member of either of those committees raised a substantial objection, or any objection that he or she considered substantial, the proposed amendment would accordingly be deleted. If, as and when there are some surviving sections that are approved by both committees, it is my understanding that a bill will be brought forward which will probably rejoice in the name of the Miscellaneous Statute Law Amendment Act, 1980.

Senator Flynn: Or 1981.

Senator Donahoe: It took our committee three or four hours of minute and exacting examination of these provisions to come to the conclusion that we could report this document back and recommend its acceptance by the Senate. We did delete two sections, and there were also two sections deleted by virtue of the action of the committee in the other place. However, there were four sections added dealing with four other acts—The Adjustment of Accounts Act, the Canada

Elections Act, the Copyright Act and the Lord's Day Act. There were amendments to each of those acts which were submitted to us, and which we approve and recommend for acceptance by this house, but which will, in due course, have to be returned for consideration by the committee in the other place, because they have not yet been considered by that committee.

I am sure no one wants me to go into any great detail respecting any of these amendments, either the added ones or those included in the original proposal. However, there is one that interested me, namely, the amendment to the Copyright Act. It is a provision that would make it easier for copyrighted works to be copied for distribution to the blind and the handicapped without interfering with the rights of the copyright holder. It may be done with the consent of the copyright holder, but, that consent having been given, the copyright holder does not thereby in any way forfeit his protection against other persons wishing to copy his works, which he would forfeit if the law is not amended as it is proposed in this action.

Honourable senators, those are my comments, and I ask the Senate to adopt the report.

Hon. W. M. Benidickson: The honourable senator made reference to the fact that disapproval by a single member of either house of a proposal would be sufficient to have it deleted from the proposals before the two committees. What is the justification for and philosophy behind the idea that one member could prevail in such a situation?

Senator Donahoe: It is a little difficult for me to say what the justification is, because it is reported to me as being a practice that has grown up in this house over some period of time. The purpose of the procedure is to gather together in one place, and to deal with subsequently in one bill, a number of amendments that would otherwise cause a multiplicity of bills to be put forward. The type of amendment that is accepted for inclusion under this procedure bill is one that has the effect of removing an archaism or of clarifying a typographical or other patent error in the statute itself.

It is intended that these should not be ones that effect substantive change in the law. If one member of a committee feels that those who selected the amendment for consideration are attempting to bootleg in an amendment which, in effect, makes a substantive change, then it is felt this is not a proper kind of amendment to be included, but is rather the type of amendment that should be moved as an amendment on its own. Accordingly, it does not belong here and therefore consideration of its inclusion should be dropped, and those attempting to promote it can proceed in the ordinary way.

Senator Benidickson: I should have either known that or appreciated that that would be the reason.

Senator Flynn: These are non-controversial matters.

Hon. Louis-J. Robichaud: I have heard that question and the answer. As a member of the Standing Senate Committee on Legal and Constitutional Affairs I asked the very same question that Senator Benidickson has asked. I asked it in the

corridors, and the answer I received was that this legislation would come in the form of a private member's bill, which requires unanimity. That is why, if any member of either house objects to any portion of the entire bill that will be submitted, the whole thing can fall apart. The fact is, because it is going to be a private member's bill, that it requires unanimity.

Hon. Royce Frith (Deputy Leader of the Government): Honourable senators, in speaking in support of Senator Donahoe's motion, I want, on behalf of members on this side of the house, to thank him and his committee for the careful work they have done. There is, perhaps, an analogy to a private bill, but I think Senator Donahoe's explanation is the more accurate one. The kind of amendment dealt with here is, for example, whether a comma has been omitted or whether there has been a typographical error—matters that are clearly just housekeeping.

Senator Flynn: Non-controversial matters.

Senator Frith: Exactly. As Senator Flynn points out, even in the title they are called non-controversial. They are pure housekeeping matters. So, if anyone says, "I am sorry, I don't think that is a housekeeping matter," the proposal is removed and the committee proceeds with unanimously accepted housekeeping, non-controversial items.

Nonetheless, the document still requires a lot of painstaking work on the part of the committee. Therefore, I do not want this explanation to indicate anything but our gratitude to the committee, under the chairmanship of Senator Donahoe, acting during the absence of Senator Goldenberg, who is a member of the Special Joint Committee on the Constitution, for its swift and efficient treatment of this important, even though non-controversial, document.

Senator Donahoe: I should like to make one observation in response to what the Deputy Leader of the Government has said. In fact, during the consideration of this document, two sections were deleted by each of the two committees, so we did follow that practice in this case. In those instances representation was made that something beyond ordinary housekeeping was implied.

Motion agreed to and report adopted.

• (1509)

NORTH ATLANTIC ASSEMBLY

TWENTY-SIXTH ANNUAL SESSION, BRUSSELS, BELGIUM—
INQUIRY

On the Inquiry of Senator Bonnell:

That he will call the attention of the Senate to the Twenty-sixth Annual Session of the North Atlantic Assembly, held at Brussels, Belgium, from 14th to 23rd November, 1980, and in particular to the discussions and proceedings of the Session and the participation therein of the delegation from Canada.