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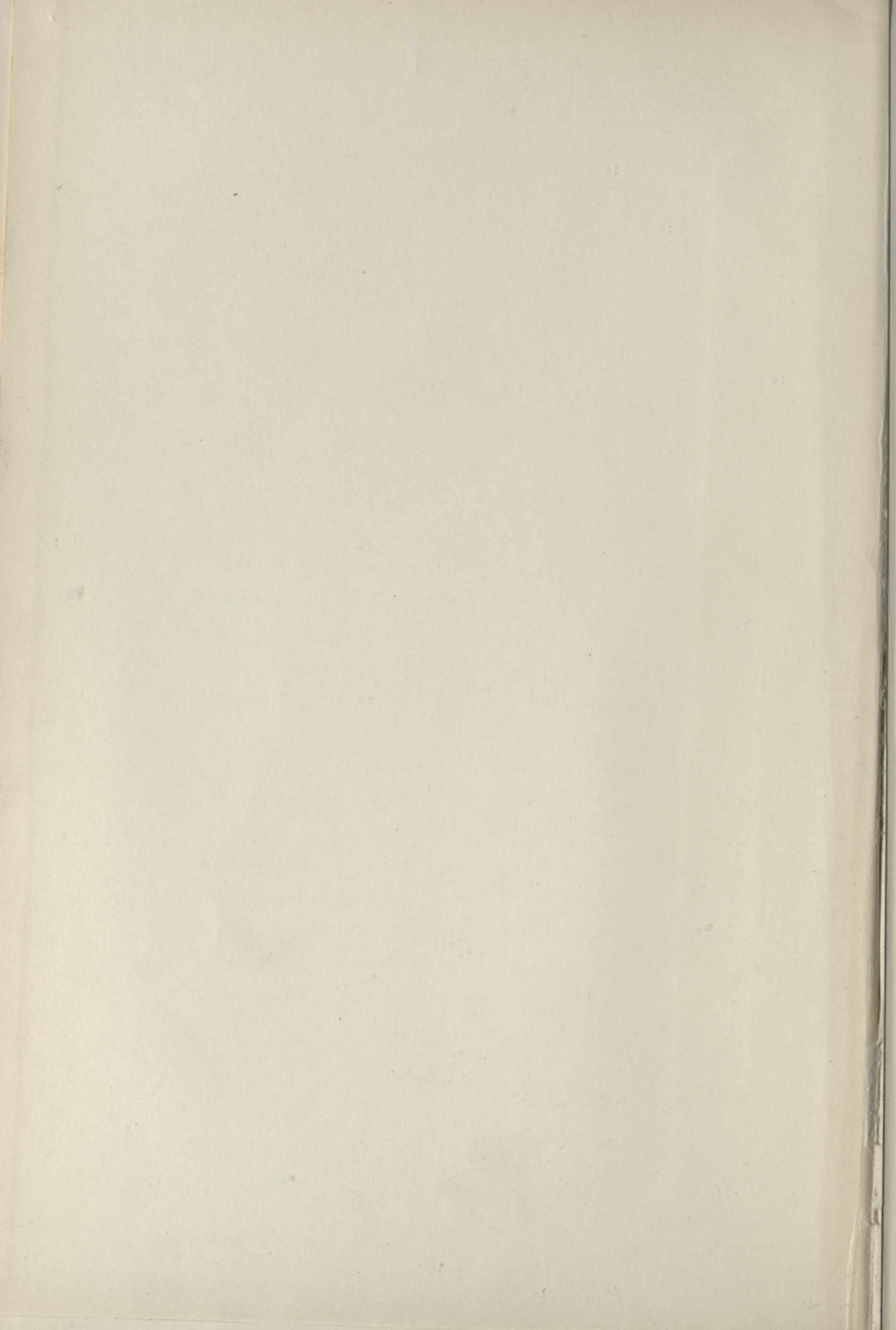
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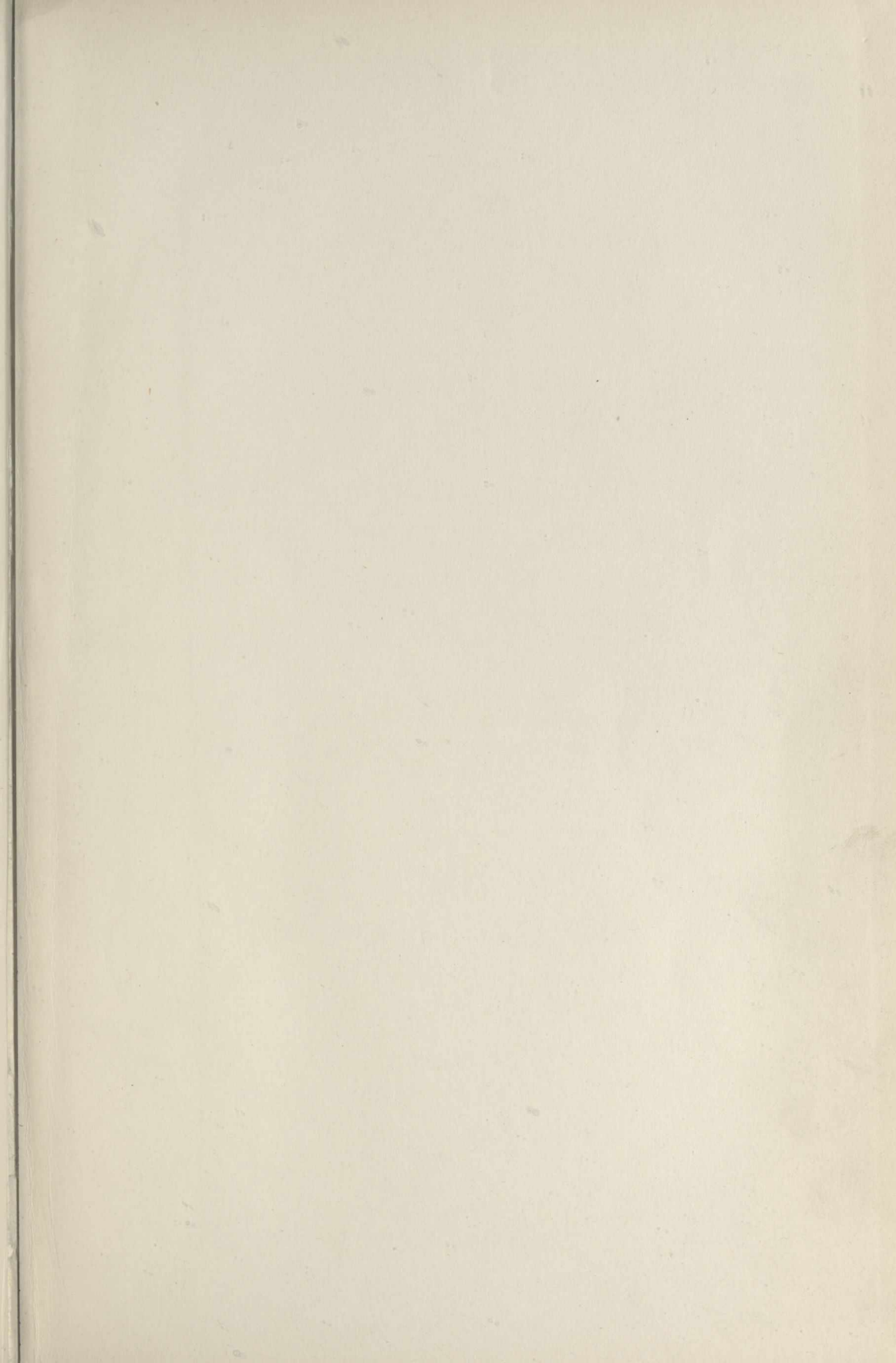
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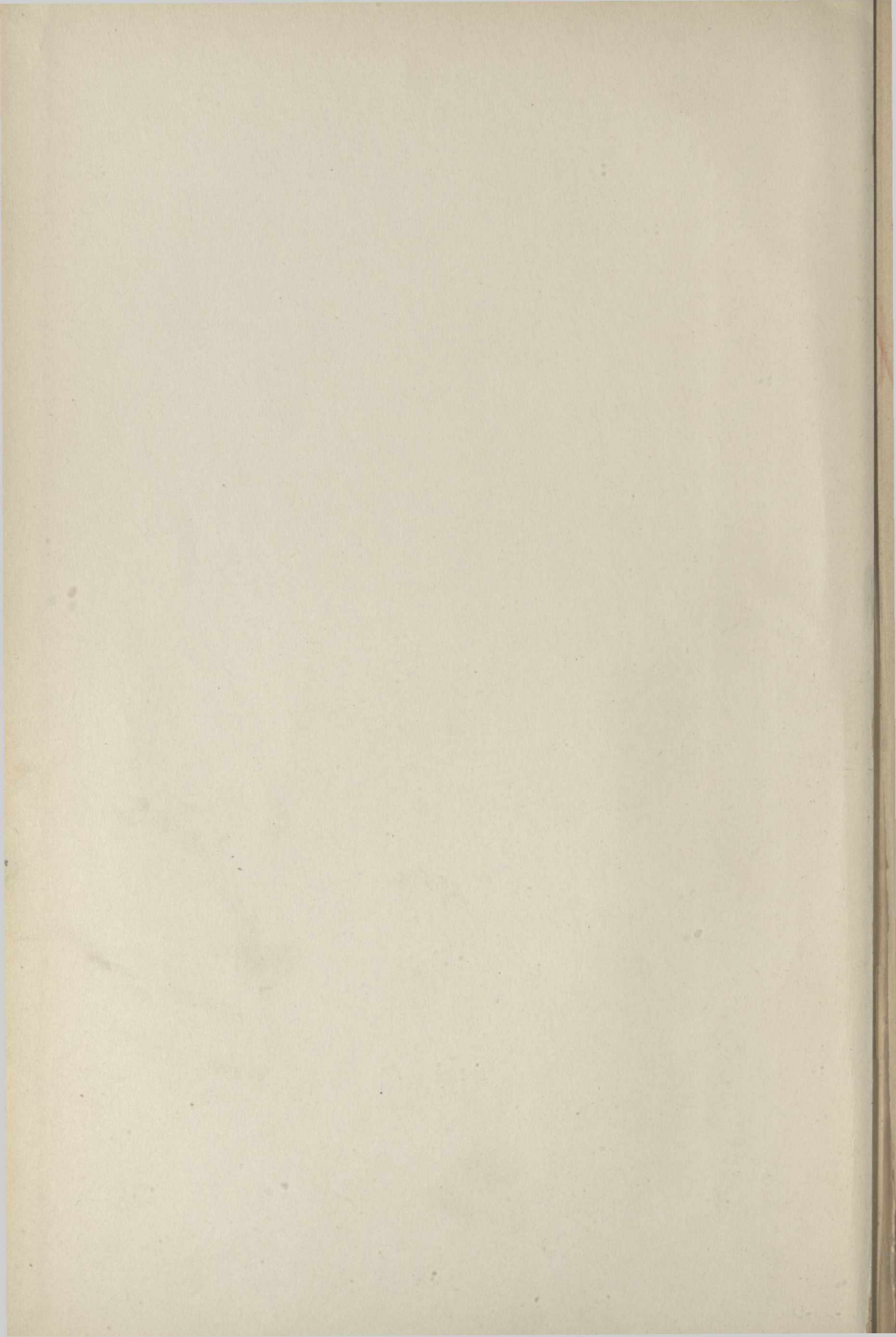
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SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat of Government in the City of Ottawa and to Report on the Relations Between the Federal Government and Municipal Authorities of the said City and the Relative Responsibilities in Respect of Such Problems with Power to Inquire into the Matter and Things Therein Referred to.

No. 1

WEDNESDAY, JUNE 7, 1944

WITNESS:

His Worship Mayor Stanley Lewis, of Ottawa

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,
and Honourable Senators:

DuTremblay, P. R.
Lambert, N. P.
Leger, A. J.

Stevenson, J. J.
White, G. V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,
and Messrs:

Boucher, G. R.
Coté, P. E. ✓
Dechene, J. M. ✓
Hill, B. M.
Knowles, S. A. ✓
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J. ✓
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A. ✓
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White, be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

THURSDAY, 1st June, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Present:

SENATE: The Honourable Senators Copp, Lambert, Leger and Stevenson—
—(4).

HOUSE OF COMMONS: Messrs. Coté, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), Pinard, Purdy and Reid—(10).

On motion of the Honourable Senator Lambert, the Honourable Senator Copp was elected Chairman of the Senate Section of the Committee.

On motion of Mr. Matthews, M.P., Mr. Gregory, M.P., was elected Chairman of the House of Commons section of the Committee.

On motion of Mr. Reid, M.P., it was—

RESOLVED to report recommending that the quorum of the House of Commons section of the Committee be reduced to six members.

On motion of the Honourable Senator Leger, it was—

RESOLVED to report recommending that the quorum of the Senate section of the Committee be reduced to three members.

On motion of the Honourable Senator Stevenson, it was—

RESOLVED to report recommending that authority be granted to print, from day to day, 500 copies in English and 200 copies in French of the proceedings of the Committee, and that Rule 100 be suspended in relation thereto.

Following discussion as to the procedure to be followed in the conduct of the inquiry, it was—

RESOLVED that the Joint Chairmen, the Honourable Senator Lambert and Messrs. McIlraith, McLean (*Simcoe East*) and Knowles, be appointed a Sub-Committee on agenda, and that the quorum of the Sub-Committee be fixed at four.

At 12 o'clock noon, the Committee adjourned to Wednesday, 7th June instant, at 11 a.m.

Attest.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

WEDNESDAY, 7th June, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Present:

The Honourable Senator Copp, Chairman of the Senate section, presiding.

SENATE: The Honourable Senators Copp, Lambert and Stevenson—(3).

HOUSE OF COMMONS: Messrs. Boucher, Coté, Hill, Knowles, Marshall, Matthews, McLraith, McLean (*Simcoe East*), Pinard, Purdy, Reid and White—(12).

In attendance:

The Official Reporters of the Senate.

Mr. J. M. Somerville, Secretary, Department of Public Works.

Mr. H. R. Cram, Secretary, Federal District Commission.

His Worship Mayor Lewis; Controllers Bourque, Geldert, Goodwin and McRae, and Aldermen Coulter, Hamilton, Pinard and Powers, appeared as representatives of the Ottawa City Council, and were introduced by Mr. G. J. McLraith, M.P. for Ottawa West.

His Worship Mayor Lewis was heard, and at his request a delay of approximately two weeks was agreed upon to enable the Ottawa City Council to prepare and submit a brief on behalf of the Municipal Corporation of Ottawa, sufficient copies thereof to be furnished the Clerk of the Committee for distribution to Members of the Committee in advance of the next meeting of the Committee.

At 12 o'clock noon, the Committee adjourned to the call of the Chairmen.

Attest.

A. H. HINDS,

Chief Clerk of Committees, the Senate.

Clerk of the Joint Committee.

MINUTES OF EVIDENCE

THE SENATE,

WEDNESDAY, June 7, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Hon. A. B. Copp, P.C., Chairman, Senate Section, presiding.

The CHAIRMAN (Hon. Mr. Copp): Gentlemen, unfortunately the Chairman of the House of Commons section of the committee is not able to be with us this morning. The other day the committee had an organization meeting and appointed a steering or agenda committee which, I understand, suggested that we should hear this morning from representatives of the City of Ottawa. His Worship the Mayor of Ottawa and other members of the Board of Council and of the City Council are present, and I would ask Mr. McIlraith, M.P. for Ottawa West, to introduce the delegation to the committee.

Mr. McILRAITH: Mr. Chairman, gentlemen, I understand that the City appointed a committee to deal with the preparation of the City's case. We have with us this morning, as head of the City's delegation, Mayor Stanley Lewis, whom I think most of you know. He has been Mayor of Ottawa for a good many years. Those of us who have to face election periodically will agree that that is as good a thing as can be said about any man, that he has been re-elected a number of times.

The City Council of Ottawa is composed of the Mayor, four Controllers and two Aldermen each from eleven wards. In addition to the Mayor, the other members of the City's committee appointed to deal with this matter are the four Controllers—Controllers Geldert, Bourque, McRae and Goodwin—and four Aldermen—Alderman Hamilton, from Dalhousie ward; Alderman Major Pinard, from St. George's ward; Alderman Powers, from Rideau ward, and Alderman Coulter, from Riverdale ward.

The CHAIRMAN (Hon. Mr. Copp): Is it the pleasure of the committee to hear His Worship the Mayor? Carried.

His Worship the Mayor of Ottawa, Mr. STANLEY LEWIS: Mr. Chairman, gentlemen, I received a communication from the Chief Clerk of Senate Committees, and Clerk of the Joint Committee, under date of June 3, 1944, which reads as follows:—

I am directed by the Joint Committee of the Senate and the House of Commons appointed to review the relations between the Federal Government and the City of Ottawa, to request your appearance before the Committee on Wednesday, 7th June instant, at 11 a.m. in Senate Committee room No. 262, together with such other civic officials as you may designate.

For your information I enclose a copy of the Resolutions of both Houses appointing the Joint Committee.

This is the first official notice we have received from the Government of Canada that such a committee had been set up, and our first invitation to appear before your honourable group.

May I also read the following letter which I addressed to the Prime Minister on the 4th of April, 1944:—

Rt. Hon. W. L. MACKENZIE KING, P.C.,
Prime Minister of Canada,
Ottawa.

Dear Mr. PRIME MINISTER:

The following motion was unanimously adopted by our City Council last night at its regular meeting:—

That His Worship the Mayor of Ottawa be, and hereby is, authorized by Council to request the Right Honourable the Prime Minister to appoint a Committee representative of the Federal Government and Parliament of Canada to meet in conference with a Committee of Council to be appointed by His Worship the Mayor, for the purpose of discussing the relationship and financial agreements existing between the Dominion of Canada and the Municipal Corporation of the City of Ottawa, with a view to formulating and recommending a revised agreement which will be mutually equitable as between the Dominion of Canada and the City of Ottawa.

On behalf of City Council I beg to urge, Mr. Prime Minister, that the Government take action immediately to set up a Committee so that the whole matter may be gone into during this present session of Parliament. We are prepared to meet with a Government Committee at once.

Sincerely yours,

(Signed) STANLEY LEWIS,
Mayor.

Under date of April 4 the Prime Minister replied to me as follows:—

His Worship, Mayor STANLEY LEWIS,
Ottawa, Ontario.

My dear Mr. MAYOR:

I wish to acknowledge your letter of to-day's date, setting out a motion adopted at last night's regular meeting of the City Council, with regard to a conference between a committee of the City Council and members of the Government of Canada.

The City Council's request will be brought before the Cabinet at an early meeting, in order that arrangements may be made for a meeting with the City representatives for the discussion of the relationship between the Municipal Corporation and the Government. Thereafter, I shall be glad to see that arrangements are made, through your office, for a mutually convenient time for the meeting.

Yours sincerely,

(signed) W. L. MACKENZIE KING.

In view of items that appeared in the newspapers as to the set-up of the Joint Committee of the Senate and House of Commons to consider the relations

between the Government and the City, and acting under the instructions of Council, I am sending this communication to Mr. Hinds, under to-day's date, June 7:—

Arthur H. Hinds, Esq.,
Chief Clerk of Committees, the Senate,
Clerk of the Joint Committee,
The Senate,
Ottawa.

Dear Mr. HINDS,—I acknowledge receipt of your letter of the 3rd June advising of the meeting of the Joint Committee of the Senate and the House of Commons appointed to review the relations between the Federal Government and the City of Ottawa on the 7th June and enclosing copies of the Resolutions of both Houses appointing the Joint Committee.

Acting under instructions of City Council's motion of the 3rd April, copy of which is attached, I have appointed the following members of City Council to be a Committee of Council:—

| | |
|--------------------------|--------------------------|
| Controller G. M. Geldert | Controller E. A. Bourque |
| Controller F. McRae | Controller G. W. Goodwin |
| Alderman L. L. Coulter | Alderman W. Hamilton |
| Alderman J. Powers | Alderman A. Pinard |
| and myself. | |

Yours sincerely,

(signed) J. E. S. LEWIS,

Mayor.

I hope, gentlemen, that in the friendly discussions between the different groups represented here to-day we shall keep clearly in sight that we are dealing with the nation's capital, and that our primary object is to try to arrive at some equitable adjustment of the financial set-up as between the City and the Dominion Government. That is the main reason for our asking for this conference.

I hope also that this inquiry will not become, as it were, an examination for discovery. This is a big thing we are dealing with to-day. It is our hope that the committee will sit jointly with our Committee of Council as a kind of arbitration board, rather than subject our civic members or officials to cross-examination as to the why and wherefore of our stand with regard to relations between the City and the Government. Perhaps I may be deemed presumptuous in expressing my views as to the procedure of your committee, Mr. Chairman, but I believe we are on firm ground in claiming that we, as elected representatives of the people, should be able to sit in with other elected representatives of the people on an equal footing in dealing with this very vital matter, the conclusions in regard to which will affect not only the Ottawa of to-day but of sixty, seventy or a hundred years hence, in fact so long as the capital is located in this area.

These are my opening remarks, Mr. Chairman. If there are any questions that I can answer I shall be glad to do so.

Mr. REID: Mr. Chairman, the Mayor's opening remarks were splendid, but it seems to me that there is a slight misunderstanding. He has expressed the hope that this committee will not resolve itself into a court of inquiry. My viewpoint is that we must ask questions in order to secure the fullest possible information. I may have certain questions to put to His Worship, but I should not like him to interpret them as inquisitorial.

Mayor LEWIS: No, I do not think we shall get into any disagreement in that respect.

The CHAIRMAN: Does anyone wish to ask His Worship the Mayor any questions?

Mr. BOUCHER: I wonder whether the Mayor has any suggestions to make as to what procedure this committee should follow. He has stated that he would like to have a committee set up of the type of a board of arbitration, composed of members of both Houses of Parliament and of the City Council. This committee, under the terms of reference, is a joint committee of both Houses. Therefore I take it that members of the City Council are not members of this committee, but are present to make such submissions on behalf of the City as they may see fit.

The CHAIRMAN: Have you, Mr. Mayor, any further remarks to make in reply to Mr. Boucher?

Mayor LEWIS: Mr. Chairman, in reply to Mr. Boucher, some time ago a Committee of Council made an examination of the financial set-up between the Government and the City, but its report is not yet in proper form to be presented to this honourable group. We should like to have sufficient time in order to present to this committee a formal brief on behalf of the City. Attached to this brief would be a map of the city showing the Government holdings. We should also like to present to you, as suggested at your opening meeting, a list of buildings and properties owned by the Government and taken off the tax roll—in some cases from the original old Bytown days, but mostly in recent years; and a list of new properties taken over by the Government. After your committee has an opportunity of looking over this information you will be in a position to base questions on it.

Mr. BOUCHER: But the terms of reference of this committee go much further than the purely financial question, and empower us to inquire into and report upon the general relationship of the municipality to the Dominion Government and, through it, to the Dominion of Canada. That being the case, and the City Council being aware of the fact, as is evidenced by its letter to the Prime Minister, I take it that the Mayor has a suggestion to make to us as to our procedure in that regard.

Mayor LEWIS: Yes, we will deal with that point if you will allow us sufficient time to prepare our brief.

Mr. BOUCHER: What time would the Mayor suggest?

Mayor LEWIS: At least two weeks. I think that would give us sufficient time.

Mr. REID: Would His Worship also include in the City's brief a complete factual statement of all property exempt from taxes, that is, not only Dominion Government properties, but also provincial Government properties? That is the only way in which we can get a complete picture of what bearing this tax exemption has on local taxation.

Mayor LEWIS: We can give the committee a complete set-up along those lines.

Mr. PURDY: The statement should also show year by year the increase in tax exempted properties.

Mayor LEWIS: Yes, we can furnish a complete statement. This is only my personal opinion, Mr. Chairman, but I think that before any one of us representatives of the City is asked any questions which might catch us off guard, we be allowed to present this information to you, so that we shall then be in a position to answer any questions which members of the committee may desire to ask us.

Mr. McLEAN: Mr. Chairman, probably the time given the civic representatives to present their case is a little short to achieve the object which this steering

committee had in view in arranging to-day's meeting. At that time it was thought that the best approach to the question would be, first, to hear the case for the City in support of its claim for a revision of the present financial arrangements with the federal Government.

I would like to add to what Mr. Reid said to His Worship the Mayor. When the City makes its representations to us, it will be necessary for us to question the Mayor and his colleagues very closely with respect to the data submitted.

There are really two aspects to this question. The immediate one in which the City is very much interested is a revision of the existing financial arrangements between it and the federal authorities. It might be well to dispose first of all of that immediate question. But there is the broader aspect which has been referred to, and that is in regard to changes in the general set-up here—something which we might deal with at a later meeting.

I think, Mr. Chairman, in view of what His Worship has said and of the consideration which I have mentioned, we ought to arrange a date to be set by him.

Mr. REID: In view of the fact that the City requires further time to prepare its case properly, I would suggest that it would be advisable to have the Department of Public Works come before us in the interim and recite to us fully the history of the relations between the civic and the federal authorities.

Mr. BOUCHER: Mr. Chairman, perhaps His Worship could give this committee an idea of how and through whom he would present the various data in support of the City's case. The City Council is dealing primarily with the financial problem, and if we had the data before us in good time we could better organize our work. Perhaps His Worship can tell us what the City of Ottawa proposes to do by way of having its officials present the various data to us.

Mr. McLEAN: Mr. Chairman, the Mayor has already said that he is not quite prepared to go ahead to-day, and I do not think it is fair to ask him now to present a partial picture of what he proposes to present to us. He ought to be given an opportunity to prepare his statement in his own way.

Mr. BOUCHER: I am merely asking whether the Mayor has a rough summary of the City's problems and how those problems will be presented to us, so we can arrange our deliberations to suit his convenience.

Mr. McLEAN: But any presentation he makes now will be open to question, and he will not be prepared to go on.

Mr. McILRAITH: Mr. Chairman, I am a little disappointed that the City is not prepared to proceed to-day. It has had notice since April 21, when this committee was forecast by the Prime Minister.

I should like to ask that when submitting its brief the City present this further information:—

A statement of all assessed values of all taxable real property for each of the last twenty-five years; a statement of the assessed values of all exempt real property for each of the last twenty-five years.

A breakdown for the year 1943 of all the exempt real property, showing the ownership, that is, how much is owned by the Dominion Government, how much by the provincial Government, and so on.

A statement of all taxable real property expropriated in each of the last twenty-five years by the Crown.

A statement of all exempt property expropriated by the Crown in each of the last twenty-five years.

If we could have those data at an early date I think it would simplify our procedure in examination and be very helpful.

Mr. PINARD: Why limit it to twenty-five years? This is no Silver Anniversary affair. I believe the first expropriation took place in 1906, some thirty-eight years ago. Let us have it all.

Mr. McILRAITH: Nothing turns on the number of years back. The committee could fix any time limit it wished. My suggestion simply was that if those details were given by the City they would be very helpful to members of the committee.

Mr. PURDY: I would suggest that a copy of the City's brief be distributed to every member of the committee two or three days before our next meeting, so that we would not have to spend time here in finding out what submissions the City was making.

Hon. Mr. LAMBERT: Mr. Chairman, if the Mayor is in a position to place before this committee a statement of claim on the basis of which some increase in the present grant is being recommended, then that statement of claim and other information, including the details that Mr. McIlraith has mentioned, might be submitted to this committee as a basis of discussion and be printed in the official report of our proceedings. The committee then would study the City's presentation. I think that would be the better form of procedure.

Mr. BOUCHER: Mr. Chairman, I agree with Senator Lambert. I take it the City will probably have submissions to make as to how the presence of the seat of government in Ottawa does affect the City's management and revenues, and it may also wish to make submissions as to the planning of a capital city. I am thinking particularly of the effect that the location of the capital in Ottawa has upon the general economy of the municipal government—the effect, for instance, upon the City's ability to attract industries, and so on. I presume that the municipal committee will deal with these matters in its brief. In my opinion this whole question should be looked upon from a national viewpoint; we should go into it not only as regards Ottawa's financial problem, but as regards the economy of the Dominion of Canada as well. I do feel, Mr. Chairman, that we should go into this very fully and broadly, and that will require a lot of thought and investigation by this committee.

Mr. REID: Mr. Chairman, I would suggest that the City include in its data information as to the quantity of water served to Dominion Government small buildings and the revenue received for this water, which I understand is metered. The question of water service is a financial one between the City and the Government.

Mr. McLEAN: Mr. Chairman, I think we should be careful not to go too far in suggesting to the City the details that it submit to us. After all, any desired information that is not found in the City's brief can be obtained from the Department of Public Works or some other federal Department. I agree with Senator Lambert's suggestion that the City present its statement of claim at our next meeting, and that this be printed in the official report of proceedings. There will be time enough to look over it.

Perhaps the Mayor may be able to tell us—though he may prefer not to say anything about it yet—whether it would be his idea to have the brief deal only with the more immediate subject of the financial arrangements between the Government and the City, or include as well in the one submission the City's ideas in regard to the broader aspect which was referred to by Mr. Boucher. If he could tell us that it would help us to plan our meetings.

Mr. REID: Although the Mayor knew quite a long time ago that information would be asked for, he and his delegation have come before us this morning unprepared to make their submission, and they have asked the committee for an adjournment of two weeks. I for one hope that when they come before us again they will have a complete statement of the City's position with them and be able to answer any questions about it. It was with that end in view that I proposed that the City's brief contain information as to the water service supplied to the Dominion Government buildings and the revenue received for it.

Mr. BOUCHER: Mr. Chairman, it is within the scope of our reference to deal not only with financial arrangements between the City of Ottawa and the federal Government, but with the broader picture of a federal district. Other

municipal councils will be much interested in that, and I believe that before we discuss it the matter should be drawn to the attention of municipalities surrounding Ottawa which may be affected by the establishment of a federal district.

Hon. Mr. LAMBERT: We discussed that at our first meeting.

Mr. BOUCHER: Before we go into that broader question, some notice should be given to surrounding municipalities as early as possible in order that they may prepare presentations as well.

Mr. REID: Mr. Chairman, may I ask for some information? Is this committee appointed to go farther afield and to deal with the entire matter of a federal district taking in, say, the city of Hull and outlying territory? I did not think our committee was interested in that. We should have the scope of the reference clear in our minds.

Hon. Mr. LAMBERT: The point, I thought, was clarified pretty well at a preliminary meeting of this committee, when we decided that the subject of inquiry would be the annual grant to the City of Ottawa; but we also agreed that the reference to the committee left the way open for a discussion of the wider subject of a federal district, but that that aspect of the reference should be discussed after the immediate question, the grant to the City, was settled. In the process of discussing that immediate subject many aspects of the larger subject will undoubtedly be adduced. If what I am saying meets with the support of the committee, it seems to me that our immediate course is very clear. I would suggest to the Mayor that he have the City's statement prepared just as soon as he can and that it be placed before us within a week, if possible. Then we could get ahead with this thing. Some of the discussion we have had is a pretty good illustration of how time can be wasted. Personally I should like to see some headway made on this matter.

The CHAIRMAN (Hon. Mr. Copp): Is it your suggestion, Senator Lambert, that the City Council distribute its brief to members of the committee before our next meeting?

Hon. Mr. LAMBERT: No, Mr. Chairman. My suggestion is that the municipal committee submit its statement of claim to a formal meeting of this committee at the earliest possible moment, and give us a chance to discuss it.

The CHAIRMAN (Hon. Mr. Copp): And you suggest that we might meet earlier than two weeks from now?

Hon. Mr. LAMBERT: I did not know that an adjournment of two weeks had been definitely decided upon. I am simply stating the importance of making headway with this thing, and the sooner the better. I do not know whether the Mayor feels that the statement he has in hand now, which was the basis of some discussion with the Government earlier, could be presented to us.

Mr. REID: May we ask the Mayor whether he could have his submission ready within one week?

Mayor LEWIS: Mr. Chairman, Gentlemen, in my opening remarks I suggested an adjournment of two weeks, and I would rather leave it at that. I am glad to see that there is haste in the air at this particular moment, but after all, I think, the matter requires more study than could be given to it in one week. The difference between one week and two weeks cannot be of great importance.

I may be allowed to interject, after listening to remarks of two or three members of the committee, that, as was indicated in my opening remarks, the primary object of this conference, in our opinion, is to deal with the financial arrangements between the Government and the City. As to that we have the directions of the City Council. But as to the larger scheme, at the present time we have no directions from the Council, although we are willing to discuss it with an open mind as members of Council.

Hon. Mr. LAMBERT: Mr. Chairman, may I suggest to the Mayor that I think it would be a great mistake to assume that this committee has instructed him to present any case at all at the present time on the subject of a federal

district. It is very important that we should make that clear. The only submission we want from the municipal committee at the present time is one dealing with the question of an annual grant.

Mayor LEWIS: Mr. Chairman, earlier discussion centered around some possible disappointment because we did not have anything ready to present here. Well, gentlemen, as far as I am concerned, as leader of the City Council, whatever happens between this committee and the City committee is going to be above board and out in the light. I waited for an official recognition from this committee before any move was taken, which I consider was the proper thing to do. I was called last week by a member of this committee and asked when I would be ready to appear before the committee. I did not agree that that was the proper procedure to adopt as between the Government and the City; so far as I am concerned I believe that anything between the Government and the City should be in writing, and then no one will get any extra publicity out of anything that happens. I want to assure you that as far as I and the other members of the City Council are concerned, none of us are seeking any publicity over this thing. We are trying to do the best job we can for the city of Ottawa as the nation's capital.

Mr. HILL: Mr. Chairman, I think the Mayor is quite right. This committee has been set up for a purpose, and anybody interested has a right to submit a brief, but the brief of the City of Ottawa is the most important brief for us to consider. I think we should give the civic authorities sufficient time to prepare a very comprehensive brief in support of their case, for they are the ones vitally interested. Then it will be up to us to call on the Department of Public Works to submit its brief.

In support of what Mr. Purdy has said, I would suggest that when the City's brief is ready the City authorities should send copies to every member of this committee one or two days ahead of our next meeting in order to give us time to study its contents, so that we shall be in a position to ask questions based on that brief. This procedure would result in a saving of time. Two weeks from to-day will bring us up to the 21st of the month, and there will be only a certain length of time beyond that date at our disposal. In the War Expenditures Committee briefs are always submitted a few days in advance to give its members an opportunity of studying them. We might well expedite our work by adopting the same procedure here.

Mr. KNOWLES: Mr. Chairman, are we not wasting time now? The committee decided that first of all it wanted the City to submit its brief. The Mayor has intimated that the City is not ready to-day to do so, and we are all agreed that, as he suggests, it should be granted two weeks' further time. The question now is that we just adjourn and meet again when the City is ready.

The CHAIRMAN: I understood that the different members of the committee were making suggestions as to what information they would like from the City when its brief is presented. Mr. Hill has suggested that copies of the brief be furnished to members of the committee two or three days in advance of our next meeting, so that it may be carefully studied. That is a good suggestion, assuming it does not impose too much work on the City Council.

Mayor LEWIS: Suppose you leave it in this way, Mr. Chairman? We will prepare the brief and furnish sufficient copies to yourself or to the Clerk of the Committee, and you or he can do what you wish with them so far as distribution is concerned.

The CHAIRMAN: Very well, send them to the Clerk of the Committee.

Hon. Mr. LAMBERT: Does the Mayor suggest the 21st of June as a convenient date for our next meeting?

Mayor LEWIS: Yes, the 21st, or the 22nd, or the 23rd; I would not like to be held down to a particular date just at this time.

Hon. Mr. LAMBERT: If I may suggest, Mr. Chairman, His Honour should advise the Clerk of the Committee as soon as he is ready to proceed.

Mayor LEWIS: Several suggestions have been made by members of the committee, and we shall be glad to give all the information asked for.

The CHAIRMAN: Are there any other suggestions from members of the committee?

Mr. REID: Would it not be advisable to have the Deputy Minister of Public Works come before the committee and give us the history of the agreement with the City? I suppose that the copies of the agreement furnished to us came from the Department. A detailed history of the arrangement between the City and the federal Government might be very interesting.

The CHAIRMAN: I understand the Clerk has notified the Secretary of the Department. If the Department desires to be heard, we will hear its representative.

Mr. HINDS: I have notified him, Mr. Chairman.

The CHAIRMAN: We shall expect him to be present to represent the Department of Public Works.

Mayor LEWIS: Our brief will contain the whole history of the agreement.

The CHAIRMAN: Any further suggestions?

Mr. CORÉ: Mr. Chairman, there seems to be some difference of opinion in respect to interpretation of the terms of reference to this committee. I understand that some of our members feel that the committee has been empowered to study the feasibility of creating a Federal District and, in this connection, to invite representations from cities other than the City of Ottawa. I think we should set the record straight right from the beginning as to what is the purpose of this committee. I think by the terms of reference its sole business is to consider the relations between the City of Ottawa and the Dominion Government. If the terms of reference are to be interpreted otherwise, then we should know it right now.

Mr. KNOWLES: Mr. Chairman, I have not the terms of reference in front of me, but I am sure they cover problems arising out of the fact—

The CHAIRMAN: Will the Clerk kindly read the resolution?

Mr. HINDS: It is in these words, Mr. Chairman:—

That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the federal Government and municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to.

Mr. REID: My interpretation of those words is that the whole subject-matter is confined to the financial relations between the federal Government and the City of Ottawa, and we may as well have that clear at the outset. I object to the committee going outside the scope of the terms of reference. I submit that our duty is to investigate the financial arrangements between the civic and the federal authorities, and leave the other matter entirely to some other committee.

Hon. Mr. LAMBERT: At least, Mr. Chairman, we can agree on this, that the terms of reference justify us in deciding the question of the adequacy of the annual grant from the Dominion Government to the City of Ottawa.

Mr. REID: Yes.

Hon. Mr. LAMBERT: Whether or not this verbiage can be given a wider interpretation is something we can decide later on.

Mr. REID: I submit, Mr. Chairman, that no word in the terms of reference has any bearing on the feasibility of a Federal District outside the City of Ottawa.

The CHAIRMAN: The general opinion is, Mr. Reid, that we shall discuss first of all the financial situation. The City Council is to submit a brief for our

consideration in regard to the financial arrangements between the City of Ottawa and the Government of Canada. If subsequently we desire to go further we can get the terms of reference enlarged. In the meantime, I think we had better deal with that one question first.

Mr. KNOWLES: Mr. Chairman, I agree that that question should be dealt with first. But I should like to add this. Although no record was kept of our meeting last week, at least the press reported by asking the point-blank question: Have we power to discuss the creation of a Federal District, and the general view of the committee was, yes.

Mr. REID: My recollection is clear that that certainly was not the view. If, however, there is any doubt on the point let us get it settled now.

Mr. KNOWLES: Yes.

Mr. McLEAN: It seems to me that, as Senator Lambert has said, the first question for us to deal with is the financial arrangement between the City and the federal Government. But as I interpret the terms of reference they certainly do permit us to discuss all questions arising out of the situation of the capital within the City of Ottawa, and while the terms of reference exclude our consideration of any area outside Ottawa, in my view they do not preclude any member discussing enlargement of the Federal District.

