

Hon. Mr. HAIG: That is usually the effect on Government officials. I do not blame them for their attitude, which probably would be mine were I a Government official. This is the Capital of the Dominion, and we ought not to forget our obligation to the City. If the Government desires to move any of its departments, I can promise accommodation in the city of Winnipeg free of taxes. For instance, we should be glad to accommodate the Department of National Revenue and the Department of the Interior. In the United States the Government has, since the war started, been moving some of its non-war departments out of Washington.

Hon. Mr. MORAUD: And some of its war departments too.

Hon. Mr. HAIG: I was not aware of that. But I want to warn Ottawa: if any of our Government departments are moved out of the Capital they will never be brought back. I suggest that the Bill be referred to our Standing Committee on Banking and Commerce. This would give us something to do.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. HAIG: Then the honourable senator from Parkdale (Hon. Mr. Murdock), who, I am told, spends some of his time in Ottawa—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: —could attend the committee, as could other honourable senators, including the honourable member from Moncton (Hon. Mr. Robinson). I suggest to the leader of the Government that we should like to have something to do. We members of the Divorce Committee can tell other senators what work is.

Hon. Mr. LITTLE: I am very glad that this proposal has some support from other than the interested deputies.

Hon. A. D. McRAE: Honourable senators, I agree entirely with the honourable member from Moncton. I think the suggestion to refer this Bill to our Standing Committee on Banking and Commerce would open up what is a burning question in many of our cities, and you would have the representatives of city corporations from Vancouver to Halifax coming here to present their case and appeal to us for support. This, I fear, would distract the attention of our people at a time when they should be devoting their every effort towards winning the war. I think we should be ill-advised to attempt to deal with the matter, particularly in view of the fact that negotiations are proceeding between the

Department of Public Works and the Corporation. Every municipality would like to tax Government property, and if once we open up this question we shall have them on our doorstep. I for one would certainly not support any proposal to refer the Bill to committee.

Some Hon. SENATORS: Question!

Hon. J. A. CALDER: Since this discussion started, one thing has been turning itself over in my mind: why we continue this tax exemption of Government buildings. Why should not the State pay civic taxes on its buildings? The people of Canada, through their Government, may decide to put up a building in the City of Toronto to carry on certain Government work for the people. Why should not all the people of Canada pay a tax on that building just as the citizens of Toronto pay a tax on every building which they erect? Take all the Government buildings across Canada: why should they continue under the protection of a law, at least ten centuries old, exempting the Crown from payment of taxes? After all, the Crown now is the people; and if certain properties and buildings are required for the purpose of carrying on business in the interest of the people as a whole, then why should not those properties and buildings be subject to taxation? Tax exemption of Government property is merely a perpetuation of the medieval right of the King to be exempt from taxation. That right does not exist now. The King does not own this building. The people of Canada own it and all the other buildings we occupy and use. Why should the State not pay taxes to the municipalities in which its buildings are located?

Hon. F. B. BLACK: Honourable senators, this is a very large question. I agree, I think, almost entirely with the remarks of the honourable senator from Vancouver (Hon. Mr. McRae). It is quite true that the system of exempting Government property from taxation is inherited. It has come down to us from the days when the King owned all the property under his jurisdiction. But, as the honourable senator from Moncton (Hon. Mr. Robinson) and the honourable senator from Vancouver (Hon. Mr. McRae) have said, if we undertake to investigate the Ottawa situation we shall be asked to investigate the situation in Moncton, Saint John, Vancouver, Toronto, and every other town where there is Government property.

After all, we must remember that Government property is not the only property that is exempt from taxation. Churches, hospitals, buildings used for charitable purposes, and