

Supply—Finance

Mr. Sinclair: Yes, three-quarters of the normal taxation rate over four per cent; but in addition to that crown corporations make their own taxation agreements, and aside from that, in the municipalities in which they may be located—

Mr. Macdonnell (Greenwood): Are there not some special agreements in respect of large railway properties?

Mr. Sinclair: Local properties?

Mr. Macdonnell (Greenwood): Where there are large railway properties.

Mr. Sinclair: Yes, but in the regulations that is all spelled out. There are special regulations both as far as crown companies are concerned and also all municipalities where the government comes in and acquires existing property. Even though there was a doubt as to payment of taxes there on the question whether the municipality in question had more than four per cent or not, provision is made for tapering off of taxation, covered by regulations in the *Canada Gazette*, part II, of February 17, 1950.

Mrs. Fairclough: In arriving at the amount of the total assessment, although the crown companies make their arrangement, is their assessment included in the total assessment to arrive at the figure which would determine whether or not they are eligible?

Mr. Sinclair: No, the crown companies pay on their property in accordance with normal taxation procedure.

Mr. Knowles: Is it possible for the parliamentary assistant to say yet how many cities or municipalities in the country are likely to qualify on the basis of the formula that has been established?

Mr. Sinclair: It is not possible to say yet, but the big jobs of course have been Ottawa, Halifax, Esquimalt and Vancouver on the west coast. But out of the pattern of assessments there the branch handling it is getting that work well in hand. Of course a great number of municipalities have made applications, and each of those applications will be processed. At the present time it is hoped that the entire job will be done by the end of this year.

Mr. Adamson: When the government has used the Railway Act as a method of expropriating the properties, will the properties now come under these new amended regulations? I speak of a property in the township of Etobicoke which was expropriated by the Canadian National Railways and on which there has been a great deal of disagreement. Will these come under this act?

Mr. Sinclair: I am informed that, as far as the Canadian National Railways is concerned, the taxation agreement will have to be concluded between the municipality and the railway direct.

Mr. Knowles: Would I be correct in concluding that the cities or municipalities processed thus far have been the ones which it was believed would be sure to qualify?

Mr. Sinclair: Quite right.

Mr. Knowles: On what basis are the cities and municipalities next on the list to be processed?

Mr. Sinclair: I cannot say; but I can say that the city of Winnipeg has a high priority on the list of those about to be processed.

Mr. Higgins: What is the position of a municipality in respect of property occupied by the United States armed forces?

Mr. Sinclair: I am afraid that is a matter which will have to be answered by the Secretary of State for External Affairs.

Mr. Macdonnell (Greenwood): In occupied territory.

Item agreed to.

Contingencies and miscellaneous—

102. Cost of telephone service at Ottawa for all departments, \$415,000.

Mr. Macdonnell (Greenwood): A question arises here which I think was raised by the Auditor General, as to whether it is a sound plan to have a telephone service all paid for by the Department of Finance, that would be covered by this amount, or whether it should not be carried by the relative departments.

Mr. Sinclair: I am informed that if each department handled its own telephone bills it would involve a great deal of detailed accounting for some large amounts, and a great deal of very small amounts, and it was thought best in the interest of economy to have one department, especially the Department of Finance, handling all the local telephone calls and exchanges.

Mr. Macdonnell (Greenwood): I was not suggesting a change in it. My suggestion merely went to the point of having the departments, which I think is not the case now, carry as part of their own expense their share of that amount. I would not suggest it should be done in bits and pieces.

Mr. Sinclair: One difficulty would be the compiling of switchboard costs, because we