

where special circumstances require some discussion. Halifax is a typical example where there are two rates, one for commercial property and one for residential property. It requires some judgment as to what class property comes under.

Q. In practice under this act would you invite the municipality to give you an assessment notice just as it does to others?—A. We usually receive the assessment notice, although we do not require it. We require that they file an application and give us the assessed value of the property which amounts to the same thing.

Q. And from that point you endeavour to determine whether or not there has been a fair assessment?—A. Yes.

Q. And the minister has the discretion to fix the accepted value. Have you calculated the additional amount of money which will be paid to the municipalities under this bill as compared to last year?—A. We anticipate it will be just about doubled, but we do not know, frankly, what the accepted value of our property is in all the municipalities.

Q. What is the total grant paid this year?—A. About \$9,500,000. We anticipate that it will run somewhere between \$16 and \$20 million, probably \$18 million or \$19 million.

Q. That is on the basis of the definition re property contained in the amending bill.—A. Yes.

Q. Which excludes all crown corporations?—A. Crown corporations are not concerned in this bill at all.

Q. Will you tell us what is the practice in respect to real estate and crown corporations, and how the crown corporations are taxed now or how the equivalent of the taxes is paid by them. Is there a uniform practice?—A. No, there is not, sir. There are a great variety of practices. It is complicated by the fact that there are a great many statutory exemptions. The C.N.R. has statutory exemptions given to it by the provinces. These statutory exemptions refer back to some of the old private railway companies that have since been taken over by the existing company.

Mr. BENEDICKSON: The C.P.R. also has similar exemptions, which makes it very difficult.

By Mr. Michener:

Q. Take for an example a corporation such as Polymer.—A. Polymer pays full taxes.

Q. They pay full taxes?—A. Yes, almost, if not completely.

Q. They do that voluntarily, do they?—A. Yes. There is no legal liability upon a crown corporation to pay taxes.

Q. Are there any that do not pay taxes, other than those that are exempted by provincial or municipal law?—A. As far as I know, sir, there are none that do not pay something. There are some that do not pay the equivalent of full taxes.

Q. What I am driving at, Mr. Chairman, is that here is a bill which accepts an obligation, in respect of federal property, to pay the equivalent of the normal municipal taxation. But, it does not bring all federal property in. It leaves out the properties of the crown corporations. Apparently the principle, that they should pay the same rate of tax, is acceptable, and I wondered why it was not possible to bring them all under the same law rather than leaving it to the discretion of the corporations to make their own deals.

Mr. BENEDICKSON: That problem is being considered as a result of the elimination of this 2 per cent floor. But it is very complicated because of the difference in the roles of these corporations. As I say, if you do anything