

Mr. REID: Mr. Somerville can correct my statement or confirm it. I said the basis was not reciprocal so far as our Legation in Japan was concerned.

Mr. SOMERVILLE: I was not aware that the Japanese Government had a Legation in this country.

Mr. REID: But we have a Legation in Japan. That Legation, as I have said, was erected by our first Ambassador at his own cost, and we paid him so much a year by way of rent. So he would assume all the outlay for water rates. Had the Japanese Legation here been supplied with water up to the time of Pearl Harbour.

Mr. SOMERVILLE: I am not aware that Japan ever had a Legation here.

Mr. REID: Well, they had a Consulate.

Mr. SOMERVILLE: Yes, they had office accommodation on Wellington Street.

Mr. REID: That was not a Legation.

Mr. SOMERVILLE: That would not be a Legation.

Hon. Mr. LAMBERT: Japan had a Minister here the same as other countries have.

Mr. McILRAITH: Just before you leave the question of legations, I understand there was a reference to the Supreme Court in that connection.

Mr. SOMERVILLE: Yes, sir.

Mayor LEWIS: In 1942 the Supreme Court of Canada ruled that legations were not taxable. Up to that time the City of Ottawa was full of legations in private residences taken over by the different foreign powers, and they were paying the prevailing rate of taxation, and for water.

Mr. McILRAITH: Just as if they were private individuals.

Mr. SOMERVILLE: At the present time a settlement has been made between the City and the Government as to legations. It does not in any way enter into the arrangement between the Government and the City on the \$100,000 grant.

Mr. REID: Have you any figures, Mr. Somerville, as to the outlay on water for the legations, and the collections, so that we could actually know who is paying?

Mr. SOMERVILLE: It would not take long to get out such a statement, but I haven't got one with me.

The CHAIRMAN (Hon. Mr. Copp): Will you prepare a statement and let us have it later?

Mr. SOMERVILLE: Yes.

Hon. Mr. LAMBERT: Is it a fact that our relations with the legations in the matter of water rates are based upon the treatment our legations receive in other countries?

Mr. SOMERVILLE: I understand that is the fundamental principle, yes.

Hon. Mr. LAMBERT: If that is true, then the items wash out.

Mr. BOUCHER: I do not think the situation of the legations, so far as water rates are concerned, is really pertinent to our problem, because so far as the City is concerned, to the present they have been regarded as private properties.

Mr. McILRAITH: Not now.

Mr. REID: It is important to this extent: the City may put in a claim, and we should have all the facts set out.

The CHAIRMAN (Hon. Mr. Copp): I understand that Mr. Somerville is going to supply a statement.

Mr. SOMERVILLE: I come now to page 9.