The CHAIRMAN: It is at least the duty of the committee to keep the two points separate.

Hon. Mr. LAMBERT: Yes, Mr. Chairman; but I am opposed to Mr. Reid's view. This committee is appointed to review special problems arising out of the location of the seat of government in the City of Ottawa and report thereon. In our consideration of those problems it might well be that, rather than have this annually recurring bickering between the City of Ottawa and the Dominion Government as to whether the federal grant is an adequate discharge, so to speak, of the contra account against the federal Government, this committee would recommend that the area be treated as a Federal District and taken wholly out of municipal jurisdiction.

Mr. REID: I am afraid we are arguing at cross purposes. This discussion arose over Mr. Boucher's statement that the terms of reference might take in municipalities outside the City of Ottawa; that is why I rose to object. I agree with Senator Lambert that we are at liberty to discuss a Federal District within this city.

Mr. BOUCHER: The terms of reference cover our review of special problems arising out of the location of the nation's capital.

The CHAIRMAN: Then we might discuss as well the question of changing the location of the capital.

Mr. BOUCHER: So far as that is concerned we might discuss changing the location of the capital from the City of Ottawa to some other place. But whether or not our committee goes into the question of a Federal District now or later on, I agree that we should first of all deal with the financial situation. But I submit that the terms of reference very clearly set forth two problems: one, in brief, the financial arrangements between the City of Ottawa and the federal Government; two, location of the capital of Canada in the City of Ottawa.

Mr. PINARD: I do not think so.

Mr. HILL: If there is any difference in the minds of members of the committee, we might refer the matter back to the Prime Minister and ask him what he does mean.

Mr. McLEAN: We can discuss the question when it comes up—if it does come up.

The CHAIRMAN: Is there anything else before the committee? Then we will adjourn at the call of the Chair.

The committee adjourned at the call of the Chair.

SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat
of Government in the City of Ottawa and to Report on the Relations
Between the Federal Government and Municipal Authorities of
the said City and the Relative Responsibilities in Respect
of Such Problems with Power to Inquire into the Matter
and Things Therein Referred to.

No. 2

WEDNESDAY, JUNE 21, 1944

WITNESSES:

His Worship Mayor Stanley Lewis, of Ottawa.
Mr. Gordon C. Medcalf, City Solicitor, Ottawa.
Mr. H. R. Cram, Secretary, Federal District Commission, Ottawa.
Mr. Blyth MacDonald, Assessment Commissioner, Ottawa.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,

and Honourable Senators:

DuTremblay, P. R.
Lambert, N. P.
Leger, A. J.

Stevenson, J. J.
White, G. V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,

and Messrs.:

Boucher, G. R.
Coté, P. E.
Dechene, J. M.
Hill, B. M.
Knowles, S. A.
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J.
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A.
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,

*Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.*

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White, be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,

Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

WEDNESDAY, 21st June, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11 A.M.

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

SENATE: The Honourable Senators DuTremblay, Lambert, Leger and White.

HOUSE OF COMMONS: MESSRS. Boucher, Coté, Marshall, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy and Reid.

In attendance:

The Official Reporters of the Senate.

Mr. J. M. Somerville, Secretary, Department of Public Works.

Mr. H. R. Cram, Secretary, Federal District Commission.

His Worship Mayor Lewis; Controllers Bourque, Geldert, Goodwin and McRae, and Aldermen Coulter, Hamilton, Pinard and Powers, appeared as representatives of the Ottawa City Council.

His Worship Mayor Lewis was again heard and submitted a brief on behalf of the Corporation of the City of Ottawa respecting the annual grant by the Dominion Government to the city for municipal services.

Mr. Gordon C. Medcalf, City Solicitor, Ottawa, was heard in explanation of certain references in the Corporation's brief to the 1920 Act of Parliament confirming an agreement between the Government and the City of Ottawa.

Mr. H. R. Cram, Secretary, Federal District Commission, Ottawa, was called and outlined certain expenditures made in and adjacent to Ottawa out of the appropriations voted by Parliament.

Mr. Blyth MacDonald, Assessment Commissioner, Ottawa, was heard in explanation of the taxation system in force in Ottawa.

Mr. J. M. Somerville, Secretary, Department of Public Works, Ottawa, was called and was requested to furnish a statement of expenditures by the Public Works Department relating to services in the City of Ottawa.

Mr. C. E. Pickering, Chairman, Dominion Government-City of Ottawa Relationship Committee of the Ottawa Board of Trade, made application for an appointment to submit a brief on behalf of the Ottawa Board of Trade.

On motion of Mr. Boucher, M.P., the said application was granted, the date for hearing of the brief to be arranged.

At 1 o'clock, p.m., the Committee adjourned to the call of the Chairmen.

Attest.

A. H. HINDS,
*Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.*

MINUTES OF EVIDENCE

WEDNESDAY, June 21, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Hon. A. B. Copp, P.C., Chairman, Senate Section.

Mr. J. A. Gregory, M.P., Chairman, House of Commons Section.

The CHAIRMAN (Hon. Mr. Copp): Gentlemen, please come to order. I am very glad, and I am sure the Committee is very glad, to have with us this morning Mr. Gregory, the Chairman of the House of Commons section. Perhaps he may wish to say something to us at this time.

The CHAIRMAN (Mr. Gregory): Gentlemen, I wish first to thank the House of Commons section of this Joint Committee for doing me the honour, in my absence, of electing me chairman of that section. And, secondly, I wish to thank Senator Copp for conducting the first two meetings of this Committee.

May I say further, gentlemen, that as this is a joint committee of the Senate and the House of Commons, certain procedure had to be discussed. It has been agreed between the Joint Chairmen of the two sections that Senator Copp will conduct this morning's proceedings, since the agenda has been arranged under his chairmanship, and that hereafter our meetings will be presided over alternately by Senator Copp, as Chairman of the Senate section, and by myself, as Chairman of the House of Commons section.

That is all I wish to say at this time, gentlemen. We have a busy morning ahead of us. Again I wish to thank the members of the House of Commons section for their consideration in electing me, in my absence, chairman of their section.

The CHAIRMAN (Hon. Mr. Copp): Gentlemen, in view of a certain statement that was made by His Worship the Mayor at the last meeting of this Committee, I thought it would be well to make clear just what kind of a committee this is. His Worship referred to work between the City of Ottawa and the Dominion Government. I would remind His Worship that this is not a Government committee. This is a Parliamentary committee of both Houses, appointed to consider matters referred to us and report back to our respective Houses. When we have made our report, each House will deal with it as it sees fit. So dealing with this committee is a little different from dealing with a Government.

The Mayor also referred to the manner in which he had first been informed of the Committee's meeting of June 7. I want to say to him frankly that there was no intention at any time of making any improper approach to the City. The Agenda committee wanted to find out what date would suit His Worship and the other members of the City Council, and inquiry was made of the Mayor by telephone. This was intended merely as an act of courtesy, in order that we might meet his convenience, and I hope that he will not be under any misapprehension in regard to that.

You all have the brief which will be submitted to us by His Worship the Mayor and the Council for our consideration. I do not know whether His Worship the Mayor desires to make any further statement before answering any questions which members may put to him with respect to the brief.

Mayor LEWIS: At this stage, Mr. Chairman, I desire to thank you for your explanation. There is no dispute between the City and your Committee. To supplement the brief, which is broken down along the lines asked for by the Committee, I have brought a map showing the breakdown of the different properties. With your permission, Mr. Chairman, I should like to submit it along with the brief.

The CHAIRMAN (Hon. Mr. Copp): It can be displayed on the wall.

Mayor LEWIS: Yes. (The map having been placed in position).

I should like, Mr. Chairman, to explain briefly the colour key. This shows the tax-exempt properties within the boundaries of the city. The pink represents Dominion Government properties; the blue, city playgrounds and other properties; the green, Federal District driveways; the yellow, educational centres; the brown, churches; the purple, hospitals; the orange, charitable and welfare institutions, and what I may term miscellaneous are shown in semi-black.

BRIEF SUBMITTED ON BEHALF OF THE CORPORATION OF THE
CITY OF OTTAWA TO THE JOINT COMMITTEE OF THE
SENATE AND THE HOUSE OF COMMONS RESPECTING THE
ANNUAL GRANT PAID BY THE DOMINION GOVERNMENT TO
THE CITY FOR MUNICIPAL SERVICES RENDERED.

PREFACE

In submitting the following brief the Corporation of the City of Ottawa has attempted to present concisely and accurately facts and figures relating to the services rendered by the City to the Dominion Government. The brief is not intended to be exhaustive of the subject matter, but should provide an adequate basis for consideration of the problem by the joint committee of the Senate and the House of Commons.

A careful study of this question was made by a special committee of the City Council, aided by the heads of certain civic departments. Data and figures relating to the question were collected and compiled as thoroughly as possible and the whole matter was gone into by the Committee from a businesslike and practical viewpoint.

In arriving at a valuation of the services provided by the City to the Government the Committee of the City Council was at all times guided by the principle that the valuation should be reasonable and equitable both to the Government and to the City, having regard to the fact that, Ottawa being the capital of Canada, a heavy burden arising from loss of revenue is imposed upon the ratepayers of the City, which should be shared by the taxpayers of Canada at large, and to the fact that ratepayers of Ottawa are also taxpayers of Canada.

HISTORY OF STATUTES, BY-LAWS AND AGREEMENTS RESPECTING
RELATIONS BETWEEN GOVERNMENT AND CITY

The first agreement between the Government and the City was entered into in 1885 (Order-in-Council dated January 11th, 1885, City By-law Number 607 dated August 10th, 1885). In this agreement the Government undertook to maintain certain bridges, to construct and maintain certain roads and sidewalks in front of Government property and to indemnify the City against all loss, damage or injury incurred by reason of such works. The agreement made no provision for the payment of a grant by the Government to the City.

In 1899, by Chapter 10 of the Statutes of Canada for that year, the Ottawa Improvement Commission was established and a grant of \$60,000 annually for a period of ten years, commencing July 1st, 1899, was authorized to be paid to the Commission. The Act expressly preserved the agreement of 1885, with a slight modification regarding the maintenance of part of Wellington Street. No provision was made for a grant by the Government to the City. On the contrary, it was provided that the grant to the Commission should be "in full payment, satisfaction and discharge of all claims and demands by or on the part of the Corporation on the Government of the Dominion of Canada (hereinafter referred to as 'the Government,') in respect of water supplied (including charges for street sprinkling) by the Corporation for use in and on all buildings, lands and premises in the said city of Ottawa (including the Major's Hill Park), now owned, rented, leased or occupied, or hereafter to be owned, rented, leased or occupied by the Government, and also for use in and on Rideau Hall and Rideau Hall grounds and the Central Experimental Farm and the buildings thereon, and for use in and on all other buildings, lands and premises in the vicinity of the said city of Ottawa now or hereafter to be owned, rented, leased or occupied by the Government, and for fire protection by the Corporation to any of such buildings or premises, and all payments heretofore made by the Government to the Corporation for water supply, street sprinkling and fire protection shall be discontinued; and the said grant shall also be in full satisfaction and discharge of all other claims and demands on the Government by or on the part of the Corporation".

By Chapter 45 of the Statutes of Canada for 1903 the period during which the annual grant should be paid to the Commission was extended to twenty years from the first day of July, 1899.

In 1910, by Chapter 45 of the Statutes of Canada for that year, the annual grant to the Ottawa Improvement Commission was increased to \$100,000. By the same Act an annual grant of \$15,000 was for the first time authorized to be paid to the City. The grant was stated to be a contribution to the maintenance of the fire protection service of the Corporation of the said city" and was payable for a period of ten years from the first of July, 1909.

In 1919, by Chapter 62 of the Statutes of Canada for that year, the annual grant to the Ottawa Improvement Commission was increased to \$150,000.

In 1920 an agreement dated March 30th was entered into between the Government and the City and confirmed by Chapter 15 of the Statutes of Canada of that year. As this agreement is in force to-day it is deemed advisable to set it out in full in an appendix to this historical survey. In brief the agreement:—

- (1) increased the annual grant payable to the City to \$75,000 for a period of five years from the first day of July, 1918;
- (2) provided a fixed meter rate to be paid to the Corporation during the term of the agreement for water used in buildings owned and occupied by the Government, and in and on the Rideau Hall grounds and the Central Experimental Farm and the buildings thereon;

- (3) provided for the maintenance and repair by the Government of certain roadways, sidewalks and bridges and for indemnification of the City by the Government in respect thereof;
- (4) subjected the Government to local improvement rates in the same manner as other property owners;
- (5) subjected civil servants to municipal income tax. (Obsolete to-day.)
- (6) cancelled the provisions of all former agreements between the Government and the City in so far as they were inconsistent with the provisions of this agreement.

In 1924 the 1920 agreement was extended for one year by Chapter 59 of the Statutes of Canada for 1924.

In 1925 the 1920 agreement was extended for five years by Chapter 21 of the Statutes of Canada for 1925, and the annual grant to the City was increased from \$75,000.00 to \$100,000.00.

In 1931 and subsequent years the 1920 agreement was extended from year to year by the following Statutes of Canada: 1931—Chap. 43, 1932—Chap. 11, 1933—Chap. 17, 1934—Chap. 7, 1935—Chap. 7, 1936—Chap. 14, 1937—Chap. 37, 1938—Chap. 10, 1939—Chap. 5, 1940—Chap. 14, 1941—Chap. 7, 1942—Chap. 15, 1943—Chap. 10.

In 1927, by Chapter 55 of the Statutes of Canada for that year, the Federal District Commission was established and the Act of 1899 establishing the Ottawa Improvement Commission (Chapter 10 of 1899 Statutes), the Act of 1919 continuing the Commission (Chapter 62 of 1919 Statutes) and all amendments to these Acts were repealed. An annual grant of \$250,000.00 a year was authorized to be paid to the Commission for a period of sixteen years from April 1st, 1927.

In 1928 the Federal District Commission Act of 1927 was amended and the annual grant reduced from \$250,000.00 to \$200,000.00 for a period not exceeding fifteen years from April 1st, 1928.

In June 1942 the meter rate received by the City for water supplied the Government was, with the consent of the Department of Public Works, increased to 13 cents per 100 cubic feet, or 20.38 cents per 1000 Imperial gallons, and the provisions of the 1920 agreement between the Government and the City respecting payment for water were in effect amended to this extent. This increased rate has not as yet been confirmed by formal agreement.

APPENDIX TO HISTORY OF STATUTES, BY-LAWS AND AGREEMENTS RESPECTING RELATIONS BETWEEN GOVERNMENT AND CITY

STATUTES OF CANADA—1920—10-11 GEO. V.

CHAP. 15.

An Act to confirm an Agreement between His Majesty the King, and the Corporation of the City of Ottawa.

(Assented to 11th May, 1920) 1899, c. 10;
1902, c. 25;
1903, c. 45;
1905, c. 29;
1910, c. 45;
1919, c. 62;

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The agreement set out in the Schedule hereto dated the thirtieth day of March, one thousand nine hundred and twenty, and made between His

Majesty the King and the Corporation of the City of Ottawa is hereby ratified and confirmed, and declared to be valid and binding on the parties thereto in all respects whatsoever.

SCHEDULE

AGREEMENT entered into this thirtieth day of March, in the year of our Lord One Thousand Nine Hundred and Twenty;

Between His Majesty THE KING, as represented by the Minister of Public Works of Canada, hereinafter referred to as "The Government", of the First Part; and THE CORPORATION OF THE CITY OF OTTAWA, hereinafter referred to as "the Corporation", of the Second Part:

Whereas by Chapter Ten (10) of the Statutes of the year 1899, the Government provided for the annual payment of Sixty Thousand Dollars (\$60,000.00) for Ten (10) years from July 1st, 1899, to the Ottawa Improvement Commission, for the purpose of building parks and driveways, and otherwise beautifying the City of Ottawa; and whereas, by Chapter 45 of the Statutes of 1903, provision was made for the annual payment of the said sum of Sixty Thousand Dollars (\$60,000.00) for a period not exceeding Twenty (20) years from the First day of July, 1899; and whereas by Chapter 45 of the Statutes of 1910, the annual payment for such purpose was increased to the sum of One Hundred Thousand Dollars (\$100,000.00) from July 1st, 1909, up to the 1st day of July A.D. 1919; and whereas the Parliament of Canada, at its first session of the year 1919 did grant the sum of One Hundred and Fifty Thousand Dollars (\$150,000.00) to the said Ottawa Improvement Commission, for a further term of Ten (10) years from the 1st day of July, 1919; and whereas, under certain Orders in Council passed respectively on the 21st day of December, 1883, the 11th day of January, A.D. 1885, and the 17th day of June, 1885, and by certain By-laws passed by the Corporation on the 10th day of August, 1885, the 2nd day of October, 1899, the 14th day of July, 1910, and the 18th day of September, 1916, and known respectively as Numbers 607, 1956, 3066 and 4274 of the By-laws of the said Corporation, and by the provisions of the said Statutes of the years 1899, 1903 and 1910, certain agreements were entered into between the Government and the Corporation respecting the maintenance by the Government of certain streets, bridges, sidewalks, pavements and other works in the City of Ottawa, which Agreements have continued down to the present time; and whereas it has been deemed advisable by the Government and the Corporation that a new agreement be made and that the terms of all agreements made under and by virtue of said Statutes, Orders-in-Council and By-laws, in so far as the same are inconsistent with the provisions of such agreement be cancelled; Now

THEREFORE, THIS AGREEMENT WITNESSETH:—

1. That the government will pay to the corporation the sum of seventy-five thousand dollars (\$75,000.00) annually for a period of five (5) years, from the first day of July, A. D. one thousand nine hundred and nineteen, said payments to be made quarterly, the amount due including the current quarterly payment to be paid as soon as may be after the passing of an Act confirming this agreement, and the remaining quarterly payments to be made on the first day of the months of October, January, April and July in each year, during the said period, the last of such payments to be made on the first day of April, A.D. 1924. The said payments shall be in full satisfaction and discharge of all claims and demands on the government, by and on the part of the corporation, except as otherwise provided in this agreement.

2. (a) The government will pay to the corporation for a supply of water from the waterworks of the corporation, for use in and on all buildings, and parts of buildings, lands and premises in the City of Ottawa, now or hereafter owned or occupied by the government, at any time during the period of five (5) years from the first day of July, A.D. 1919, (except buildings, parts of buildings,

lands and premises leased by the government and subject to the general water rates established by By-law of the corporation hereinafter referred to) and also for use in and on the Rideau Hall grounds and the Central Experimental Farm, and the buildings thereon, at the price or rate of thirteen (13) cents per thousand (1,000) gallons for such quantity of water as it may use in any year up to two hundred million (200,000,000) gallons, and for water used in excess of two hundred million (200,000,000) gallons in any year, at the price or rate of ten (10) cents per thousand (1,000) gallons. It is also agreed that water rates shall be paid the corporation in respect of all buildings and parts of buildings, and in respect of all premises leased by the government, as to which the government is under obligation by the terms of their lease to make payment of water rates, at the general rate from time to time established by the Waterworks By-law of the corporation; but in no case shall the government be required to pay on the same property in both the ways above recited, or partly in one way and partly the other, and no special By-law or special provisions of any By-law relating to water or otherwise shall in any way affect this agreement.

(b) The corporation will install and maintain water meters at all convenient places where a supply of water is taken from its waterworks for the use of the government, in and on all such buildings, lands and premises and the government will pay the corporation annually a sum equal to ten (10) per centum of the cost of such meters. The amount payable by the government in each year for water shall be determined by readings taken from the said meters at quarterly intervals, and shall be payable quarterly at the office of the collector of taxes of the corporation, without discount, during the continuance hereof. The government will pay the corporation for such quantity of water supplied to it, on and after the 1st day of July, 1919, and prior to the installation of meters as would equal the quantity supplied to it for a like number of days next after the installation of such meters.

(c) In consideration of the said annual payments of seventy-five thousand dollars (\$75,000.00), and of the grant to the Ottawa Improvement Commission of one hundred and fifty thousand dollars (\$150,000.00), a year for ten (10) years, the corporation agrees that the payment of the said sum of Seventy-five Thousand Dollars (\$75,000) annually to the Corporation shall be in full payment, satisfaction and discharge of all claims and demands, by or on the part of the corporation on the government in respect of water supplied for street sprinkling, for fire protection by the corporation to any of the buildings or premises owned or occupied by the government, and for use in Major's Hill Park, and in such other parks and driveways as may be owned or maintained by the Ottawa Improvement Commission, provided that, for sprinkling purposes, such use shall be restricted to the hours fixed by the City, namely, from 5.00 a.m. to 8.00 a.m. and 5.00 p.m. to 8.00 p.m.

3. That the Government shall and will maintain, repair and keep in repair the substructure, superstructure, pavements and walks of the bridge over the Rideau Canal known as Connaught Place, formerly consisting in part of Dufferin and Sapper's Bridges, also the Laurier Avenue Bridge over the Rideau Canal, and the bridges over the Chaudiere Slides, in the City of Ottawa, and will maintain, repair and keep in repair the sidewalks on the east side of Elgin Street and on the south side of Laurier Avenue in front of and along the side of Cartier Square.

4. The Government shall maintain and repair good and sufficient sidewalks on the northern side of that portion of Wellington Street between Connaught Place and the western boundary of the Perley Home property, and on so much of the southern side of the said street as is in front of property owned by the Government, and shall maintain and keep in repair the roadway as it now exists, of the portion of Wellington Street which lies between Connaught Place and Bank Street, and shall maintain, repair and keep in repair, and from time to time renew and replace the existing asphalt pavement on that part of the said street which lies between Bank Street and the westerly boundary of the Perley Home property; and should it be deemed desirable that a new pavement be

hereafter placed on that part of Wellington Street which lies East of Bank Street such work shall be done by the Corporation in the same manner as similar works are done in other portions of the City, nothing herein contained to be construed as releasing property holders on the said portion of Wellington Street from any obligations imposed on them by law as regards payment of any taxes or local improvement rates in respect of their property on the said street, and all the provisions of a contract made between the same parties hereto, dated the seventh day of August, A.D. 1916, with regard to said Wellington Street are hereby incorporated in and made a part of this Agreement. The Government undertakes to indemnify and keep indemnified the Corporation from all manner of damage or injury suits, claims and demands on account of the said works or incurred by reason or in consequence of the execution thereof, or the supply of material therefor, and that the Government will pay to the Corporation on demand any expense sustained by it in consequence of such claims or any money reasonably and properly paid by the Corporation in settlement thereof, save and except suits, claims and demands arising by reason of anything done or omitted to be done by the Corporation, its agents, servants and workmen.

5. The Government further agrees to be subject to local improvement rates imposed by the Corporation under the provisions of The Local Improvement Act, Ontario, in the same way as other property owners, and the Corporation agrees that the Government shall have the same right as any other owner to petition for a local improvement, to petition against a local improvement, or to appeal from any improvement report.

6. The provision of every Statute of Canada, Order in Council, By-law and agreement, whereby the Corporation in consideration of certain obligations undertaken or payments to be made, by the Government, agreed and was authorized to agree, to exempt from income tax, the incomes of officers and servants of the Government, resident in the City of Ottawa, derived from the Government, are hereby in so far as they may have any force or effect at this date, abrogated and cancelled and declared to be no longer binding on the Corporation.

The provisions of all former agreements between the said Government and the Corporation with respect to the subject matters hereof, in so far as the same are inconsistent with the provisions of this Agreement, are hereby cancelled.

In witness whereof this Agreement has been executed by the Mayor and the Clerk of the Corporation of the City of Ottawa, and the Seal of the said Corporation has been affixed thereto, and the Minister of Public Works of Canada has executed the same on behalf of His Majesty the King.

Signed, Sealed and Delivered at the City of Ottawa on the day and year first above written

In the presence of

J. W. PUGSLEY

as to signature of the Acting Minister of Public Works.

W. P. HARRELL

as to signature of the Secretary D. of P.W.

JNO. M. JACKSON

as to signature of Harold Fisher, Mayor, and Norman H. H. Lett, City Clerk.

(Sgd.) J. D. REID,
Acting Minister of Public Works.

(Sgd.) R. C. DESROCHERS,
Secretary.

(Seal of the Department)

THE CORPORATION OF THE CITY OF OTTAWA,

(Sgd.) HAROLD FISHER, *Mayor.*

(Sgd.) NORMAN H. H. LETT,
Clerk.

(Seal of the City.)

STATEMENT SUBMITTING CERTAIN INFORMATION REGARDING POPULATION
AND ASSESSMENTS WITH REFERENCE TO THE CITY OF OTTAWA, YEARS

1920 TO 1943

EXHIBIT "A"

| Year | Population | Total Assessment | ASSESSMENT EXEMPTIONS DOMINION GOVERNMENT | | Assessment Exemptions | Assessment Exemptions |
|-----------|------------|---|--|--------------------------------|-----------------------------|---|
| | | Taxable and Exempt for General Purposes | Amount | Percentage of Total Assessment | Federal District Commission | Churches, Schools, Hospitals, Charitable Institutions, etc. |
| | | \$ | \$ | | \$ | \$ |
| 1920..... | 110,738 | 178,800,504 | 30,589,675 | 17.11 | 2,087,000 | 16,493,319 |
| 1921..... | 112,899 | 188,096,203 | 33,352,375 | 17.73 | 2,056,500 | 17,013,969 |
| 1922..... | 116,205 | 191,669,316 | 33,388,875 | 17.42 | 2,154,750 | 19,066,464 |
| 1923..... | 117,239 | 197,211,631 | 33,413,025 | 16.94 | 2,012,425 | 21,633,803 |
| 1924..... | 118,088 | 198,727,711 | 33,158,300 | 16.69 | 2,069,325 | 21,866,011 |
| 1925..... | 118,697 | 200,727,393 | 33,974,025 | 16.92 | 2,097,850 | 22,500,206 |
| 1926..... | 119,254 | 204,445,346 | 34,068,425 | 16.66 | 2,101,750 | 23,549,189 |
| 1927..... | 120,799 | 206,928,692 | 34,583,525 | 16.71 | 2,205,450 | 24,301,314 |
| 1928..... | 122,731 | 212,493,813 | 34,505,784 | 16.24 | 3,745,150 | 24,919,820 |
| 1929..... | 125,496 | 220,278,277 | 36,237,134 | 16.45 | 3,865,750 | 25,850,880 |
| 1930..... | 127,332 | 230,812,586 | 38,731,484 | 16.78 | 4,165,125 | 29,343,125 |
| 1931..... | 130,672 | 234,778,516 | 39,853,684 | 16.98 | 4,179,925 | 30,759,370 |
| 1932..... | 132,551 | 236,431,104 | 40,871,634 | 17.29 | 4,179,800 | 31,828,187 |
| 1933..... | 135,300 | 235,098,999 | 40,991,459 | 17.44 | 4,160,500 | 32,501,931 |
| 1934..... | 137,911 | 234,719,737 | 40,907,484 | 17.43 | 4,161,600 | 32,961,213 |
| 1935..... | 140,316 | 236,013,568 | 41,400,459 | 17.54 | 4,191,190 | 33,192,723 |
| 1936..... | 141,903 | 234,197,062 | 43,549,234 | 18.60 | 4,103,490 | 33,832,969 |
| 1937..... | 142,852 | 234,239,906 | 43,941,584 | 18.76 | 3,681,290 | 33,316,490 |
| 1938..... | 144,202 | 248,642,587 | 53,309,209 | 21.44 | 3,999,663 | 35,152,912 |
| 1939..... | 145,183 | 247,656,218 | 54,204,909 | 21.89 | 4,043,038 | 34,996,464 |
| 1940..... | 150,277 | 251,240,280 | 57,235,884 | 22.78 | 4,030,887 | 34,828,135 |
| 1941..... | 154,585 | 256,239,364 | 59,751,675 | 23.32 | 3,773,887 | 35,433,855 |
| 1942..... | 158,581 | 263,340,791 | 61,537,700 | 23.37 | 3,610,162 | 35,369,525 |
| 1943..... | 163,829 | 268,733,026 | 65,533,950 | 24.39 | 3,648,362 | 35,533,115 |

STATEMENT SUBMITTING CERTAIN INFORMATION REGARDING POPULATION AND ASSESSMENTS WITH REFERENCE TO THE CITY OF OTTAWA, YEARS 1920 TO 1943

| Year | Total Assessment Exemptions | TAXABLE ASSESSMENT FOR GENERAL PURPOSES | | Increase, 1920 Basis Dominion Government Assessment Exempt Property | Assessment, Land and Buildings, formerly Taxable, taken over by Dominion Government (for details see Exhibit "C" pages 15, 16 and 17) |
|------|-----------------------------|---|--------------------------------|---|---|
| | | Amount | Percentage of Total Assessment | | |
| | \$ | \$ | | \$ | \$ |
| 1920 | 49,169,994 | 129,630,510 | 72.50 | | |
| 1921 | 52,422,844 | 135,673,359 | 72.13 | 2,762,700 | 87,550 |
| 1922 | 54,610,089 | 137,059,227 | 71.51 | 2,799,200 | 718,400 |
| 1923 | 57,059,253 | 140,152,378 | 71.07 | 2,823,350 | |
| 1924 | 57,093,636 | 141,634,075 | 71.27 | 2,568,625 | 79,325 |
| 1925 | 58,572,081 | 142,155,312 | 70.82 | 3,384,350 | |
| 1926 | 59,719,364 | 144,725,982 | 70.79 | 3,478,750 | |
| 1927 | 61,090,289 | 145,838,403 | 70.48 | 3,993,850 | 443,925 |
| 1928 | 63,170,754 | 149,323,059 | 70.27 | 3,916,109 | 960,850 |
| 1929 | 65,953,764 | 154,324,513 | 70.06 | 5,647,459 | 74,800 |
| 1930 | 72,239,734 | 158,572,852 | 68.70 | 8,141,809 | 817,080 |
| 1931 | 74,792,979 | 159,985,537 | 68.14 | 9,264,009 | 12,000 |
| 1932 | 76,879,621 | 159,551,483 | 67.48 | 10,281,959 | |
| 1933 | 77,653,890 | 157,445,109 | 66.97 | 10,401,784 | 139,425 |
| 1934 | 78,030,297 | 156,689,440 | 66.76 | 10,317,809 | 1,300 |
| 1935 | 78,784,372 | 157,229,196 | 66.62 | 10,810,784 | |
| 1936 | 81,485,693 | 152,711,369 | 65.21 | 12,959,559 | 27,150 |
| 1937 | 80,939,364 | 153,300,542 | 65.45 | 13,351,909 | 349,450 |
| 1938 | 92,461,784 | 156,180,803 | 62.81 | 22,719,534 | 870,225 |
| 1939 | 93,244,411 | 154,411,807 | 62.35 | 23,615,234 | 651,750 |
| 1940 | 96,094,906 | 155,145,174 | 61.75 | 26,646,209 | 376,725 |
| 1941 | 98,959,417 | 157,279,947 | 61.88 | 29,162,000 | 848,900 |
| 1942 | 100,517,387 | 162,823,404 | 61.83 | 30,948,025 | 857,400 |
| 1943 | 104,715,427 | 164,017,599 | 61.03 | 34,944,275 | 263,075 |
| | | | | | \$7,579,330 |

Area of Ottawa—6,009.2 Acres

Ontario Government Exempt Property (1943)—\$348,100

EXHIBIT "B"

DISTRIBUTION OF EXEMPTIONS, 1942 ASSESSMENTS

| | |
|--|---------------|
| Dominion Government | \$ 61,537,700 |
| Federal District Commission | 3,610,162 |
| Ontario Government | 345,950 |
| County of Carleton | 169,900 |
| Township of Gloucester | 500 |
| Churches | 4,244,705 |
| Educational | 10,084,775 |
| Charitable and Welfare | 1,653,225 |
| *Corporation of Ottawa | 11,866,195 |
| *Hospitals | 4,643,025 |
| Ottawa Hydro Electric Commission | 1,865,900 |
| Ontario Hydro Electric Commission | 88,000 |
| Ottawa Suburban Roads Commission | 13,050 |
| Ottawa Auxiliary Bible Society | 7,450 |
| Ottawa Boys Clubs Inc. | 26,000 |
| Ottawa City Union of King's Daughters and Sons | 26,975 |
| Y.M.C.A. | 241,725 |
| Y.W.C.A. | 92,150 |
| | \$100,517,387 |

*Corporation of Ottawa hospitals included in "Hospitals".

EXHIBIT "C"

PROPERTY TAKEN OVER BY DOMINION GOVERNMENT AND FEDERAL
DISTRICT COMMISSION FROM 1921 TO 1943

| <i>Year</i> | <i>Property</i> | <i>Assessment</i> | |
|-------------|---|-------------------|-----------|
| 1921 | Mann Ave.—Radio Station, etc. | \$ 87,550 | \$ 87,550 |
| 1922 | Rideau Street—Daly Building..... | 718,400 | 718,400 |
| 1924 | George St. N.—Ottawa Wine Vault Prop..... | 79,325 | 79,325 |
| 1927 | Sparks St. North—Irvine Property | 35,800 | |
| | Ottawa Electric Prop.—Sparks St. N..... | 110,525 | |
| | Bangs Property—Sparks St. N..... | 194,550 | |
| | Wellington South—Ottawa Electric Co..... | 25,000 | |
| | Wellington South—Matthewman Property | 77,750 | 443,925 |
| 1928 | Sparks St. South—Russell Property | 699,650 | |
| | Queen St. North—Russell Property | 122,750 | |
| | Queen St. North—McDougall Property | 16,125 | |
| | Queen St. North—Mitchell Property | 58,625 | |
| | Laurier Ave. W. North—Sherwood Property | 63,700 | 960,850 |
| 1929 | Canal St. East—Bate Property | 54,500 | |
| | Canal St. East—Ottawa Transportation (Ten) | 20,300 | 74,800 |
| 1930 | Canal St. East—Birkett Property | 52,000 | |
| | Albert St. South—Lot 66 | 19,500 | |
| | Waverley St. North—House 1 to 5 | 5,500 | |
| | Carling Ave. South—Part of Canal Reserve..... | 255,000 | |
| | King Edward Ave. East—Ordnance Land | 17,500 | |
| | Sussex St.—Edwards Property | 109,275 | |
| | Sussex St. W.—Lot 9 | 4,200 | |
| | Sussex St. W.—Lots 10 and 11 | 5,500 | |
| | Sussex and Stanley—Research Council | 21,400 | |
| | Sussex—Northeast corner | 4,000 | |
| | Sussex St. West—Part Lot 4 (Edwards Property) | 212,130 | |
| | Sussex St. West—Part of Green Island | 62,175 | |
| | Sussex St. West—Part of Green Island | 48,900 | 817,080 |
| 1931 | Stanley Ave. South—Lots 12 and 13 | 3,000 | |
| | Basil North—Lots 1, 2, 3, 10 and 11..... | 9,000 | 12,000 |
| 1933 | Nicholas St. West and Laurier Ave. North | 90,375 | |
| | Nicholas St. West and Laurier Ave. South | 19,700 | |
| | Nicholas St. West—South of Laurier Ave. E..... | 27,100 | |
| | S. W. Cor. Sussex St. and Cumberland St. | 2,250 | 139,425 |
| 1934 | St. Patrick St. S.—W½ Lot 28 | 1,300 | 1,300 |
| 1936 | Besserer St. South—Post Office | 25,650 | |
| | Stanley Ave. South—E. 60' of Lot 8½ | 1,500 | 27,150 |
| 1937 | Sparks St. North—(Cor. Elgin) Hope Property | 153,500 | |
| | Sparks St. North—Booth Property | 113,975 | |
| | Sparks St. North—Hope Property | 73,975 | |
| | Booth St. West—J. R. Booth Ltd. | 2,800 | |
| | Rochester St. West—Garvock Property | 2,500 | |
| | Lydia St. South—Burnside Property | 675 | |
| | Lydia St. South—Corporation of Ottawa | 325 | |
| | Lydia St. South—Nolan Property | 1,025 | |
| | Lydia St. South—Raffle Property | 675 | 349,450 |
| 1938 | Sparks St. North—Fortier Property | 9,100 | |
| | Sparks St. North—W. D. Morris Realty Co. | 40,800 | |
| | Sparks St. North—Capital Trust Corp. | 12,000 | |
| | Sparks St. North—Harris Tie & Timber Co. | 20,875 | |
| | Sparks St. North—Valley Co-operative Creameries | 18,700 | |
| | Sparks St. North—R. L. & R. Blackburn Ltd. | 77,925 | |
| | Sparks St. North—George Frisby | 17,750 | |
| | Sparks St. North—A. Fleming | 31,100 | |
| | Sparks St. North—Taylor & Lackey | 25,950 | |
| | Sparks St. North—Murphy-Gamble Ltd. | 12,575 | |
| | Sparks St. North—Blackburn & Harrison | 15,700 | |
| | Sparks St. North—Sims, Gould | 10,300 | |
| | Sparks St. North—Tavers Aprons Ltd. | 2,175 | |
| | Sparks St. North—Corporation of Ottawa | 1,625 | |
| | Sparks St. North—W. J. Landreville | 17,775 | |
| | Sparks St. North—W. D. Morris Realty Co. | 11,375 | |
| | Sparks St. North—Henderson & Gowling | 8,025 | |
| | Sparks St. North—R. W. Burman | 2,250 | |
| | Wellington St. South—Dr. G. A. Beattie | 14,825 | |
| | Wellington St. South—Toronto General Trusts | 6,850 | |
| | Wellington St. South—J. G. Fortier | 8,475 | |
| | Wellington St. South—Blackburn & Harrison | 14,400 | |
| | Wellington St. South—Emily Brown | 9,550 | |
| | Wellington St. South—Jeffrey-Heney Realty Coll. | 775 | |

| Year | Property | Assessment | |
|------|--|------------|--------------------|
| | Wellington St. South—Royal Trust Company | 7,975 | |
| | Wellington St. South—Chambers & Almon | 11,700 | |
| | Wellington St. South—National Drug & Chem. | 24,200 | |
| | Wellington St. South—Sovereign Realty Co. | 12,100 | |
| | Wellington St. South—Thos. Lawson & Sons Ltd. | 43,275 | |
| | Wellington St. South—Vails Ltd. | 25,375 | |
| | Wellington St. South—Union Realty Co. Ltd. | 13,450 | |
| | Wellington St. South—Helen Rondeau | 9,325 | |
| | Wellington St. South—Fleck Property | 34,000 | |
| | Wellington St. South—Fleming Property | 14,000 | |
| | Wellington St. South—E. P. Hall | 1,950 | |
| | Wellington St. South—Lady Esther Sherwood | 62,275 | |
| | Wellington St. North—Mrs. M. Brading | 4,450 | |
| | Wellington St. North—H. J. Murtagh | 7,550 | |
| | Wellington St. North—Corporation of Ottawa | 500 | |
| | Wellington St. North—Brading Breweries Ltd. | 144,575 | |
| | Wellington St. North—R. S. Hooper | 15,025 | |
| | Wellington St. North—Mrs. F. Shapiro | 8,400 | |
| | Wellington St. North—H. Finkelstein | 5,800 | |
| | Wellington St. North—J. R. Booth Ltd. | 8,000 | |
| | Wellington St. North—The Bronson Co. | 1,875 | |
| | Wellington St. North—Corporation of Ottawa | 7,450 | |
| | Bronson Ave. East—Manchester Property | 5,100 | 870,225 |
| 1939 | Elgin St. West—Elgin Realty Co. Ltd. | 420,800 | |
| | Elgin St. West—Laurentian Realty Co. | 116,900 | |
| | Elgin St. West—Mrs. Mary Franklin | 18,825 | |
| | Elgin St. West—Colin Campbell et al | 46,650 | |
| | Elgin St. West—Ottawa Amateur Athletic Club | 48,575 | 651,750 |
| 1940 | Slater & Albert Sts.—Bate Property | 336,325 | |
| | Albert St. South—Bishop Property | 10,000 | |
| | Slater St. South—Laurentian Club Property | 10,575 | |
| | Sparks St. North—Part St. Andrew's Church | 19,825 | 376,725 |
| 1941 | Slater St. North—Jackson Building | 764,850 | |
| | Nicholas St. West—Mortimer Property | 70,900 | |
| | Slater St. North—Scott Property | 11,950 | |
| | Slater St. North—Part Hinchey Property | 1,000 | |
| | Laurier Ave. North—Part O.A.A.C. Property | 200 | 848,900 |
| 1942 | Chapel St. East—Woods Property | 35,000 | |
| | Laurier Ave. East & Russell—R.C. Epis. Corp. | 2,650 | |
| | R.C. Epis. Corp. | 36,600 | |
| | Charlotte St. East—Booth Property | 57,800 | |
| | Metcalfe St. West—Chrysler Property | 9,325 | |
| | First Ave.—Ottawa Ladies' College | 112,100 | |
| | Laurier Ave. E. N.—O'Brien Property | 52,025 | |
| | Daly Ave.—Hardy Property | 36,125 | |
| | Slater St. South—Woods & Canadian Bldgs. | 474,300 | |
| | Champagne Ave.—Somerset to Gladstone, Booth Property | 41,475 | 857,400 |
| 1943 | Argyle Ave. South—Smith Property | 20,025 | |
| | Rideau St. North—R.C. Epis. Corp.—Seminary | 114,900 | |
| | Stewart St. North—Woods Property | 18,050 | |
| | Middle St. North—Bronson Property | 12,775 | |
| | Sussex St.—G. C. Edwards | 94,000 | |
| | Middle St. South—Ottawa Electric Ry. Co. | 1,300 | |
| | Middle St. South—Ottawa Electric Ry. Co. | 2,025 | 263,075 |
| | Total | | <u>\$7,579,330</u> |

