

have thought that perhaps the legislature of a province where these properties might be situated—because they might not be in Ottawa—or the province in question ought at least to have been consulted so that they themselves could have made some provision with respect to their tax structure. I know that you point to the Supreme Court, but the Supreme Court does not answer my question because the Supreme Court is invading, in my opinion, the position as between the dominion and the provinces. I think these trends are extended, and I think the principle now seems to have been established, but I am not sure where we go from here. I am concerned about it and I think the question ought to be raised. However, I am not going to press it at the moment.

Mr. LESAGE: You will remember that I expressed my view to you last summer on the difficulties which the federal parliament faced because of its international obligations and at the same time the difficulty of respecting the autonomy of the provinces. As you know, I have been very concerned about it and my minister has always been very concerned.

You know how strongly I defended the principle with respect to the government including a federal clause in the proposed covenant on human relations.

Mr. GRAYDON: Yes, and I was quite in agreement with it.

Mr. LESAGE: I strongly urged that we should have a federal clause because we feel we should have one to respect the autonomy of the provinces. But this is quite a different position. We are not dealing with an international board or a covenant of law which would affect the jurisdiction of the provinces. Not here. We are dealing with immunities and privileges that have been recognized by our own law and which form a part of the law not only of Canada but of the provinces. That is what the Supreme Court of Canada says. So we are not touching the autonomy of the provinces. We are respecting the law.

Mr. GRAYDON: Whether it be done by this agreement or by a judgment of the Supreme Court, I think we are taking away certain provincial rights which were given to the provinces under the British North America Act, namely, to apply certain taxes from real estate within their domain.

Mr. LESAGE: The privileges and immunities in the international field existed long before the Confederation of 1867 and that is what the Supreme Court says. It has been part of the law of the land even under the French regime.

The CHAIRMAN: Shall article 9 carry?

Carried.

Shall article 10 carry?

ARTICLE 10

While the Organisation will not as a general rule claim exemption from excise duties and from taxes on the sale of movable and immovable property which form part of the price to be paid, nevertheless, when the Organisation is making important purchases for official use of property on which such duties and taxes have been charged or are chargeable, Member States will whenever possible make the appropriate administrative arrangements for the remission or return of the amount of duty or tax.

The WITNESS: Gentlemen, article 10 is to a certain extent included for the purpose of clarifying article 9. But there is one point in connection with article 9 which I intended to mention before coming to article 10, and I realize it was an oversight. Might I go back temporarily to article 9, paragraph (b), the reference to customs duties and quantitative restrictions and