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MEMORANDUM

CABINET WAR COMMITTEE

Re: Compensation to the City of St. John's, Newfoundland,
for damage to streets from Military use

Consideration was given by Cabinet War Committee on May 5th, 1943, to a recommendation from External Affairs that the Canadian government should not offer to pay any fixed sum in lieu of taxes which might be regarded as recognition of liability to taxation, but that a further sum of \$10,000.00 for street repair might be offered to Newfoundland authorities in view of the damage caused to city streets in St. John's by the operation of Canadian military vehicles. Decision on this matter was deferred pending further consultation with the Canadian High Commissioner in Newfoundland.

A report has now been received from the High Commissioner approving the payment of a voluntary contribution of \$10,000.00 a year during the period of the war, but pointing out that, under present arrangements, the city will receive some \$14,000.00 this year from customs taxes collected on coal imported into the St. John's area for use of Canadian troops and for which no request appears to have been made to the city for remission of this tax.

It is suggested by External Affairs that the city should be reminded of the principle accepted by Canada in relation to U.S. forces in Canada that no governmental authority should benefit unduly from the presence of such troops. It is also suggested that the city be reminded that it will have collected some \$14,000.00 this year from the above taxes. A contribution of \$10,000.00 to the city revenues should then be considered additional to the sum collected under this tax, otherwise it may seem to the council to be out of proportion to the damage caused to the streets.

A.D.P. Heeney,
Secretary.

Privy Council Office,
November 2nd, 1943.

Minutes and Documents of the Cabinet War Committee,
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