

Supply—Finance

back a great many years will be of great value to the departmental library in the Department of Finance. While we have a sufficient amount in our general vote to enable us to buy this library, I felt that in the circumstances it would be more appropriate for me to put a special item in the supplementary estimates in order to call it to the attention of the house. I felt sure it would carry the warm support of all hon. members.

Mr. Macdonnell (Greenwood): Certainly, speaking for myself—and I think for others—I would say that this seems to be a most appropriate thing and that the library will have a special value because of the association carried with it.

Mr. Lennard: I certainly do not object to this item but I do not know why it is stated in the details that it is for office stationery, supplies and equipment. It makes a farce of details of this kind.

Mr. Abbott: That happens to be the primary vote under which items of this kind are put. The purchase of books and periodicals comes under that item and that is why I made a special point of explaining that the particular types of books that were being acquired were the ones I have mentioned.

Item agreed to.

Payments to municipalities—

Grants to municipalities in lieu of taxes on federal property—

568. To provide for payments to municipalities in accordance with the Municipal Grants Act; and to provide for payments to municipalities under order in council of July 19, 1950, P.C. 3456, in respect of the cost of medical and hospital services and supplies furnished to federal employees and other persons specified therein—further amount required including authority to regard the admiralty properties in the city of St. John's, Newfoundland, as federal property notwithstanding that formal transfer of administration has not been completed, \$153,856.

Mr. Pearkes: Does this include any addition to the grant to the municipality of Esquimalt?

Mr. Abbott: It does.

Mr. Pearkes: I hoped my remarks made during the budget debate would have softened the minister.

Mr. Abbott: I know my hon. friend will be happy to learn that the town of Esquimalt will receive \$42,114, which I am told is satisfactory.

Mr. Browne (St. John's West): I notice this refers to the admiralty property in St. John's, Newfoundland. How much will St. John's receive as a result of this change which was made?

Mr. Abbott: There is a payment to St. John's arising out of the taking over of the admiralty property—I think that is what my hon. friend refers to—of \$48,184. The amount required there will be covering arrears as well, of course, and local improvement grants.

Mr. Brooks: What qualification is necessary for a municipality to receive a grant?

Mr. Abbott: I do not suppose my hon. friend wants me to endeavour from memory to explain the rather complicated formula on which we make these grants to municipalities. Generally speaking, in order to obtain any grant under the general section the value of federal property in the municipality must exceed 4 per cent of the total assessed property in the municipality, and then 75 per cent of the excess is eligible for tax grant on the usual basis.

In addition we pay local improvement taxes, and then in addition where property is acquired from a municipality there is a tapering down transitional grant under a section of the Municipal Grants Act which permits payment of municipal taxes on a reducing scale over a period of a certain number of years, I think it is three or four years, and then it goes into the general fund.

Mr. Brooks: What about crown companies?

Mr. Abbott: Crown companies are handled on a separate basis. All crown companies are expected to make arrangements with the municipality for the payment of taxes.

Mr. Brooks: I was thinking of my own town of Sussex. Do they get anything at all from this fund? Sussex, New Brunswick, has a military field and a number of other government properties.

Mr. Abbott: At the present time Sussex does not receive a grant, no.

Mr. Graydon: I want to take but a moment of the committee's time in connection with this item. I have come to the very strong conviction with respect to the question of the relationship between the federal government and municipalities, particularly where there is a concentration of federal properties in that municipality, that some new arrangements should be made with respect to the payment of taxes by the federal authorities. That fact has been largely borne in upon some of us because Toronto township particularly has been experiencing considerable financial difficulties which are perhaps to be expected in the changing conditions that they find there. It seems to me that at the present time there is not very much justification really for the federal government not being