

Questions

Hon. E. J. Benson (Minister of Finance):
1. Payments under the Municipal Grants Act, R.S.C., 1952, c. 182, as amended, by

province during the years 1963-64 to 1967-68 were as follows:

Province	Amount of Payment (Dollars)				
	1963-64	1964-65	1965-66	1966-67	1967-68
Newfoundland	162,169	76,200	394,332	220,241	209,983
Prince Edward Island	129,573	120,887	171,644	155,377	159,442
Nova Scotia	3,628,011	2,582,672	2,982,208	2,855,309	2,837,334
New Brunswick	779,926	1,573,086	1,254,949	963,472	363,072
Quebec	4,605,709	7,491,881	7,008,359	7,354,395	8,095,850
Ontario	14,441,308	15,452,445	16,814,122	17,452,941	19,337,426
Manitoba	1,882,411	2,259,318	1,980,941	2,014,545	2,541,837
Saskatchewan	943,960	1,005,386	1,151,816	1,164,104	1,218,501
Alberta	2,050,474	2,162,148	1,908,909	2,207,699	2,230,721
British Columbia	2,743,088	2,704,449	2,779,417	3,006,950	3,223,802
Total	31,366,629	35,428,472	36,446,697	37,395,033	40,217,968

2, (a) and (b). Policy statements of a general nature have been given on two occasions as follows: In a statement to Parliament on November 14, 1949 the Minister of Finance explained a new government proposal for the payment of grants in lieu of municipal taxes on properties of federal departments. He also indicated that the federal government would, if Parliament approved the new grant policy for municipalities, authorize its Crown corporations to work out fair and equitable arrangements with the municipalities in which their properties were situated.

On May 15, 1967, following a review by Cabinet of Crown corporation practice concerning grants in lieu of real property taxes, Ministers responsible for Crown corporations were advised of general policies to be followed in respect of such grants. These policies were that Crown corporations should pay full grants in lieu of real property taxes on property which they owned and occupied in respect of municipal fiscal years commencing after December 31, 1968 if they were not already doing so. It was noted that Crown corporations should exercise their own discretion concerning the meaning of full grants in lieu of taxes, but that they should pay in respect of real property tax on a basis generally not less favourable than that provided in the Municipal Grants Act concerning payments on departmental properties and that they should pay in full in respect of local improvement and frontage charges wherever the services financed by such charges brought significant benefit to their properties.

[Mr. Fortin.]

In addition to the foregoing, the government has formulated specific policies concerning grants by particular Crown corporations. For example the National Harbours Board was authorized in 1967 to increase the scale of its grants from a 1965 basis of 50 per cent of the formula contained in the Municipal Grants Act to 62½ per cent for 1966, 75 per cent for 1967, 87½ per cent for 1968 and 100 per cent for 1969 and subsequent years. With respect to government owned railways entrusted to the Canadian National Railways for management, the policy now in effect developed from an undertaking to Parliament by the Minister of Transport on September 8, 1966 in connection with the debate on the motion for second reading of Bill C-231, the National Transportation Act. The Company now pays grants in lieu of normal real property taxes, local improvement charges, business taxes and license fees imposed in lieu of business taxes, subject to certain limitations. Grants in lieu of taxes are not paid in respect of personal or movable property or in respect of property which would be excluded under Section 2(c) (iii) of the Municipal Grants Act such as tunnels, bridges, pole lines and trackage. Local improvement charge grants are not paid in respect of work bringing no significant benefit to Railway property. Business tax grants are subject to a general limitation that the rates and bases used in calculating the grants are not to be such as to discriminate against the Railway either in respect of competing forms of transportation or in respect of business generally.