EXHIBIT "D"

CITY OF OTTAWA

STATEMENT OF EXPENDITURES, YEAR 1943

| <i>Account</i> | <i>Amount</i> | |
|---|---------------------|-----------|
| Assessment Department | \$ 37,755 | 15 |
| Auditor's Department | 8,381 | 24 |
| Board of Control Office | 6,149 | 69 |
| Canadian Federation of Mayors and Municipalities | 232 | 50 |
| Charitable Institutions | 118,608 | 01 |
| Children's Shelter (Detention Home) | 4,903 | 90 |
| Civic Office Buildings | 49,008 | 39 |
| Clerk's Department | 19,588 | 22 |
| Coal Weighing | 16,317 | 32 |
| Collector's Department | 27,559 | 52 |
| Comfort Stations (Playgrounds) | 2,031 | 00 |
| Contingencies | 2,929 | 01 |
| Corporation Grants | 4,890 | 27 |
| Cost of Living Bonus | 102,191 | 04 |
| County Court House and Jail | 51,553 | 34 |
| Court of Revision | 2,200 | 00 |
| Direct Relief Department | 83,448 | 71 |
| Elections | 3 | 00 Cr. |
| Engineering Department | 945,191 | 42 |
| Exchange on Debenture Principal and Interest | 28,691 | 91 |
| Executive Administration | 25,982 | 44 |
| Executive Automobile | 3,004 | 88 |
| Family Court | 13,752 | 19 |
| Fire Department | 394,170 | 35 |
| Guarantee Bonds | 770 | 00 |
| Health Department | 70,410 | 47 |
| Indigent Hospital Patients | 114,276 | 28 |
| Industrial and Publicity Committee | 1,915 | 62 |
| Inquests and Witness Fees | 3,247 | 80 |
| Insurance | 5,380 | 23 |
| Interest and Exchange | 19,768 | 66 Cr. |
| Lansdowne Park | 6,204 | 62 |
| Magistrate's Court | 18,667 | 40 |
| Markets | 18,618 | 02 |
| Mayor's Office | 3,012 | 94 |
| Mileage Payment, Wellington Street, under By-law No. 4724.. | 406 | 24 |
| Mosquito Control | 2,000 | 00 |
| Mothers' Allowances | 781 | 00 |
| Old Age Pensions | 2,148 | 55 |
| Ottawa Electric Railway School Tax Exemption | 15,738 | 25 |
| Playgrounds Department | 44,016 | 54 |
| Police Department | 358,921 | 72 |
| Provincial Institutions | 11,251 | 27 |
| Registry Office | 1,115 | 87 |
| Snow Cleaning, Ottawa Electric Railway Company | 132,047 | 94 |
| Solicitor's Department | 11,112 | 49 |
| Stratheona Hospital | 67,332 | 17 |
| Street Lighting | 62,737 | 00 |
| Suburban Roads | 20,625 | 00 |
| Superannuation Fund (Civic Employes) | 55,361 | 29 |
| Swimming Baths (Champagne and Plant) | 15,572 | 99 |
| Taxes and Other Costs on Corporation Owned and Tax Exempt Properties | 36,691 | 40 |
| Traffic Apparatus and Maintenance | 8,677 | 05 |
| Travelling Expenses | 314 | 75 |
| Treasurer's Department | 48,290 | 85 |
| Unemployment Insurance | 3,230 | 71 |
| War Contingencies | 287 | 55 |
| Wellington Street Widening | 125 | 00 |
| Interest and Principal on Debentures | 754,815 | 80 |
| Carnegie Public Library | 79,290 | 50 |
| Civic Hospital | 355,008 | 79 |
| Royal Ottawa Sanatorium | 36,586 | 85 |
| Public Schools | 966,844 | 45 |
| Collegiate Institutes | 664,362 | 72 |
| Separate Schools | 408,642 | 80 |
| Total Expenditures | \$ 6,355,609 | 76 |

CITY OF OTTAWA
STATEMENT OF MISCELLANEOUS REVENUES
YEAR 1943

| <i>Licences</i> | <i>Source</i> | <i>Amount</i> |
|---|---------------|------------------------|
| Auctioneers | | \$ 300 00 |
| Barber Shops and Hairdressing Parlours..... | | 496 00 |
| Bicycle Licences | | 6,720 50 |
| Bill Distributors | | 70 00 |
| Billiards and Bowling Alleys..... | | 2,960 00 |
| Butchers | | 1,920 00 |
| Carters and Taxi Cabs..... | | 1,875 25 |
| Dog Taxes | | 10,399 35 |
| Electrical Contractors and Workers..... | | 940 00 |
| Laundries | | 285 00 |
| Milk | | 1,444 00 |
| Pawnbrokers | | 120 00 |
| Pedlars | | 2,070 00 |
| Plumbers | | 1,989 00 |
| Restaurants | | 3,236 70 |
| Second Hand Stores..... | | 900 00 |
| Theatres | | 1,440 95 |
| Tobacco | | 14,792 47 |
| Transient Traders | | 98 53 |
| Sundries | | 1,715 80 |
| Total Licences | | <u>\$ 53,773 55</u> |
| <i>General</i> | | |
| Board of Health..... | | \$ 73 00 |
| Building and Street Sign Permits..... | | 4,179 92 |
| Coal Weighing | | 18,767 95 |
| Dominion Government Grant | | 100,000 00 |
| Dominion Government, Rentals | | 1,203 00 |
| Family Court Fines..... | | 236 00 |
| Fire Department | | 2,300 00 |
| Gasoline Tax Refund..... | | 6,333 70 |
| Housing Receipts | | 17,493 11 |
| Lansdowne Park Games and Rents..... | | 415 17 |
| Liquor Control Board Authority Fees..... | | 22,504 16 |
| Market Store Rents..... | | 12,629 40 |
| Market Tolls and Stall Receipts..... | | 14,014 00 |
| Miscellaneous | | 4,842 04 |
| Ottawa Electric Railway Company Track Mileage..... | | 22,179 44 |
| Playgrounds Check Rooms..... | | 223 32 |
| Plumbing Permits | | 1,096 65 |
| Police Court Fines and Fees..... | | 18,232 40 |
| Provincial Government Subsidy (One Mill on Assessment)..... | | 162,832 39 |
| Registry Office | | 3,573 10 |
| Sewer Rents | | 4,595 59 |
| Sidewalk Areas | | 3,480 46 |
| Strathcona Hospital Patients..... | | 11,894 06 |
| Street Watering | | 16,841 07 |
| Swimming Baths | | 4,160 25 |
| Tax on Motor Buses for Mileage on City Streets..... | | 2,620 90 |
| Tree Cutting and Trimming, Sale of Wood, etc. | | 922 50 |
| Total General | | <u>\$ 457,643 58</u> |
| Grand Total, Miscellaneous Revenue..... | | <u>\$ 511,417 13</u> |
| SUMMARY | | |
| Total Expenditures, 1943..... | | \$ 6,335,609 76 |
| Less: Total Miscellaneous Revenues, 1943..... | | 511,417 13 |
| Net Operating Expenditures, 1943..... | | <u>\$ 5,824,192 63</u> |

EXHIBIT "E"

CITY OF OTTAWA

INFORMATION WITH REFERENCE TO STREET FRONTAGE IN CONNECTION WITH
DOMINION GOVERNMENT OWNED PROPERTY WITHIN THE CITY

1. The total frontage on City streets of Dominion Government owned property in the City of Ottawa at the end of 1943 is approximately...49,604 feet
2. Included in the above foot frontage are the following streets:—

| | |
|---|------------|
| Wellington Street North, Canal to Bank Street (one side)..... | 1,874 feet |
| Wellington Street North, Bank Street to Perley Property (one side)..... | 2,146 feet |
| Cartier Square, Elgin Street and Laurier Avenue..... | 1,310 feet |
3. In addition to (1), the Dominion Government claims ownership of the following streets with the undernoted foot frontages:—

| | |
|---|------------|
| MacKenzie Avenue | 2,575 feet |
| Echo Drive from the Deep Cut to Pretoria Avenue Bridge..... | 2,200 feet |
| Preston Street from Carling Avenue to the Driveway..... | 1,200 feet |
4. Of the frontage of 49,604 feet in paragraph (1) above, approximately 22,380 feet is the frontage of Dominion Government property acquired since 1925.

SUBMISSION

1. It is clearly apparent from its very limited amount and from the express provisions of the agreement under which it is made that the annual grant of \$100,000 by the Dominion Government to the Corporation of the City of Ottawa compensates the City inadequately for a limited number of services rendered and not for loss of taxes generally. Special attention is drawn to Clause 2(c) of the agreement dated March 30th, 1920, entered into between the Dominion Government and the City, confirmed by Chapter 15 of the Statutes of Canada for 1920, in which it is provided "that the payment of the said sum of \$75,000 (increased to \$100,000 in 1925) annually to the Corporation shall be in full payment, satisfaction and discharge of all claims and demands by or on the part of the Corporation on the Government in respect of water supplied for street sprinkling, for fire protection by the Corporation to any of the buildings or premises owned or occupied by the Government, and for use in Major's Hill Park and in such other parks and driveways as may be owned or maintained by the Ottawa Improvement Commission (subsequently the Federal District Commission)."

2. There are obviously many important services rendered by the City to the Government for which the \$100,000 grant does not now and never did provide any compensation or adequate compensation.

3. In order to emphasize the extent to which the \$100,000 grant is even less adequate to-day than it was in 1925, special attention is drawn:—

- (a) to the large increase in the value of Government property in the City from 1925 to 1943—See Exhibit "A".
- (b) to the large amount of taxable property in the City expropriated by the Government from 1925 to 1943 from which the City now receives no revenue, but which it is still required to serve—See Exhibit "C".
- (c) to the fact that the street frontage of Government owned property has now increased to approximately 9.3 miles (not including streets owned by the Government), which is almost twice the street frontage of Government property in 1925.—See Exhibit "E".

4. It is submitted that except for the fact that it performs a very limited number of services of a municipal nature for itself, the Government is in no different position from that of any other corporation owning and occupying property in the City of Ottawa and that it would not be unreasonable for the Dominion Government to pay the City a grant comparable in amount to the taxes it would pay if its property were not exempt from taxation.

5. There is good precedent for the payment of a grant comparable in amount to the taxes payable by an ordinary taxpayer. In England "Contributions in lieu of rates are in general given in respect of all property occupied by the Crown for the public service and maintained directly out of the Votes of Parliament. The valuations on which contributions are given are fixed by the Treasury after discussion between the Treasury Valuer and the local rating authorities and are based as far as practicable on the same principles as the valuations of rateable property with which they can fairly be compared."—The *Municipal Journal* (1929), London, England.

6. It is submitted, therefore, that the Government should pay annually to the City a grant equivalent to that proportion of the total net operating expenses of the City for the last complete year which the total assessed value of Dominion Government property (excluding property of the Federal District Commission) for the preceding year bears to the whole rateable property of the City, plus the assessed value of Dominion Government exempt property (excluding Federal District Commission property) for that year. In 1942 the assessed value of Dominion Government property (excluding Federal District Commission property) amounted to \$61,537,700. The whole rateable property of the City for 1942 was \$162,823,404. The total of these two amounts is \$224,361,104. \$61,537,700 is 27.428 per cent of \$224,361,104. The net operating expenses of the City for 1943 were \$5,824,192.63. 27.428 per cent of \$5,824,192.63 is \$1,597,460, the amount which should be granted to the City in 1944.

7. It might well be argued that some branches of the Government service carry on activities of a business nature and that the Government should pay the City an amount equivalent to business tax in respect of these activities, but it should be noted that the figure of \$61,537,700 used in the preceding paragraph is the assessed value of Dominion Government land and buildings only and does not include any business assessment.

Respectfully submitted this 19th day of June, 1944.

Mayor J. E. STANLEY LEWIS,
Chairman.

Controllors:

E. A. BOURQUE,
FINLEY McRAE,
Dr. G. M. GELDERT,
G. W. GOODWIN.

Aldermen:

L. L. COULTER,
WILBERT HAMILTON,
ARTHUR PINARD,
JOHN POWERS.

The CHAIRMAN (Hon. Mr. Copp): Any member of the Committee is now at liberty to ask His Worship any questions based on the City's brief.

Mr. REID: I notice, Mr. Mayor, what seems to be a slight difference between statements on page 5 and on page 2 of the brief. You will notice at the foot of page 5 this paragraph:—

Whereas by chapter 10 of the Statutes of the year 1899 the Government provided for the annual payment of \$60,000 for ten years from July 1, 1899, to the Ottawa Improvement Commission for the purpose of building parks and driveways and otherwise beautifying the City of Ottawa.

On page 2 the second paragraph outlining what the grant is for reads:—

In 1899, by chapter 10 of the Statutes of Canada for that year, the Ottawa Improvement Commission was established and a grant of \$60,000 annually for a period of ten years, commencing July 1, 1899, was authorized to be paid to the Commission. The Act expressly preserved the agreement of 1885, with a slight modification regarding the maintenance of part of Wellington street.

It would appear that these two statements are in conflict, for if you read further on you will find these words:—

it was provided that the grant to the Commission should be "in full, payment, satisfaction and discharge of all claims and demands by or on the part of the Corporation on the Government of the Dominion of Canada in respect of water supplied (including charges for street sprinkling) by the Corporation..."

and so forth and so on. There would appear to me to be a conflict of statement in regard to the first \$60,000.

Mayor LEWIS: Mr. Chairman, it might perhaps be a little differently stated. You can understand that this is only a breakdown, for a recital of the full history would run to a considerable number of pages. There may be a slight misunderstanding, but it is not intentional.

Mr. REID: What exactly was the \$60,000 paid for, "for the purpose of building parks and driveways and otherwise beautifying the City of Ottawa"?

Mr. G. C. MEDCALF, K.C. (City Solicitor): What is contained on page 2 is a very brief statement of what the 1899 agreement provided for. The paragraph on page 5 is a recital from the agreement of 1920, and is the draughtsman's idea of what the agreement of 1899 covered. It is by no means intended to be a complete statement of the purpose of that agreement. If the honourable member will refer to page 6 he will see that there all the Acts preceding the 1920 Act are very shortly set out.

Mr. REID: But the 1920 Act is referred to.

Mr. MEDCALF: But I say that everything on pages 5, 6, 7, 8, 9 and 10 has reference to the 1920 Act and the agreement confirmed by that Act. What is set out at the bottom of page 5 and the top of page 6 is merely the recitals to the 1920 agreement.

Mr. REID: Yes.

Mr. MEDCALF: Obviously the statement at the bottom of page 5 is a very brief and not necessarily completely accurate statement of what the 1899 agreement provided for. The only way to find out exactly what it provided for is to refer to the agreement itself. At page 2 the City has attempted to set out its purpose, but the statement is by no means complete.

Mr. REID: I wonder if we could have an explanation of the Ottawa Improvement Commission, who it was and what it comprised as distinct from the city; and what is comprised in the Federal District Commission. I think the Committee should have that information so that we could understand this.

Mayor LEWIS: The Ottawa Improvement Commission was taken over later by the Federal District Commission.

Mr. REID: Who are the Federal District Commission, and what is the set-up?

Mayor LEWIS: They are appointed by the Dominion Government. The Mayor of Ottawa is a member of that Commission.

Mr. BOUCHER: Perhaps you could go into detail and describe the personnel.

Mayor LEWIS: I think the Secretary of the Federal District Commission is here, and that he could give the information.

Mr. BOUCHER: I think it would be wise, so that the members of this Committee would have a clear picture of the Federal District Commission or the Ottawa Improvement Commission.

Hon. Mr. LEGER: The money paid to either one or the other all goes to the City of Ottawa?

Mayor LEWIS: Oh, no.

Hon. Mr. LAMBERT: We pass a Bill each year dealing with the Federal District Commission. Senator Tanner makes quite a long speech on it.

Hon. Mr. LEGER: I know. There are two different bills, but the moneys that are given are ultimately for the improvement of the City of Ottawa.

Mr. McILRAITH: Oh, no.

Hon. Mr. LAMBERT: The Federal District Commission is different altogether.

Mr. BOUCHER: The Federal District Commission takes in territory outside the City of Ottawa.

Mayor LEWIS: I think that in fairness, Mr. Cram, Secretary of the Federal District Commission, should be allowed to explain the set-up.

Mr. McILRAITH: Couldn't we call him later. There is quite a long history.

Mr. McLEAN: I think that while His Worship the Mayor is here the members may have matters they wish to bring up with him.

Mr. BOUCHER: I do not like to question the viewpoint on that, but it seems to me the Committee would make better progress if they understood the set-up of the Ottawa Federal District Commission, or the Ottawa Improvement Commission as apart from the City of Ottawa, and possibly Mr. Cram could give us a brief statement and definition. He need not go into full detail, but I think to get the right perspective it would be wise for us to have a short statement from him at this time.

The CHAIRMAN (Hon. Mr. Copp): Is the wish of the Committee to hear Mr. Cram, Secretary of the Federal District Commission?

Some MEMBERS: Carried.

Mr. H. R. CRAM: Mr. Chairman and gentlemen, briefly, the Federal District Commission, as it is now known, was set up and organized by Act of Parliament dated August 11, 1899. The Commission was then known as the Ottawa Improvement Commission, and it was empowered to beautify the City of Ottawa by the construction of parks and boulevards and the acquisition of land and so forth. The Committee at that time was composed of three commissioners who were appointed by the Governor-in-Council and the Mayor of the city. A grant of \$60,000 was provided for by the Act at that time.

Mr. LEGER: As originally constituted, that Commission was to embellish grounds or do works in the City of Ottawa only?

Mr. CRAM: That was largely the idea as I understand it, sir.

Then in 1903 the Act was amended, extending the grant of \$60,000 for an additional ten years.

Then in 1910 there was another amendment, when the annual grant was increased to \$100,000. Of course the work of the Commission had become enlarged, and more ground had been taken over and more improvements undertaken, so necessarily maintenance costs were greater, and therefore the annual grant was increased.

Mr. LEGER: In all those years were you going outside the City of Ottawa.?

Mr. CRAM: I fancy it was for Ottawa alone.

Mayor LEWIS: You are wrong.

Mr. PINARD: Was that not extended into Rockcliffe, New Edinburgh, and the County of Carleton as well?

Mr. CRAM: Yes, that is right.

Mr. PINARD: It was outside the Corporation.

Mr. CRAM: Yes. The Rockcliffe work started as a matter of fact early in the nineteen hundreds, around 1903, 1904 or 1905.

Mr. O'BRIEN: Could that be illustrated on the plan? Frankly I have not any idea of what is involved.

Mr. CRAM: Unfortunately I did not expect that we would be called on this morning. I have a plan of the whole system. I can indicate it roughly here.

The system really starts right around here—

Mr. O'BRIEN: Where are the Parliament buildings?

Mr. CRAM: Here.

Mr. O'BRIEN: Oh, yes.

Mr. CRAM: The parkway comes in here and down here—here is Rockcliffe Park—and follows along Sussex street and over here by Lady Grey Drive and Nepean Point to Major Hill Park and the Parliament buildings. The Rideau Canal system runs along the Rideau Canal bank on both sides, to Dow's Lake park here, and there is a connection here over to the Experimental Farm. Here is Island Park Drive to the Ottawa river and the Champlain bridge.

Mr. LEGER: That is all in the city?

Mr. CRAM: No.

Mr. McILRAITH: I wonder if you could go over that again showing the municipalities that are involved, and naming them.

Mr. CRAM: Here is the city line. This development here is in the township of Gloucester. Here are the city limits, and from then on we are in the city to the Experimental Farm.

Mr. LEGER: Is the Experimental Farm within the city?

Mr. CRAM: No, it is outside. Here is the Experimental Farm, and here is the city limit here. This is the boundary, and this driveway here is in the township of Nepean. We cross here to the city of Hull.

Mr. McILRAITH: You go up into the park system too.

Mr. CRAM: There is no direct connection yet with the Gatineau Park, which is situated about ten miles north in the Laurentian hills, and where there is about sixty thousand acres.

Mr. REID: Have you any improvements in Gatineau Park?

Mr. CRAM: Oh, yes.

Mr. REID: Made with moneys paid by the Government?

Mr. CRAM: Oh, yes. We also have a number of parks in Hull. There are about fifty acres of parks in Hull at the present time, and about three hundred acres undeveloped in Hull city.

Mr. O'BRIEN: The red, I take it, indicates Federal property?

Mr. CRAM: I am not sure what the legend on this map means.

The CHAIRMAN (Hon. Mr. Copp): Would you give us a rough statement as regards this \$100,000 paid annually. What proportion was spent in the city and what proportion outside?

Mr. CRAM: I understand, sir, the \$100,000 grant from the Government to the City of Ottawa—

The CHAIRMAN (Hon. Mr. Copp): No, no.

Mr. CRAM: I thought, sir, if we could perhaps take the situation at present I could give you a definite statement as to how the grant is expended. At the present time we get \$200,000 annually from the Government for improvement work of the Federal District Commission.

Mr. McILRAITH: That is, the Federal District Commission gets \$200,000?

Mr. CRAM: Yes.

Mr. McILRAITH: If the word "grant" is used loosely, there might be some misunderstanding between what the City receives and what the Federal District Commission receives.

Mr. CRAM: The Federal District Commission receives a statutory grant to undertake and carry on improvements in the City of Ottawa and adjoining districts of Hull and other municipalities.

Mr. REID: What is the total amount of money you would spend in a year? Is there a grant from the City of Ottawa in addition to the \$200,000 that you get from the Dominion Government?

Mr. CRAM: The \$200,000 is the total money that we receive for the purpose of developing the driveway system and improving the federal capital. In addition to that the Federal District Commission receives money, under vote of Parliament, for maintaining and improving the grounds of all Dominion Government buildings in Ottawa, such as the Parliament Buildings, Rideau Hall, the Research Council building, and grounds of that nature.

Mr. BOUCHER: The Federal District Commission, at the request of the Government of Canada, does perform other duties and is paid for performing them?

Mr. CRAM: Quite so.

Mr. BOUCHER: Those are almost separate and apart from their functions as a Federal District Commission?

Mr. CRAM: Yes, sir.

Mr. REID: Do you just go ahead and perform work that the Government would otherwise do itself? I am trying to find out the total amount spent by the Federal District Commission.

Mr. CRAM: The Dominion Government, desirous of improving the federal capital, uses the medium, I suppose, of the Federal District Commission for performing certain functions, and provides the necessary funds through a statutory grant.

Mr. BOUCHER: To illustrate this point, may I draw attention of the Committee to the fact, with which I think you will agree, that at the present time the Federal District Commission is actually in charge of such things as the care and beautification of Parliament Hill itself.

Mr. CRAM: That is so.

Mr. BOUCHER: And last year or the year before the Commission was asked to do a landscaping job in Wrightville, Quebec, for Wartime Housing. The Commission did that as a separate function altogether from that for which it was originally set up?

Mr. CRAM: Quite so.

Mr. BOUCHER: That has been done in many cases?

Mr. CRAM: Yes.

Mr. REID: Do I understand you rightly, that the \$200,000 takes care of all the things you do, such as looking after the Parliament Building grounds, the Research Council building grounds, and so on?

Mr. CRAM: No, sir. I am sorry if I did not make myself clear. The work on the grounds of the Dominion Government buildings is taken care of under a separate vote, which is voted annually by Parliament.

Mr. REID: How much is that?

Mr. CRAM: For the last two or three years it has amounted to \$133,500.

Mr. REID: So you receive that plus the \$200,000?

Mr. CRAM: Yes.

Mr. MARSHALL: Is that all?

Mr. CRAM: Yes, except that, as Mr. Boucher pointed out, the Federal District Commission is asked occasionally by the Government to undertake the work of improving and landscaping the grounds of new Government buildings that are being erected from time to time. The Federal District Commission does that really on a contract basis. It submits an estimate of the cost, and that estimate is probably considered in relation to estimates received from private contractors; and if our estimate is in line, the Commission does the work for the Government, at cost.

Mr. MARSHALL: Do you get out a financial statement every year?

Mr. CRAM: Yes.

Mr. MARSHALL: By whom is it audited?

Mr. CRAM: The Act requires that it be submitted to the Minister of Finance.

Mr. MARSHALL: Would it be possible for us to get a copy of the latest financial statement?

Mr. CRAM: Yes, sir.

Mr. MARSHALL: Would you file it with the Secretary of the Committee?

Mr. CRAM: I would be glad to do that.

Mr. REID: Mr. Chairman, I am going to suggest that the Committee be supplied with a complete statement showing the work that the Federal District Commission does in Ottawa. We are only getting a cursory glance just now at the Commission's activities; but I think we should have, with respect to the Commission a statement similar to the one the City has given us. I suggest we should have a complete statement showing all the Commission's activities, and the moneys it receives, where it receives them from, and how they are expended, as well as a map showing where the Commission's activities are carried on. If we have such a statement, we can discuss the matter intelligently.

Hon. Mr. LEGER: In other words, you want to know what proportion of the \$200,000 and the \$133,000 is expended in the City of Ottawa?

Mr. REID: I want to know the whole thing. I do not know but what money that should be spent in Ottawa is being spent over in Hull.

Mr. CRAM: The Act as now framed empowers the Federal District Commission to spend money in Ottawa and in adjoining municipalities.

Mr. REID: I can see a curtailment of work on the Parliament grounds in the last few years. Perhaps that is because some of the money is being spent elsewhere.

Mr. McLEAN: Mr. Chairman, I should like to ask this question: To what extent, if any, is the City put to expense in connection with upkeep of the Federal District Commission? For instance, does the City or the Commission take care of such items as upkeep of roads, lighting, policing and other services necessary in connection with the Commission's property within the city? You would leave out, of course, the cost of education of employees, and that sort of thing.

Mr. CRAM: Since 1915 the City of Ottawa has supplied free of charge to the Commission the electric current required to light the lamps on the driveway and parks within the city limits. On the basis of the installed capacity of the lighting system as at present, the actual cost to the City probably would be \$5,000. Considering, however, that certain lights are shut off in winter-time, I think that the cost to the City would perhaps be about \$4,000 a year, on the average.

Mr. McLEAN: Would you say that that cost for lighting would fall on the city anyway, if this property had not been taken over?

Mr. CRAM: No, I should not say that, sir. I think it would be a responsibility of the Commission in developing the driveways.

Mr. McLEAN: Do the Royal Canadian Mounted Police do the policing of the driveway?

Mr. CRAM: Yes. The Royal Canadian Mounted Police do the policing of the driveway and maintain order in the parks.

Mr. McLEAN: Is it necessary to have the services of city policemen as well in these areas, or are they pretty well policed by the Mounted Police?

Mr. CRAM: Under the terms of an agreement whereby the Commission leases from the City of Ottawa one or two small park lands which the City perhaps originally started out to develop as parks, the City really is empowered to provide the policing, but actually the Royal Canadian Mounted Police are doing all the policing.

Mr. McLEAN: Would there be any other items of expense besides lighting for which the City pays?

Mr. CRAM: There is one other item I have in mind. The City of Ottawa purchased and presented to the Federal District Commission as a gift a parcel of land bounded by Cathcart, Sussex, McTaggart and the Ottawa river, for inclusion in the Commission's driveway system. That purchase, as I understand it, cost \$75,000 at the time, and was bought under debentures. A few years ago, I understand, an official of the City of Ottawa said that the cost to the taxpayers when the debentures had been redeemed would be in excess of \$189,000.

Mr. McLEAN: Would you say that the taking over of these properties by the Dominion relieved the City of Ottawa of any considerable expense which they would normally have in connection with the ordinary necessary upkeep of roads, policing, etc.? And if so, would you hazard a guess as to the amount the City would be relieved of in this way?

Mr. CRAM: Well, a normal city would of course build a parks system of its own; and the fact that the Federal District Commission constructed and developed this parks system made it unnecessary for the City to undertake the expenditure for it. I suppose that is a reasonable statement.

Mr. McLEAN: Has the Commission done considerable paving of the roads within the Commission's areas?

Mr. CRAM: Oh, yes, all the driveways are maintained of course as a part of our development.

Mr. McLEAN: Would you say that the Federal District Commission property constitutes the principal parks system of the city of Ottawa? What proportion of the parks of the City are within the Federal District system?

Mr. CRAM: The Federal District Commission parks development in the city of Ottawa constitutes really the complete park system for Ottawa. Ottawa itself, I think, has very few parks under maintenance.

Mr. McLEAN: That is, this constitutes the principal parks system of the city of Ottawa?

Mr. CRAM: Yes, quite so.

Mr. REID: Mr. Chairman, a little while ago I suggested that we should be given certain information by the Federal District Commission. I would like that suggestion to be considered by the Committee. I would make a further suggestion. We have before us a financial statement which shows that the City of Ottawa is asking for approximately a million and a half dollars from the Dominion Government; and it seems to me that to go along with this we should have a statement from the Department of Public Works. As I said before, we ought to have a map showing the jurisdiction of the Federal District Commission,

and a statement of its receipts and expenditures. We could stay here all day talking about little things, but we cannot discuss the matter intelligently until we have before us the information I have requested.

The CHAIRMAN (Hon. Mr. Copp): Have you such a map, Mr. Cram?

Mr. CRAM: We have a large-scale map showing our complete developments in Ottawa, and showing in colours the lands affected by the statutory grant of \$200,000 and those affected by the special grant of \$133,500.

Hon. Mr. LAMBERT: Have you a small hand map, or could you have one made, to distribute among the Committee members?

Mr. CRAM: I think so.

Mr. O'BRIEN: Could that be coloured?

Mr. CRAM: Yes.

Hon. Mr. DUTREMBLAY: I see that the property taken over by the Dominion Government since 1921 is said to be worth \$7,579,330? Is that correct?

Mayor LEWIS: Yes, sir, these figures are correct.

Hon. Mr. DUTREMBLAY: I understand the Dominion Government does not pay any taxes on that property, but has been making an annual grant of \$100,000?

Hon. Mr. LAMBERT: The Dominion Government pays no taxes at all.

Hon. Mr. DUTREMBLAY: Have you a statement showing how much revenue would have been received by the City of Ottawa if the Dominion Government had paid taxes on its property within the city?

Mayor LEWIS: That is shown in the statement, sir.

Mr. MARSHALL: I think we are getting mixed up. In my opinion we ought to go on with the brief as submitted by the City, and leave this other matter until later. In this brief we have something concrete upon which we can examine the Mayor and his officers.

Mr. REID: That is right in line with my idea. When I proposed that we should get certain additional information, I did not mean that we should get it right now. But surely no one will say that we are not entitled to get the maps and other information that I asked for.

Mr. MARSHALL: I will support your motion, if you make one, for that information. But in the meantime I think we ought to proceed with what is before us.

The CHAIRMAN (Hon. Mr. Copp): Mr. Reid, would you tell the Clerk of the Committee just what information you want?

Mr. REID: First of all, I think the Committee should have a map showing the work and jurisdiction of the Federal District Commission.

The CHAIRMAN (Hon. Mr. Copp): Can you furnish that, Mr. Cram?

Mr. CRAM: Yes, sir.

Mr. REID: We should also be given a statement showing the Commission's total receipts and expenditures, for a number of years back.

The CHAIRMAN (Hon. Mr. Copp): You want a statement showing the total receipts and a breakdown, as well?

Mr. REID: Yes.

The CHAIRMAN (Hon. Mr. Copp): Can you furnish that?

Mr. CRAM: Yes, Mr. Chairman.

Mr. REID: I would like a statement showing all expenditures, and a breakdown as between the Commission and the municipalities.

Mr. MARSHALL: The receipts should include the grants that have been made by the Dominion Government to the Federal District Commission.

Hon. Mr. LAMBERT: You can give the Committee a comprehensive statement as to the scope and functions of the Federal District Commission?

Mr. CRAM: Yes.

Mr. McLEAN: In getting this information I think the Clerk should bear in mind that what we want is something that will enable us to form some idea as to the benefit, if any, that the City derives through the development and upkeep of this Federal District Commission, especially as regards savings that the City may make in connection with the parks system.

Mr. REID: When we get that information Mr. Cram should come before us, to answer any further questions that we may wish to ask him.

Mr. CRAM: I would be glad to do that.

Mr. BOUCHER: My view in urging that Mr. Cram give evidence before the Committee right now was primarily so that we might have a brief statement as to the functions of the Federal District Commission and the territories under its control. I believe that if we had a broad picture of the duties, functions and jurisdiction of the Commission, that would help us in our approach to the whole problem.

Mr. McILRAITH: I would also suggest that when the Committee is again going into the Federal District Commission, it would help us if we had Mr. Fred Bronson, the Commission's Chairman, present.

Mr. COTÉ: Among the information that has been asked for, is there included a statement of the receipts of the Federal District Commission from the Dominion Government in addition to the annual grant of \$200,000?

Mr. MARSHALL: I suggested that the witness should file a statement, certified by the auditor, giving all that information up to the latest date available.

Mr. COTÉ: Your suggestion would include receipts in addition to the statutory grants?

Mr. MARSHALL: Yes, everything that the Commission has received.

The CHAIRMAN (Hon. Mr. Copp): Is it the wish of the Committee that Mr. Cram stand aside for the present, to be called later after he has furnished the information requested?

Mayor LEWIS: Mr. Chairman, before Mr. Cram goes may I say a word? I think he left out one important item when he was answering a question as to what the City contributes towards the Federal District Commission. We contribute free the water used on all the driveway systems inside the city limits, and lighting as well. And none of the money that the Commission receives from the Dominion Government is spent upon beautification of any city streets; it is all spent upon Government-owned or Government-leased property.

Alderman HAMILTON: Mr. Cram failed to mention the City's investment where the Memorial stands and also the property expropriated in the widening of Elgin street.

Mr. McLEAN: Who pays for the fire protection hydrants of the Federal District Commission?

Mayor LEWIS: There is a separate item on that.

Mr. McLEAN: The Commission takes care of that?

Mayor LEWIS: The City provides all the fire-fighting facilities and the Government pays for the installation.

Mr. McLEAN: Who keeps up the water mains and that sort of thing on the streets owned by the City, the City or the Commission?

Mayor LEWIS: There is only one street owned by the Commission, and that is Clemow avenue.

Mr. McLEAN: What about the driveways?

Mayor LEWIS: They come under the parks system.

Hon. Mr. DuTREMBLAY: What is the rate of taxation in Ottawa?

Mayor LEWIS: The mill rate this year is 33½ mills, with public school tax included.

The CHAIRMAN (Hon. Mr. Copp): Have members of the Committee any further questions to submit?

Mr. McLEAN: Yes, Mr. Chairman. If the submission made by the City were agreed to by the Government it would mean a complete reversal of the policy of not taxing Crown property. Almost certainly it would involve consideration of the Government's extending that policy to other parts of the country. To illustrate, I would point out that in my county there is a very valuable piece of Dominion property, namely, Camp Borden. It represents an assessed value of many millions of dollars in a small municipality. The expense to which the municipality is put by reason of that Dominion property, apart from providing educational facilities for people resident in the district, particularly in road maintenance because of the abnormally heavy traffic, is a very serious matter at the present time. Of course, I do not think for one moment that the municipality would expect the Dominion Government to pay the enormous taxes which would have to be paid on its assessed value were the property in private hands. If the Government were responsible for such taxes it would mean that those residing in the municipality would have to pay only a very small proportion of the local taxation. In connection with the City of Ottawa, it should also be borne in mind that the City is provided with an extensive park system at the expense of the Federal Government. I wonder whether the Mayor can present a convincing argument in support of the contention that the Government should pay taxes on all Dominion property within the City without extending the principle throughout the Dominion. Is there some particular reason why the City of Ottawa is more entitled to the application of this principle than other municipalities throughout the country?

The CHAIRMAN (Hon. Mr. Copp): Can you offer any enlightenment for Mr. McLean, Mr. Mayor?

Mayor LEWIS: I should not like to get into a general argument on the point, but I may direct his attention and that of the Committee generally to the fact that if the Sirois report had been implemented municipalities generally would have secured some relief along the lines for which we are contending. We have the greatest sympathy for any other municipality in its taxation problems brought about by the presence of Government buildings and other properties. I think we all agree that from the municipalities' point of view it is time for all parties to consider a revision of our system of taxation. I would add, however, that Ottawa's case is a little different from that of all other municipalities.

