

to pay anything. In 1925 the amount was increased to \$100,000. I know that the Mayor of Ottawa, members of the City Council and citizens in general think this amount is altogether inadequate and, I think I can say, quite unfair.

Right Hon. Mr. MEIGHEN: The honourable gentleman does not suggest that this represents everything the Government gives in return for services rendered?

Hon. Mr. COTE: No. The Government spends other sums in the city of Ottawa.

Right Hon. Mr. MEIGHEN: Vast sums.

Hon. Mr. COTE: It spends sums on—

Right Hon. Mr. MEIGHEN: Parks and improvements, for example.

Hon. Mr. COTE: The Government has set up the Federal District Commission, whose function is to improve the appearance of our city. This was done for the benefit not of citizens of Ottawa alone, but as well of all who come to the city—indeed, of the citizens of Canada as a whole. Even if the entire amount spent by the Government on improvements were added to this \$100,000, the total would still fall far short of what would be equitable taxation on Dominion property in the city.

Personally I do not think the city of Ottawa should be treated in this way. The difference between the cost of civic services rendered to the Government and the amount which the Government pays has to be made up by the citizens of Ottawa.

I can only repeat that this amount of \$100,000 is very inadequate. I hope that in the near future, when this agreement comes up for revision, the Minister who conducts the negotiations on behalf of the Government will not entrench himself behind the legal immunity from taxation which the Government enjoys, but will adopt a fair attitude. I recognize the principle of exempting the Crown from taxation, a principle which comes down to us from the Middle Ages. Since Crown property is held all over the land, I suppose that principle does not, in general, work out to the disadvantage of one community as compared with another; but surely some exception should be made in the application of that principle to a capital city, where the Government maintains its headquarters and administrative offices, vast holdings of properties which are used in the business of the whole Dominion. I submit, honourable senators, that the city of Ottawa should be paid a sum sufficient to compensate it to a reasonable extent for what it loses through non-taxation of Dominion property.

Hon. Mr. DANDURAND: I have previously expressed in this Chamber the opinion that the city of Ottawa should be made a federal district and should be administered by the Dominion of Canada as the District of Columbia is administered by the United States. I am unable to state off-hand just what advantages the citizens of Ottawa would receive through this change, but possibly they would be quite satisfied to live under the administration of a commission appointed by the Dominion Government.

Hon. Mr. COTE: Personally I should not object to a system of that kind. I should be rather in favour of it.

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

THIRD READING

Hon. Mr. DANDURAND: Honourable senators, with leave I would move that the Bill be read a third time now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill L2, an Act to incorporate The Mercantile Fire Insurance Company.

The motion was agreed to.

THIRD READING

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

Hon. Mr. LITTLE: With leave of the House I move that the Bill be read a third time now.

Right Hon. Mr. MEIGHEN: I understood the committee had recommended that the name of the company be changed by addition of the word "Canadian."

Hon. Mr. LITTLE: Yes. The name was changed in committee to "The Canadian Mercantile Fire Insurance Company."

Hon. Mr. MURDOCK: We have just adopted the committee's report, which contains a number of amendments, including that to the name of the company. If we pass the present motion we shall be giving third reading to the Bill as amended.