

Ottawa would pay a reasonable amount for the enjoyment of the parks. The Government would be left free to expend in addition as much as may be deemed proper for the beautification of the Capital.

LOCAL GOVERNMENT INSTITUTIONS EXEMPT.

In discussing the obligations of the Government to bear its share of municipal expenditure some difficulty may be avoided by eliminating at the beginning those branches of the Government service which have a local character—the post office, the customs house, the drill hall. While these are part of the government machinery they may be looked upon as local institutions ministering primarily to the people of the locality in which they are situated. Any burdens cast upon the municipality by their presence are more or less common to all municipalities throughout the country. No great injustice is done by exempting them from local taxation. Ottawa will be quite content that they shall remain free from taxes.

CONDITIONS IN OTTAWA.

In Ottawa we have a condition of affairs different from that obtaining elsewhere. The Dominion Government is our greatest landowner. The present taxable real estate in Ottawa has been assessed in 1918 for taxation in 1919 at \$98,883,599. The Government occupies real estate in Ottawa valued at \$22,268,650.00—or after deducting the value of local Government institutions, at \$21,158,190.00. The Government leases and occupies in addition premises assessed at \$4,025,749.00. The Government therefore, owns or occupies on lease about one-fifth of the real estate of the City.

The Government is also our largest employer of labor. The employees of the Dominion Government number over 12,000. At a very conservative estimate civil servants and their dependents number 25,000 or about one-fourth of our total population.

From what the Government gets from the City of Ottawa the people of Canada should pay and it is submitted that no fairer basis can be adopted than an agreement by the Government to pay municipal taxes to the same extent as all other landowners and employers of labor. Failure on the part of the Government to do this in the past has resulted in the residents of Ottawa being forced to bear that share of municipal expenditures properly attributable to the Government. Compared with other cities the debt of Ottawa is low. The cost of municipal administration in Ottawa is exceptionally low. If the tax rate in Ottawa were in proportion to the expenditure the inducement to manufac-