Mr. McLEAN: That is the point. After all, in making our recommendation to Parliament we have to give reasons for it. I know this municipality has a good basis for its contention, but of course it would be an absurd proposal that the rural municipality to which I have referred should be paid the enormous amount of taxes on the assessment of such a huge property as Camp Borden, for which the municipality gives very little service. Is the City of Ottawa in a different position from those municipalities where, although Government

property is located within their boundaries, we could not possibly consider payment of full taxes by the federal authorities? As I have mentioned, there is a benefit to the municipality I have referred to through the location of the camp and the small service expense borne by the municipality, apart from road maintenance.

Mr. BOUCHER: Although the City of Ottawa has the benefit of the driveway system, it must not be forgotten that the City still has the expense of its traffic thoroughfares and commercial streets.

The CHAIRMAN (Hon. Mr. Copp): As I understand, Mr. McLean desires to know whether His Worship the Mayor, or anyone whom he may designate, can present some convincing argument why the City of Ottawa should be dealt with differently on the point in question from other municipalities wherein federal buildings and properties are located.

Mr. McLEAN: Mr. Chairman, if we accept the City's submission we shall have to furnish reasons therefor when we present our report to Parliament. I should like to hear some argument along the lines I have indicated.

Mr. REID: Will Mr. McLean allow me to ask this question, for I think the Committee should have information with regard to it? Under the British North America Act is there anything to preclude the Government from paying taxes to municipalities; or is it just a principle that has enured all through the years that the King cannot be taxed? My view is that there is nothing in the British North America Act which prevents the Government from paying taxes on its own property. I think my question is germane to what we are considering.

The CHAIRMAN (Hon. Mr. Copp): That is a legal question entirely.

Mr. BOUCHER: I think this is the answer to Mr. Reid's question. Implicit in the British North America Act are certain laws current in England at the time of its enactment, one of those laws being that Crown lands cannot be taxed.

Hon. Mr. LEGER: There is a similar provision in the provincial taxation Acts.

Mr. MARSHALL: Mr. Reid has raised a very interesting point, and I think it should be submitted to the law officers of the Department of Justice for a ruling.

The CHAIRMAN (Hon. Mr. Copp): Yes, that is the only way. Mr. McLean has put his question to see whether Your Worship or any of your representatives can present to this Committee a convincing argument why the City of Ottawa should be treated differently from other municipalities in regard to the taxation of government-owned properties.

Mayor LEWIS: Mr. Chairman, our presentation is not for payment of taxation, but for payment of services with respect to government-owned property within the city limits. A glance at the map opposite shows just where the picture has been gradually changing over a period of years. The red area is increasing in the very highest assessed taxable part of our city. Not only has it taken taxes off the property, but off the business houses which were established in all those localities. As you can see, in a very short time our taxable property will be gone. That is why we base this brief wholly on the services rendered within that area. The City is just like a big house, so many rooms occupied by the Government, so many by the citizens, and every room in that house should bear its share of maintenance. You will see that in our brief we have shown the properties which have gradually been taken over by the federal authorities. Only yesterday we were notified that the Department of Mines has acquired practically two city blocks of an assessed value of

over \$17,000. This change is going on and on just like a never-approaching glacier; that is, more and more properties are gradually being withdrawn from taxation.

Mr. McLLRAITH: Exhibit C shows properties expropriated each year and properties that were taxable up to the date of expropriation.

Mayor LEWIS: Yes.

Mr. McLEAN: I take it from the brief and from the Mayor's remarks that the economic position of the City has deteriorated by reason of the steady and increasing taking over by the Dominion Government of properties from which the City had been receiving taxation. There has been, as we all know, considerable agitation in the House of Commons for decentralization of government departments. The good City of Toronto, ably represented, has from time to time suggested that the Dominion government might advantageously establish some of its large departments in that city. Members of the City of Montreal have made similar representation in regard to their home city. Presumably such suggestions will have to be considered. Is it, Mr. Mayor, the view of the City of Ottawa that its economic position is being deteriorated by this expansion of federally-owned properties? And would it be the wish of the City that the Dominion government give favourable consideration to the strong representations made to it and locate some of its departments in other municipalities in order to relieve this city of its undue burden in this respect? I am wondering what the position of the city would be in regard to a movement of that sort.

Mayor LEWIS: That is a pretty hard question to answer, sir. Undoubtedly Ottawa has grown in stature and its beautification has certainly made it more of a national capital. One might say that if the government did not occupy some of those properties there might be other taxable properties there. But I am not going to say that the whole economic structure of the City has been destroyed. However, I think you will agree with me that if the present trend goes on and on and on ultimately there will be nobody left to maintain the City properly.

Mr. McLEAN: As a set off to the expropriation of properties by the government should you not take into account the advantage accruing to the City by reason of increased employment in the federal services?

Mayor LEWIS: The City generally might benefit, taking our merchants and others into consideration.

Mr. McLEAN: I am trying to find out whether the policy of the government of continuing to expand its departments in Ottawa rather than outside is a financial benefit or otherwise to the city.

Mayor LEWIS: I will say the City, but not the Corporation.

Mr. McLEAN: I mean to the City financially.

Mayor LEWIS: For instance, with the huge expansion of Government buildings within the City, although it of course means greater employment in the Civil Service, a considerable number of civil servants are living outside the city boundaries. No doubt you gentlemen will study this map along with the district map. We shall have to expand if we want to make this a bigger city, but what we are considering now is the position within our present boundaries.

Mr. McLEAN: Then you would think that as the Government takes over more properties and establishes new departments here any increase in population and taxation on new buildings erected within the city would be more than offset by the loss of taxes on the properties the Dominion takes over.

Mayor LEWIS: Oh, no. I would not say more than offset.

Mr. McLEAN: Do you think the net result to the city financially would be a gain or a loss?

Mayor LEWIS: It is a loss.

Hon. Mr. LAMBERT: I think that question, Mr. Chairman, could not be answered adequately without a good deal of analysis and investigation. In other words, assume that you have twenty-five thousand civil servants directly connected with government activities. How many of those twenty-five thousand people are living within the City of Ottawa, and how many outside, in the suburbs, beyond the taxable area? On the one hand you have the exemption of taxation enjoyed by the Government, and on the other you have to assess the economic value of twenty-five thousand civil servants in this area, as that affects the various merchants. It is a subject for investigation and an equation.

Mr. McLEAN: I do not think we can come to an exact balance, but I think we have to try to come to some decision in the matter. It is a question whether this concentration of government departments is of benefit to the city or is a detriment.

Hon. Mr. LEGER: What is the municipal law of the City of Ottawa with reference to taxes? Are the taxes levied where the taxpayer is living or where the money is being earned?

Mayor LEWIS: It is a tax on lands and property.

Hon. Mr. LEGER: Have you no personal taxes?

Mayor LEWIS: No.

Hon. Mr. LEGER: No poll tax?

Mayor LEWIS: No nuisance taxes at all.

Hon. Mr. LEGER: Other municipalities have them. Your remedy might be there. In Moncton we have a poll tax and an income tax. The income tax has been taken over by the federal authorities now. If you had a personal property tax and a poll tax I think you would get rid of the difficulty.

Mr. McILRAITH: The tax on income has been taken over by the province of Ontario.

Hon. Mr. LEGER: In New Brunswick, in Moncton, we have a personal tax—a tax on personal property—and we have also a poll tax. Every person between certain ages pays a poll tax. I think at the present time it is about \$13 a year. If you had such a tax in the City of Ottawa, I think you would get rid of many of your problems.

Mr. BOUCHER: The burden of taxation would still be on the people.

Hon. Mr. LEGER: In the city of Moncton we have a great many government works, such as the C.N.R. works, from which we get no compensation. But we are glad to have them.

Mr. MARSHALL: I should like to ask the Mayor just one question. Did I understand you to say, sir, that the increase which you are suggesting should be made in connection with the grant covers services rendered rather than taxes? Am I correct in that?

Mayor LEWIS: For services.

Mr. MARSHALL: Does that apply to these other properties such as appear on page 14, where you show a list of exemptions? You show Dominion government properties exempt to the extent of \$61,000,000. Would the same thing apply to all those other properties as well?

Mayor LEWIS: The same principle, you mean, that they should pay for services?

Mr. MARSHALL: Yes, churches, for instance.

Mayor LEWIS: We cannot tax churches.

Mr. MARSHALL: But you say this is for services rendered, such as light and other things like that.

Mayor LEWIS: No, no.

Mr. MARSHALL: None of these things enter into the problem at all?

Mayor LEWIS: No.

Mr. MARSHALL: So we cannot discuss with you any of these other exemptions.

Mayor LEWIS: You can ask any questions you wish. We will try to answer them.

Mr. MARSHALL: The question of services does not enter into the picture with any of these other exemptions?

Mayor LEWIS: No, not to the extent that we are making this brief presentation to you.

Mr. McILRAITH: I just want to correct or explain the question asked by my honourable friend here (Hon. Mr. Leger). I think it is clear that the taxes he referred to, with the exception of the poll tax, are also payable in Ontario. But they are payable to a different jurisdiction. The income tax is no longer a municipal tax in Ontario. It is really a provincial tax, and as a temporary war measure is collected by the Dominion. There is just a real estate tax on lands and buildings within the boundaries.

Mayor LEWIS: Yes.

Mr. MEDCALF: There is an income tax on corporations. It is not large.

Hon. Mr. LEGER: If a person owns an automobile in Ottawa, is he taxed on that?

Mr. McILRAITH: By the provincial government.

Mayor LEWIS: The problem is not to try to impose further taxes on the people, but to try to distribute equitably the cost of administering the affairs of the capital of the Dominion.

Hon. Mr. LEGER: Other sections of the country have such a tax, and resort to other modes of taxation in order to finance their own municipalities. If Ottawa had the same taxes as other municipalities throughout the country they would not be seeking to-day for increased grants.

Mayor LEWIS: I would refer you to page 12 of the brief, Exhibit A, which I think gives the picture fairly well from 1920 to 1943. This statement shows the population, the total assessment, taxable and exempt, for general purposes, the assessment exemptions of Dominion government, and assessment exemptions for churches, schools, and so on, in the city. You will notice that under Dominion government exemptions the figure has increased steadily from \$30,000,000 in 1920 to \$65,533,950 in 1943. Now, as far as taxation is concerned, we have pretty nearly reached the saturation point unless buildings are torn down and more costly ones erected and other business institutions brought in that we can tax.

Hon. Mr. LEGER: That does not meet the point. You are only taxing real estate.

Mayor LEWIS: We believe that is the proper system.

Mr. McILRAITH: In the province of Ontario there is more centralization in the assessment legislation than there is in New Brunswick. Certain taxes that formerly were municipal taxes are all collected by the province. The citizen pays most of them, but in a different way.

Hon. Mr. LEGER: Is the City of Ottawa paying to the provincial government.

Mr. McILRAITH: There is provincial income tax.

Mr. PURDY: Where is the tax on furniture?

Mayor LEWIS: With the permission of the Chairman, I would like the Assessment Commissioner, Mr. MacDonald to explain the system of taxation in the City of Ottawa.

Mr. BOUCHER: I would draw attention of the Committee to this fact, that when services are rendered, taxes must be raised to pay for them; and the amount of taxes will be the same—for the cost of the services is the same—whether the assessment is on real estate only or also on furniture, amusements, and so on, with a poll tax besides. As I understand it, the picture presented by His Worship the Mayor is not intended to show the tax burden on individual citizens of Ottawa, but rather to show the proportionate share of the expense of running Ottawa that has to be paid by the people living within the confines of the city. Let me give an illustration. If a city had an area of one square mile and the cost of maintaining it was \$100,000, the taxation would ordinarily be spread fairly among all the residents of that square mile. But if the Government owned one-quarter of that square mile, then the burden of paying the \$100,000 would be spread among the people living on the remaining three-quarters of the square mile.

Mr. REID: Mr. Chairman, it seems to me that in his statement the Mayor has overlooked a factor that is recognized in most cities, both in the East and the West. In the city of Ottawa there must be a large number of people who should be paying taxes but are not paying any at all. For instance, many men have come to Ottawa to work for the Government, have rented homes, have brought their families along and send their children to school here. Yet they do not pay any municipal taxes. Why should they escape? Some people say that every person who pays rent or buys goods at a store is contributing towards taxes. In most districts, however, it is recognized that a man must pay for services rendered. I suppose there are in Ottawa fifteen or twenty thousand transients who have come here to do war work. If they were living in almost any other part of the country they would be under liability to pay for such services as police protection, sidewalks, fire prevention, schools, and so on. Mr. McIlraith has pointed out that the province collects taxes that formerly were collected by the city. Well, is Ottawa getting its just proportion back?

The CHAIRMAN (Hon. Mr. Copp): Are you suggesting that Ottawa should change its system of taxation?

Mr. McLEAN: The system of municipal taxation in Ontario is regulated by the Province.

Mr. BOUCHER: I suspect Mr. Reid thinks that the City should tax members of the Senate and of the House of Commons.

Mr. REID: I would be willing to pay taxes here if other members of Parliament did.

Mr. PURDY: Are the residents of Ottawa paying heavier taxes than the residents of cities of similar size elsewhere in Canada?

Mayor LEWIS: That is a difficult question to answer. I can only say that I think the tax burden here is proportionately heavier on account of the exemptions.

Hon. Mr. DuTREMBLAY: It seems to me that the rate for school taxes in Ottawa is high. It is considerably higher than in Montreal.

Mr. REID: It is difficult to compare taxes in different cities, because one city may have twice as good educational facilities as another.

Mayor LEWIS: Mr. Chairman, our Assessment Commissioner is now ready to make a statement, if you wish to hear him.

The CHAIRMAN (Hon. Mr. Copp): I am sure the Committee will be glad to hear him.

Mr. BLYTH MacDONALD (Assessment Commissioner, City of Ottawa): Mr. Chairman, gentlemen, we are governed entirely by the Ontario Assessment Act. Under the provisions of that Act real estate and business are the only things we can assess for taxation. The real estate tax is levied on land and

buildings; the business tax is levied on a certain percentage of the assessed value of the premises occupied for the purpose of carrying on business. We have no personal tax, and have not had one since 1904.

Mr. REID: What was that personal tax?

Mr. MACDONALD: If a man was in business he was assessed on the value of his stock on hand.

Mr. REID: An inventory tax?

Mr. MACDONALD: Yes.

Hon. Mr. LEGER: Am I to understand that your taxation law is provincial, that you have no municipal taxation Act?

Mr. MACDONALD: That is so.

Mr. MARSHALL: You have no stock taxes for school purposes?

Mr. MACDONALD: No. The school tax is included in the total rate of 33·50.

Mr. MARSHALL: You do not assess stock-in-trade for school purposes?

Mr. MACDONALD: No. But there is a business tax, which I have mentioned.

Mr. O'BRIEN: Do Ontario municipalities get any grant on account of taxes from the Province?

Mr. MACDONALD: Two mills.

Mayor LEWIS: Approximately \$328,000 came to the City of Ottawa this year from the Province.

Mr. MACDONALD: That was in lieu of the income tax.

Mr. REID: Could the Mayor give us the mill rate and the taxes collected?

Mayor LEWIS: That is included in the brief.

Mr. MARSHALL: Could we have a copy of the City's latest financial statement?

Mayor LEWIS: Yes. We shall file a complete financial statement.

Mr. McILRAITH: It might be well to place the mill rate on the record now.

Mr. MACDONALD: The present year's mill rate is 33·50—that is, \$33.50 per \$1,000 on assessment—for public school supporters, and 43·18 for separate school supporters.

Hon. G. V. WHITE: What proportion does your assessment bear to the actual value?

Mr. MACDONALD: According to the Ontario Assessment Act, the assessment shall be actual value.

Mr. O'BRIEN: Would it be possible for us to get some kind of average? Suppose a man has an income of \$3,000 a year, owns a home worth \$5,000 and also owns an automobile, what taxes would he pay in Ottawa?

Mr. MACDONALD: He would pay only on the real estate.

Mr. O'BRIEN: But in dollars and cents?

Mr. MACDONALD: On an assessment of \$5,000 a public school supporter would pay about \$165, plus any taxes for local improvements that may be opposite the property, such as sidewalks and sewers.

Mr. O'BRIEN: Could we get that information on paper?

Mr. MACDONALD: Yes.

Mr. REID: Have you an improvements tax here?

Mr. MACDONALD: Under the Act we establish a land value and also a building value.

Mr. REID: Both are assessed separately, are they?

Mr. MACDONALD: Yes.

Mr. REID: Is property facing the Federal District Commission driveway assessed differently because of its location there, or is it assessed on the same basis as property on other streets?

Mr. MACDONALD: Some of it might bear a corner influence on account of facing the driveway—that might be 10, 15 or 25 per cent on the property that is facing the driveway.

Mr. BOUCHER: But the value of property on the driveway is measured with the same yardstick as the value of property on any other street?

Mr. MACDONALD: Yes.

Mr. McLEAN: The basis of the assessment is the market value of the property, I presume?

Mr. MACDONALD: You can hardly take to-day's market value.

Mr. McLEAN: But its ordinary market value?

Mr. MACDONALD: Yes.

Mr. McLEAN: The proportionate market value would be the basis of the proportionate amount of the assessment?

Mr. MACDONALD: That is right, sir.

Mr. McLEAN: As Assessment Commissioner can you say off-hand that the establishment of the Federal District Commission and the work that it has done has to any appreciable extent increased, for assessment purposes, the value of properties in Ottawa?

Mr. MACDONALD: I do not think it has increased the value of any properties except those on which the driveway borders.

Mr. McLEAN: It would have increased the value to some extent?

Mr. MACDONALD: To a slight extent. In certain places it may have depreciated it.

Mr. REID: With regard to church properties, is the exemption of taxation only on the land on which the building stands, or on the whole church property?

Mr. MACDONALD: The Act says "a place of worship and lands used in connection therewith."

Mr. MARSHALL: That does not include a rectory of manse?

Mr. MACDONALD: No.

Mr. MARSHALL: Are they taxable?

Mr. MACDONALD: Yes.

Mr. REID: If one of these church buildings is leased to the Government, what takes place then?

Mr. MACDONALD: It becomes taxable for the following year's taxes. Under the amendment to the Act this year, we could collect for the balance of this year, but formerly we could not collect until the following year.

Mr. REID: If a church building is sold at a big profit, there is no way of getting taxes for back years?

Mr. MACDONALD: No.

The CHAIRMAN: (Hon. Mr. Copp): Mr. O'Brien wanted some information just now, and I am not sure he got it.

Mr. O'BRIEN: Could Mr. MacDonald let us know what taxes would be paid in Ottawa by a man with an income of \$3,000, and a house worth \$5,000?

Mr. MACDONALD: There is no income tax. But I can let you know what the taxes on a property worth \$5,000 would be.

Mr. REID: Mr. MacDonald, the statement on page 14 of your brief shows that churches to the value of \$4,244,705 are exempted from taxation; and the very next item of exemption is "educational, \$10,084,775". The exemption on churches does not seem high, but what does that "educational" include?

Mr. MACDONALD: Just the colleges and schools, both public and separate, and high schools, the School of Commerce, and collegiate institutes.

Mr. REID: Are there any church schools included in that "educational" item?

Mr. MACDONALD: Convents, for educational purposes; the Oblate Fathers. I can give you a list of them, if you wish.

Mr. REID: Personally, I do not want a list.

Mr. MARSHALL: Could we have a copy of that list?

Mayor LEWIS: We will file a copy.

Mr. MARSHALL: Could you furnish one to each member of the Committee?

Mr. REID: If we are going to have it, I think it should be on the record.

Mayor LEWIS: We shall file a copy of 1942 assessments, and see if we have enough additional copies to go around to all the members.

Mr. BOUCHER: I am not sure whether Mr. MacDonald understands the question asked by Mr. O'Brien. As I understand it, he asked what taxes would be paid in Ottawa by a man with an income of \$3,000 who owned a house worth \$5,000. I am not sure whether it has been made clear to Mr. O'Brien that, regardless of the man's income, the municipal tax would be on the assessed value of his property. As Mr. MacDonald pointed out, that tax, exclusive of local improvement taxes, would be approximately \$165 a year.

Mr. O'BRIEN: But I also want to know the amount of tax he would pay to the province. In the other words, how much does it cost in taxes for a man of that class to live in Ottawa?

Mr. MACDONALD: At the present time the federal Government collects the income tax. I can only give you the municipal tax.

Mr. O'BRIEN: I am trying to find out what taxes an individual would pay in Ottawa as compared with a similar individual in Moncton.

Hon. Mr. LEGER: To start with, the real estate tax in Moncton is three per cent, so a person owning a house there worth \$5,000 would pay \$150 real estate tax. Then he would pay so much on the value of his furniture, plus so much on the value of his personal property. There is also a rental tax in Moncton. It seems to me that a person owning a house worth \$5,000 in Moncton would pay about twice as much tax as if he were in Ottawa. Besides that, the man in Moncton has to pay an income tax to the province. So there is no basis for saying that the citizens of Ottawa are overtaxed as compared with the citizens of other localities.

Mayor LEWIS: We have never made the submission that we were overtaxed.

Hon. Mr. LEGER: But I understood you to say that you felt the burden of taxation was high enough in Ottawa. I do not think you are overtaxed. I think your taxation is very low, compared with that in other localities, and I congratulate you on it.

Mr. REID: On page 14 there appears to be a discrepancy in figures. Under Dominion Government you find \$61,537,700 for distribution of exemptions, and the figure in another place is given as \$65,533,000.

Mr. MACDONALD: Those figures are for two different years.

Mr. MARSHALL: Go up a line on page 12.

Mr. REID: My other question has to do with the Ottawa Hydro Electric Commission. Why is it assessed at \$2,000,000?

Mr. MACDONALD: That is under a provincial statute.

Mr. REID: You get no taxes from that Commission?

Mr. MACDONALD: The Commission is taxable on \$216,000 of assessment. The Act exempts the Commission's poles, wires, etc.

Mr. MARSHALL: What Act?

Mr. MACDONALD: The Ontario Assessment Act.

Mr. REID: Is there no compensating balance paid back for that? Why should that Commission be exempted?

Mr. MARSHALL: It is a provincial body, and the province exempts it.

Mayor LEWIS: We get paid partly on the assessment of property for retail business. Under the Public Utilities Act the City can be reimbursed for street lighting and water service. Current is supplied at cost. We get a reimbursement of a few thousand dollars a year from the Hydro on that basis.

Mr. PURDY: Are any of the properties assessed at a fixed value?

Mr. MACDONALD: There are four fixed assessments.

Mr. PURDY: Is the reduction on those very large?

Mr. MACDONALD: They have a fixed assessment for general purposes, but they are liable for full taxation on business properties.

Mr. REID: I notice the Ontario Hydro Electric Commission is assessed at \$88,000. Do you receive taxes on that assessment?

Mr. MACDONALD: They are exempt according to the Ontario Assessment Act.

Mr. REID: The private hydro electric company would be taxable?

Mr. MACDONALD: Yes.

Mr. MARSHALL: I see on page 14 the Ottawa Auxiliary Bible Society, \$7,000; Ottawa Boys Club Incorporated, \$26,000. How do they get exemption?

Mr. MACDONALD: By special provincial Act, sir.

Mr. MARSHALL: Your City charter does not permit you to levy any special taxes whatsoever?

Mr. MACDONALD: That is right. Most of them are covered under the section of the Assessment Act. As I have said, the Boys Club and the Auxiliary Bible Society are covered by special provincial Act.

Hon. Mr. WHITE: I see that the Y.M.C.A. and the Y.W.C.A. are exempted, but there is no indication that the Salvation Army is covered. Does it come under this exemption?

Mr. MACDONALD: The Salvation Army comes under churches in this list. The Army also does some salvage work, which comes under the heading of charitable and welfare.

Mr. REID: I see the Federal District Commission is exempted on an assessment of \$3,610,162. Would that include roadways as well?

Mr. MACDONALD: Yes, sir, that is all property owned by the Federal District Commission, including driveways in the municipality of Ottawa.

Mr. McLEAN: I have a question to ask, but I do not know whether to direct it to the Assessment Commissioner or to the Mayor. The City's proposal virtually is that Dominion Government properties be put on the same basis as other properties for taxation. The City says that its claim is for services, but in effect it is as I have stated. This is my question: What sort of balance would be struck if we drop the Ottawa District Commission idea and have all

federal property within this city serviced and taxed by the municipality, and have it take over the operation of the Federal District Commission within its boundaries?

Mr. MACDONALD: I am not in a position to answer.

Mr. McLEAN: Would you not hazard a guess?

Mr. MACDONALD: No, sir.

Mr. McLEAN: Has the Mayor any idea in regard to that?

Mayor LEWIS: No, Mr. McLean. That is a pretty hard question and will require careful examination before it is answered.

Mr. McLEAN: I suppose in arriving at a fair basis you have to take into consideration the Federal District Commission.

Mayor LEWIS: Yes, you would have to do that, examining their brief against ours.

Hon. Mr. LAMBERT: I suppose, Mr. Mayor, the time would come when with this steady increase of exempted properties the City would have to consider whether it would be better for the Dominion Government to make this a Federal District. Have you figured out how far the exemptions might go before you would think it advisable to have the municipality relieved of the expenses of administration?

Mayor LEWIS: That is another broad question, Senator. At the present rate of increase of exempted property something will have to be done in the very near future.

Hon. Mr. LAMBERT: It seems to me that broad question lies behind our immediate investigation. In your view the payment of \$100,000 is inadequate and you claim it should be \$1,500,000. Suppose the Government decided to take over the whole district and run it as a federal proposition?

Mayor LEWIS: The figure of \$3,610,000 against the Federal District Commission is not used as the basis of our presentation. We recognize that as part of the parks system in our total.

Hon. Mr. LAMBERT: Anyway, you have no dead line?

Mayor LEWIS: No.

Mr. PURDY: What would be the figures of the fixed assessments?

Mr. MACDONALD: Those figures will be included in the annual report which will be filed.

Mr. McILRAITH: Could you read it into the records?

Mr. BOUCHER: This question is of doubtful value, but I should like to ask it. If the Federal Government were to pay taxes at the same rate as the residents of Ottawa pay taxes, what proportion of the taxable income of the City would that be? As I say, the information may be of doubtful value, but I think it would be interesting.

Mr. MACDONALD: I think it is in the brief.

Mayor LEWIS: It is in the brief, on page 24, clause 6.

Mr. McILRAITH: As I understand clause 6, it only gives the proportion of the total expenses. Mr. Boucher's question was: What amount of the taxes would the Crown pay if it was taxed as an ordinary taxpayer? The answer to that, based on the 1940 assessment of Crown property only, is \$2,117,727.70. That is on the public school rate only. The separate school rate is higher.

Mr. MARSHALL: It would not be any higher than that this year, would it? The mill rate is 33.

Mayor LEWIS: Thirty-three and a half.

Mr. MARSHALL: You are working on a 37 mill rate.

Mr. McILRAITH: Yes.

Mr. MACDONALD: It would be roughly \$2,143,000 to-day. The rate is lower, but there are far more properties.

Mr. McILRAITH: The assessment is up and the rate is down. The net result is that the amount would have been increased.

Mr. O'BRIEN: What is the income of the city? Is the budget in this brief?

Mayor LEWIS: Page 20.

Mr. O'BRIEN: \$511,417. Is that what the city has to operate with?

Mr. McILRAITH: It is at the bottom of page 19.

Mr. O'BRIEN: That is expenditures. What is the city's budget?

Mr. REID: What was the mill rate last year?

Mr. MACDONALD: In 1942 it was \$34.52 per thousand dollars of assessment.

Mr. O'BRIEN: On page 19 the statement shows expenditures of \$6,335,609.76, which is carried over to page 21, less \$511,417.13, leaving a net operating expenditure of \$5,824,192.63. Does that come from taxation?

Mayor LEWIS: All from taxation—I might qualify that: Taxation plus the two mills received from the Ontario government, but all comes through our own channels.

Mr. O'BRIEN: Your budget balances.

Mayor LEWIS: Yes. In 1943 the subsidy from the Ontario government was only one mill, or \$162,000.

The CHAIRMAN (Hon. Mr. Copp): Are there any other questions?

Now, gentlemen, it is nearing 1 o'clock, and there are two or three matters we must consider with respect to our next meeting. In the first place, will you want Mr. MacDonald back?

Mayor LEWIS: We intend to have all our representatives here.

The CHAIRMAN (Hon. Mr. Copp): All right.

Now, I understand that Mr. Pickering, representing the Board of Trade, wants to present a brief at some time. He might let us know what it is.

Mr. PICKERING: All I have to-day is a petition asking for the privilege of submitting a brief.

The CHAIRMAN (Hon. Mr. Copp): Will you be ready to be called?

Mr. PICKERING: Yes.

The CHAIRMAN (Hon. Mr. Copp): Is it your pleasure, gentlemen, that we hear Mr. Pickering?

Some MEMBERS: Carried.

The CHAIRMAN (Hon. Mr. Copp): Now there is another matter. Mr. Cram wishes to supply some information.

Mr. Cram you filed a report of the Federal District Commission for 1942-43. Have you copies of that?

Mr. CRAM: Yes. The report for the last fiscal year, ending March 31, 1944, is not yet ready.

The CHAIRMAN (Hon. Mr. Copp): But you could supply copies of this other report?

Mr. CRAM: Yes.

The CHAIRMAN (Hon. Mr. Copp): Now, is there anything else?

Mr. REID: I have one or two proposals to put before the Committee. One is that the Committee be provided with a brief in regard to this whole matter from the Public Works Department. Secondly, I think an opinion should be secured as to whether the government have the right to be excluded from

taxation under the British North America Act. I think such an opinion should be obtained. It will have an important bearing. Thirdly, I think we should meet more often.

The CHAIRMAN (Hon. Mr. Copp): Mr. Somerville, will you have a statement prepared as requested by Mr. Reid, regarding the payment of money and giving the whole background? You could present a brief and amplify it when you come before the Committee.

Hon. Mr. LAMBERT: I think Mr. Somerville can give, from the point of view of the government, some historical background in connection with the previous arrangements from 1920 on, so that we may have a proper perspective of this whole problem. Another aspect which he might like to present is the contra account side of the city's claim.

The CHAIRMAN (Hon. Mr. Copp): He could do that in a short brief, and amplify it before the Committee.

Mr. SOMERVILLE: Yes.

The CHAIRMAN (Hon. Mr. Copp): Thank you.

Mr. REID: What about obtaining an opinion from the Legal Department?

Mayor LEWIS: The British North America Act says that there are no taxes payable on federal property.

Mr. McILRAITH: Would not the Law Clerk of the Senate or of the House of Commons be the one to do that?

The CHAIRMAN (Hon. Mr. Copp): Are you prepared to accept Mr. MacNeill's opinion on that?

Mr. McILRAITH: He is quite familiar with it.

Mr. BOUCHER: There is another aspect that I do not want to go into at the present time, but which I think should be mentioned. It is this. The City of Ottawa is substantially a civil service city, and it would be interesting to have particulars as to the proportion of the population which is employed in the Civil Service and the effect this has on the revenues of the City of Ottawa as compared with those of other cities. Further we should have a comparison of Ottawa with other cities from a commercial point of view. Looking at the licence fees collected by the City of Ottawa, it seems to me that per population the amount is small. The answer may be found in the nature of the population and the resultant small commercial source of revenue for licence fees. I would suggest that possibly some member of the City of Ottawa could give us some data on that aspect of the case. I think it would be very interesting.

Mayor LEWIS: We might be able to get that from the Assessment department. We have no records on it.

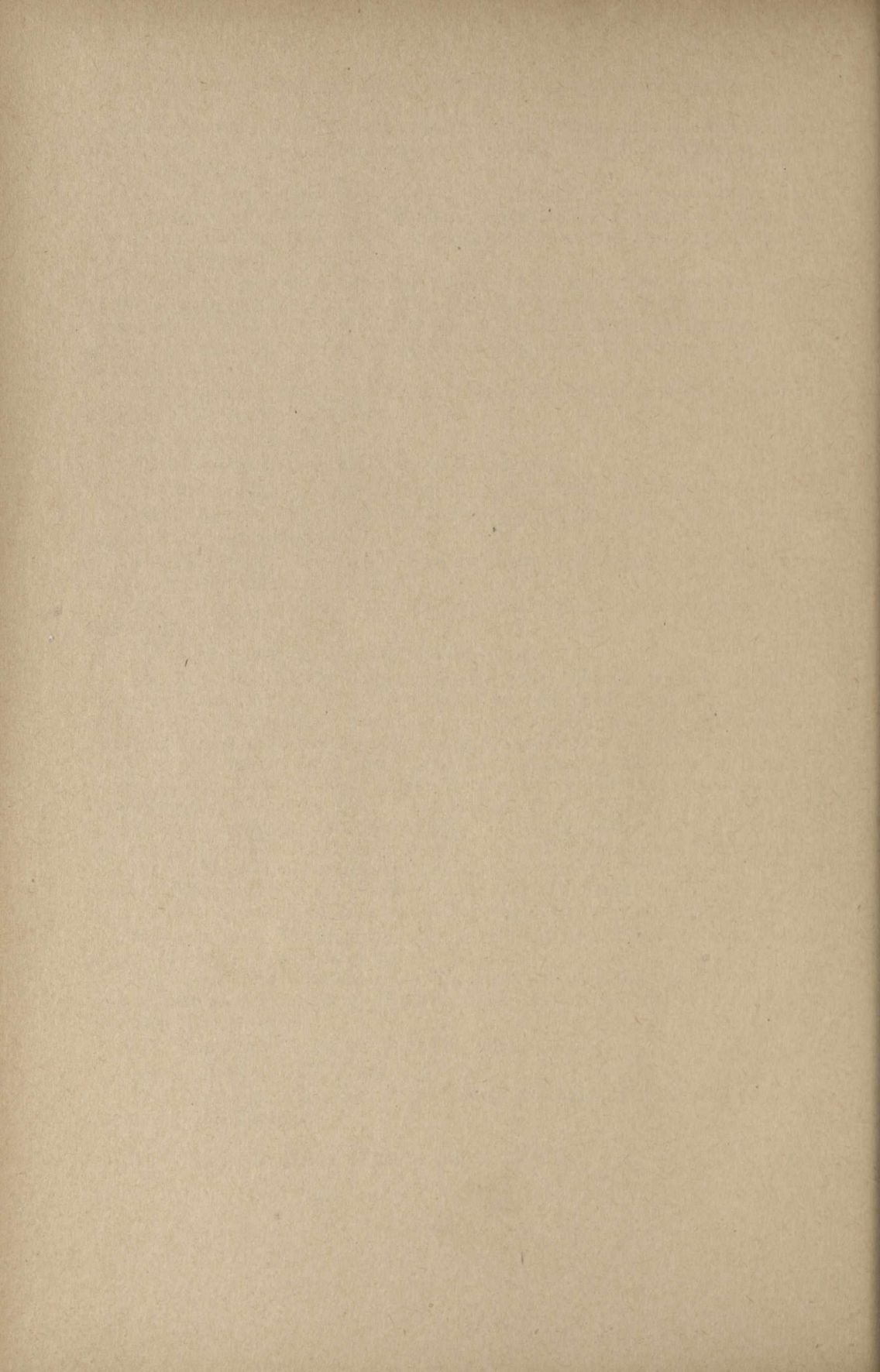
May I say this. Several times Mr. Reid has used the word "taxes". We as a municipality recognize the British North America Act and we use the term "payment for services".

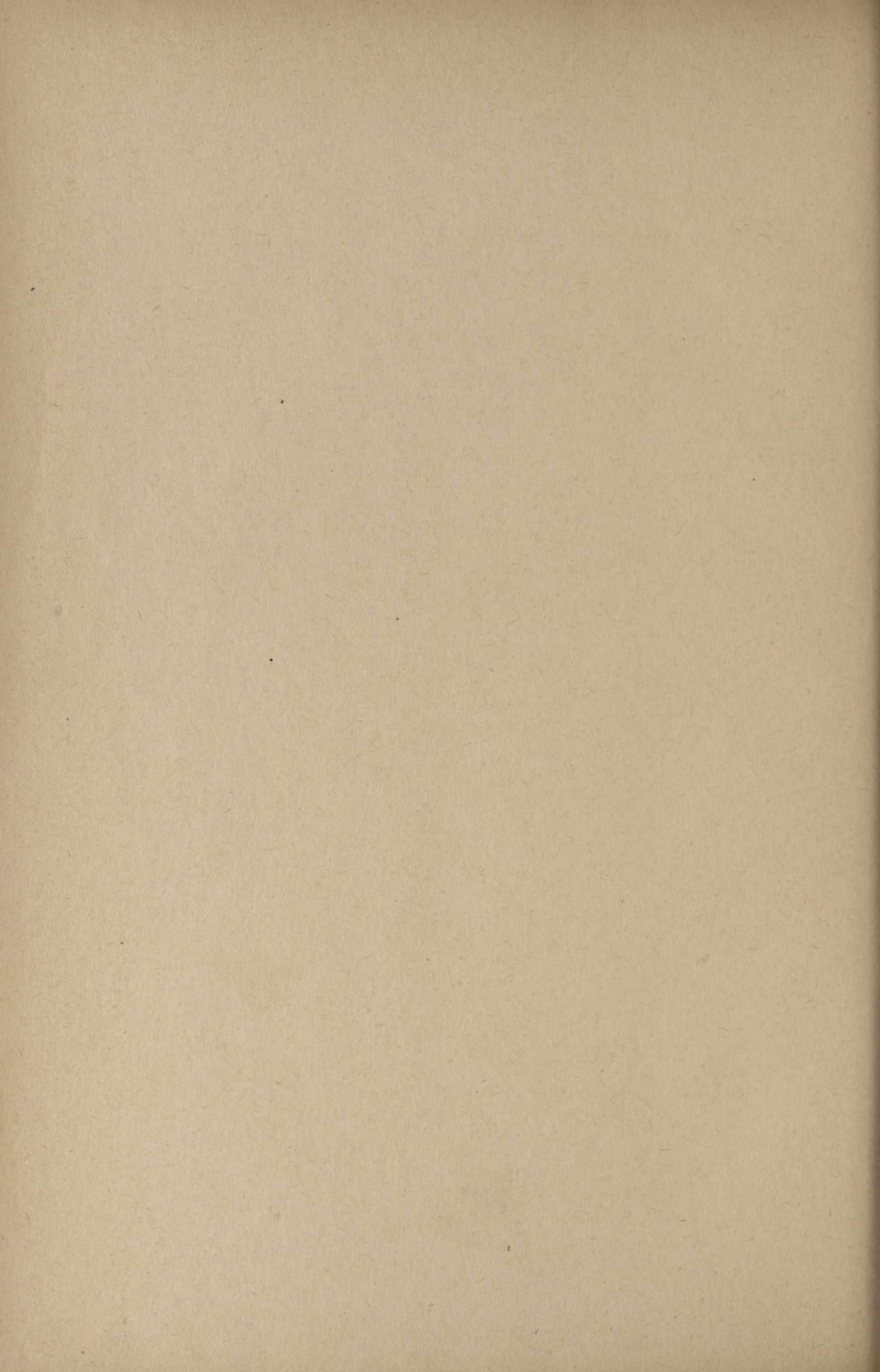
Mr. MARSHALL: It means the same thing.

