

state of development and to date they have been condemned to a retrograde stage of development. The present value allowed by the municipal code for municipal assessment does not correspond to the basic norm which the F.D.C. uses to compensate "injured" municipalities."

(4) When the doubt was expressed in the Parliamentary Committee as to the possibility that the municipalities had been injured, I was most alarmed to note that the F.D.C. could state calmly that the municipalities were compensated for their losses suffered. That affirmation carried weight because the members of the Parliamentary Committee asked me so many explicit questions which required so many details that I did not wish to tie myself down to any precise position in a hasty discussion which would probably have been too brief to permit a study of all aspects of the problem raised.

XIV—*Readjustment of the system of compensation.*

From the facts mentioned and those which follow, I believe I am stating the well-founded opinion that the municipalities certainly suffer damage in the grants not obtained from 1940 to 1951 and the grants obtained since that time to compensate for loss of taxes. It is very important that readjustment be made in the system of compensation. And this readjustment based on the existing municipal assessment seems unfair to my mind.

- (a) Indeed, account must be taken of a multitude of other important factors and that is why we are clamouring for the building of valuable tourist hotels to increase the municipal property value and also to help solve the financial problems of the municipalities and the school boards.
- (b) At this point, I would like to mention that the delegation from Ste. Cecile de Masham which went to the offices of the Federal District Commission in January 1954 outlined the situation with regard to expropriation and compensation as practised by commercial enterprises and as practised by the F.D.C. in making acquisitions for Gatineau Park.

The Hydro-Electric authorities, for example, grant generous subsidies to the dispossessed owners and on the other hand increased the municipal assessment so much that the people living in the locality are privileged from the point of view of real estate taxes imposed. They are also privileged in regard to the development of their locality, labour and local trade. Everyone would be scandalized if, after their expropriations, commercial or industrial firms demolished the properties purchased and built nothing to restore an increased value to municipal property.

Now with the work of the F.D.C. in Gatineau Park, the properties purchased have lost compensation and improvement value compared to what would have happened in the business world.

- (c) As a matter of fact, the Federal District Commission has been more preoccupied with the purchase of lands for the park than by improvement of the lands. In the brief to the Joint Committee the F.D.C. does not mention, to my knowledge, any plan of building for tourist purposes in any of the municipalities in the Park.
- (d) Apart from the planned driveways and cleaning up of the lake-shores, it seems that they have completely neglected to plan for this tourist development which is the great asset of a major privileged area like the capital.

Therefore it is absolutely necessary that the F.D.C. give serious consideration to working out in the near future the methods of compensation necessary