

from services which municipal taxes are raised to provide. No doubt it was thought at the time that if the Government of Canada accepted from the City of Ottawa services which were expensive to the City, it was fit and proper that some compensation should be paid for such services. Naturally the supply of water was a very outstanding instance. The City of Ottawa did not have to supply water to the Government of Canada. Indeed, if the City had chosen to do so, it could have shut off the water supply to Government buildings. In such circumstances the Government might have taken the attitude that it was immune from taxation, but incidentally, it would have had no water.

Possibly water is the main service which is recognized in this allowance of \$100,000. But the City of Ottawa supplies other services of value to Government buildings, such as sewerage, snow cleaning, street watering and flushing, and repairs of pavements and walks. Surely these items should be taken into consideration when the amount of the new allowance is being fixed.

I omitted one service which, so far as I know, has never been mentioned in either House or in the correspondence on this question. That is the educational service. In the province of Ontario primary education is paid for out of local rates. The City of Ottawa has a system of common schools, divided into two branches known as the public schools and the separate schools. The separate schools in this city are Roman Catholic schools; they are denominational. These two branches of our common school system are, except for some small provincial grants, wholly maintained from the levy of local tolls or taxes upon property owners. So persons who own considerable property pay in school taxes a great deal more than is required to educate their own children, whereas persons living in small houses on which they pay taxes through their rent do not pay more than a small fraction of the cost of educating their children. I know that the cost of educating one child in the public schools of Ottawa is over \$100. A Government employee earning a salary of \$1,000 may have three children of school age. The cost to the public schools of Ottawa for educating these children is over \$350.

Hon. Mr. KING: Per year?

Hon. Mr. COTE: Per year. It is obvious that such a civil service employee does not begin to pay, through taxes, for the cost of educating even one child.

There should be a study of the services rendered to Government-owned buildings by

the City of Ottawa. I believe, and I hope a number of honourable members will agree with me, that the feeling of the citizens of Ottawa that they are not getting a square deal is not unfounded. I know that we in this House cannot attempt to increase the allowance mentioned in the Bill. I would not dream of even suggesting that.

Hon. Mr. COPP: Would my honourable friend feel like reducing it?

Hon. Mr. COTE: I think that in order to throw some light on this question, and possibly to bring a better knowledge of the situation to those who ask if we do not feel like reducing the allowance, this House might refer the Bill to a committee for the purpose, not of having it altered, but of having the whole question studied in all its phases. Reference to a committee would afford to the taxing authorities interested, the City of Ottawa and the school boards, an opportunity to appear before us, to state their case and give their reasons for demanding a larger grant. Although I know something about the matter, I feel I should learn a good deal more if it came before, say, our Banking and Commerce Committee. The evidence adduced there would probably assist both the Department of Public Works and the City in their present negotiations to reach a more equitable solution. I have always held in this House that we have a constitutional right to reduce the amount of a money bill, but I do not rise to make a motion for that purpose. I shall vote for the second reading, but after the motion is agreed to I shall move that the Bill be referred to our Standing Committee on Banking and Commerce for study.

Hon. C. W. ROBINSON: Honourable members, it seems to me that in this matter the horizon of the honourable member from Ottawa (Hon. Mr. Coté) is a little too narrow. There are many other cities and towns across the Dominion in which Government property is exempted from taxation. In the city in which I live a large amount of Government property is tax-free. I hope that if the Bill is referred to our Standing Committee on Banking and Commerce the inquiry will be so broadened out that honourable senators will realize there are a few other places in this country with federal buildings besides the City of Ottawa.

Hon. JAMES MURDOCK: Honourable senators, this sort of Bill has come before us for a number of years, and I am glad to say that I have received more information from our respected leader (Hon. Mr. King) on this particular Bill than I have been able to acquire on similar Bills in the past. I