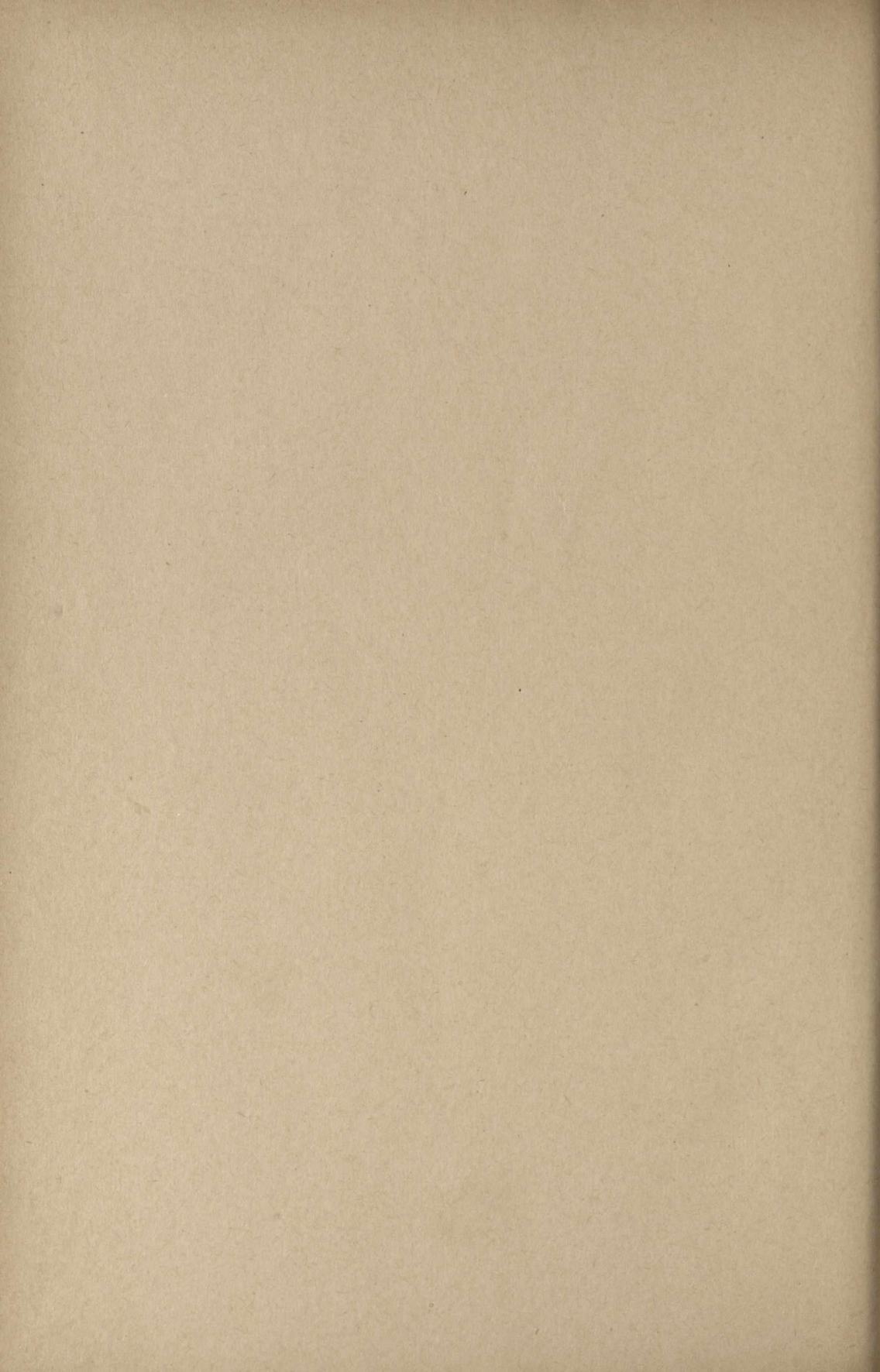
Mayor LEWIS: Well, in law it does not.

The CHAIRMAN (Hon. Mr. Copp): Well, gentlemen, I think that concludes our session this morning.

The Committee adjourned at the call of the Chair.







SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat
of Government in the City of Ottawa and to Report on the Relations
Between the Federal Government and Municipal Authorities of
the said City and the Relative Responsibilities in Respect
of Such Problems with Power to Inquire into the Matter
and Things Therein Referred to.

No. 3

WEDNESDAY, JUNE 28, 1944

WITNESSES:

Mr. J. M. Somerville, Secretary, Department of Public Works.
Mr. F. E. Bronson, Chairman, Federal District Commission.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,
and Honourable Senators:

DuTremblay, P.R.
Lambert, N.P.
Leger, A. J.

Stevenson, J. J.
White, G.V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,
and Messrs.:

Boucher, G. R.
Coté, P. E.
Dechene, J.M.
Hill, B. M.
Knowles, S. H.
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J.
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A.
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problem with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

WEDNESDAY, 28th June, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Present:—

The Honourable Senator Copp, Chairman of the Senate section.

SENATE: The Honourable Senators DuTremblay, Lambert, Leger and White.

HOUSE OF COMMONS: Boucher, Coté, Dechene, Matthews, McIlraith, McLean (*Simcoe East*), Pinard and Reid.

In attendance:—

The Official Reporters of the Senate.

Mr. J. M. Somerville, Secretary, Department of Public Works.

Mr. H. R. Cram, Secretary, Federal District Commission.

His Worship Mayor Lewis; Controllers Bourque, Geldert, Goodwin and McRae, and Aldermen Coulter, Hamilton, Pinard and Powers, appeared as representatives of the Ottawa City Council.

Mr. Gordon C. Medcalf, City Solicitor, Ottawa, requested a correction in the printed proceedings, as follows:—

Page 24. In line 4 of the submission insert "the" before "services".

Mr. J. M. Somerville, Secretary, Department of Public Works, was called and submitted a summary of the negotiations and arrangements made between the Government and the City of Ottawa for civic services rendered.

Mr. F. E. Bronson, Chairman, Federal District Commission, appeared and submitted a brief in two parts as follows:—

Part I: Constitution of the Federal District Commission, its powers, description of improvement work carried out, total receipts and expenditures, relationship with the City of Ottawa and its history while known as the Ottawa Improvement Commission.

Part II: Recommendations for increasing the powers of the Federal District Commission pending the establishment of a federal district and an appropriate form of government for Ottawa and environs.

His Worship Mayor Lewis submitted the following documents:—

1. Statement of cost to the City of Ottawa of Elgin Street widening.
2. Statement showing expenditures, 1943, by City of Ottawa in connection with playgrounds, parks, etc.
3. Annual Report of the Assessment Commissioner of Ottawa for 1942.

At one o'clock, p.m., the Committee adjourned until Tuesday, 4th July, 1944, at eleven a.m.

ATTEST.

A. H. HINDS,

*Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.*

MINUTES OF EVIDENCE

WEDNESDAY, June 28, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Hon. A. B. Copp, P.C., Chairman, Senate Section, presiding.

The CHAIRMAN (Hon. Mr. COPP): Gentlemen, I regret to have to inform you that my associate chairman, Mr. Gregory, is unable to be here this morning and has requested me to carry on as best I can in his absence. If it is the will of the members of the House of Commons, I shall be very glad to continue.

I think Mr. Medcalf, City Solicitor, has a slight correction that he wants made in the record.

Mr. MEDCALF: On page 24 of the record of proceedings a very small word has been omitted in the fourth line of the submission. The article "the" should come in before the word "services". This is in the fourth line of the submission, on page 24.

The CHAIRMAN (Hon. Mr. COPP): The correction will be made in the report.

Now, what is the order of business this morning? Who shall we hear? As we already have had a brief from the City of Ottawa and a short statement by the Secretary of the Federal District Commission, and as the Public Works Department is the medium of communication between the City and the Government, it has been suggested that we hear Mr. Somerville, Secretary of the Department of Public Works. I think all of you have received a copy of his brief. What has the Committee to say in regard to that?

Hon. Mr. LAMBERT: I move that we hear Mr. Somerville.

The CHAIRMAN (Hon. Mr. COPP): Is it the pleasure of the Committee to hear Mr. Somerville?

Some MEMBERS: Carried.

The CHAIRMAN (Hon. Mr. COPP): The brief is short. Do you just want Mr. Somerville to comment on it or to go over it section by section and clause by clause?

Mr. MEDCALF: Could we have a copy of the brief, Mr. Chairman?

Mr. REID: I would suggest that Mr. Somerville read the brief.

Mr. BOUCHER: I think that is a very good suggestion. The City of Ottawa presented its brief, and some of the members went through it very carefully, but bearing in mind the fact that some members of this Committee must report to the House of Commons, and that the evidence given before the Committee is to be transcribed, I think it would be of advantage to the members of the Committee if witnesses in presenting briefs, were to either read or summarize them, so that they would appear in the evidence as well as among the exhibits.

The CHAIRMAN (Hon. Mr. COPP): Mr. Somerville, will you proceed along that line?

Mr. J. M. SOMERVILLE, Secretary of the Department of Public Works: I have condensed the statement as much as I thought it should be condensed, Mr. Chairman.

The CHAIRMAN (Hon. Mr. COPP): As I understand it, the idea of Mr. Boucher is to get the whole thing on record. That being so, you had better read the brief, and if you want to comment on it as you go along, you may do so.

Mr. SOMERVILLE: This is a summary of the relations existing between the Federal Government and the Corporation of the City of Ottawa.

A SUMMARY OF THE RELATIONS EXISTING BETWEEN THE FEDERAL GOVERNMENT AND THE CORPORATION OF THE CITY OF OTTAWA

HISTORICAL RESUME

Bytown was founded in 1827, incorporated as a city when its name was changed to Ottawa in 1854, and was selected by Queen Victoria as the capital of Canada in 1858. The Parliament Buildings were commenced in 1859, and were completed in 1865. Water was supplied to these buildings from the Ottawa River and was pumped through a feed pipe located at the rear of the Library.

In 1869 the Mayor of Ottawa advised the Department of Public Works that it was the intention to construct waterworks to supply the City with water, and petitioned the Government for permission to use as much of the surplus water passing over the Chaudiere Falls as would supply the city with water and drive the machinery necessary for waterworks purposes. This was approved by Order in Council of September 17, 1869. Other than the foregoing, from 1867 to 1877, the Corporation did not receive or ask for any special grant from the Government for the maintenance of municipal services.

In 1877 the Government buildings were connected with the City waterworks and an agreement, dated March 6, 1877, was entered into between the City and the Crown which provided for an annual payment to the City of a lump sum of \$9,000 over a period of five years from January 1, 1877, for water supplied by the City for the said buildings, including Rideau Hall. At the expiration of this contract in 1882 and until 1899, water was supplied the Government buildings by the City and the annual payments fluctuated between \$9,087.10 and \$15,394.25, the increase in the payment being mostly due to additional buildings erected during that period.

In 1883 the City made a further demand based on loss of revenue due to the statutory exemption of Government property from taxation, and to the maintenance of civic services on a larger scale due to the seat of Government being located in Ottawa. This was met by an Order in Council of December 21, 1883, the Government agreeing to assume certain liabilities such as (1) maintenance of Dufferin and Sappers bridges and the bridges over the slides (Chaudiere); (2) maintenance of Wellington street between the Dufferin bridge and Bank street; (3) making free to the public the use of the suspension bridge between Hull and Ottawa. A further Order in Council was passed on January 11, 1885, by which the Government also agreed to assume possession and maintenance of Major's Hill Park.

Hon Mr. LEGER: Are these properties still maintained by the Crown?

Mr. SOMERVILLE: Yes, sir.

(Continues reading brief):

Immediately after the passing of that Order, other demands were made in February, 1885. The City then petitioned that the Government maintain the police force, the McLaren bridge over the Rideau river at New Edinburgh, the Maria street (Laurier Avenue West) bridge, and the sidewalks in front of Cartier Square. The first two requests were refused, the others were accepted by Order in Council of June 17, 1885.

Mr. BOUCHER: Mr. Somerville, will you explain to the committee what bridge is referred to there as the McLaren bridge? It is no longer known as such.

Mr. SOMERVILLE: It is the bridge crossing the Rideau river at New Edinburgh, sir.

Mr. BOUCHER: Near the Research building?

Mr. SOMERVILLE: Yes.

The CHAIRMAN (Hon. Mr. Copp): Is it still known as the McLaren bridge?

Mr. SOMERVILLE: No. It is now known as the Sussex street bridge.

Hon. Mr. WHITE: In the previous paragraph of your brief you referred to the suspension bridge between Hull and Ottawa, saying that the Government agreed to make the use of this free to the public. What bridge was that?

Mr. SOMERVILLE: That was over the Chaudiere. The toll charges for crossing that bridge were abolished by that Order in Council.

The CHAIRMAN (Hon. Mr. Copp): The Government had built that bridge and charged tolls for crossing it?

Mr. SOMERVILLE: Yes. It was a bridge between two provinces.

Mayor LEWIS: Mr. Chairman, that would be of as much benefit to the province of Quebec as to the city of Ottawa.

The CHAIRMAN (Hon. Mr. Copp): That is the fact, I suppose?

Mr. SOMERVILLE: The first representations were made by the city. That is the reason I mentioned the matter.

(Continues reading brief):

Matters progressed satisfactorily until 1897 when the City presented a petition for better terms and an agitation was begun in favour of making the City of Ottawa "the Washington of the North". Ultimately the Ottawa Improvement Commission was organized and established by Statute 63, Victoria, Chapter 10, 1899. Under this Statute the sum of \$60,000 was granted for a period of ten years from July 1899, to be expended by that Commission which consisted of four Commissioners, three appointed by the Governor in Council to serve at pleasure, the fourth by the City of Ottawa.

Section 15 of the Act stipulated that the annual grant of \$60,000 would be in full payment, satisfaction and discharge of all claims and demands in respect to water supplied (including charges for street sprinkling) by the Corporation for use in and on buildings, lands and premises in the City of Ottawa (including Major's Hill Park) then owned, rented, leased or occupied, or thereafter to be owned, rented, leased or occupied by the Government, and also the use in and on Rideau Hall, Rideau Hall grounds and the Central Experimental Farm and the buildings thereon.

Under Chapter 45, Statutes of 1903, the \$60,000 annual grant was extended for an additional ten years, viz: to July 1st, 1919.

Under Chapter 45, Statutes of 1910, the grant of \$60,000 per annum to the Commission was increased by \$40,000, making the annual grant \$100,000 from July 1st, 1909 to July 1st, 1919.

Section 4 of the 1910 Act also authorized a payment direct to the City of \$15,000 per annum from July 1st, 1909 to July, 1919, as a contribution to the maintenance of fire protection service by the Corporation.

1919-20 REVISED AGREEMENT

In 1918, the Mayor of Ottawa, the late Harold Fisher, submitted a statement with a view to the revision of the arrangements then existing and which were to expire on June 30, 1919. The principle set forth in this statement was that the Government should subject itself to ordinary assessment in the same way as a private individual and the then Mayor stated that the total amount of taxes

and water rates which would have been payable by the Crown for its properties in the City at the ordinary rate of taxation was \$886,453.60.

This amount was made up as follows:—

| | |
|--|--------------|
| Water Rates | \$ 67,210 63 |
| Street Sprinkling | 2,140 42 |
| Taxes payable on the income of civil servants (taxable income \$2,500,000 after allowing for exemptions)..... | 57,175 00 |
| Property Tax | 483,887 80 |
| Business Tax— | |
| Government-owned property | 226,271 95 |
| Property leased by Dominion Government..... | 46,034 45 |
| Local Improvements assessed against Government property or property of Ottawa Improvement Commission not paid by the Government— | |
| Dominion Government | \$2,647 85 |
| Ottawa Improvement Commission | 1,085 50 |
| | 3,733 35 |
| | \$886,453 60 |

Mr. REID: What is meant by "Taxes payable on the income of civil servants?"

Mr. SOMERVILLE: As I understand it, in the early days, around 1883 or 1884, there was an arrangement by which the city would not charge a tax on the income of civil servants. Of course, the income tax did not amount to very much in those days; but whatever the arrangement was, it was abolished by the 1920 agreement.

Mr. REID: In other words, there was a municipal income tax at that time?

Mr. SOMERVILLE: Yes. The then Mayor said that the taxes payable on the income of civil servants would have amounted to \$57,175.

(Continues reading brief):

This estimate of taxes was based on 22.87 mills which was the average rate required to produce the revenue derived from public and separate school supporters based on the assessment then existing.

The Mayor there brings up the question of payment of local improvement taxes. Well, it had been the practice of the Department of Public Works to pay local improvements at that time, so I do not know just why he included that. It is not a very big item, but it is there.

The CHAIRMAN (Hon. Mr. Copp): He just makes the statement that the Government was paying at that time.

Mr. SOMERVILLE: He implies that the Government was not paying at that time, but they actually were, and they have paid since.

(Continues reading brief):

The Government does bear its proportionate share of local improvement taxes adjacent to Government buildings.

On March 30, 1920, an agreement was entered into between the Crown and the City which provided for the payment direct to the City of an annual amount of \$75,000 for five years from July 1, 1919. This agreement was approved by chapter 15, Statutes of 1920. Among other things, the agreement stipulated that the water required for street sprinkling, fire protection and for sprinkling lawns in parks and driveways maintained by the Ottawa Improvement Commission was to be supplied by the City in consideration of the annual grant of \$75,000 paid direct by the Crown to the City. However, the water used in government-owned buildings was to be paid for by the Crown at the rate of 13 cents per 1,000 gallons for any quantity of water consumed per annum up to 200,000,000 gallons and at the rate of 10 cents per 1,000 gallons for any quantity in excess of 200,000,000 gallons; in addition, the Crown was to pay for rental of water meters.

Hon. Mr. LEGER: I understand that the Rideau Hall property and the Experimental Farm, both of which are outside the city limits, are supplied with water by the City. Is there any arrangement between the Government and the City with reference to those two properties?

Mr. SOMERVILLE: I believe, sir, that Rideau Hall is within the city limits. That map on the wall shows it.

Hon. Mr. WHITE: Would this rate of 13 cents per thousand gallons be the rate paid by the ratepayers?

Mr. SOMERVILLE: I believe approximately so, Senator.

Mr. BOUCHER: You could not tell whether that was the same rate as paid by the ratepayers at that time?

Mr. SOMERVILLE: No, I would have to check that up.

Mr. BOUCHER: I understand it was much below.

Mayor LEWIS: The Government never paid the same rate as the ratepayers of the City of Ottawa paid; it was a preferred rate.

Mr. BOUCHER: The rate has been lower than that paid by the citizens, has it not?

Mr. SOMERVILLE: I understand we are paying the same rate as the City charges to adjoining municipalities.

Mr. BOUCHER: But different from the rate paid by the citizens.

Mr. REID: Under the agreement entered into between the Government and the City certain work done by the Ottawa Improvement Commission was taken over by the city and paid for under this grant of \$75,000?

Mr. SOMERVILLE: Yes, sir.

Mr. REID: To what extent did that relieve the Federal District Commission?

Mr. SOMERVILLE: I do not know, sir. Possibly their officers could answer that question. It should have relieved them somewhat.

Hon. Mr. LAMBERT: You refer to that a little later on.

Hon. Mr. LEGER: Is the water supplied to the Experimental Farm being paid for by meter?

Mr. SOMERVILLE: Yes, sir.

Mayor LEWIS: There is no dispute at the present time between the City and the Government on the question of water supply. A little later on we shall give the whole details on the subject.

Mr. SOMERVILLE (continues reading brief):—

Water Rates

From July 1, 1919, to July 1, 1920, the amount paid to the City for water over and above the \$75,000 annual grant was \$30,356.48.

In 1932, at the time of the completion of the Filtration Plant, the Government agreed to increase by 25 per cent the respective rates of 13 cents and 10 cents per 1,000 gallons above mentioned. On the basis of this increase the cost of water for the fiscal year 1933-34 was \$54,726.12.

The above rates with meter rentals were in effect until June 15, 1942, at which time the Government agreed to pay the increased rate levied by the City, namely, 20.82 cents per 1,000 gallons. Under this new arrangement, no charge is made for rental of water meters. The charge is the same as that made by the City against the adjoining municipalities.

The quantity of water consumed in government-owned buildings in Ottawa during the fiscal year 1943-44 involved a total expenditure of \$121,658.11, of which \$87,737.27 was for permanent buildings and the balance, namely, \$33,920.84, for temporary buildings erected for war services. For the present fiscal year any expenditure for water supplied will be charged against Public

Works Vote No. 260, Page 33, Main Estimates for permanent buildings and the War Appropriation for War Services.

As regards the Legation properties, the water rates levied thereon are included in the tax accounts submitted annually by the City for these properties. At the request of the Department of External Affairs on December 8, 1938, the payment of taxes on Legation properties, which until then had been attended to by that Department, was assumed by the Department of Public Works. Water rates had been paid by the Legations themselves. A question was subsequently raised, however, as to the propriety of the Legations being required to pay the whole of the water rates, rather than the small part of the rates which might reasonably be considered a payment for the water used. An Order in Council was passed on December 20, 1939, on the recommendation of the Secretary of State for External Affairs, to pay out of Public Works Vote No. 351 the full amount of the water rates for 1939. Under an agreement with the Department of External Affairs in 1940, the Department of Public Works has been paying these rates as they fall due and has been collecting at the end of the calendar year the Legations' share on the basis of meter readings.

Mr. McLEAN: In your brief you say, "A question was subsequently raised, however, as to the propriety of the Legations being required to pay the whole of the water rates, rather than the small part of the rates which might reasonably be considered a payment for the water used." Will you kindly explain that passage?

Mr. SOMERVILLE: My understanding is, sir, that everything in connection with Legations is on a reciprocal basis. This Government treats other Governments in the same way as they treat us, that is to say, if we had a Legation in Australia—

Mr. McLEAN: That is not the point, sir. You state a question was raised as to the propriety of the Legations being required to pay the whole of the water rates rather than the small part of the rates which might reasonably be considered a payment for the water used. That would imply that the amount paid for water was larger.

Mr. SOMERVILLE: There were complaints, sir—if you will accept this as an answer—two foreign Governments complained about the cost of water.

Mr. REID: Your statement regarding the reciprocal basis would not apply to the Japanese Legation, because, if I remember correctly, Canada rented the Legation building in Japan from one of our Ambassadors there, who put it up at his own cost. We paid a rental to him in accordance with his outlay. So as to any water rates in connection with the Japanese Legation, it would not be on a reciprocal basis.

Mr. McILRAITH: This question of water rates probably can be explained when we have the head of the Water Works Department before us as a witness. It has to do with different bases of charging for water, meter as against assessment.

Mr. BOUCHER: Could you state the percentage that the meter rate would vary from the actual taxation rate for water?

Mr. SOMERVILLE: What we collect back from the Legations?

Mr. BOUCHER: No. As Mr. McLean asked you in regard to your previous statement, one would infer that the Legations paid only a small portion of the water charges that the Public Works Department had been required to pay to the City. Could you give us any indication as to what variation there would be between the two rates?

Hon. Mr. LAMBERT: Before you get away from that point of the Legations, I think it is important to observe the principle as it is enunciated on page 12, that payment of water rates and taxes are on a reciprocal basis in relation to Legations. Generally speaking, we are paying for them because ours are paid for in the countries our Legations are established.

Mr. REID: Mr. Somerville can correct my statement or confirm it. I said the basis was not reciprocal so far as our Legation in Japan was concerned.

Mr. SOMERVILLE: I was not aware that the Japanese Government had a Legation in this country.

Mr. REID: But we have a Legation in Japan. That Legation, as I have said, was erected by our first Ambassador at his own cost, and we paid him so much a year by way of rent. So he would assume all the outlay for water rates. Had the Japanese Legation here been supplied with water up to the time of Pearl Harbour.

Mr. SOMERVILLE: I am not aware that Japan ever had a Legation here.

Mr. REID: Well, they had a Consulate.

Mr. SOMERVILLE: Yes, they had office accommodation on Wellington Street.

Mr. REID: That was not a Legation.

Mr. SOMERVILLE: That would not be a Legation.

Hon. Mr. LAMBERT: Japan had a Minister here the same as other countries have.

Mr. McILRAITH: Just before you leave the question of legations, I understand there was a reference to the Supreme Court in that connection.

Mr. SOMERVILLE: Yes, sir.

Mayor LEWIS: In 1942 the Supreme Court of Canada ruled that legations were not taxable. Up to that time the City of Ottawa was full of legations in private residences taken over by the different foreign powers, and they were paying the prevailing rate of taxation, and for water.

Mr. McILRAITH: Just as if they were private individuals.

Mr. SOMERVILLE: At the present time a settlement has been made between the City and the Government as to legations. It does not in any way enter into the arrangement between the Government and the City on the \$100,000 grant.

Mr. REID: Have you any figures, Mr. Somerville, as to the outlay on water for the legations, and the collections, so that we could actually know who is paying?

Mr. SOMERVILLE: It would not take long to get out such a statement, but I haven't got one with me.

The CHAIRMAN (Hon. Mr. Copp): Will you prepare a statement and let us have it later?

Mr. SOMERVILLE: Yes.

Hon. Mr. LAMBERT: Is it a fact that our relations with the legations in the matter of water rates are based upon the treatment our legations receive in other countries?

Mr. SOMERVILLE: I understand that is the fundamental principle, yes.

Hon. Mr. LAMBERT: If that is true, then the items wash out.

Mr. BOUCHER: I do not think the situation of the legations, so far as water rates are concerned, is really pertinent to our problem, because so far as the City is concerned, to the present they have been regarded as private properties.

Mr. McILRAITH: Not now.

Mr. REID: It is important to this extent: the City may put in a claim, and we should have all the facts set out.

The CHAIRMAN (Hon. Mr. Copp): I understand that Mr. Somerville is going to supply a statement.

Mr. SOMERVILLE: I come now to page 9.

(Continues reading brief):

Appropriations

In the Estimates for the present fiscal year the following items appear on page 12:—

| | | |
|-----|---|-----------|
| 63 | Maintenance and improvement of grounds adjoining Government buildings, Ottawa, and improvements to the parkway system under the control of the Federal District Commission..... | \$133,500 |
| (s) | Maintenance of parks, parkways and plant, Ottawa and vicinity, under control of the Federal District Commission..... | 200,000 |
| (s) | Corporation of the City of Ottawa..... | 100,000 |

The first two of these appropriations are administered by the Federal District Commission, whose expenditures are audited by the Auditor General.

In respect to the vote of \$133,500, this is intended to provide for the maintenance of lawns, grounds, roadways, etc., adjoining public buildings which, prior to 1933-34, were carried out by this Department and charged to its appropriations. A statement is available showing the distribution of responsibilities between the Federal District Commission and the Department of Public Works. The first of these appropriations at time of transfer (1933-34) was \$55,000, but in the following fiscal year was \$117,400.

Mr. REID: Has the work which is being done by the Federal District Commission under this \$133,500 vote been increased, or is it the same as during the time when your Department had to do with it?

Mr. SOMERVILLE: The work must, of necessity, have been greatly increased by reason of more buildings, more lawns and suchlike.

Hon. Mr. LAMBERT: We can get that information from the Federal District Commission.

Mr. SOMERVILLE: (Continues reading brief):

In respect to the statutory appropriation of \$200,000, the following table may be of interest:—

Chapter 10, Statutes of 1899 authorized annual grant of \$60,000 for a period not exceeding 10 years from July 1, 1899.

Chapter 45, Statutes of 1910 increased this annual grant to \$100,000.

Chapter 62, Statutes of 1919 increased annual grant to \$150,000.

Chapter 55, Statutes of 1927 created the Federal District Commission and increased grant to \$250,000 for a period not exceeding 16 years from July 1, 1927.

Chapter 26, Statutes of 1928 amended the above Chapter and decreased grant to \$200,000, also authorized the Minister of Finance to provide the Commission an amount not to exceed \$3,000,000 for purchase of lands and the carrying out of different schemes of improvement, etc.

Chapter 27, Statutes of 1943 amends Chapter 26, Statutes of 1928, and authorizes an annual grant of \$200,000 for a period not to exceed 10 years from April 1, 1943.

I answered that in order to clear the matter of appropriations. It is really, as has been stated a matter for the Federal District Commission.

Mr. REID: What were the reasons for coming back in 1928, after having been granted \$200,000 in 1927. The grant in 1927 was made by statute for a period of sixteen years; yet in 1928 they came back, and there was an amendment in just one year. What is the reason for that?

Mr. SOMERVILLE: I do not know, sir. That is a Commission matter.

The CHAIRMAN (Hon. Mr. Copp): Probably the Commission could give us that information.

Hon. Mr. LAMBERT: Now page 11.

Mr. SOMERVILLE (continues reading brief):

Grants Direct to the Corporation.

As already indicated, the first payment made was for water in 1877, and for the 23-year period up to April 1, 1899, an amount of \$289,749.01 was paid, an annual average of approximately \$15,000.

Under the 1899 agreement the only payment made direct to the City was \$15,000 per annum from July 1, 1909, to July 1, 1919, as a contribution to the maintenance of fire protection service. (No direct payment was made to the City for water during that period).

Chapter 15, Statutes of 1920 authorized a direct annual payment of \$75,000 to the Corporation for five years from July 1, 1919.

Chapter 21, Statutes of 1925 increased the annual grant to the City from \$75,000 to \$100,000. This agreement expired on June 30, 1930 and has been renewed from year to year by special Act.

The next page deals with the matter of taxes.

(Continues reading):

Section 125 of the British North America Act, 1867, reads as follows:

"No lands or property belonging to Canada or any Province shall be liable to taxation".

The CHAIRMAN (Hon. Mr. Copp): That is the answer to your question, Mr. Reid.

Mr. REID: That is right.

Mr. SOMERVILLE: (Continues reading brief):

On Pages 15, 16 and 17 the City in its brief for additional compensation has a statement of the properties taken over by the Government and the Federal District Commission since 1921, and upon which no taxes are paid. In cases of property taken over by the Crown, but not used by the Crown for its own uses, it has been our practice to pay City taxes when (a) the Crown collects the same rental from the tenant after property is acquired by the Crown as the tenant paid to the former owner before acquisition, and (b) the arrangement between the tenant and the former owner was that the former owner would pay taxes. This action is taken on the ground of an implied agreement to continue the former arrangements.

The amount involved in that is very small. They are properties taken over by the Government, but still not used by them and rented to the people who were in them before.

Mr. REID: What taxes would the Government pay under that contract?

Mr. SOMERVILLE: There are some buildings that were expropriated and taken over for certain purposes, and then the scheme was dropped, or altered or changed, the buildings were not torn down, and the tenants who were in there previously were not disturbed but continued in those premises. The department thinks it only fair that the city should be paid taxes on those properties, because we are getting an adequate rental.

Mr. REID: I was wondering what amount would be paid under that clause.

Mr. BOUCHER: That would affect the period between expropriation and the taking over by the Government for reconstruction, improvement or for its own use.

Mr. SOMERVILLE: That is a problem, Mr. Boucher, that is perhaps a little more acute in some other cities than Ottawa. We have it in Toronto particularly. Properties have been taken over and we have not used them, and there is a great deal of difficulty. The same is true in one or two other cities.

Mr. McLEAN: It does not amount to much in Ottawa?

Mr. SOMERVILLE: No, sir.

Hon. Mr. LAMBERT: Go ahead.

Mr. SOMERVILLE: The other is becoming a very important matter.

(Continues reading brief):—

In respect to Legation properties, which is a development since 1928, there are approximately ten of these properties within the city limits. There are prospects of more of these properties being acquired at an early date by other foreign Governments. It is considered some form of fixed assessment should be placed on such properties so that any extension or improvements made to the buildings acquired, thereby increasing their value, would not be taxable. Payment of water rates and taxes are on a reciprocal basis and, as stated above, are paid through Public Works Vote where such compliment is extended to Canadian Ministers in countries where Ministers have been exchanged. It has been suggested to the City that the following arrangement be entered into:—

Mr. REID: For the purposes of the record, could we have the names of the ten legations? Perhaps no one else is interested but myself, but I should like to know.

Mr. SOMERVILLE: The United States, the United Kingdom, France, Australia, Brazil, China, New Zealand, Belgium and the Soviet Republics.

Mr. BOUCHER: Not all of those have established legation houses as yet, have they?

Mr. SOMERVILLE: Those have taken over property in the city, sir.

Hon. Mr. WHITE: What about the French legation?

Mr. SOMERVILLE: I mentioned that.

Hon. Mr. WHITE: There is no reciprocal arrangement there, is there?

Mr. SOMERVILLE: Well, there was. Of course, there is no Canadian minister in France at the present time. I could not answer that question.

Hon. Mr. LAMBERT: We are not at war with Vichy.

Hon. Mr. REID: We hope we are not.

The CHAIRMAN (Hon. Mr. COPP): All right, Mr. Somerville. I understand you are making suggestions as to what might be done.

Mr. SOMMERVILLE: Yes, sir. (Continues reading):—

- (a) The Canadian Government will pay the taxes in full for 1943 on diplomatic premises to the City of Ottawa including school rates and water rates in accordance with the arrangement heretofore subsisting, such payments to be made also in the case of properties used for diplomatic purposes where the beneficial ownership, but not the legal title, was vested in the foreign or Commonwealth Government concerned;

Mr. REID: Is there any difference between diplomatic premises and legations?

Mr. SOMERVILLE: I believe there is a matter of status. An ambassador is higher than a minister. I am not very strong on that question.

Mr. McLEAN: It is just the same as a senator being higher than a member of the House of Commons, Bob.

Mr. SOMERVILLE (continues reading brief):—

- (b) For the years 1944, 1945 and succeeding years until a new arrangement is entered into, the Canadian Government will pay to the City of Ottawa the taxes not including school taxes on diplomatic premises now owned or purchased by foreign or Commonwealth Governments calculated at the current tax rate on the basis of the 1943 assessment or in the case of properties hereafter purchased by foreign or Com-

monwealth Governments for diplomatic purposes the taxes not including school taxes on such properties calculated at the current tax rate on the basis of the last assessment made prior to the purchase of such properties for diplomatic purposes, such payments to be made also in the case of properties used for diplomatic purposes where the beneficial ownership, but not the legal title, is vested in the foreign or Commonwealth Government concerned;

- (c) No school taxes will be paid by the Canadian Government in respect of diplomatic premises, and school fees may be collected by the appropriate municipal authorities from diplomatic personnel using the public educational facilities for their children;
- (d) The Canadian Government will pay for water supplied to diplomatic premises according to meter at the rates currently charged on properties owned by the Government.

These proposals, as far as I know, have not yet been accepted by the City. Mr. REID: How long have they been placed before the City?

Mr. SOMERVILLE: Oh, six months.

Mr. REID: And you have had no answer to them yet?

Mr. SOMERVILLE: I would not like to say that. I have not seen an answer. There may have been an answer.

Mr. REID: This includes the residences as well as the offices.

Mr. SOMERVILLE: Yes, it is within the city limits. This is not dealing with Rockcliffe.

(Continues reading brief):

In Ottawa, there are at the present time, slightly over 200 properties leased for office and storage accommodation, the average rental being \$1 per square foot for office space, and 50 cents for storage accommodation, and the amount paid in 1942-43 was slightly in excess of \$800,000. In these cases City taxes and water rates are paid by the Lessor.

The CHAIRMAN (Hon. Mr. COPP): Now, have the members of the Committee any further questions to ask Mr. Somerville in regard to the brief he has filed.

Mr. McLEAN: In the last paragraph you refer to 200 properties leased. You do not mean leased by the Government?

Mr. SOMERVILLE: I do mean leased by the Government. I put that in because Mr. Fisher stressed it in his brief of 1919. He brought that point out, so I thought I had better mention it, because the taxes and water rates are paid by the lessor.

Mr. REID: If Mr. Somerville is responsible for this statement, I should like to compliment him on it. He has presented a most concise statement to us.

Some MEMBERS: Hear, hear.

The CHAIRMAN (Hon. Mr. COPP): Thank you, Mr. Somerville.

And now, what is the next order? Mr. Bronson, representing the Federal District Commission, is here. Shall we hear Mr. Bronson?

Some MEMBERS: Carried.

The CHAIRMAN (Hon. Mr. COPP): Mr. Bronson's brief has been distributed. What is the pleasure of the Committee? Shall we ask Mr. Bronson to read his brief?

Mr. REID: If the brief does not contain an outline of the set-up of the Commission itself, I would suggest that Mr. Bronson give us such an outline now.

Mr. BRONSON: Do you mean the personnel, and the way in which the Commission is organized?

Mr. REID: Yes.

Mr. BRONSON: The first nine pages of this brief are purely historical and factual. If you wish me to read them, I shall of course do so.

Mr. REID: I would suggest that you read the whole thing into the record.

Mr. BRONSON: From the beginning?

Mr. REID: Yes.

Mr. McLEAN: I think, Mr. Chairman, that if the witness reads the brief, the questions on various points will be asked in a more orderly way; each point can be dealt with as it comes up in the brief.

Mr. BRONSON: Then, I shall begin to read the brief from the beginning:

PART I

Constitution of the Federal District Commission, its powers and responsibilities, works carried out, total receipts and expenditures, relations with the City of Ottawa and its history while known as the Ottawa Improvement Commission.

THE ESTABLISHMENT OF THE FEDERAL DISTRICT COMMISSION

By Act of Parliament known as the Federal District Commission Act, 1927, Chap. 55—17 Geo. V., the Federal District Commission was constituted. A copy of the Act (with amendments of 1928 and 1943) is herewith as Exhibit No. 1. The Commission is composed of ten members of whom nine are appointed by the Governor-in-Council and one appointed by the Corporation of the City of Ottawa. One of the nine mentioned is required to be a resident of the City of Hull. The Chairman of the Commission is appointed by the Governor-in-Council. The members serve without remuneration.

The Commission is empowered to:

- (a) purchase, acquire and hold real property within such area or district as may from time to time be designated by the Governor-in-Council for the purpose of public parks or squares, streets, avenues, drives, thoroughfares or bridges;
- (b) do, perform and execute all necessary or proper acts or things for the purposes of preparing, building, improving, repairing, maintaining and protecting all or any of the works of or under the control of the Commission, and for preserving order thereon;
- (c) co-operate with any local municipality in the improvement and beautifying of the same or the vicinity thereof by the acquisition, maintenance and improvement of public parks, squares, streets, avenues, drives, thoroughfares or bridges in such municipality or in the vicinity thereof;
- (d) grant concessions for the maintenance of places of refreshment, amusement or shelter, or for the encouragement of sports and games, upon any property under its administration or control, where in the judgment of the Commission it is advisable in the public interest to do so;
- (e) subject to the approval of the Governor-in-Council, sell or lease any real property of the Commission not being a portion of any public park or square, street, avenue, drive or thoroughfare, which is not required for the purposes of the Commission.

This Act provided for the payment to the Commission of an annual grant of \$250,000 for a period not exceeding 16 years from April 1, 1927.

No real property may be purchased without the approval of the Governor-in-Council to whom estimates for expenditures under this Act must first be submitted and likewise approved. The Commission is required to submit each year to the Minister of Finance a report of the work undertaken for that period and a detailed statement of its receipts and expenditures.

