

EVIDENCE

THURSDAY, February 28, 1957.

Morning Sitting (*Continued*)

The CHAIRMAN: Gentlemen, the next is Bill 158, an Act to amend the Municipal Grants Act. We have here Mr. R. M. Burns, director of the Municipal Grants division of the Department of Finance, assisted by Mr. C. H. Blair and Mr. D. H. Clark of the same division.

Gentlemen, if it is agreeable to you I would ask Mr. Burns to outline the purport of this bill and then you may ask any questions before we proceed with the clauses of the bill.

Mr. BENDICKSON: Mr. Burns is the director of the dominion-provincial relations section of the Department of Finance and under him the Municipal Grants Act is administered by Mr. Blair and Mr. Clark. This is a division in the department which includes relations with the provinces and now, because of this legislation, relations with respect to taxes with the municipalities.

Mr. R. M. Burns, Director of Municipal Grants Division, Department of Finance, called:

The WITNESS: Mr. Chairman, the real basic purpose of this bill is included in the provision for the elimination of the 2 per cent floor which has applied since 1955. As you recall, when these provisions were first made in 1950 there was a 4 per cent floor over which the payments were paid on federal property which was subject to grants for municipal taxes. In 1955 this became 2 per cent. The effect of this bill over-all is to eliminate this 2 per cent so in effect we will be paying grants to the municipalities equivalent to full municipal taxes subject to the exceptions in the bill which are in almost all cases the same as had been included previously. There are some minor changes but they do not affect the principle of the bill.

The CHAIRMAN: Gentlemen, are there any general questions?

By Mr. Dumas:

Q. Will you pay the tax on the assessment as fixed by the municipalities?—
A. No. The tax is paid, as defined in the act, on the accepted value. In 99 cases out of 100 this is the same as the assessed value, but we do not automatically accept the assessed value as stated by the municipalities.

Mr. MACDONNELL (*Greenwood*): This bill was discussed at the resolution stage and we tried to make clear that we regard it as the feather duster when what is needed is a full housecleaning. In particular we intend to say something about the illusive and irresponsible acts of the crown corporations who tend to horsetrade. We will have something more to say as we go through the bill.

By Mr. Bell:

Q. Could we have some information as to exactly how you negotiate any contracts which you make with the municipalities, when the cheques are paid, and a general statement for information?—A. The system which has been followed in the past has been that the municipalities make an application, and