

Where full amount of grant not taken into account.

(4) Where, in preparing its budget for a tax year, a municipality has not, in the opinion of the Minister, taken into account the full amount of any grant that may be the amount of that grant, make such adjustment in the rate referred to in paragraph (a) of subsection (1), or in the rate referred to in paragraph (a) of subsection (2) or the denominator referred to in paragraph (b) of subsection (2), as the case may be, as, having regard to the amount of the grant or portion thereof not so taken into account, he considers appropriate."

Mr. WINCH: I would like to ask a question in regard to the explanation. "This amendment would permit grants to local taxing authorities which may not be 'municipalities' within the meaning of that term in the province concerned."

The CHAIRMAN: Where is that?

Mr. WINCH: That is on the third clause.

The CHAIRMAN: Where were you reading from?

Mr. WINCH: On page two in respect of clause 3, which explains that grants could be paid to a taxing authority which may not be classed as a municipality. In view of the fact that there are, in some provinces—and I know that there are in our own province of British Columbia—a great many federal operations on land which is taken out of the taxation, and comes within the real estate taxation jurisdiction of the provincial government, will this exclusion have any application in respect of the payment of taxes to the province in respect of its power as a real estate taxation division? If not, why not?

The CHAIRMAN: I would judge, from reading the act, that if they are provincial crown lands that are occupied in unincorporated places, that they would not receive the grants.

Mr. WINCH: This is an exclusion from the definition of a municipality. Now, a great deal of the real estate—if I may use that term—which is federally owned, comes under the real estate taxation powers of the provinces. Under this definition here, or this wording, it seems to me that the province, in the light of that power, is included under the grants.

The CHAIRMAN: I would not think so.

Mr. WINCH: That is the question. If not, why not?

The WITNESS: I think I know what Mr. Winch is talking about here. He is referring to the situation which exists largely in British Columbia and northern Ontario. British Columbia is 98 point something per cent unorganized territory. There are some federal properties in those areas. The kind of tax in that case is a general tax, Mr. Winch, which is not related to any service whatever. It is just a general one per cent, two per cent or three per cent tax on the land in the unorganized territory. It is not related to a tax on property for services supplied to that property. The only service tax would be a school tax to the school district in which the property is located.

*By Mr. Winch:*

Q. If you happen to have a home up there you are taxed a real estate tax.—A. Yes, but irrespective of what services are supplied you pay that.

Q. You still have to supply roads in the province?—A. That is true.

Mr. BENEDICKSON: You would oblige the federal government to pay taxes to the province whether there are roads or not? In Northern Ontario you would pay a fixed tax if it happens to be in an unorganized territory whether or not there were any roads.

Mr. WINCH: The land is taken out of the taxation, and it is taken out of it by the same principle, which was explained by the minister. There was to