All expenditures by the Commission are subject to the Audit of the Auditor General in the same manner as other public moneys.

This Act vested in the Federal District Commission all assets, property, rights, etc., belonging to the former Commission—the Ottawa Improvement Commission—and repealed the Act constituting the Ottawa Improvement Commission known as an Act respecting the City of Ottawa, Chapter Ten of the Statutes of 1899, the Act continuing the said Commission, Chapter 62 of the Statutes of 1919 and all amending Acts, substituting therefor the provisions of the Federal District Commission Act of 1927.

AMENDMENT TO FEDERAL DISTRICT COMMISSION ACT, 1927

By an amending act assented to June 11, 1928 the annual grant to the Commission was reduced from \$250,000 to \$200,000 and such reduced grant was not to exceed 15 years from April 1, 1928.

This amending act provided for the payment to the Commission of \$3,000,000 in addition to the annual grant, principally for undertaking large scale improvements in central Ottawa.

Mr. REID: Was any of that \$3,000,000 spent outside of the city of Ottawa?

Mr. BRONSON: No, sir.

(Continues reading brief):

FURTHER AMENDMENT TO FEDERAL DISTRICT COMMISSION ACT 1927

By an amending Act assented to July 24, 1943, the annual grant to the Commission of \$200,000 was extended for an additional period of 10 years from April 1, 1943.

PRESENT MEMBERSHIP OF THE FEDERAL DISTRICT COMMISSION

Frederic E. Bronson, B.Sc., M.E.I.C.—Chairman

R. Chevrier, M.D.

J. W. Ste. Marie, K.C. (Hull)

C. J. Booth

J. B. Spencer, B.S.A.

A. Johnston, C.M.G., LL. D.

J. A. Ewart, B.A. Sc.

Commander D. K. MacTavish, K.C., B.A.

J. E. Stanley Lewis, Mayor of Ottawa.

One vacancy

Secretary—Haldane R. Cram, B.Sc., M.E.I.C.

Mr. REID: Who fills any vacancies?

Mr. BRONSON: The Governor-in-Council.

(Continues reading):

HISTORY OF THE OTTAWA IMPROVEMENT COMMISSION

In effect the Federal District Commission had its inception as the Ottawa Improvement Commission when an Act respecting the City of Ottawa was assented to August 11, 1899 being Chapter 10, 62-63 Victoria. The Dominion Government established the Ottawa Improvement Commission for the purpose

of beautifying and improving the City of Ottawa, the capital of Canada, and vicinity, by the construction of parks, driveways, public squares, boulevards, etc.,

It was empowered to:—

- (a) purchase, acquire and hold real property in the city of Ottawa, or in the vicinity thereof, for the purpose of public parks or squares, streets, avenues, drives or thoroughfares;
- (b) do, perform and execute all necessary or proper acts or things for the purpose of preparing, building, improving, repairing and maintaining all or any of such works for public use;
- (c) co-operate with the Corporation, or with the Board of Park Management of the City of Ottawa, in the improvement and beautifying of the said city, or the vicinity thereof, by the acquisition, maintenance and improvement of public parks, squares, streets, avenues, drives or thoroughfares, and the erection of public buildings in the said city or in the vicinity thereof;

Four commissioners comprised its membership, three being appointed by the Governor-in-Council and the fourth by the Corporation of the City of Ottawa. The Chairman was named by the Governor-in-Council. All were to serve without remuneration. An annual grant of \$60,000 was provided for a period of ten years from July 1, 1899.

This Act provided also that:—

15. The annual grant payable under this Act shall be in full payment, satisfaction and discharge of all claims and demands by or on the part of the Corporation on the Government of the Dominion of Canada (hereinafter referred to as "the Government"), in respect of water supplied (including charges for street sprinkling) by the Corporation for use in and on all buildings, lands and premises in the said city of Ottawa (including Major Hill Park), now owned, rented, leased or occupied, or hereafter to be owned, rented, leased or occupied, by the Government, and also for use in and on Rideau Hill and Rideau Hall grounds and the Central Experimental Farm and the buildings thereon, and for use in and on all other buildings, lands and premises in the vicinity of the said city of Ottawa now or hereafter to be owned, rented, leased or occupied by the Government, and for fire protection by the Corporation to any of such buildings or premises, and all payments heretofore made by the Government to the Corporation for water supply, street sprinkling and fire protection shall be discontinued; and the said grant shall also be in full satisfaction and discharge of all other claims and demands on the Government by or on the part of the Corporation.

16. Nothing herein shall in any way alter or change the agreement now existing between the Government and the Corporation with regard to the control and possession by the Government of the said Major Hill Park, the abolition of tolls on and the free use by the public of the Union Bridge over the Ottawa River connecting the cities of Ottawa and Hull, and the maintenance and repair and keeping in repair by the Government of the following bridges and sidewalks in the said city of Ottawa, namely: the bridges over the Rideau Canal, known as the Dufferin, Sappers' and Maria Street bridges, the bridges over the Chaudiere slides, and the sidewalks on the east side of Elgin Street and on the south side of Maria Street in front of and along the side of Cartier Square; or shall in any way alter or change any of the provisions of such agreement except as in this Act provided.

17. So much of the said agreement referred to in the last preceding section as relates to the repair and maintenance and the keeping in repair by the Government of that portion of Wellington Street in the said city between

Dufferin Bridge and Bank Street, and the repair and maintenance of good and sufficient sidewalks on both sides of the said portion of Wellington Street, is hereby cancelled, and the following substituted therefor, namely: That the Government shall repair and maintain good and sufficient sidewalks on the northern side of that portion of Wellington Street in the said city between Dufferin Bridge and Bank Street, and on so much of the southern side of the said portion of said street as is in front of property owned by the Government, and shall keep in repair the roadway of the said portion of Wellington street between Dufferin Bridge and Bank Street, as it now exists, and should it be deemed desirable that an asphalt or other improved pavement be hereafter placed on the said roadway, such work shall be done by the Corporation in the same manner as similar works are done in other portions of the city, nothing herein contained to be construed as releasing property holders on the said portion of Wellington Street from any obligation imposed upon them by law as regards payment of any taxes or rates in respect of their property on the said street.

Mr. REID: Why was it the duty of the Government to repair and maintain certain sidewalks and streets, as provided for in section 17 of that Act?

Mr. BRONSON: That is along the north side of Wellington street, where the Government own all the abutting property. I imagine the Dominion Government always did look after those sidewalks. The Dominion's property is abutting all along there, and I suppose they wanted to make sure that these sidewalks were maintained in a manner satisfactory to them.

Mr. REID: Does the Government really own those sidewalks?

Mr. BRONSON: I could not answer off-hand where the title to that strip of sidewalk along the north side of Wellington street lies. I presume it lies in the City of Ottawa. The responsibility for its upkeep is a matter of agreement between the Government and the City.

(Continues reading brief):

By an amending act assented to May 15, 1902, the membership of the Commission was increased from four to eight commissioners.

By an amending act assented to August 13, 1903, the period during which the annual grant of \$60,000 was to be paid was extended to 20 years from July 1, 1899 and the Commission was given the power to borrow up to \$250,000 by the sale of debentures.

By an amending act assented to May 4, 1910, the annual grant was increased to \$100,000 for a ten-year period commencing July 1, 1909. The Minister of Finance was authorized to pay to the City of Ottawa \$15,000 annually for a period of ten years from July 1, 1909 as a contribution to the maintenance of the fire protection service of the City.

An act to consolidate and amend the acts respecting the Ottawa Improvement Commission was assented to July 7, 1919. It increased the annual grant to \$150,000 for a ten-year period from July 1, 1919.

This brings the historical summary to the enactment of the Federal Commission Act of 1927 dealt with at the commencement of this brief. In changing the name of the Commission from the Ottawa Improvement Commission to the Federal District Commission and by increasing its powers to enable it to plan its activities in any area or district, and by appointing a commissioner as representative of the City of Hull, the Dominion Government was actuated by the desire to widen the scope of the Commission's functions to embrace not only Ottawa and its immediate vicinity but Hull and the adjoining municipalities of both cities looking to the ultimate development of this general area as a federal district.

Mr. REID: Mr. Chairman, may I ask a question right there? Who defines the areas in which the Commission may operate? Is there anything to prevent the Commission from going out and taking control over a piece of land, for park purposes, ten to fifteen miles away from Ottawa?

Mr. BRONSON: There has been no definition of any areas, sir.

Mr. REID: When the Commission took control of certain areas outside the city of Ottawa, that was done on the responsibility of the Commission alone, and not of the Government?

Mr. BRONSON: Of course, we must have the Government's approval for all of these things.

Mr. REID: This may become complicated as time goes on. Who is the controlling body? What is to prevent you from going out ten, fifteen or twenty miles and taking control of a piece of woodland for park purposes?

Mr. BRONSON: All our plans have to be submitted to the Government and approved before we can take any action.

Mr. BOUCHER: Before a piece of land can be taken under the jurisdiction of the Federal District Commission, an Order in Council must be passed?

Mr. BRONSON: Yes.

Mr. McLEAN: Mr. Reid's question is surely answered right at the beginning of Mr. Bronson's brief, where it is stated that "The Commission is empowered to purchase, acquire and hold real property within such area or district as may from time to time be designated by the Governor in Council."

Mr. McILRAITH: The matter is also dealt with a little further on, in the paragraph which begins: "No real property may be purchased without the approval of the Governor in Council" etc.

Mr. BRONSON (Continues reading brief):

WORKS CARRIED ON BY THE COMMISSION

The beautification and improvement work commenced in 1900 for Ottawa and district under these authorizing acts of parliament consists of parks and landscaped driveways, the latter extending from Rockcliffe Park, east of the city of Ottawa to the Aylmer Road, west of the city of Hull, Quebec, after crossing the Ottawa river by the Champlain bridge. The driveways follow as closely as possible the banks of the Ottawa and Rideau rivers and Rideau canal. Approximately twenty-two miles of driveways have been constructed. Gatineau Park comprising 15,800 acres and situated in the Laurentian hills, province of Quebec, about seven air miles north west of Ottawa is being preserved in its natural state of wooded hills, valleys, lakes and streams for the enjoyment of the public.

ADDITIONAL RESPONSIBILITIES OF THE COMMISSION

By orders in council the responsibility of improving and maintaining the grounds of Rideau Hall, National Research Council and of other Dominion government buildings in Ottawa was transferred from the Department of Public Works to the commission in the years 1932 to 1934. This involves summer and winter work and the collecting of garbage, ashes and waste matter from a large number of these buildings. Funds for this work are voted annually by parliament on estimates approved by the Governor in Council. The number of properties now serviced by the commission is 115.

Mr. BOUCHER: Mr. Bronson, this transfer of the care and maintenance of the grounds of Dominion government buildings from the Department of Public Works to the Federal District Commission is a rather unusual thing, is it not? It does not apply to the grounds of many buildings, does it?

Mr. BRONSON: The grounds of all government buildings in this area are taken care of by the Federal District Commission.

Mr. BOUCHER: That is, in the area known as Parliament Hill?

Mr. BRONSON: No, sir; in this whole area.

Mr. BOUCHER: You do not mean to say in the whole of the city of Ottawa?

Mr. BRONSON: Yes, sir.

Mr. BOUCHER: The grounds of all government buildings in the city of Ottawa?

Mr. BRONSON: Yes. For instance, we look after the grounds of the Museum building, at the end of Metcalfe street—and, as I say, the grounds of all government buildings here, including the temporary buildings. All that work was formerly done by the Department of Public Works, but they got out from under a few years ago and shouldered it on to the Federal District Commission.

(Continues reading brief):

PROPERTIES OWNED OR CONTROLLED BY THE COMMISSION

A large wall map showing in contrasting colours the lands owned and controlled by the Federal District Commission within and outside the boundaries of the Corporation of Ottawa will be made available for observation of the committee when this brief is submitted.

These lands are classified under four headings, with a break-down for inside and outside of the limits of the Corporation of Ottawa, as follows:

Mr. Chairman, before I place these figures on the record, perhaps you will permit me to make a sort of general statement, which might help the committee to understand the relations between the Federal District Commission and the City. When Australia wished to build a national capital for itself, it selected a site in an entirely new area, out in the wilderness, and in consequence the government of Australia had to provide housing, lighting, streets, sidewalks, sewerage, churches, schools and all the other amenities of a city. The government of Canada, on the other hand, decided to establish its national capital in a town that was already existing and functioning—and functioning well. By so doing it saved itself from having to deal with a housing problem, or a lighting problem, or a streets and sidewalks problem, or a problem of fire protection, or a water service problem, or a churches problem, or a schools problem. It avoided all these and other problems, which it would have had to face if it had built up a national capital from the word "Go", as Australia did.

If the people of Canada want to have a national capital worthy of themselves, they must of course pay for it. They have been doing so, to a certain extent, through the moneys which have been voted to the Federal District Commission. Moneys that are voted to and expended by the Federal District Commission are purely and solely for the purpose of building a national capital for the benefit of the people of this country, not for the benefit of the people of Ottawa.

Mr. REID: The benefit that the people of Ottawa receive is merely incidental, is it?

Mr. BRONSON: Merely incidental. The taxpayers of the City of Ottawa have co-operated with the Dominion Government in that scheme in a very generous way, as I am sure the Mayor will show you before he is through with his brief.

Mr. McLEAN: It would not be out of place to say that incidentally the Government has provided a nearly complete parks system for the city?

Mr. BRONSON: The city had a parks system of its own.

Mr. McLEAN: Quite, but the Government is now maintaining and to some degree extending—at least, it is maintaining—something that serves as a pretty complete parks system for the city?

Mr. BRONSON: Yes, sir, I agree with that; but that is not done for the benefit of the city of Ottawa. The parks system that we have in Ottawa is one which should be provided for a national capital, if we are to have a national capital worthy of the name.

Mr. McLEAN: I am speaking, not of the Government's motive, but of what has actually been done.

Mr. BRONSON: Of course, all who live here, the citizens of Ottawa and others, benefit from the amenities provided.

Mr. REID: Does the city own any parks?

Mr. BRONSON: Yes, sir, it does.

I will now continue with my brief, which goes on to give a classification of the lands owned, leased and maintained by the Federal District Commission.

| Class | Map Colour | Acres in | | Total Acreage |
|---|-------------|----------|--------------|---------------|
| | | City | Outside City | |
| 1. Owned by Federal District Commission.... | Red | 60 | 486 | 546 |
| 2. Leased from Crown..... | Yellow | 160 | 181 | 341 |
| 3. Leased from City and developed and maintained by Federal District Commission at latter's expense | Dark Green | 34 | 95 | 129 |
| 4. Grounds of Government Buildings maintained by Federal District Commission..... | Light Green | 195 | 5 | 200 |
| Totals | | 449 | 767 | 1,216 |
| Undeveloped lands | | .. | 332 | 332 |
| Developed lands | | 449 | 435 | 884 |

The 95 acres outside the city represent Rockcliffe Park, which is owned by the city. I may say right here that the Commission receives a *quid pro quo*, in that the City provides the Commission, free of charge, with all water for the sprinkling of Government parks, and within the areas of the city of Ottawa provides lighting free. In addition to the lands that I have mentioned, the Federal District Commission owns, as stated, 15,800 acres of land in the Gatineau Park, province of Quebec.

Mr. McLRAITH: What about the buildings at the Central Experimental Farm?

Mr. BRONSON: The Commission does not maintain the Experimental Farm.

Hon. Mr. LAMBERT: But you maintain the roadways around the farm?

Mr. BRONSON: We maintain the boulevards on the driveway which runs through the Experimental Farm. The driveway is owned by the Commission as part of its system.

(Continues reading brief):—

RECEIPTS AND EXPENDITURES FROM 1900 TO MARCH 31, 1943

| RECEIPTS | |
|---|--------------|
| Statutory Grants— | |
| 1899-1909—\$ 60,000 for 10 years..... | \$ 600,000 |
| 1909-1919—\$100,000 for 10 years..... | 1,000,000 |
| 1919-1927—\$150,000 for 8 years..... | 1,200,000 |
| 1927-1928—\$250,000 for 1 year | 250,000 |
| 1928-1943—\$200,000 for 15 years..... | 3,000,000 |
| Special Grant under Federal District Commission Act, 1928..... | 3,000,000 |
| | <hr/> |
| | \$ 9,050,000 |
| Votes of Parliament and Miscellaneous Revenue..... | 1,995,167 |
| Advances from Government Departments for work on grounds of new buildings.. | 357,076 |
| | <hr/> |
| | \$11,402,243 |

Mr. REID: Why was the grant reduced from \$250,000 for 1927-28 to \$200,000 for subsequent years?

Mr. BRONSON: It was reduced, Mr. Reid, because of that vote of \$3,000,000 for opening up the centre of the city. There was, I believe, some little objection in the House at the time, and the Government said, "Well, we will drop this \$50,000 and make the Commission get along with \$200,000."

Mr. REID: That grant of \$3,000,000 was for property taken over for the purpose you have mentioned, and I should think it would increase the Commission's responsibilities, yet the statutory grant was reduced from \$250,000 to \$200,000.

Mr. BRONSON: That would be the logical way of looking at it, Mr. Reid; but we took the reduction.

Hon. Mr. WHITE: In the Gatineau Park area of 15,800 acres have any steps been taken to preserve game?

Mr. BRONSON: Yes, sir. There are complaints coming in from some people that there is now too much game in that park area. A claim was made because a bear came down and raided some bee hives, for it was presumed the bear must have come out of the protected area.

Hon. Mr. LAMBERT: Has there been any development work in the Gatineau Park area in the way of roads, and so on?

Mr. BRONSON: Very little, because we are deferring maintenance as far as possible and spending as little as possible. We have done no capital work. That has been the policy of the Commission since the outbreak of war.

Hon. Mr. LAMBERT: Have you any fire-ranging equipment?

Mr. BRONSON: Yes, we have four rangers and a superintendent in Gatineau Park. The fire equipment includes gasoline pumps, hose, and so on. We have put out two or three fires already.

(Continues reading brief):—

RECEIPTS AND EXPENDITURES FROM 1900 TO MARCH 31, 1943—Continued

RECEIPTS (forward) \$11,402,243

EXPENDITURES

| | | |
|---|-------------|--------------|
| Parkway System | \$9,941,592 | |
| Government Buildings Grounds maintenance..... | 1,015,075 | |
| Work for Departments of the Government..... | 357,076 | |
| | <hr/> | \$11,313,743 |

Cash on hand..... \$ 88,500

BREAKDOWN OF EXPENDITURES INSIDE AND OUTSIDE OTTAWA

Total expenditure \$11,313,743

| | In Ottawa | Outside Ottawa | Total |
|--|-------------|-------------------|--------------|
| Parkway System | \$6,862,407 | \$3,079,185 | \$ 9,941,592 |
| Government Building Grounds Maintenance..... | 1,006,675 | 8,400 | 1,015,075 |
| Work for Departments of Government..... | 295,546 | 61,530 | 357,076 |
| Totals..... | <hr/> | <hr/> | <hr/> |
| | \$8,164,628 | \$3,149,115 | \$11,313,743 |
| | 72% | 28% | 100% |

Mr. McLEAN: How much approximately would that \$6,000,000-odd be for properties expropriated?

Mr. BRONSON: Speaking from memory, sir, there might be a very small amount. We have expropriated very little property.

Mr. REID: According to your complete picture you have over a period of years spent 72 per cent in Ottawa and 28 per cent outside. What have been the expenditures within the last year or two within the City and outside?

Mr. BRONSON: I have not got those figures.

Mr. REID: That is important.

Mr. BRONSON: We can get them for you if you wish.

Mr. REID: You may be changing that percentage, you may be spending more outside. You have cut out the flower beds on Parliament Hill. I do not know why. The flower beds were the beauty spots of the grounds, and their absence creates a drab appearance—there is too much green. I understand the reason for cutting out the flower beds is lack of money. You may be spending that money across the river.

Mr. BRONSON: No, sir. One reason why the flower beds have been restricted is the difficulty of obtaining bulbs and the necessary expert gardeners. We have endeavoured to maintain the grounds on Parliament Hill and around Rideau Hall as they have always been maintained, but we were short of bulbs in the spring.

Mr. REID: There is too much green around; you need a little colour.

Mr. BRONSON: I am glad to have that comment, sir, because I agree with it absolutely, and as soon as it is possible to have that carried out it will be done.

The CHAIRMAN (Hon. Mr. Copp): Do you understand, Mr. Bronson, what information Mr. Reid has asked you to supply?

Mr. REID: I want the figures for the past couple of years to show how the expenditure has been running.

Mr. BRONSON: Very good, we will furnish that information.

(Continues reading brief):

SERVICES RENDERED BY THE CORPORATION OF OTTAWA TO THE FEDERAL DISTRICT COMMISSION

We do not wish to intrude upon anything the City may have told you or intends to tell you gentlemen, but what I am about to deal with does not include all the services which the City of Ottawa has supplied to the Government; it is only such as have been supplied to this Commission.

The CHAIRMAN (Hon. Mr. Coop): Just there, Mr. Bronson, what you are giving us now is what the City of Ottawa has provided for the Federal District Commission over and above what it has provided for the Government?

Mr. BRONSON: If you like to say so, sir. It is what the City has contributed directly, not to the Government through the Public Works Department only, but through the Commission, which is the small part of it.

The CHAIRMAN (Hon. Mr. Copp): Yes.

Mr. BRONSON: (Continues reading brief):

1. In 1910 the City of Ottawa purchased several land parcels bounded by Cathcart, Sussex and McTaggart Streets and the Ottawa River and presented the deed of this land to the Commission as a gift for inclusion in the Parkway System. The purchase price was \$75,000. Debentures were issued and their redemption, it is understood, cost the city \$189,360.

It may be proper for me to interject here that in this brief we have some recommendations in regard to increasing the powers of the Commission, giving it a little more authority to act as a co-ordinating body between the different Departments in regard to extension of Government buildings, and so on, in order that the Todd and Holt and Greber plans may be taken into consideration. The Todd plan was prepared at considerable expense and can be carried out—and right here is a glaring example of lack of co-ordination. We are now having better co-operation from the Public Works Department, but on this property—

Hon. Mr. DUTREMBLAY: Have you any idea what capital expenditure would be necessary to carry out completely the Greber scheme?

Mr. BRONSON: I would hesitate, sir, to hazard a guess—it would be only a guess.

On this property, which the City purchased and gave us for park purposes for ever, we woke up one morning to find steam shovels operating there and the Government preparing to build an extension to the Mint. We protested that the ground was now owned by the Commission, but we were told, "It is too late to protest because the contracts have been let." There is property which the City bought at considerable expense and handed over to the Commission to assist in the general development of the parkway system in Ottawa, and then along comes the Government and plunks down an extension to the Mint. So far as I know, no attempt has been made to compensate the City.

(Continues reading brief):

2. Since 1915 the City of Ottawa has supplied, free of charge, the electrical current to light the lamps of the parks and driveways of the Commission within the city limits. At the rate of \$6.00 per 100 watts per year on the basis of the installed capacity of the lighting system affected, the annual cost to the City would be about \$5,000. However, as many of the lights are disconnected for the winter season, the actual cost is approximately \$4,000 per year on the average.

3. The City of Ottawa supplies to the Commission, free of charge, the water for sprinkling of parks within the city limits. At the rate of 20.82 cents per 1,000 gallons, the average annual value of the water used is estimated as \$23,500.

Mr. REID: You are a little generous to the City of Ottawa.

Mr. BRONSON: These parks must be lighted, sir, and somebody has to pay the cost. If it were not paid by the City it would have to be paid by the Federal District Commission.

(Continues reading brief):

GENERAL OBSERVATIONS

1. The driveways of the Federal District Commission do not form a part of the street system of the city. They are not under the control of the City of Ottawa and commercial traffic is not permitted thereon except for deliveries at restricted hours to the properties adjoining the driveways and having no rear entrances.

2. The policing of the property under the control of the Commission is carried out by the Royal Canadian Mounted Police without cost to the Commission.

RECOMMENDATION

As referred to earlier in this brief, the Commission is required, in connection with the maintenance of the grounds of Government Buildings, to collect the garbage, ashes and other refuse from such of these as are owned by the Dominion Government and on which taxes are not paid to the city. The number of these buildings affected is 104 and the annual cost to the Commission of this service amounts to approximately \$25,000 at the present time.

Mr. REID: Does the Commission take the job of scavenging very quietly?

Mr. BRONSON: Very quietly, sir. It does not feel it is quite the thing for which it was set up, and consequently it has a recommendation for this Committee.

Mr. REID: I agree with you.

Mr. BRONSON: (Continues reading brief):

The Commission recommends, in the event of an increased grant being made to the City of Ottawa by the Dominion Government that the City of Ottawa shall collect, at its expense, within the city limits, the garbage, ashes and other

refuse from all buildings, or sections thereof, owned or rented by the Dominion Government.

Now, sir, this part 2, do you wish me to take up the time of the Committee reading it?

Hon. Mr. LAMBERT: Yes, it is only a few pages.

The CHAIRMAN (Hon. Mr. Copp): You had better complete it, Mr. Bronson, if you don't mind.

Mr. BRONSON: This is a little flight into the future.

(Continues reading brief):

PART II

Recommendations for increasing the powers of the Federal District Commission pending the establishment of a federal district and an appropriate form of government for Ottawa and environs.

It seems it will be some time yet before a federal district is established, and in the meantime some of these things I have been pointing out in this brief are a means of taking care of the suggestions here.

(Continues reading brief)

Looking for the beautification and improvement of Ottawa, the capital city of Canada, the first step taken by the Dominion Government was to constitute and organize the Ottawa Improvement Commission in 1899 by Act of Parliament.

In 1903 Mr. F. G. Todd, an outstanding Canadian landscape architect, was commissioned to prepare a comprehensive plan for the Commission to follow in carrying out the responsibilities and duties with which it was charged. Mr. Todd's plan was largely followed by the Commission in the development of the parkway system to date. The Todd report is unfortunately out of print.

In 1913 the Dominion Government set up a Commission, known as the Holt Commission, to take all necessary steps to draw up and perfect a comprehensive scheme or plan looking to the future growth and development of the City of Ottawa and the City of Hull and their environs and particularly providing for the location, laying out and beautification of parks and connecting boulevards, the location and architectural character of public buildings and adequate and convenient arrangements for traffic and transportation within the area in question. The report was submitted in 1915. Copies will be made available to the Committee.

Mr. MATTHEWS: When did the Commission take over the work of the Todd Commission?

Mr. BRONSON: There have been reports prepared. It has not been a question of taking over the work, although a great deal of the work recommended in the Todd report has been completed. The Todd Commission was, I think, set up by Sir Robert Borden. That report is on the table for the members of the Committee.

Mr. REID: Has the Commission consulted with the City Council of Hull about their bringing their city up to date and modernizing it in any way? If you take in Hull you will have to build a new town.

Mr. BRONSON: The Commission has done some work, but naturally it has never discussed the subject with the City of Hull. I do not know that it is within the Commission's purview to discuss that question with the City of Hull. I think the initiation of steps for establishing a federal district will have to come from some other source than the Commission.

Mr. REID: You have beautiful parks and driveways surrounding what, to me, is an eyesore. I do not think that it just right.

Mr. BRONSON: In that connection, Mr. Chairman,—if I may say so—the Commission some years ago acquired control of the other side of the river, feeling that having spent a good many hundreds of thousands of dollars on beautification of this side, it was quite useless to continue if we did not control the other side of the river as well. So the Commission now controls all land on the other side from the Gatineau River opposite the village of Gatineau Point right up to the Interprovincial Bridge, with the exception of the Hull Hospital and the Woods Manufacturing Company's building, and also a couple of oil companies' tanks right adjacent to the bridge.

Mr. McLEAN: I notice that part 2 contains recommendations for increasing the powers of the Federal District Commission pending the establishment of a Federal District and an appropriate form of government for Ottawa and environs. What have you in mind, a Federal District?

Mr. BRONSON: I think the generally accepted understanding of a Federal District, sir, is something of the general nature of what they have in Washington and in some South American capitals.

Mr. McLEAN: Do you mean to extend the authority of the Dominion over the whole area?

Mr. BRONSON: The whole thing is so far a very nebulous idea. It is something a great many people hope will come about some day.

(Continues reading brief.)

Then in 1937 and 1938 Mr. Jacques Greber, eminent French landscape architect, was retained by the Dominion to design a layout for the improvement of central Ottawa. Mr. Greber in his report of 1938 dealt with the wider phases of a regional plan for Ottawa and vicinity and in doing so approved of certain of the conclusions reached by the Holt Commission 25 years earlier, particularly as to the railway situation.

Mr. REID: Has the Greber plan been completed?

Mr. BRONSON: Oh, my, no, sir.

Mr. REID: I have always wondered why, with so many good architects in this country, the Federal Commission had to go outside for advice.

Mr. BRONSON: Mr. Greber was not appointed by the Federal District Commission.

The CHAIRMAN (Hon. Mr. Copp): He was appointed by the Government.

Mr. BRONSON: He was appointed by the Government.

Hon. Mr. LAMBERT: He was invited to come here by the Government to make a report on the beautification of the capital.

Mr. BRONSON: Yes, he is a man of international reputation, not only in the United States and South America but also in France and other countries. He has laid out plans at Versailles and many other places.

Mr. BOUCHER: No part of the cost of the Greber work, or no part of the costs of the institution of the job have been assigned to the Federal District Commission. They are all extraneous.

Mr. BRONSON: The costs of the reports have been borne by the Government itself.

Mr. REID: Did he lay out the plan we have down here?

Mr. BRONSON: Yes.

Mr. REID: I wish they could bring him down and walk him around there some Saturday afternoon.

Mr. BRONSON: Do you mean to bump into the street cars?

Mr. REID: It is simply ridiculous. We should have had a Canadian architect who knows something about the conditions in this country.

Mr. BRONSON (continues reading brief):—

The Federal District Commission has the power to carry out one feature only of the latter two reports which deal generally with the improvement of the Federal Capital, i.e., beautification through development of a parkway system. The Commission has no powers to deal with other important characteristics emphasized by Holt and Greber that influence the orderly and systematic development of the general plan for the district of Ottawa, such as:—

1. The location of sites for all public buildings and their architectural characteristics.
2. Control of the class and type of all buildings erected or to be erected abutting upon or adjacent to important public parks or otherwise prescribed areas, nor financial means to compensate owners where necessary for the extra cost of complying with the general scheme.

It is suggested that the Federal District Commission be vested with these additional powers in order that the general plan for the Federal capital may be properly carried out.

Mr. BOUCHER: In that connection, has there been any move on behalf of the Government or the Federal District Commission to co-ordinate the town planning, the architecture, etc., not only within the Federal District and lands that might be taken into it, but also in the City of Ottawa.

Mr. BRONSON: No, that is one thing we are striving to bring about.

Mr. BOUCHER: In other words, you would say the time has come when attention should be given by Parliament to the national capital insofar as the whole of Ottawa is concerned, as well as the limited area of the Federal District Commission properties.

Mr. BRONSON: I agree absolutely. There should be some body set up, either the Federal District Commission or some other body, with authority to at least advise; a body to whom such matters would have to be referred by the Government departments and others who wished to make erections along the driveways and parks, so that we would not have a barn or a grain elevator alongside a million dollar park.

Mr. BOUCHER: To guide in city planning, architecturally and as to location?

Mr. BRONSON: Quite.

Mr. REID: Do you mean to say that your Commission is tied down to-day by the Holt and Greber plans?

Mr. BRONSON: We have not got the authority, as was pointed out, to carry out all the work laid down there.

Mr. REID: You say, "The Commission has no powers to deal with other important characteristics."

Mr. BRONSON: Yes.

Hon. Mr. LAMBERT: Is that due to financial limitations?

Mr. BRONSON: No. We deal with it this way because we have very good co-operation with the city and with the Public Works Department; but it is an unsatisfactory way of dealing with it. It is all right now, but personnel changes.

Hon. Mr. LAMBERT: But the limitation on the completion or extension of the work under the Greber plan is due to financial restrictions?

Mr. BRONSON: Oh, yes.

Mr. BOUCHER: Would it be possible to file with the Committee a brief summary of the Greber recommendation?

Mr. BRONSON: Here I must make a confession. That plan was never officially sent to the Federal District Commission. It reposes with the Depart-

ment of Public Works, which kindly gave us a copy of the plan. I would suggest that if this Committee wishes to see that report it should apply to the Public Works Department, who paid for it and own it.

Mr. REID: Do you know if the plan was discussed with any public body, the City Council, for instance?

Mr. BRONSON: What plan?

Mr. REID: The Greber plan.

Mr. BRONSON: No, it was not.

Mr. REID: The Commissioners are held down by the Greber plan; that is, the Greber plan is government plan.

Mr. BRONSON: It is the Greber plan. It is the same as if any of us were employed by the government to prepare a plan. Nobody is committed to the plan.

Mr. BOUCHER: I understand it is just a plan or suggestion of Greber, which is in the air. It has not been submitted to the Federal District Commission or the City of Ottawa; that is, in a sense—I do not mean a nasty sense—pigeon-holed.

Mr. REID: It cannot be sidetracked. You say here: "The Commission has no powers to deal with other important characteristics emphasized by Holt and Greber that influence the orderly and systematic development of the general plan for the district of Ottawa." Then you suggest that additional powers be given you. Therefore I ask if you are circumscribed by that plan?

Mr. BRONSON: Oh, no, provided anything the Federal District Commission wishes to do is approved by the Government, and the money is provided, we can go ahead whether it is in accordance with the Greber plan or not.

Mr. REID: Is the plan completed, or has Greber further work to do on it?

Mr. BRONSON: Oh, no, it is completed.

The CHAIRMAN (Hon. Mr. Copp): You asked about this plan, Mr. Boucher.

Mr. BOUCHER: I think I shall ask later that it be furnished us by the Department of Public Works.

The CHAIRMAN (Hon. Mr. Copp): Can you supply that, Mr. Somerville?

Mr. SOMERVILLE: Yes.

Hon. Mr. LEGER: Is that a plan of which there is a model on exhibition in the Archives?

Mr. BRONSON: Yes. It is the model that was on exhibition here in these buildings.

The CHAIRMAN (Hon. Mr. Copp): Do you approve of that plan yourself?

Mr. BRONSON: Oh, yes, in general.

Mr. LEGER: I do not think you can improve very much on that plan.

Mr. BRONSON: It very largely confirms the Holt commission report.

Mr. BOUCHER: I understand that you approve of it as an objective in a long distance view.

Mr. BRONSON: Yes.

Mr. McLEAN: The carrying out of what you have in mind would mean the relinquishing of a very considerable amount of civic power and authority, would it not?

Mr. BRONSON: That is a matter of discussion and arrangement with the city, and of course it would have to be arranged with the elected representatives of the people.

Mr. McLEAN: You would not anticipate any difficulty?

Mr. BRONSON: I hope not.

The Commission would like also to draw to the attention of the Committee a condition—

Hon. Mr. DuTREMBLAY: Do you not think that you should first adopt a plan so that all your work will follow the main idea? It may be the Greber plan or any other plan.

Mr. BRONSON: So far as the Commission is concerned, I think it is quite prepared to adopt the Greber plan.

Hon. Mr. DuTREMBLAY: You ask for a certain privilege. What would be the plan?

Mr. BRONSON: The Commission certainly endorses the Greber plan. This may not be quite the right place to bring this up, because I know the powers we are suggesting will have to be granted by Parliament.

Hon. Mr. DuTREMBLAY: Would there be a certain modification?

Mr. BRONSON: We endorse the plan. We do not wish to make any changes in it.

Hon. Mr. WHITE: Does Greber give any estimate of the cost of carrying out the plan?

Mr. BRONSON: No, sir, there is no estimate.

(Continues reading brief):

The Commission would like also to draw to the attention of the Committee a condition which is hampering the development of Ottawa and vicinity arising out of the seemingly excess trackage of the railway companies in and outside Ottawa and is strongly of the view that no further large-scale improvements should be carried out with respect to the Federal capital until a Union Terminal Company has been formed for the control of railway operation in the metropolitan area with the consequent elimination of considerable existing trackage, including the cross-town tracks of the Canadian National Railway.

In this connection the Holt Commission 1915 reported:—

We are of the firm opinion that the pivot, on which hinges the success or failure in carrying out any comprehensive plan, lies in the proper solution of the problem of steam railway transportation.

and Mr. Jacques Greber in his report of 1938 stated:—

The normal development of the city and the needs of easy circulation will require a complete reorganization of the railway rights of way. The remarkable survey made by the Holt Commission in 1915 is absolutely right on this question.

The Federal District Commission would be pleased to have the approval of this committee to the proposal that the Commission should initiate negotiations with the railway companies entering Ottawa for the formation of a plan for a Union Terminal Company.

Pending any change in the status of the Federal Capital as to district and form of civic government, the Commission is strongly of the opinion that the carrying out of the suggestions above mentioned will greatly contribute to the best development of the general plan for the improvement of the City of Ottawa and district as envisaged by the authors of the three reports referred to.

The Commission will be pleased if the Committee will accord consideration to these recommendations.

Respectfully submitted this 28th day of June, 1944.

Mr. REID: I have one question I should like to ask you. After listening to the splendid recital you have given this Committee this morning of the difficulties you have encountered in your work, in view of the fact that we are looking at the City of Ottawa as the capital city of Canada, is it your opinion

that some body comprised of three or four men, or of any number, should be placed in charge, and that before any building could be proceeded with in the federal capital the plans for them should be submitted to this body? I am thinking of the difficulty you speak of in relation to that abortion—I use the word advisedly—that abortion of a garage built behind the Printing Bureau. This body would decide on these things, and the three authorities would be co-ordinated under this board.

Mr. BRONSON: That is precisely what we request in this report, and if the Government sees fit to give that power to the Federal District Commission as at present constituted, the Commission will be pleased to accept the responsibility and discharge its duties to the best of its ability. I think it has discharged its duties heretofore with reasonable efficiency and acceptance by the general public. I must say in regard to the “abortion” that you speak of, erected behind the Printing Bureau, that before it was proceeded with the Department in question submitted a ground plan to the Commission and asked if we would object to a temporary building being placed there for the duration of the war. This was simply a ground plan. To assist in the war effort, as this was only to be a temporary building, we said, “Oh, no. If you need that now for increased printing, go ahead.” Then we woke up one morning to find practically a permanent structure there.

Mr. BOUCHER: I think we should thank Mr. Bronson very sincerely for his very great help this morning.

Some MEMBERS: Hear, hear.

The CHAIRMAN (Hon. Mr. Copp): Yes, Mr. Bronson, you have presented a very carefully prepared and detailed brief.

Now, is there anything else.

Hon. Mr. LAMBERT: Before we adjourn, I would suggest that the three briefs which have been presented to this Committee—one by the Mayor, one by the Department of Public Works, and one by the Federal District Commission—should be studied by the members of this Committee; then we might possibly ask the Mayor or some representative officials of the City to come back here and answer some questions which naturally will have occurred to us when trying to dovetail the three briefs into one another. However, that is for the Chair to suggest. Then if the other members of the Committee are agreeable, Mr. Chairman, you could call a meeting.

