

properties of that kind are exempt throughout Canada. They, like Government buildings, are owned by the public, and if we are to remove the tax exemption from Government properties, why should we not also remove it from other properties which are exempt?

I think the question is a very dangerous one, and that we had better leave it alone.

Hon. Mr. COTE: I moved that the Bill be referred to a committee—

Hon. Mr. COPP: I submit that my honourable friend is entirely out of order. We have not yet had the second reading. If we had had the second reading, my honourable friend's motion would be in order.

The Hon. the SPEAKER: The question is on the second reading of the Bill.

Hon. Mr. KING: Honourable senators, I spoke before, and I rather thought we were through with the discussion, but I should like to say that the question raised by the honourable senator from Moncton (Hon. Mr. Robinson) and discussed by the honourable member from Vancouver (Hon. Mr. McRae) and others is somewhat broader than what is proposed by the honourable senator from Ottawa East (Hon. Mr. Coté).

Times have changed very much since the day when the Crown was first exempted from taxation. To-day the Crown owns property and buildings for the use of the people. I think the governments of Canada have been very careful in regard to this question. They have recognized the principle that certain services should be paid for; but I do not think that any government heretofore has accepted, or that any government to come will accept, the principle of making an allowance in lieu of taxes on property it owns.

I hope my honourable friend will not press his motion. These are difficult times. This subject has been thoroughly reviewed in the House of Commons, and the members there were satisfied to allow the matter to stand over until the officers dealing with it have had an opportunity to investigate and to report to Parliament.

Hon. Mr. HORNER: Honourable senators, it is not only the cities which have suffered as a result of the exemption from taxation of property owned by the Crown.

Hon. Mr. COPP: Honourable senators, I must point out that my honourable friend is not in order until we have had the second reading of the Bill. Then, if a motion were made to refer the Bill to Committee, all this talk would be in order.

Hon. Mr. BLACK.

Hon. Mr. HORNER: The second reading was taken some time ago.

Hon. Mr. COPP: No.

Hon. Mr. HAIG: On the point of order, I think the honourable gentleman is out of order.

Hon. Mr. KING: The debate is closed.

Hon. Mr. HORNER: I wish to make a few remarks merely for the information of honourable members from the cities. In the rural municipalities of Western Canada a great deal of land is held by the Crown.

Hon. Mr. COPP: I suggest that the honourable gentleman is speaking, not to the second reading of the Bill, but to the motion to refer it to a committee. That is his argument.

Hon. Mr. HORNER: I merely wish to point out that not only have the cities lost money as a result of this exemption, but rural municipalities in Western Canada also have lost huge sums of money by reason of Government-owned lands being free from taxation, although the lands of individual farmers across the road are taxed every year.

Some Hon. SENATORS: Question!

Hon. Mr. LAMBERT: Honourable senators, as the junior member from Ottawa I feel that I should say a word, if I may, in relation to the motion proposed by my senior colleague on the other side of the House (Hon. Mr. Coté).

Hon. Mr. LITTLE: It has not been put yet.

Hon. Mr. COPP: No, it has not been put.

Hon. Mr. LAMBERT: I should like to say a word on it.

The Hon. the SPEAKER: The motion is on the second reading of the Bill.

The motion was agreed to, and the Bill was read the second time.

#### MOTION FOR REFERENCE TO COMMITTEE

The Hon. the SPEAKER: When shall this Bill be read a third time?

Hon. Mr. COTE: Honourable senators, I now move, seconded by the honourable senator from Parkdale (Hon. Mr. Murdock), that this Bill be referred to the Standing Committee on Banking and Commerce.

In support of my motion I shall not add anything to what I have already said, except this. The purpose of the reference is not to make possible a general discussion or study of the relation of the Crown to every muni-