

about the C.N.R., it has to be considered on the basis of the relationships of its competitor and what the C.P.R. has in the way of statutory tax exemptions. You have the same thing in the nature of the National Harbours Board. The functions of these crown companies are so different that it takes a long time to arrive at some firm decision. But, it is being studied as a result of this bill.

Mr. MICHENER: Yes, and the principle on which it is being studied is that all crown property, which is receiving municipal services, should pay, even though they are not directly owned by the crown. When that is accomplished, it will remove, it seems to me, the inconsistencies or weaknesses of this present legislation.

The CHAIRMAN: It is a principle that has not been recognized in the provinces yet.

Mr. MICHENER: The province of Ontario has been paying taxes on provincial property since 1952, I think, but I am not just sure how far it goes.

It seems to me that we have a sound principle in removing exemptions, which the crown has had from time immemorial, with respect to paying for the services which the municipalities supply. We ought to try to make it as inclusive and complete as possible. I have been looking at the bill from that point of view. We are told that some crown property, which is in all respects the same as that owned directly, but which is owned by a corporation, is dealt with by negotiation, or by the application of what the directors see fit to do.

The CHAIRMAN: I think it is just part of the problem that has baffled them so far. It would be quite difficult to work out some formula of taxing the Ontario Hydro in every municipality, and so on. It would be a big task. I am not saying it cannot be done. It probably will be done eventually.

Mr. MACDONNELL (*Greenwood*): I think this has a bearing on this issue, and if I may be allowed to read from the definitions in Clause 1, that which appears on the top of page 2—

The CHAIRMAN: I wonder, Mr. Macdonnell, if we could have the detailed questions when we come to the sections?

Mr. MACDONNELL (*Greenwood*): The only thing is, we are discussing the principle applied to crown corporations, and if I might be allowed to read this I think it has a bearing on it.

The CHAIRMAN: We are discussing the principle applied to crown corporations, but actually it has nothing to do with this bill, has it?

Mr. MACDONNELL (*Greenwood*): I think if I read this subclause, Mr. Chairman, you may think that it has.

If I read it correctly, it does not include: "real property under the control management or administration of the National Railways as defined in the Canadian National-Canadian Pacific Act, or a corporation, company, commission, board or agency established to perform a function or duty on behalf of the Government of Canada."

The CHAIRMAN: Yes.

Mr. MACDONNELL (*Greenwood*): That seems to me, by this wording, to exclude crown corporations. Is that the way you read that?

The CHAIRMAN: Yes.

Mr. MACDONNELL (*Greenwood*): They exclude them.

The CHAIRMAN: Right.

Mr. MICHENER: I have been thinking about the same difficulty that we have been discussing here, and how it can be dealt with. This bill is a