The CHAIRMAN (Hon. Mr. Copp): Mr. Pickering wanted to be heard. Should we not have his statement before doing that?

Hon. Mr. DUTREMBLAY: I think we should know first exactly what the City would like to have.

Hon. Mr. LAMBERT: We have their brief.

Mr. REID: I think Senator Lambert's suggestion is a good one.

The CHAIRMAN (Hon. Mr. Copp): Could we meet on Friday morning and hear Mr. Pickering who represents the Board of Trade? Would that be satisfactory?

Hon. Mr. LAMBERT: Yes.

Mr. McLEAN: His brief, I believe, would be very short.

Hon. Mr. LAMBERT: Could he give it now?

Mayor LEWIS: Before you adjourn, Mr. Chairman, I want to put on the record the 1942 report of the Assessment Commissioner, asked for at the last meeting. I also want to show the City of Ottawa's contribution to the beautification scheme in the centre of the City.

The statement is as follows:—

STATEMENT OF COST OF ELGIN STREET WIDENING

| Details | Authority | Amount |
|--|------------------------|----------------|
| Corporation of the City of Ottawa | | |
| Knox Church Property | By-laws 6652-7000 | \$ 346,544 93 |
| O'Connor Estate Property | " 6652-6741 | 66,810 47 |
| Hope Realty Co. Ltd. Property | " 6652-6741 | |
| | 6786-6787 | 123,508 68 |
| Kirby Realty Co. Ltd. Property..... | " 6652-6741-6787 | 109,218 43 |
| Valuators' Fees | | 9,600 00 |
| Tenants—Removal and Disturbance | | 6,838 85 |
| Surveys | | 553 77 |
| Solicitor's Expenses | | 37 17 |
| Traffic Records | | 75 00 |
| Filling, Grading Vacant Land—Laurier Ave. W to Slater St... | | 2,404 81 |
| Old City Hall Site— | | |
| Demolition and Removal of old City Hall— | | |
| By-law 7257 | \$1,850 46 | |
| Removal of Pavement, Concrete and Road Material and Grading Grounds | 4,555 93 | |
| Construction of two Foot Paths..... | 363 02 | |
| Construction of Concrete Cap on Retaining Wall | 453 52 | |
| Construction of Pipe Railing | 378 46 | |
| Installation of Water Services | 115 40 | |
| | | 7,716 79 |
| Construction of Fence, north side of Slater Street..... | | 382 28 |
| Old Knox Church Property— | | |
| Demolition and Removal of Old Knox Church and Tourist Bureau | | |
| | | 2,363 95 |
| | | \$ 676,508 33 |
| Credit— | | |
| Sale of Buildings | By-law 6774 \$2,800 00 | |
| Sale of Knox Church Organ | 1,500 00 | |
| Sale of Knox Church Pews..... | 121 00 | |
| Rental of Buildings | 536 00 | |
| | | 4,957 00 Cr. |
| | | \$ 671,551 33 |
| Interest on Money Advanced by Bank from the Time the Various Properties were Acquired until the Loans were Paid Off, by the Issue of Debentures and Discount on Sale of Debentures | | |
| | | 194,682 65 |
| | | \$ 866,233 98 |
| Sidewalks, Pavements, Water Mains, Retaining Wall, Railing, Boulevards, Trees, Sodding, Street Lighting and Pole Moving | | |
| | | 99,699 28 |
| Total Expenditure | | |
| | | \$ 965,933 26 |
| Assessed value Old City Hall Site..... | \$443,850 00 | |
| " " Queen St., Elgin St. to Canal.... | 171,000 00 | |
| " " Canal Street | 207,200 00 | |
| | | 822,050 00 |
| Total Expenditure and Assessed Value of Civic Property | | \$1,787,983 26 |

Hon. Mr. LAMBERT: Is this in addition to the other?

Mayor LEWIS: Yes. This is the general beautification scheme.

Mr. McILRAITH: I think a good many points will arise as these briefs are gone over by the members of the Committee, and I think it might meet with the wishes of the members that we should have an opportunity of examining the Finance Commissioner, the Water Engineer and the Commissioner of Works. I would hope that we would have that opportunity, probably at our next meeting. The City Controllers may also desire to say something.

Mayor LEWIS: Mr. Chairman, may I say that we place the whole city service at your disposal. The heads of any departments will be made available whenever you wish.

Mr. BOUCHER: Mr. Chairman, I agree with what Mr. McIlraith said. While the City has presented a brief, I think it would be only fair if members of the City Council and heads of departments were given the privilege of making further statements on behalf of the City, if they so desire. I have in mind one

thing about which some members of Council or departmental heads may wish to make representation: that is, the parks system, which has been commented upon by some members of the Committee. There may be other things as well that representatives of this city would wish to enlighten us upon.

Mayor LEWIS: Mr. Chairman, before we adjourn I should like to put on record a statement in connection with the playgrounds and parks of Ottawa.

(The following is the statement referred to by His Worship the Mayor):—

CITY OF OTTAWA

STATEMENT SHOWING EXPENDITURES, 1943, IN CONNECTION WITH
PLAYGROUNDS, PARKS, ETC.

| | |
|--|-------------|
| Playgrounds | \$46,047 54 |
| Parks and Trees Branch—Engineering Department..... | 19,612 13 |
| Lansdowne Park | 6,204 62 |
| Ballantyne Park (flowers) | 101 79 |
| | <hr/> |
| | \$71,966 08 |

In addition to the above there was expended, during 1943, in connection with the extensive grounds around the Civic Hospital, a sum of \$9,619.61.

At the present time there is being constructed a park north of the Civic Hospital grounds, the capital cost in connection with which will be in the vicinity of \$8,000-\$10,000.

Lansdowne Park contains the buildings used for the Central Canada Exhibition and the Eastern Ontario Winter Fair, as well as a grandstand (with a seating capacity of 10,000) and sports field and race track. The capital value of the buildings owned by the city at Lansdowne Park is approximately \$1,020,000. For the duration of the war, Lansdowne Park is under lease to the Department of National Defence, Dominion Government. In 1939 the expenditures of the city, in connection with Lansdowne Park, were \$16,500.45.

The Committee adjourned until Tuesday, July 4, 1944, at 11. a.m.

SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat
of Government in the City of Ottawa and to Report on the Relations
Between the Federal Government and Municipal Authorities of
the said City and the Relative Responsibilities in Respect
of Such Problems with Power to Inquire into the Matter
and Things Therein Referred to.

No. 4

WEDNESDAY, JULY 4, 1944

WITNESSES:

Mr. F. E. Bronson, Chairman, Federal District Commission.
Mr. J. M. Somerville, Secretary, Department of Public Works.
Mr. E. C. Pickering, representing the Ottawa Board of Trade.
Mr. E. A. Bourque, a Controller of the City of Ottawa.
Mr. Finlay McRae, a Controller of the City of Ottawa.
Mr. Blyth MacDonald, Assessment Commissioner, Ottawa.

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,
and Honourable Senators:

DuTremblay, P. R.
Lambert, N. P.
Leger, A. J.

Stevenson, J. J.
White, G. V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,
and Messrs.:

Boucher, G. R.
Coté, P. E.
Dechene, J. M.
Hill, B. M.
Knowles, S. H.
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J.
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A.
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problem with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

TUESDAY, 4th July, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Present:

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

SENATE: The Honourable Senators Copp, Lambert and White.

HOUSE OF COMMONS: MESSRS. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Matthews, McIlraith, Pinard, Purdy and Reid.

In attendance:

The Official Reporters of the Senate.

Mr. J. M. Somerville, Secretary, Department of Public Works.

Mr. H. R. Cram, Secretary, Federal District Commission.

His Worship Mayor Lewis; Controllers Bourque, Geldert, Goodwin and McRae, and Aldermen Coulter, Hamilton, Pinard and Powers, appeared as representatives of the Ottawa City Council.

Mr. F. E. Bronson, Chairman, Federal District Commission, again appeared and submitted a statement of expenditures by the Commission in Ottawa and outside Ottawa during the fiscal years 1941-42 and 1942-43, together with a tentative statement of expenditures for the fiscal year 1943-44.

Mr. J. M. Somerville, Secretary, Department of Public Works, was recalled and submitted—

1. Copies of a report dated 7th February, 1938, by Mr. Jacques Greber on city planning improvements for the City of Ottawa.

2. Statement of water rates paid in 1942 by the Crown for water services to Legation properties in Ottawa.

Mr. C. E. Pickering appeared and submitted a brief on behalf of the Ottawa Board of Trade.

Mr. E. A. Bourque, a Controller of the City of Ottawa;

Mr. Finlay McRae, a Controller of the City of Ottawa; and

Mr. Blyth MacDonald, Assessment Commissioner, Ottawa, were heard in elaboration of the brief submitted on behalf of the City of Ottawa.

At 1 p.m., the Committee adjourned to the call of the Chairmen.

Attest.

A. H. HINDS,

Chief Clerk of Committees, the Senate.

Clerk of the Joint Committee.

MINUTES OF EVIDENCE

TUESDAY, July 4, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Hon. A. B. COPP, P.C., Chairman, Senate Section.

Mr. J. A. GREGORY, M.P., Chairman, House of Commons Section.

The CHAIRMAN (Mr. Gregory): Gentlemen, will you please come to order? We have been waiting for a quorum from the Senate section. Things are a little complicated when there are two sections in a committee and each section requires a quorum.

Now, gentlemen, we had probably better hear the statement to be presented on behalf of the Board of Trade of the city of Ottawa. I understand it is not very long.

The CHAIRMAN (Hon. Mr. Copp): Mr. Chairman, you were not here at the last meeting, when it was understood that Mr. Bronson, Chairman of the Federal District Commission, would file a statement this morning. A statement was also asked for from Mr. Somerville, from the Department of Public Works.

The CHAIRMAN (Mr. Gregory): The information is all here, and copies will be distributed. We thought it would be better to have the short statement from the Board of Trade read so as to avoid a request for information that is presented there.

The CHAIRMAN (Hon. Mr. Copp): I think you misunderstood me, Mr. Chairman. At the last meeting it was understood that two statements would be filed at to-day's meeting: one from Mr. Bronson and one from Mr. Somerville. Mr. Bronson is here with his statement.

Mr. FREDERIC E. BRONSON, Chairman, Federal District Commission: Yes, I have the statement here.

FEDERAL DISTRICT COMMISSION

Expenditure for the Fiscal Years 1941-1942 and 1942-1943
Inside and Outside City of Ottawa

| | In Ottawa | Outside Ottawa | Total |
|--------------------------------------|--------------|-------------------|-----------|
| Parkway System | \$238,640 | \$178,315 | \$416,955 |
| Government Buildings— | | | |
| Grounds Maintenance | 209,617 | 8,400 | 218,017 |
| Work for Departments of Government.. | 48,210 | 25,871 | 74,081 |
| | \$496,467 | \$212,586 | \$709,053 |
| | 70% | 30% | 100% |

FEDERAL DISTRICT COMMISSION

Tentative statement of expenditure for the fiscal year 1943-1944, inside and
outside Ottawa, subject to minor changes upon completion
of audit by the Auditor General's Office.

| | In Ottawa | Outside Ottawa | Total |
|--------------------------------------|--------------|-------------------|-----------|
| Parkway System | \$ 93,786 | \$ 76,214 | \$170,000 |
| Government Buildings— | | | |
| Grounds Maintenance | 107,416 | 4,584 | 112,000 |
| Work for Departments of Government.. | 45,214 | 19,915 | 65,129 |
| | \$246,416 | \$100,713 | \$347,129 |
| | 71% | 29% | 100% |

Mr. REID: Mr. Bronson, when you say "in Ottawa" do you mean inside the city proper?

Mr. BRONSON: Yes, sir.

Mr. PURDY: You give figures covering work for departments of government. Do those figures include everything that was spent for keeping up government projects?

Mr. BRONSON: Not everything, sir.

Mr. PURDY: There are other departments which make expenditures?

Mr. BRONSON: Certain departments; notably, in recent times, Wartime Housing and Munitions and Supply, on account of these temporary buildings that have been put up. The grounds were afterwards fixed up by us.

Mr. PURDY: What I had in mind more particularly was this. Some mention has been made of certain bridges that the Government took over and have maintained. Are those costs included in here?

Mr. BRONSON: No; these costs include only our own bridge. The Chaudiere bridges have been maintained by the Federal Government ever since they were originally built, in Colonel By's time.

Mr. PURDY: Can we get somewhere a statement showing exactly what the Government contributes altogether, by way not only of maintenance, but of interest and redemption of the capital costs?

Mr. BRONSON: We have not got such a statement in the Federal District Commission. I presume those figures could be obtained from the Department of Public Works.

Mr. BOUCHER: It probably would be necessary to go to the various departments to get all the figures, because Public Works would not be likely to have them all?

Mr. BRONSON: I think Public Works would have them.

Mr. PURDY: What about the Department of Transport? Would it have any local expenditures?

Mr. BRONSON: Yes. The Department of Transport is responsible for some of the driveway over the Rideau canal. It is now about to engage in a repair job on that very poor roadway leading out to Hog's Back.

Mr. PURDY: Mr. Chairman, I wonder if we could get somewhere a statement showing all the expenditures by the various departments.

The CHAIRMAN (Hon. Mr. Copp): Probably Mr. Somerville could tell us about that better than Mr. Bronson can.

Mr. REID: In your statement, Mr. Bronson, there is an item for "Government buildings, grounds maintenance, \$209,617." What is that for, garbage collection?

Mr. BRONSON: This covers the work we do for all the Government-owned buildings inside the city of Ottawa—that is, maintenance of grounds, collection of ashes, snow-plowing, sanding in the winter-time, removal of snow from the yards—all those services.

Mr. REID: What I do not understand is why you make a separate charge for collecting ashes from Government buildings as distinct from other buildings. I always thought that collection of ashes was a service rendered by every city.

Mr. BRONSON: Apparently the Department of Public Works used to do that for the Government buildings, and when we took over from the department the maintenance of Government grounds we unfortunately fell heir to that duty also.

Mr. REID: That item is almost fifty per cent of your total expenditure in Ottawa. Do you get reimbursed for that?

Mr. BRONSON: No.

Mr. REID: You get nothing extra from the Government for doing that work?

Mr. BRONSON: We have two votes from the Government. We have a regular statutory vote of \$200,000 a year, for carrying out the purpose for which the Commission was originally founded. Then when we took over from the Department of Public Works the maintenance and upkeep of all Government grounds, servicing of the buildings and everything of that sort, we were given an extra vote by Parliament, which amounts to \$133,500.

Mr. REID: Your expenditures did not increase greatly in keeping with the new buildings that have gone up?

Mr. BRONSON: Well, sir, we have a great deal of deferred maintenance. As I think you mentioned at the last meeting, sir, the driveway system has been to some extent a little less colourful than it used to be. In spite of the fact that the load on account of maintenance of Government buildings has been greatly increased by the war, we have managed by watching things carefully to keep within the vote.

Mr. BOUCHER: I suppose it would be fair to say that since the war your efforts have been mostly in the maintenance of grounds around Government buildings and other services to the departments?

Mr. BRONSON: Yes. On account of the manpower shortage, and in order to save money, we have deferred certain maintenance on the driveway, where it is not so obvious.

Mr. REID: In the two years 1941 to 1943 the expenditures on the parkway system averaged \$119,000 a year, and last year, 1943-1944, they were \$93,786. That is quite a drop. The parkway system must be neglected in some way?

Mr. BRONSON: Yes, sir; that is what I have been saying, that there is a good deal of deferred maintenance, which we shall have to take care of pretty soon. As a matter of fact, we are going to take care of some of it this year: now that asphalt is plentiful we are going to resurface some of the driveways and prevent them from getting into a very bad condition.

The CHAIRMAN (Mr. Gregory): Are there any other questions of Mr. Bronson? He wishes to retire, and if there are no other questions, is it your pleasure that he may be excused?

(The Witness retired.)

At the last meeting the Committee asked for the Greber report. I understand that Mr. Somerville, of the Department of Public Works, has copies here, and they will be distributed now.

The CHAIRMAN (Hon. Mr. Copp): You have Mr. Somerville's statement before you. Do you want to study it and then have an opportunity of questioning him?

Mr. REID: As far as I am concerned, I should like to have it read, because you can follow it much better and be in a position to ask questions afterwards.

The CHAIRMAN (Hon. Mr. Copp): It is a rather long statement, and I was wondering whether it would not be better for us to peruse it and have Mr. Somerville come back later.

Mr. BOUCHER: In view of the fact that is only a contemplated distant scheme that has not been officially recognized except as a fact-finding report, I feel it would be just as wise to study the statement and ask questions on it later, rather than confuse the issue by reading it into the record now.

The CHAIRMAN (Hon. Mr. Copp): If that is the will of the committee we will have this statement printed in the proceedings, so that we may have an opportunity of studying it and discussing it with Mr. Somerville later on. Will that be satisfactory?

Mr. SOMERVILLE: Yes, sir.

The CHAIRMAN (Hon. Mr. Copp): Have you anything to say supplementary to the statement?

Mr. SOMERVILLE: No.

Mr. REID: The statement raised the question of the bridges and of the City Hall. Don't let us overlook that fact. It is very important.

The CHAIRMAN (Hon. Mr. Copp): Is that set out here?

Mr. SOMERVILLE: Yes, sir.

The CHAIRMAN (Hon. Mr. Copp): That is referred to in the report, Mr. Reid, so we shall be able to study it.

REPORT ON CITY OF OTTAWA PLANNING IMPROVEMENTS

General.

A preliminary report was submitted in June 1937, with a series of sketches and plans of various suggestions on city planning improvements.

As a result of my visit in July-August, 1937, and after several conferences with Mr. J. B. Hunter, Deputy Minister of Public Works, Mr. C. D. Sutherland, Chief Architect, and Mr. T. D. Rankin, Supervising Architect, it was decided, according to the conclusions of my preliminary report, that a basic plan should be prepared to coordinate all data relative to actual conditions of the grounds, grade elevations, location of public and semi-public buildings, land occupancy, existing planted spaces, land values, traffic and commercial activity, etc.

Basic Plan.

This preliminary survey has been established during the recent months, in cooperation with Mr. Kitchen, Supervising Architect, and with the Federal District Commission.

The valuable information contained in the survey enabled us to study more accurately the various problems already considered.

This general study could be divided into three parts:

1. Site and construction of the National Memorial.
2. Layout of the civic centre of the city.
3. General improvement of the city plan.

The order in which the three items are given is in conformity with possibilities of gradual execution, the National Memorial being the first thing to be carried out at once, the civic centre the next one, and the other general improvements depending upon possibilities as time goes on, for a period which might involve twenty-five years or more.

But to follow a more logical order, and to show that any detail of the general plan can be executed without delay if conditions permit it, provided it has been studied in connection with the general structure of the whole city, we will comment our work by describing first the comprehensive plan and its various parts or details, afterwards, in a more logical order, proceeding from the whole to the particular.

General Plan No. 22

A comprehensive plan of the city has been prepared, on which most of the existing conditions are reported, including general recommendations which con-

firm certain parts of the Holt Report submitted in 1915, as being logical and essential factors of improvement of the boulevards system, and which can be easily carried out by simplifying and unifying the railroad rights of way which now actually separate several parts of the city and interfere with their normal development.

This plan does not pretend to be a definite layout of the future street system, but it is merely a synoptical and graphic representation of up to date conditions and needs with general suggestions for future and long range improvements. In its present state, it is still quite hypothetical, as the basic survey of the city is only completed for the central part, and is going to be extended to the rest of the municipal territory.

When the principle of the proposed operations is discussed and tentatively admitted, the comprehensive plan will be accurately corrected for final consideration, it will then be used as a chart for a further detailed study, when future possibilities permit to reorganize gradually but according to a general and pre-established scheme, the whole railroad equipment, and the thoroughfare system of the city, as well as to undertake the construction of several public buildings of primary importance.

General Bird's Eye View

An aerial photograph of the city front taken from above the river, shows *the existing beauty of its topographical and natural conditions.*

A bird's eye perspective drawing, taken from the same point shows how this natural beauty can and must be preserved.

- (a) leave the cliff planted and unspoiled by avoiding the construction of any roads or bridges across Rideau Canal and on the northern bank of Parliament Hill.
- (b) On the contrary, develop the existing green front of the city on the river bank by increasing and improving the garden treatment of Major Hill Park, including the grounds between McKenzie Avenue and Sussex Street.
- (c) Emphasize the importance of Wellington Street as a monumental artery, by the treatment of its two ends, and increase the garden setting of the various departmental buildings, present and future, on both sides of the street.
- (d) With the exception of Parliament grounds, Ottawa has practically no civic centre, even no plaza of monumental character. Several such "places" are proposed, either for the benefit of traffic facilities or simply for esthetical improvement. Public Buildings, existing or proposed, such as the Railroad Station, the City Hall, the Art Gallery, the Supreme Court and the group of departmental buildings must be approached by well planned spaces, esplanades, malls, in one word, they need to be *properly framed*. The setting of every work of architecture is as essential to its beauty as the design of the building itself. This consideration is true for any town, but is particularly desirable for a National Capital. Evidence of this is given by the City of Washington and by most of the chief European cities.

Civil Centre (Plans 9, 10, 11.)

The present Railroad Station is inadequately located facing directly the most congested street intersection, and is only connected with the western and eastern parts of the city by one artery (Wellington and Rideau Streets). The topography of this part of the city permits to rebuild the Station above the tracks and to create a double level plaza around the building with street connec-

tions, in almost every direction, to Wellington, Elgin, Laurier, Rideau and Sussex streets. A new diagonal in the north-eastern direction, would complete the radiation from the Station Plaza to the Rideau River at Saint Patrick street.

The reconstruction of the Station and its approaches will be described in a further paragraph. The City of Ottawa has now its opportunity to improve, or better, *to make its civic centre* in harmony with the already existing government centre, now being considerably amplified. The new monumental unit will include in its composition the future Union Station and a group of public buildings on Elgin Street. This has a practical advantage, as open grounds limited by Elgin, Nicholas, Wellington street and Laurier avenue lend themselves for a double work of reconstruction and creation, which must be executed in several stages and in as many years as necessary. One of the public buildings on Elgin street, possibly an Art Gallery, would occupy the block between Metcalfe, Albert, Slater and Elgin street. The two other buildings across Elgin street and symmetrically designed would frame the Mall leading from Elgin street to the New Union Station. A monument to Colonel By would be located between those two buildings at the entrance of the Mall. Underground galleries equipped with a parking space covered by the Mall and built for 400 cars would solve the difficulty of immediate emergency and open possibilities for a large scheme of further parking additions.

Binding the new public buildings and the future Union Station, the Mall would bridge over the Canal, and on both sides of this new avenue, gardens with landscaped ramps would connect at two different levels the parking space, the existing Driveways, Connaught Place, and Laurier Avenue. Moreover this creation would justify the widening of Elgin Street, considered as the back-bone of the Ottawa Street system.

PRINCIPAL BEAUTY OF OTTAWA.

The character of Ottawa as it appears at first to the visitor, a city grown in a green setting, has to be emphasized. Again, the example of Washington is to be recalled: The Railroad Station, first gate of the city, must open on a park. From the Station three converging views will open:—

1. *Northwest*: Parliament Grounds with National Memorial in foreground.
2. *West*: Mall with group of three proposed public buildings.
3. *Southwest*: Cartier Square and widened Elgin Street. So the entire space between Laurier, Wellington and Elgin Streets, although devoted to easy vehicular circulation, is treated as a public garden and through Connaught Place and Rideau Plaza, *will bind without interruption*, Parliament Grounds, Major Hill Park and Cartier Square, a T-shaped Park, $\frac{7}{8}$ of a mile W-E and N-S. The main axis of the new civic centre in the W-E direction, from Metcalfe Street to Waller Street, is *half a mile* long, with a double level approach to the Station at its Eastern end, and the proposed group of Public Buildings at the Western end.

This plan involves important changes, but gradual, relatively inexpensive, and unquestionably profitable to the betterment of the whole centre of the City, now a blighted area limited from Wellington-Rideau Streets to Laurier, and from Waller to Elgin.

The prison, in Nicholas Street, would be removed, and its grounds redeemed for a more adequate use.

The space necessary for the new Station and its approaches would be partly obtained by the removal to a more suitable site of the freight yards and Express Warehouses. Such provisions could be made to use the building rights, above the tracks, and repay a large part of the condemned properties by the

sale of these rights. So the Station building could be surrounded by a properly controlled block of buildings of unified volume east and west of Nicholas street.

SECTION EAST OF RIDEAU CANAL RENOVATED.

A new front of the city, east of the Canal would be created, with the Union Station as its focal point. The part of the City between Rideau Canal and Rideau River, now connected to the western section over the Canal only by Rideau Street and Laurier Avenue, without any decent approach to the Union Station from the East, should have an additional, central and direct connection to the Station through a Plaza as starting point of a new diagonal throughfare leading to the Montreal Road, and so this spot would become an important residential section of the City, instead of being deprived of any possibility of increasing its land values, by lack of access.

BRIDGES.

The number of bridges on Rideau River is to be gradually increased, and their width made suitable to the needs of traffic, by widening or reconstruction, as the case may be. It is admitted now that a bridge should never be narrower than the streets which converge to its ends.

RAILWAY PROPERTIES.

The normal development of the city, and the needs of easy circulation will require a complete reorganization of the railway rights of way. The remarkable survey made by the Holt Commission in 1915 is absolutely right on this question.

It is our recommendation to confirm that both railway operations (passenger and freight) and city traffic would benefit by grouping *into fewer main lines*, a number of scattered lines, now objectionable cross-town lines, and by placing the two principal freight yards where they could be most easily developed and served.

A large surface of rights of way could be so reclaimed, and be transformed into thoroughfares and parkways of great value, often at different levels, which would permit the use of two level crossings of modern type.

The basic plan indicates where these improvements seem desirable.

EMBANKMENTS.

Rideau River, as well as the Rideau Canal, and in principle all waterways should be properly canalized and bordered by public roadways.

This is the most efficient remedy to the use of the river-fronts as dumping places and the waterways as free and open sewers. This has also the advantage of linking the bridges and permit a better distribution of traffic.

LAURIER AVENUE AT BRONSON AVENUE.

Topographical conditions bring the logical conclusion as already indicated in the Holt report: A tunnel should be built under Bronson Avenue, giving a safe outlet to Laurier Avenue at its west end, and a logical crossing.

Union Station Combined Railway and Bus Lines.

Immediate improvements such as the creation of Connaught Place and the widening of Elgin Street are comparatively minor operations in regard to the railway regrouping, and its natural consequence, the new Union Station. The proposed city improvements are entirely dependent upon this major and essential operation, which we consider as the chief investment of the city. The whole scheme is a self-paying proposition and could be carried out according to a gradual schedule by private enterprise in co-operation with the Railway Com-

panies and the City Authorities. The removal of the freight yards would permit construction of the new station and its approaches without interfering with passenger trains present operation.

When the new Station would be put into service, the present building and its annexes, power plant, etc., could be removed according to a definite schedule, avoiding any interruption. The prominent location of the present Station in front of the Chateau Laurier, is suitable for a new semi-public building, where offices for public transportation, Bus terminal, tourist offices, and a second underground parking place with bus station, would be provided for. This building connected by the existing tunnel to the Chateau Laurier Hotel, would also be connected with the New Railway Station and the Postal Terminal.

Rideau Plaza.

The new building replacing the present Station would balance the character of the façade of the Chateau Laurier, and would form the Southern front of the Plaza at the intersection of Sussex and Rideau Streets. This important rectangular turning point for traffic W-E (Wellington) and traffic S-N (McKenzie and Sussex) should be widened and completed by a new and symmetrical treatment of the two buildings marking the end of Wellington Street, at the head of Rideau Street.

Garage Facilities.

Parking on the surface of streets and plazas is one of the chief nuisances to normal circulation. The only solution is to provide for parking places, free or paying, adequately located, in sufficient number, directly connected to the main thoroughfares and near the principal active points of the city, in order to avoid long walks and traffic congestion in their approaches. Whenever the topographical conditions allow it, underground garages are more convenient and cheaper than garages built in elevation. Parking on unbuilt private grounds is a temporary remedy of no serious value.

To relieve Connaught Place, Wellington Street, Sussex Street and McKenzie Avenue, it is proposed to equip four underground parking places, the first being under the Mall and adjacent terraces, leading from the Union Station Plaza to Elgin Street at Albert and Slater Streets, (capacity 400 cars) the second, under the present Union Station, when the new Union Station being rebuilt, the transfer of present Railroad Offices will be possible, and the present site of the Station could be occupied by a Central Bus Station, accessory services of the Department of Transport, National tourist offices, all connected underground to the Station, to Postal Terminal at the R.R. tracks. The third parking place will be equipped under the grounds left after the removal of the Daly Building, between McKenzie St. and Sussex St. Another large parking place, directly connected with the new Departmental Buildings will be built on both sides of the New Supreme Court, under new garden treatments, and reached by the Mall under construction parallel to Wellington Street between Bank Street and Kent Street.

Major's Hill Park. Plan 12.

Wonderful setting and views. This park, isolated by the mass of Chateau Laurier is now a backyard.

An easy remodelling of its paths, involving an extremely small number of trees to be removed (5 or 6) will permit to make it, at a very low cost, perhaps the best public garden of Ottawa. The terrace overlooking the river and Parliament Hill should be straightened, and widened by covering the R.R. tracks.

A central mall and a monument (to King Edward, for example) would be laid out in geometrical relation to the line of the terrace. A small area, adjoining

the existing Terrace west of the Chateau, would continue in the horizontal plan the lines of architecture of the vertical walls of the rear part of the hotel, now inadequately harmonized to the Park.

The most important improvement will be the removal of the Printing Bureau and the extension of the Park, also in the space now undeveloped between McKenzie Avenue and Sussex Street.

Sussex Street.

Widening of Sussex Street, up to Rockcliffe Park, planted approach to the National Research Building, and widening or better, reconstruction of a low arched concrete bridge over Rideau River, to permit proper treatment of a recreation field on Green Island, and, preservation of Rideau Falls, another natural beauty of Ottawa, widening of the intersection of roads at the Gates of Rideau Hall and all other operations tentatively indicated on plan 22, are to be included in the future developments of the work of the City Park System, so perfectly conducted by the Federal District Commission.

Western Group of Government Building (Plans 13 and 21)

Wellington Street, west of Kent Street, lends itself for a great improvement. Departmental Buildings are proposed on its northern side, including the new Supreme Court—A sufficiently open and planted setting if possible will leave views towards the river. The Supreme Court will have a wide approach to Wellington Street as proposed on our preliminary plan. King George Monument would form the central feature of the plaza leading to the Supreme Court. We confirm the suggestion contained in our preliminary report to create, on the south side of Wellington Street a balanced group of Public Buildings related to Departmental Services, and using the same setback as on the northern side. Proper planting would then create a setting similar on both sides. This would make Wellington Street appear wider.

New City Hall

On the axis of Lyon Street (old market) a square plaza between Wellington and Sparks, would be the logical approach from Wellington, to a new City Hall (plan 5, Preliminary Report).

The western end of Wellington would be widened and framed by a double row of trees on each side.

Traffic circle at the end with connection to the extension of Wellington Street and Bronson Avenue, and a possible bridge to Hull. This calls for further study, in connection with Hull problems, which have not yet been considered in this report.

National Memorial (plans 14, 15, 16, 17, 18, 19, 20)

These plans are final and need no comment, this part of the report being the first element of the general plan in actual execution. Every necessary indications have been given to Mr. T. Ranking for all working details and specification of materials.

New Post Office

The preliminary drawings for the façades of the Post Office on Elgin and Sparks Streets have been discussed with Mr. C. D. Sutherland, Mr. Rankin and Mr. Noffke, and the height and proportions of the building made in harmony with the height of Langevin Block.

Building Heights. (Plans 24, 26, 27)

No legislation other than the 110' height limit, and certain recommendations of the Federal District Commission, is in application in the City of Ottawa. It

is desirable that a special regulation of height be applied to various important points of the City:—

1. Elgin Street: The character given by the skyline of the Parliament Buildings, Chateau Laurier, Langevin Block, should govern every building proposed in section 1 of the plan 9-A. (Height zoning plan to be sent.)

The front of Elgin Street, up to Lisgar Street facing a park, ought to be treated in the same character (cornice line and roof top of Langevin Block giving the outline), but architectural design remaining free.

Exception should be made for the Central Public Building (proposed Art Gallery, at Albert and Slater Streets, which ought to slightly dominate the surrounding private buildings) and, being studied under public control, is not bound by restrictions (example given by sketches, plan 27).

2. For similar reasons, the building to replace the Union Station and those at the entrance of Rideau Street should follow the same character—(roofs), but as Chateau Laurier has a higher skyline, they should be permitted to a higher cornice line (100', and top of the roofs 150') (example sketches on plan 26).
3. The station and its surrounding buildings on Eastern plaza at Nicholas Street, call for another character, and should be the focal point of a more businesslike center, with strictly symmetrical shape but of still higher skyline (180' total height) (see example sketches on plans 26 and 27).

Zoning

A zoning plan should be established for the whole city of Ottawa and district. The above limits of heights are less zoned regulations than special "servitudes" as provided for in the laws and decrees governing city planning matters in France.

Necessary documentation on French legislation and city planning By-laws will be mailed from France, permitting to study the possibility of adaptation for part or whole of them to the Ottawa problem.

General City Plan

As a matter of City plan, and even Regional plan, it is not necessary to create a new administration such as the Washington Capital District, but examples are numerous of cities and groups of cities (regions) which had their comprehensive plans prepared without changing their political or municipal delimitations:

New York, Philadelphia, regional plans (3 states)

Paris regional High Commission grouped more than 600 different towns and villages.

Lille, and other larger cities of France.

The necessary documentation on Regional planning will be mailed from France.

Respectfully submitted,
Ottawa, February 7th, 1938.

JACQUES GREBER,
City planner and Architect,
S.F.U. S.C. S.A.D.G.

Mr. HINDS (Clerk of Joint Committee): Mr. Somerville is here with the statement asked for by Mr. Reid on the question of water for the Legations.

The CHAIRMAN (Mr. Gregory): It is a short statement and can be read into the record.

Mr. SOMERVILLE: This is a short statement in connection with payment of water supplied to the Legations.

In compliance with this request, I am submitting a short statement relative to this service, which has been prepared with respect to the year 1942. I may say that a similar statement could not be compiled for the year 1943, as the complete figures for that year are not yet available.

This is the statement:—

LEGATION PROPERTIES AT OTTAWA

WATER SERVICE IN 1942

United States Legation—98 Wellington Street

| | |
|--|----------|
| Water rates paid by the Crown..... | \$650 24 |
| Refund obtained through Department of External Affairs based on meter rates..... | 57 44 |

British High Commissioner's Residence and Offices, Earnscliffe

| | |
|--|----------|
| Water rates by the Crown..... | \$281 88 |
| No refund received as yet from Dept. External Affairs for water actually consumed. | |

French Legation—Sussex Street

| | |
|--|----------|
| Water rates paid by the Crown..... | \$820 76 |
| No refund received as yet from Dept. External Affairs for water actually consumed. | |

Australian High Commissioner's Residence—407 Wilbrod Street

| | |
|--|---------|
| Water rates by the Crown..... | \$46 46 |
| No refund received as yet from Dept. External Affairs for water actually consumed. | |

Mr. REID: Is that just for the one year?

Mr. SOMERVILLE: For the calendar year 1942.

Mr. REID: Is the account clear up to that year?

Mr. SOMERVILLE: I think I could say so, but since then the matter is more or less in abeyance. We had that judicial ruling, and now we are waiting for further action.

Mr. McILRAITH: There is no reference to the case referred to the Supreme Court of Canada by the Dominion Government dealing with the taxation of Legations.

Mr. SOMERVILLE: I have not that with me, but I could get it easily.

The CHAIRMAN (Mr. Copp): Will you let us have that, Mr. Somerville?

Mr. SOMERVILLE: Yes, sir.

The CHAIRMAN (Mr. Gregory): Any further questions? Then we will have the submission of the Board of Trade, to be presented by Mr. Pickering.

Mr. PICKERING: Messrs. Chairman, members of the Joint Committee on Relationships between the Federal Government and the City of Ottawa:

The Ottawa Board of Trade is in support of the plea now in course of submission to your Committee by the municipal authorities in respect of an increased contribution by the Dominion Government toward the expenses of the Corporation of the City of Ottawa.

As Chairman of the Ottawa Board of Trade, Dominion Government City of Ottawa Relationship Committee, I wish to thank you for this opportunity of submitting to your Committee certain facts which, in the opinion of our Committee, should be given serious consideration.

We submit to the principle of no taxation on federally owned property under the present statutory legislation.

We appreciate that the Federal Government has recognized the principle of paying for services rendered by the City of Ottawa as indicated by the fact that a grant has been voted to the City of Ottawa for many years. This grant has never been considered a payment in lieu of taxes but has always been in the category of a financial consideration for services rendered. This, in our opinion, well establishes the obligation of the Federal Government to the taxpayers of Ottawa.

As acknowledged, the services and benefits paid for by the taxpayers of the City of Ottawa to all the people of Canada represented by the Federal Government are of a varied nature. These services include fire protection, sewers, police protection, upkeep of sidewalks and pavements abutting Government property, filtered water (for which the City now receives recompense on a metered basis), and all other services of a similar nature which are provided in a program chargeable to municipal taxation.

We, the Ottawa Board of Trade, respectfully submit that the payment by the Federal Government for facilities provided, should be based on a *pro rata* of the total cost to the taxpayers of Ottawa for all the services enjoyed in kind for the maintenance of Federal Government owned property. In calculating the cost which should be borne by the Government it should be based upon the total assessment of all the property in the City of Ottawa in its relationship to a proper assessed value of the property owned by the Federal Government which at present is non-taxable.

Mr. BOUCHER: You say it should be based upon the total assessment of all property. Could you enlarge upon that? Do you mean the assessment of the property at the time of expropriation or from year to year?

Mr. PICKERING: From year to year.

We further submit that included in the cost of the above services should be a reasonable rate of interest charged on the investment, providing for depreciation, the annual cost of renewals and repairs, maintenance and administration expenses, all of which should be ascertained by selected and competent accountants. In this way the Government proportion surely can be determined in a fair and equitable manner. It is our contention that the Federal Government operates its utilities and buildings for the benefit of all the people of Canada. We do not shirk from the fact that the citizens of Ottawa should pay their properly *pro rata* costs with all the people of Canada. At present the Taxpayers of Ottawa are called upon to bear the burden of certain services out of their annual taxation receipts with little assistance from the Federal Treasury. This obviously means a contribution by the citizens of Ottawa for an amount in excess of the benefits derived by them. This, in the opinion of the Board of Trade, as represented by me, imposes upon the taxpayers of Ottawa a burden which should be borne by the Government representing all the people.

