

Supply—Transport

TAX AGREEMENTS

COMPENSATION TO PROVINCES IN LIEU OF
INCOME AND OTHER TAXES

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to authorize,

(a) The Minister of Finance, on behalf of the government of Canada, to enter into agreements with the governments of the provinces to provide, subject to terms and conditions to be agreed upon, that in consideration of the said governments agreeing not to levy income tax, corporation income tax, corporation tax or succession duties for a period of five years ending on December 31, 1951, or any lesser period ending upon the said day, the government of Canada will pay compensation to the said governments; and

(b) The Minister of Finance to pay to the government of each province one half of the income tax collected from corporations whose main business is the distribution to or generation for distribution to the public, of electrical energy, gas or steam in respect of income of the corporations derived from the said distribution or generation in that province during the period commencing on January 1, 1947, and ending on December 31, 1951.

Motion agreed to and the house went into committee, Mr. Macdonald (Brantford City) in the chair.

Mr. ABBOTT: This resolution is pretty well self-explanatory. With the permission of the committee I shall furnish such detailed information as I have to give on second reading of the bill when the house will have the terms of the bill before it.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 411, to authorize the government to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

At six o'clock the house took recess.

After Recess

The house resumed at seven o'clock.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

DEPARTMENT OF TRANSPORT

402. Departmental administration, \$544,000.

Mr. BENTLEY: Before we go on to the itemized parts, I wish to say that I have been looking through these items and do not see

[The Chairman.]

a particular place for any railway construction at all in Saskatchewan. So I shall have to take advantage of the first item to deal with the matter that I wish to bring to the minister's attention. It has to do with that unoperating section of the branch line which runs from Gravelbourg to Swift Current, but ends for operational purposes at Neidpath, a hamlet about thirty miles east of Swift Current. While most of the track, or all of it is laid, it is still called "under construction", and no service is given to the people in that thirty-mile gap. Most of that gap lies within the rural municipality of Coulee, No. 136.

Hon. LIONEL CHEVRIER (Minister of Transport): What is the name of the line?

Mr. BENTLEY: It is the Canadian National branch line from Moose Jaw, down through Gravelbourg, Neidpath and that section. I do not think it has any particular name. If it has I do not know of it. It is just part of the Canadian National system. The people in there are quite concerned about getting a railway service, because, while trucking services are fairly general, all the roads and highways do not lend themselves to some of the rapid movement which is required for larger bulk shipments. The secretary of the municipality has written a letter to the president of the Canadian National Railways, embodying a resolution which was passed by the municipal council, and a copy of which was sent to me. The letter was written on May 5, so that the Canadian National Railways have had quite a bit of time to consider this matter. I think I will put the resolution on the record. It reads:

That some action be taken by the executive of the Canadian National Railways to do away with the term "under construction" when referring to the portion of the Gravelbourg-Neidpath (extension) subdivision—

That is the name of it, I expect.

—being approximately 29.75 miles located between the hamlet of Neidpath and the city of Swift Current, and that a regular train service be instituted on this portion of this line. A copy of this resolution be forwarded to the federal member for Swift Current constituency.

I want to give the minister a little bit of statistical information about that part of the country so far as it relates to the rural municipality of Coulee. There are approximately 158 farmers in that area, which has a total acreage of 93,652 acres, 55,378 acres of which are cultivated. The assessed value is