

Clause 6.

Mr. MACDONNELL: The old section 8 of the Act said:

6. Section 8 of the said Act is repealed and the following substituted therefor:

"8. A grant may be made to the City of Ottawa in an amount that, in the opinion of the Minister, is a reasonable compensation for the expenses incurred by that City in furnishing services to the property referred to in subparagraph (vi) of paragraph (c) of section 2.

Can that principle be applied anywhere else?

Hon. Mr. HARRIS: I beg your pardon. I would like one minute.

Mr. MACDONNELL: With respect to the old section 8 which is mentioned in clause 6.

Hon. Mr. HARRIS: Yes.

Mr. MACDONNELL: Section 8 stipulated that a grant could be made to the city of Ottawa in an amount that, in the opinion of the minister, was a reasonable compensation for the expenses incurred by that city in furnishing services to the property referred to in sub-paragraph (vi) of paragraph C of section 2. Is that a special principle applied there and different from other municipalities?

Hon. Mr. HARRIS: Yes, it is, Mr. Chairman. That is the exception which is referred to in 2-C. We can make a special grant to Ottawa having in mind the property which has already been referred to partially in the preceding five, but defined in 2-C.

Mr. MACDONNELL: Wouldn't that be a reasonable principle to apply right across the board?

Hon. Mr. HARRIS: We have always had a special grant for the city of Ottawa since I came here in 1940, when it was \$100 thousand at that time.

Mr. MACDONNELL: Why does the principle not apply right across the board?

Hon. Mr. HARRIS: Because you will find that a considerable part of Ottawa consists of federal property, to an extent which does not obtain anywhere else.

Mr. MACDONNELL: I think we would accept that; but that does not seem necessarily to mean that you have to apply an entirely different principle. This is reasonable compensation.

Hon. Mr. HARRIS: I think the reason is that the grants to Ottawa have always been in a special class because of the situation here as the place of government. But I do not think you would want us to have an Act administered on the basis of this phrase with respect to other municipalities. I am sure you would be the first to object to unlimited authority in the minister to use that except in this case, where there have been some adjustments made.

The CHAIRMAN: Are you finished, Mr. Macdonnell?

Mr. MACDONNELL: I shall wait.

Mr. APPLEWHAITE: I think we are arguing at cross-purposes. Clause 8 to which Mr. Macdonnell referred, as I read it, specifically refers to two-six.

Hon. Mr. HARRIS: That is right.

Mr. APPLEWHAITE: Because these are the houses of parliament and this takes them out of the averaging clause. Therefore we have suggested that in this particular building, for certain reasons, they will not assess, but we will make, nevertheless a special compensation.