

June 17, 1931.

E. W. Beatty, Esq., K. C., LL.D.,
Chancellor, McGill University,
Montreal. P. Q.

My dear Chancellor,

With reference to our conversation re the working out of the new Sales Tax, I have to say that the purchase of supplies, equipment, books, etc., during the session 1930-31 for McGill University and Macdonald College totalled \$557,136.12. This amount is affected by the Sales Tax to the extent that on much of it we would have to pay 4%, whereas that part that comes in from the outside would be subject to an additional 1% tax. I may say that about 70% of the total amount represents goods purchased in Canada.

The result of all this is that we shall have to provide for another \$25,000 or \$30,000 a year, or, 5% interest on an investment of nearly \$600,000. It throws an additional burden on McGill University which she cannot very well stand.

We have taken the matter up with Toronto University but get little encouragement from them, because, as they say, the Provincial Government pays the expenses of running the University and anything saved on the Sales Tax is so much saved by one Government at the expense of another.

To my mind that is not the principle which ought to govern the justice of this tax. An educational institution should be considered on a different basis than other institutions or businesses purchasing supplies - unless it be hospitals.