It can be argued that the Federal Government provides certain parks, driveways and the like, that are enjoyed by the citizens of this City alone. This contention, the Ottawa Board of Trade considers unsound. Every municipality must decide in its annual budget based on the municipal policy, the limit

of parks, driveways, etc. that are necessary and for which they can afford to levy taxation. We submit that in the case of the Capital City of Ottawa there is a dual and corresponding responsibility, that anything in excess of purely city parks, etc. is strictly a matter of Federal policy of beautifying the Capital of Canada; and that the cost of all such schemes should be borne by the Federal Government.

It is exceedingly unfair to ask the taxpayers of Ottawa to supply services necessitating large expenditures of money and suggest that this outlay should be offset by a park, a driveway, or other developments that are considered by the Government proper for a Capital City. It is obvious that under ordinary municipal policies these extensive improvements would be uneconomical and considered a luxury.

Any argument that the Federal Government provides employment which should offset the value of services, in our opinion, would be unsound and would result in a large number of people escaping both real estate and business taxation. If this held true, Ottawa could have expanded its development by exempting private industry from taxation; but any such procedure has been recognized by all authorities as unfair, often disastrous, and for a good many years has been excluded by the Ontario Bonus Limitation Act.

In this brief we have not attempted to arrive at, or suggest any definite amount which would be considered fair payment for services by the Dominion Government. This amount can only be determined when figures are submitted by the City of Ottawa to show the true cost of the services provided, also to show the nature of such services. When an agreement has been reached as to just what services are considered necessary by the Federal Government in order to carry on the business of the Country and the costs have been properly checked as correct, it would be a simple process to arrive at the proper amount that the Government should pay the City of Ottawa yearly.

We further suggest that any agreement between the Federal Government and the City of Ottawa should contain a clause that a review would be made at least once every three years based upon the conditions existing at the time and proper adjustments made as conditions indicate.

Mr. Chairman, may I repeat that I am submitting this brief on behalf of the Ottawa Board of Trade.

C. E. PICKERING,

*Chairman-Dominion Govt. City of Ottawa Relationship
Committee of the Board of Trade.*

CORLIS G. KEYES, *President.*

W. H. MUNRO, *1st Vice-President.*

ARTHUR A. CRAWLEY, *Honorary-Treasurer.*

C. A. GRAY, *Secretary-Manager.*

The CHAIRMAN (Mr. Gregory): Are there any questions you wish to ask Mr. Pickering, gentlemen?

Mr. REID: You suggest, on page 2, Mr. Pickering, that the payment by the Federal Government for facilities provided, should be based on a *pro rata* of the total cost to the taxpayers of Ottawa for all the services enjoyed in kind for the maintenance of Federal Government-owned property. You are not proposing there a *pro rata* of all the expenditures of the City, in toto?

Mr. PICKERING: No. Such services as could be determined as being of value to the Government and to Ottawa as the capital of Canada.

Mr. REID: Evidently you do not regard the term "payroll" as of any great importance.

Mr. PICKERING: No.

Mr. REID: Because, as you know, this is the only city in Canada which has a payroll embracing such a large number of permanent employees, and which I say is a benefit.

Mr. PICKERING: It is true that we are very fortunate.

Mr. REID: For instance, in my city we would gladly have the capital.

Mr. PICKERING: We are very fortunate in that respect, and are duly appreciative; but we have reached a point, perhaps, where that value has ceased to be an asset. We make allowance for it, and then say there should be payment for services rendered in excess of that value.

Mr. PURDY: Do you suggest the parkways are not of great value to the City of Ottawa? Would they not be quite a factor in encouraging people to come to Ottawa to live?

Mr. PICKERING: We are very fortunate in having the parkways and driveways.

Mr. PURDY: Do you not think they would have the effect of bringing people here to settle?

Mr. PICKERING: I agree.

Mr. McILRAITH: You say there are limits to the parks and driveways for which the people of the city can pay, and that it is something less than is required by the capital city.

Mr. PICKERING: There is a limit to the amount which the City can afford to pay for parks and drives, and that should be determined by the City itself. We have no control over the Federal District. In other words, there is an extension, but it does not offset services.

Mr. BOUCHER: I think you will agree that the City maintains parks, irrespective of the Federal District Commission parks, and that they compare favourably with the parks of any other city.

Mr. PICKERING: Yes. In other words, the city parks are not diminished to any degree by reason of the parks of the Federal District Commission.

Mr. REID: If this suggestion is carried out, would you be in favour of the Government having representation on the City Council, in order that expenditures could be watched. Otherwise there would be taxation without representation, which is not according to our views.

Mr. PICKERING: I think the expenditures should be determined, having regard to their value to the City and to the country as a whole, this being the capital of Canada.

Mr. REID: My question has reference to representation.

Mr. PICKERING: I could not speak in regard to representation. That is a matter that should be taken up from time to time as we carry on our development as a separate municipality in the area.

Mr. REID: In substance, you are proposing that the Government should be taxed according to the expenditures made by the City, and the question arose in my mind whether you would be in favour of representation.

Mr. KNOWLES: I presume Mr. Pickering refers to expenditures which would benefit only the City of Ottawa, and do not bear on the capital.

Mr. PICKERING: Of course the driveways are of some benefit, but the fact is that the City pays for water for keeping the driveways in shape, and also for lighting. These are contributions by the City, and the value of these should be determined in relation to the value of the driveways to the City.

Mr. BOUCHER: It should be borne in mind also that all government officials and employees are represented in the City Council.

Mr. PICKERING: Yes.

Mr. REID: If we recommended this proposal, and it were adopted, it would mean that the Government would be contributing to the City large sums of money. Hence my question: Would we not be entitled to have someone to see how the money was spent? Otherwise it would be taxation without representation.

Mr. BOUCHER: The sums would be expended proportionately with the sums provided by the citizens of Ottawa.

Mr. McILRAITH: The brief suggests that any agreement between the Federal Government and the City of Ottawa should be reviewed, and adjustments made, every three years.

Mr. PICKERING: Yes.

Mr. McILRAITH: And assuming that there was waste on the part of the City, it would be revealed each time the agreement came up.

Mr. REID: I quite realize that Mr. Pickering has no responsibility for what the Council does; but an unwise council might make huge expenditures which should not be made, and in such an event the City could come to the Government and say, "We are running behind, and we lay the blame at your feet. We are providing services for which we are not receiving payment."

Mr. PICKERING: I understand: There are some services where there might be waste.

Mr. REID: You are proposing that the people of Canada, through the Federal Government, be taxed, and I am asking, "What about representation?"

Mr. PICKERING: The brief we have submitted is based not upon taxation, but upon services. We also suggested that the cost of the services should be audited by responsible accountants, who could check them and certify whether they are fair.

Mr. REID: But you are advocating taxation, because you submit that the Federal Government's payment "should be based on a *pro rata* of the total cost to the taxpayers of Ottawa for all the services enjoyed in kind for the maintenance of Federal Government owned property."

Mr. BOUCHER: In other words, I take it your submission is that a proportion of the cost of maintenance of the municipal institutions would be a better yardstick than heretofore used for computing compensation by the Federal Government?

Mr. PICKERING: That is the only yardstick we know of that would perhaps enable us to arrive at an amount satisfactory to both parties.

Mr. BOUCHER: As it is now, the Dominion Government pays according to an uncertain method for services received; and you have suggested that a proportion of the cost of municipal services is the yardstick that should be used for arriving at the payment to be made by the Dominion Government?

Mr. PICKERING: Right. The principle that we believe in is the principle that has been accepted by the Dominion Government over a great many years. The Government has made what has been called a grant, but it has been in payment for services. We feel that if the \$100,000 was adequate for those services years ago when the grant was first made, it is certainly not adequate now. We also feel that the whole question of costs should be gone into from time to time, in order to arrive at a satisfactory adjustment between the City and the Government. In the last fifteen or sixteen years the picture has changed a great deal, but the grant has remained the same. We would be willing to have the whole thing inquired into by responsible accountants, and let them say whether \$100,000 is adequate for the services rendered by the City of Ottawa now. But if the accountants should happen to say that the grant should be less than that, we would be willing to abide by that. I will go that far.

Mr. PURDY: Mr. Pickering, do you think that because Ottawa is the capital of Canada the citizens of Ottawa should pay a lower rate of taxation than is paid by the people of comparable cities elsewhere in Canada?

Mr. PICKERING: I do not think it is a question of the rate of taxation; I think it is a question of what is fair and equitable between the citizens of Ottawa and the people of Canada as a whole. It may be that through their taxes the people of Ottawa are paying more than they should, because of the exemptions on Dominion Government property, and to that extent are making a grant to the people of Canada as a whole, which is just the reverse of what should be. The city wants to receive only a fair compensation for the services it renders.

Mr. PURDY: Coming back to the residents of Ottawa, do you contend that they should not pay the same rate of taxes as the citizens of any other city in Canada pay on their property?

Mr. KNOWLES: What city?

Mr. PURDY: Any city comparable to the city of Ottawa, or even smaller.

Mr. McILRAITH: The rate of taxation depends on the assessment.

The CHAIRMAN (Hon. Mr. Copp): Almost every city has a different rate of assessment.

Mr. BOUCHER: Mr. Pickering, I think you would not suggest that people who live in the capital city should pay lower taxes than people living in any other city?

Mr. PICKERING: Correct.

Mr. BOUCHER: But your point is that the people who live in the capital city should not have to pay more taxes by virtue of having rendered services to the Dominion Government?

Mr. PICKERING: That is right.

Mr. PURDY: If the citizens of Ottawa are paying more than the people of any other city, they are entitled to compensation.

Mr. BOUCHER: If they are paying for services for somebody other than themselves, they are entitled to compensation.

Mr. MATTHEWS: How long has this extra amount of \$133,500 been paid?

Mr. PICKERING: Since 1925.

Mr. MATTHEWS: To what extent have the city services increased since the grant was first made?

Mr. PICKERING: It is suggested that that be determined by facts and figures submitted in the City's brief. I am not in a position to say to what extent the services have increased. But there has been an increase, we do know that.

Mr. McILRAITH: That information could possibly be given by the Commissioner of Finance, when he is a witness.

Mr. MATTHEWS: To what extent have your taxes suffered by reason of the property taken over by the Government in recent years?

Mr. PICKERING: I think that also is in the brief submitted by the City.

The CHAIRMAN (Mr. Gregory): I may say, gentlemen, that the controllers and the Commissioner of Finance are here. Any information along that line can be obtained from them when we call them. Are there any other questions to be asked of Mr. Pickering? If not, shall we excuse him? (The witness retired.)

We have the City Controllers and a number of city officials here, and perhaps you may wish to hear them. Would Mayor Lewis say whom he would like to have called first?

Mayor LEWIS: Before I introduce any of the members of the City's committee, Mr. Chairman, we should like to know what you want us to answer. There is no use in a lot of irrelevant talk. We are here to give you facts and figures.

Mr. REID: Mr. Chairman, perhaps we might hear the Controllers first of all, if they would care to make a statement to us. After that we could hear the experts.

The CHAIRMAN (Mr. Gregory): Is it the wish of the committee that the Controllers should be heard now? I take it that is agreeable?

Mayor LEWIS: The first Controller I would introduce is Controller Bourque, whose portfolio in the City Council is Finance.

The CHAIRMAN (Mr. Gregory): Have you a statement that you would like to make, Controller Bourque?

Controller E. A. BOURQUE: I have no statement, sir. I will try to answer any questions that may be asked.

The CHAIRMAN (Mr. Gregory): Mr. Matthews, you were asking for some information in respect of taxes.

Mr. MATTHEWS: I was asking to what extent the City's receipts from taxation have suffered owing to the taking over of so much property by the Government in recent years.

Controller BOURQUE: The assessment exemptions on Dominion Government property amount to \$65,533,950. To show you how the City loses taxes on account of her property being taken over by the Government, I will give you just one instance. When the Government took over the Russell hotel, which was in the centre of the city, Ottawa was collecting \$33,000 annual taxes on that property. If you capitalize that over a period of twenty years you see that we lost on that one building alone \$860,000.

Mr. McILRAITH: The answer to Mr. Matthews' question can be found on page 13 of the City's brief. That shows the assessment on land and buildings which were formerly taxable and have been taken over by the Dominion Government since 1920. It adds up to \$7,579,330. At the current tax rate for public school purposes, the exemptions on that limited portion of the Dominion Government's property would mean a loss to Ottawa of \$253,907.55 a year. That is on taxable property that has been expropriated, not on new property or non-taxable property.

Mr. PURDY: How much new property was assessed in the city during the same period? As I recall, from the figures that have been given here, it was \$35,000,000.

Controller BOURQUE: I would suggest that you get those figures from our Assessment Commissioner, sir.

Mayor LEWIS: They are all in the City's brief.

Mr. McILRAITH: Is it fair to ask you, Mr. Bourque, whether the Finance Commissioner would not be the one to give that technical information?

Controller BOURQUE: Yes, but the Assessment Commissioner has it at his finger tips. It is all in the City's brief. You can find the figures on page 19 of the proceedings of this committee, or on page 12, Exhibit A of the City's brief. The assessment exemptions on Dominion Government property in 1943 amounted to \$65,533,950; and on Federal District Commission property they amounted to \$3,648,362.

Mr. PURDY: Your Exhibit A shows that the assessment on land and buildings which were formerly taxable and which have been taken over by the Dominion Government from 1922 to 1943 amounts to \$7,579,330. According to the same table, taxable assessment for general purposes increased from

\$129,630,510 to \$164,017,599. In other words, you lost taxable property to the value of \$7,579,330, but you gained taxable property to the value of \$35,000,000 through Government expansion.

CHORUS OF VOICES: Oh, no.

Mr. KNOWLES: Delete the last three words.

Mr. McILRAITH: Have you anything you would like to suggest to the City, Controller Bourque?

Controller BOURQUE: No. Our request seems to be fair. The taxpayers of the city of Ottawa have been bearing an unfair burden for some years, and I think they have been very patient about it. A request for an adjustment was made before the war, of course. Then we had a discussion with Hon. Mr. Cardin, but the adjustment was postponed until after the war.

Mr. BOUCHER: Mr. Bourque, it has been stated that when the Government takes over property in the city, not only does the city lose taxes on that property but there is an upsetting of business in the area concerned, and that this and the extensive construction of temporary buildings here and there over Ottawa have had a serious effect upon the municipal management. Can you give us your viewpoint on that?

Controller BOURQUE: That is pretty difficult to discuss. I imagine it could not be discussed fairly unless we had figures showing the losses.

Mr. BOUCHER: Could you discuss it in just a general way?

Controller BOURQUE: There is no question at all that those things have had a considerable effect upon the city. The city has suffered a heavy loss on account of the buildings that have been taken over.

Mr. McILRAITH: Controller Bourque, a subsidy of two mills is paid to the city by the provincial Government?

Controller BOURQUE: Yes. One mill is intended for schools, and the other is to cover the income tax which the city previously collected.

Mr. McILRAITH: In addition, I think it is fair to say that you have not been able to get materials and labour to enable the city to carry on the work of maintenance of city property to a normal extent?

Controller BOURQUE: That is certainly so.

Mr. McILRAITH: So you have been able to keep the taxes down by not doing maintenance that should normally have been done?

Controller BOURQUE: Yes, and possibly by good administration. I submit that the city of Ottawa has been well looked after.

Mr. McILRAITH: But in normal times you could have expended on maintenance a certain amount which, very properly, you have not expended during the war?

Controller BOURQUE: Yes.

Mr. McILRAITH: You could not get the necessary materials or labour?

Controller BOURQUE: That is right.

Mr. McILRAITH: And to some extent the capital assets of the city will be deteriorating on that account?

Controller BOURQUE: Certainly.

Mr. McILRAITH: And those expenditures have to be made sooner or later?

Controller BOURQUE: That is right.

Mr. REID: Mr. Chairman, in order to get a complete picture of the assessment, we should have before us the mill rates for the last number of years. Where is that information to be found?

Controller BOURQUE: It is in this submission.

Mr. REID: I may be dense, but I cannot find it yet.

Controller BOURQUE: If it is not here we shall be glad to supply it.

Mr. KNOWLES: What is the mill rate to-day?

Controller BOURQUE: It is 33.50 for public schools.

Mr. KNOWLES: And for separate schools?

Controller BOURQUE: For separate schools, 43.18. We have that on page 12 of our submission, Mr. Reid. We will file this.

These are the mill rate figures for public schools from 1920 to 1943:—

| Year | Mill Rate |
|------|-----------|
| 1920 | 27.50 |
| 1921 | 28.10 |
| 1922 | 28.00 |
| 1923 | 28.00 |
| 1924 | 31.70 |
| 1925 | 31.70 |
| 1926 | 31.10 |
| 1927 | 31.70 |
| 1928 | 31.70 |
| 1929 | 31.35 |
| 1930 | 31.35 |
| 1931 | 35.59 |
| 1932 | 35.00 |
| 1933 | 37.95 |
| 1934 | 36.80 |
| 1935 | 36.80 |
| 1936 | 39.00 |
| 1937 | 39.00 |
| 1938 | 39.00 |
| 1939 | 38.50 |
| 1940 | 39.00 |
| 1941 | 37.00 |
| 1942 | 35.00 |
| 1943 | 33.50 |

Hon. Mr. WHITE: Is there any way in which we could get comparative mill rate figures for other large cities in the Dominion?

Controller BOURQUE: Would that have any bearing? Assessments may be different.

Hon. Mr. WHITE: I quite realize that.

Controller BOURQUE: So you could not make a fair comparison with the other cities.

Mr. PURDY: You have one Assessment Act for the province of Ontario.

Controller BOURQUE: Yes, but the assessments vary.

Mr. McILRAITH: One of the adjoining townships doubled its assessment a year ago.

Mr. REID: The new rate for 1942 is lower than that for 1941. For 1942 it is 35 mills.

Controller BOURQUE: Yes, sir, it is lower than the 1941 mill rate by 2 mills.

Mr. REID: You say that loss of taxation is hurting the city, and yet you reduced the public school rate.

Controller BOURQUE: I would not say that, Mr. Reid.

Mr. BOUCHER: The total assessment was increased.

Controller BOURQUE: Yes, sir.

Mr. McILRAITH: The Assessment Commissioner's report at page 25 gives the different years for the rates you have read.

Controller BOURQUE: Don't they correspond with the figures I have given?

Mr. McILRAITH: Except that there is one year out.

Mr. PURDY: Controller Bourque, have you any information in regard to business houses, manufacturers and the like, which have been established in Ottawa?

Controller BOURQUE: We have very few, if any. I know of only one, and that was the Tube Manufacturing Company on Bayview Road. I think that is the only one in the past ten years.

Mr. BOUCHER: Generally speaking, the reverse is the case: manufacturing concerns have not come to Ottawa because of its being the capital city of the Dominion.

Controller BOURQUE: There is no doubt about that.

Mr. REID: Over the past few years a certain amount of church property has been taken over by the Dominion Government. Is that included and shown as an increase in the figures submitted? For instance, you show an increase of assessment exemption by reason of Dominion Government expropriations, and that is a visible increase. But is it not a fact that during the past year or two the Dominion Government has taken over certain church property, which was tax free? If I am correct, your figures do not reveal the true picture.

Controller BOURQUE: What church property do you refer to?

Mr. REID: Church property in the east of Ottawa.

Controller BOURQUE: No, Knox Church is the only one.

Mr. McILRAITH: In any event, Controller Bourque, is not that answered by the figures on page 18, where the column on the immediate right shows only taxable property taken over by the Dominion Government?

Controller BOURQUE: Yes; we show only taxable property.

Mr. REID: Was not the Seminary building on Rideau Street taken over by the Government?

Controller BOURQUE: Yes.

Mr. PINARD: It is assessed for water taxes. Where I have been living for the past thirty-eight years I used to pay \$77 in taxes, yet now I pay \$165. The assessment has gone up as well as the tax rate. I was in Council for twenty years. I used to be criticized when the assessment was raised. We would raise the assessment for a couple of years, and then if we were still short of money we raised the tax rate as well. We were trying to get fair play. That property on Rideau Street was not taxable. Like other institutions of a similar kind, it was liable for water rates as well as improvements, but that was all.

Mr. REID: I think you have a wrong thought in your mind regarding my question, Mr. Pinard, and I am sorry that you have. In the figure given for Dominion property tax exempt, you might assume that all property taken over by the Dominion Government had been paying taxes. My question was: Has the City included in the figure property taken over by the Government for war purposes that did not pay taxes?

Controller BOURQUE: Our Assessment Commissioner will give you all that information.

The CHAIRMAN (Mr. Gregory): Any other questions, gentlemen?

Mr. KNOWLES: I should like to ask somebody a few questions about the parks. Is this Controller the gentleman?

Controller BOURQUE: I could give you some information. His Worship the Mayor submitted a sheet the other day showing the expenditure on parks over a period of years.

Mr. KNOWLES: It was stated earlier to-day that the City of Ottawa was spending on parks an amount comparable to that spent in other cities. You say that information is in the brief?

Controller BOURQUE: Yes, at the very end. We expended \$71,966 in Ottawa in 1943.

The CHAIRMAN (Mr. Gregory): Any other questions, gentlemen? Is it your wish that we excuse Controller Bourque for the time being?

Several Committee MEMBERS: Yes.

The CHAIRMAN (Mr. Gregory): Thank you, Controller Bourque.

Mayor LEWIS: Mr. Chairman, may I introduce Controller Finley McRae. Each of our Controllers makes it his business to look after a certain branch of civic activity. Controller McRae attends to the Fire Department.

The CHAIRMAN (Mr. Gregory): Gentlemen, we will now hear Controller McRae.

Controller McRAE: Mr. Chairman and honourable members of this Committee, if you would like to ask me any questions, I shall try to answer them to the very limit of my ability, but perhaps I might first of all make a general statement.

I have been for a good many years interested in the City's relationship to the Federal Government, and having some little flair for analysis, I have analysed that relationship from time to time. In the late sixties, when Ottawa was selected—perhaps through the influence of Queen Victoria—as the site of the federal capital, the responsibility on Ottawa assumed a definite character. In the discussions of this Committee I think many irrelevant questions have been asked, but, on the other hand, other questions have helped to bring out certain facts. Since I listened to these various discussions, I should like to commend the members for their quick and intelligent grasp of something which they have just had placed before them, and which they cannot be expected to understand thoroughly until they have examined it at greater length.

From the early sixties up to the present time I submit to you gentlemen that Ottawa, as the capital city of Canada, is the Government of Canada. They are indivisible, they are part and parcel of each other. You will find on reference to the records that as the Government expanded the City expanded, and as Canada expanded the Government expanded. So I suggest that it is wrong to differentiate between the City of Ottawa and the Government for the purpose of arriving at any conclusion in regard to the relationship of the City and the Federal Government.

As I see it, both as a taxpayer and a representative of the City, the first thing for this Committee to decide is what relationship has the Federal Government to the City of Ottawa as a common taxpayer. By way of illustration let us take the head office of the Metropolitan Life Insurance Company established in this city, with its personnel, its large staff. That company is somewhat similar to the Dominion Government in respect to its activities. Should we not consider it as such? To suggest, as some members of the Committee have suggested, that Ottawa has a tax rate comparable, or not comparable, with that of any other municipality in Canada, has very little bearing on the question; for if any municipality by prudent management has a low tax rate is that municipality to be penalized on that very account? Let us assume that Ottawa has had prudent and economical management. I believe it has had such management. But in any event I do not see that any fair comparison can be made between the tax rate of Ottawa and the tax rate

of Montreal, Vancouver, or any other Canadian city. From my own observation and analysis I find that the mill rate in Ottawa is to cover certain expenditures. The expenditures for 1943 may be taken in round figures at \$5,000,000. Those expenditures are for certain services. What share of those expenditures ought the Government to bear? I claim the Government's responsibility is relatively the same as mine. As a resident I must pay my share of the taxes.

Reference has been made to the number of civil servants in the city. They are part and parcel of the Dominion Government. But let us not overlook this fact, that since Ottawa became the Federal capital it has been precluded from becoming an industrial city. I would suggest to your minds, gentlemen, that in 1867 Ottawa was one of the finest sites for industry. It had water facilities, railway facilities, natural resources, and the cheapest power in Canada. I do not think it will be disputed that had Ottawa at the time not been selected as the Federal capital, it would to-day be an industrial and commercial centre as great as Hamilton or any other of our large cities. Those are the facts, gentlemen, as I see them.

I suggest to Mr. Reid that his beautiful city of New Westminster may have problems similar to those confronting other cities of this Dominion; but Ottawa's problem is not New Westminster's problem. Ottawa is the principal city in Canada, it is the capital city, the senior city, and, as such, the relationship between the Government and the City is so close, so intimate, that virtually they are inseparable, and the one fluxes into the other.

Hon. Mr. WHITE: You say that Ottawa was selected as the seat of the Federal Government. Was it not the desire of the inhabitants at that time that Ottawa should be so selected?

Controller McRAE: I should be very foolish to question that. I have no doubt that it was the desire of the inhabitants of that day to have Ottawa selected as the Federal capital. But, they having accepted that honour, I submit that reciprocally the Dominion as a whole accepted the responsibility of making Ottawa a capital worthy of the nation. It has been my privilege to travel a good deal, and I have observed that in Rio de Janeiro, Canberra and other capital cities, the spirit of the nation is supposed to find expression in its national capital. This being so, I would urge that the country generally must assume the responsibility for making its capital city the emblem of that spirit.

Reference has been made to the present grant of \$100,000 which the Government makes to the City every year.

Mr. BOUCHER: Is it not a fact that when Ottawa was chosen as the capital of the Dominion the people, willingly or otherwise, made up their minds that the city should be developed as a capital city instead of as a commercial or industrial city?

Controller McRAE: I think that is obvious from the evolution of the city over the last three-quarters of a century. No one can say what it might have been as a commercial centre, but I say briefly, without any controversial discussion, and giving only my impression as a layman taxpayer, that in its occupancy of property the Dominion Government is no different from any other taxpayer, and if in 1925 \$100,000 was accepted in lieu of taxes, it was accepted because it was all they could get, and this has been the subject of controversy down through the years. The fact that \$100,000 was accepted is not evidence that it is sufficient for the services.

Does not the question resolve itself to this? It costs the City of Ottawa \$5,000,000 to operate. A part of that cost of operation is the maintenance of city buildings. When the Government expropriates buildings, or erects buildings like the Post Office, they are not tax producing, and immediately they are established in a section they are detrimental to business in that section.

I would not say the Post Office is detrimental, but as is well known, government buildings in any community in highly assessed sections, are regarded as a detriment to business.

In speaking of the \$5,000,000 of cost referred to in the brief, we would remind you that, apart from the property of the Federal District Commission, there is \$65,000,000 of expropriated property exempt from assessment.

Mr. REID: Controller McRae, I think you have made a splendid presentation, but there is one question I should like to ask. Is there any control exercised by the City over the activities of the Federal District Commission?

Controller McRAE: No—well, perhaps I should not say no. The Mayor is a member of the Federal District Commission.

Mr. REID: Another question is this. Have you an agreement between the City and The Ottawa Electric Railway Company regarding the maintenance of the streets? I know that in many cities where such companies operate it is the responsibility of the company to keep the streets in repair.

Controller McRAE: That is a moot question.

Mr. REID: I was wondering what agreement there is between the City Council and the Railway Company.

Controller McRAE: There is an agreement, but I am not familiar with the details of it. A copy of that agreement can be given to you. That agreement is lived up to, I presume.

Mr. PURDY: You spoke of Ottawa being at a disadvantage from a commercial standpoint. What advantage has Hull that Ottawa does not have?

Controller McRAE: Of that I am not aware. Hull is an industrial centre.

Mr. PURDY: Absolutely.

Controller McRAE: Ottawa is not.

Mr. McLLRAITH: Ottawa has certain advantages. It has a better farming community around it.

Controller McRAE: Of course, Hull does not enter into the purview; it is across the river, and it is in a different province.

Mr. BOUCHER: Its people are different, and it has different natural resources.

Controller McRAE: I do not think it is comparable. I visualize this as a matter of business. It was suggested by the honourable senator from Moncton, I believe, that we could impose a poll tax. Is there any member of this Committee who would like to see such a tax imposed on residents here, or tourists coming to the City? To me it seems that to do such a thing would be an offence. The poll tax may be an equitable tax in some places; in Ottawa it would be an extreme nuisance tax. The mill rates of taxation in different cities have little relationship. They are not comparable.

To sum up, as I see it, there is \$65,000,000 of exemptions on lands and buildings taken over by the Government. There is a total assessment of \$268,000,000. Is it not fair to say that the Government of Canada owes to the City of Ottawa, as the capital city of Canada, a *pro rata* proportion of the total cost of the maintenance of the City? This, roughly speaking, is 29 per cent, and would work out to \$1,500,000. I am not saying that the Government has not a contra-account, and whatever that may be I am prepared to consider it. There is a contra-account, I presume, and if there is, it is deductible from the amount expended by the City of Ottawa.

Mr. McLLRAITH: I do not know whether it is fair to ask you a general question or not, but looking at the matter in a general way, would you say that since 1867 the governing bodies of the city, bearing in mind that this was the capital of the nation, have tended to discourage the establishment of industries?

Controller McRAE: I would not say they have discouraged them, but that they have not encouraged them. I think it is a generally accepted fact that in the original development industries have located in the City of Ottawa. There may be room for them in the outskirts, now, but in the early days it was necessary for them to select a situation which to-day would be a detriment to beautification. Is the Government a common taxpayer, or is it not? That is the question. It is my conviction that it is or should be a common taxpayer.

Mr. McILRAITH: I think it would be fair to suggest that the dominating factor in the consideration of all the people and of the City Council over a period of years has probably been the fact that this is the capital city. That was always in their mind.

Controller McRAE: Yes. It is well to reflect that Ottawa to-day is Canada. We have in this city 30,000 Canadians from all parts of the country, from Halifax to Vancouver. We are Canada. I do not suppose there is any city which is more representative of Canada than Ottawa is.

Mr. REID: While I have been greatly impressed with your presentation, I am one of those who asked with regard to the payroll. Ottawa is an attractive city, and all who come here spend a great deal of money. Now, throughout Canada—and I suppose other countries—cities and towns are desirous of attracting business, and they do so by encouraging industry or erecting a monument or a university. Take the Chateau Laurier, for instance; it is an attraction to people to come here. The people who come here from all the provinces spend a certain amount of money in the city. They buy tobacco, perhaps, or go to a show, and in other ways assist the merchants and others who live here. In industry there may be periods of slackness and unemployment, times when business closes down, and it was in reference to that situation that I spoke of a permanent payroll. Even members of Parliament spend a certain amount of money here—they must live, and they buy tobacco and hair-cuts and go to shows, and so on, and it is in that way that the whole of Canada contributes.

Mr. KNOWLES: Do not forget Mr. Ilsley.

Mr. REID: Yes, and the Income Tax.

Controller McRAE: Ottawa has an industry—the Civil Service, and in my view it is the same as a factory making brooms in Westboro, for instance, and should contribute in the same way. It has the same relationship and responsibility towards the general welfare.

Hon. Mr. COPP: I understand from your argument, which has been very plain and clear, that your suggestion to this Committee—if not in words, at least in implication—is that it should recommend to Parliament that the principle laid down in the British North America Act that all government property should be exempt from taxation, should be changed.

Controller McRAE: Oh, I do not recommend that at all, sir.

Hon. Mr. COPP: You say you think the government should pay taxes.

Controller McRAE: No, but I think the government should pay for services.

Hon. Mr. COPP: No, no, taxes.

Controller McRAE: If I said that, I withdraw the statement. They should pay for services, and the amount should be arrived at through a comparison of the exempted assessment with the total assessment.

Hon. Mr. COPP: I took it that you were suggesting that government property was apart from Ottawa, and should be subject to taxes the same as the property of any other citizen of Ottawa.

Controller McRAE: It would be very nice.

Mr. KNOWLES: The whole argument was based on the common taxpayer.

Mr. McILRAITH: And there was an implication that there should be a certain contra-account.

Hon. Mr. COPP: If your argument is as I suggest, it would be an argument in any city in Canada.

Controller McRAE: What I was trying to bring forward was this, that the only way to arrive at the grant or sum of money to come from the government was the assessment.

Hon. Mr. COPP: Indirectly it would be a tax.

Controller McRAE: You can call it what you like; but it is a grant, because you cannot tax under the British North America Act.

Mr. REID: I wonder if you would care to give an opinion? I quite realize, as does every member of this Committee, that there might come a time when the Dominion Government would take over three-quarters of the city—that is possible, and there are districts in Canada where that situation actually exists. For instance, in my home city, the Dominion Government have three-quarters of the property. What is your idea about making this a federal district?

Controller McRAE: I am afraid that my ideas on this subject, one way or the other, would be of little value.

Mr. PURDY: There is another aspect which I do not think has been brought to the attention of the Committee. I refer to school taxes. There are here in the City of Ottawa a great many civil servants who do not own property, but whose children receive the benefit of schooling and education. There are also, in certain areas, tax-exempt buildings which affect the school rate. Have you any comment to make on that aspect of the matter?

Controller McRAE: I do not think I could make any intelligent comment on it.

Mr. REID: That is one reason for suggesting the poll tax.

Controller McRAE: Yes.

The CHAIRMAN (Mr. Gregory): Are they any other questions? Is it your pleasure that we excuse Controller McRae?

Mr. REID: I should like to thank Controller McRae for his fine presentation.

The CHAIRMAN (Mr. Gregory): Controller McRae, I have pleasure in extending to you the thanks of the Committee for your very splendid presentation.

Mayor LEWIS: Not knowing what controllers might be required here this morning, some are absent. This was unavoidable.

I do not know how you wish to proceed at this time, Mr. Chairman, but I should like to have the Assessment Commissioner before you again to give you the list of properties the city deeded to the Dominion Government or the Federal District Commission.

Mr. MACDONALD: Corporation properties deeded to the Dominion Government or the Federal District Commission are as follows:—Bank street, north of Wellington street—

Mr. McILRAITH: Would you make clear the relationship of that list and the list in the last column of Exhibit A, page 13 of the city's brief, or page 19 of the Report of the Proceedings of the Committee, showing lands and buildings formerly taxable and taken over by the Dominion Government?

Mr. MACDONALD: The Corporation properties deeded to the Dominion Government or the Federal District Commission are as follows:

| Property | Assessment |
|---|------------|
| Bank street—North of Wellington street..... | \$ 50,575 |

Mayor LEWIS: I should like to show you, gentlemen, where these properties are situated. On the map here they are in this block of red, which was formerly owned by the City. Mr. MacDonald is giving the list of properties we have deeded to the Government.

Hon. Mr. COPP: For a consideration.

Mr. MACDONALD: No, we gave them. This is the list:—

| Property | Assessment |
|--|------------|
| Bank street—North of Wellington street..... | \$ 50,575 |
| Kent street—North of Wellington street..... | 68,950 |
| Lyon street—North of Wellington street..... | 35,150 |
| Bay street—North of Wellington street..... | 9,925 |
| Vittoria street..... | 146,425 |
| Cliff street..... | 35,575 |
| Half interest in Empress Navigation property. Part water lots 2, 3 and 4 Sussex street west (City paid \$12,000). | |
| Property bounded by Cathcart, McTaggart, Sussex and Ottawa river. (City paid \$75,000 and handed over to the Federal District Commission.) | |

The following is the list of properties used by the Dominion Government or the Federal District Commission, but which have not yet been deeded.

| Property | Assessment |
|---|------------|
| Cunningham street..... | \$ 7,750 |
| Cathcart street, West of Sussex (Royal Mint Refinery) street..... | 8,000 |
| Parts of Ash, Oak, Laurel and Larch streets..... | 8,525 |
| Part Bellevue Terrace and Metcalfe Square (Part Lady Grey Drive)..... | 26,950 |
| East ends of Bolton and Boteler streets and part of Rideau Terrace (King Edward Ave. Park)..... | 7,575 |
| East end of Middle street occupied by R.C.A.F. and barricaded and guarded. | |
| Part of Stanley avenue (685 ft. x 24 ft.)..... | 6,125 |

Mr. PURDY: Did the city buy all those properties at the figures you have mentioned, or did it take them over for taxes?

Mr. MACDONALD: Most of them were streets.

Mr. McLLRAITH: It might be useful to have also reference to the Confederation Park grounds, so that the statement would be complete. The information has already been given in evidence, but if you could put it in again at this point it might be useful.

Mr. MACDONALD: The figures are given in the minutes of proceedings of this Committee for Wednesday, June 28, 1944, at page 74. The Mayor presented that statement to show the City's contribution to the beautification scheme in the centre of Ottawa.

Mr. McLLRAITH: Perhaps that reference would be sufficient.

Mr. MACDONALD: The total contribution by the City amounted to \$965,933.26. To that is to be added the assessed value of certain properties:—

| | |
|--|-----------|
| Old City Hall site..... | \$443,850 |
| Queen street, Elgin street to Canal..... | 171,000 |
| Canal street..... | 207,200 |

Total..... \$822,050

The total of the City's expenditures and the assessed value of civic property amounted to \$1,787,983.26.

Mr. PURDY: Whom would you have collected taxes from on those properties if you had not turned them over to the Government?

Mr. MACDONALD: They were occupied by private individuals.

Mr. PURDY: You would not have got any taxes from the streets you turned over.

Mr. MACDONALD: No; but we had the use of them.

Mayor LEWIS: Mr. MacDonald, when the Government took over from Rideau Gate, right up Sussex street, and down Wellington street, what was the effect on the business properties, on the streets affected, from the point of view of your assessment?

Mr. MACDONALD: Well, there were some reductions in assessed values on Wellington street south.

Mr. REID: Why?

Mr. MACDONALD: Well, the buildings were left there for a considerable length of time, and the businesses which had been there moved; there was no business practically, on either side of the street.

Mr. BOUCHER: Could you give us in a general way a statement as to the effect that the taking over of a building by the Government would have upon surrounding businesses in a block?

Mr. MACDONALD: I suppose it all depends upon what they use the buildings for.

Mr. BOUCHER: In a general way would not the taking over of a business building in a city block have an adverse effect on that block?

Mr. MACDONALD: It might.

Mr. REID: On the other hand, in some cases it would enhance values in the vicinity?

Mr. MACDONALD: In some cases.

Mr. REID: For instance, those buildings down here on Wellington street would not be detrimental to the vicinity?

Mr. MACDONALD: Not those, no.

Mr. BOUCHER: The Government owns those buildings on the south side of Wellington street?

Mr. MACDONALD: Yes. Except for the church there, the Government owns from Kent street right along to where Wellington runs into Sparks street.

Mr. PURDY: Did the taking over of the Jackson building have any effect on the assessments on Bank street?

Mr. MACDONALD: No. But the city lost \$30,000 in taxes through the taking over of that building.

The CHAIRMAN (Mr. Gregory): Are there any further questions of Mr. MacDonald? If not, I suppose he may retire? (Witness retires.)

Gentlemen, Mr. Owens states that he would like to appear before the Committee to deal with the question of the Henry George single tax, in case we should decide later on to receive evidence with respect to the creation of a federal district. Is it your wish to hear Mr. Owens at this stage of the Committee's hearings?

Mr. REID: I would suggest that we continue with the City's case, finish that first, and hear Mr. Owens later.

The CHAIRMAN (Mr. Gregory): Gentlemen, when do you wish to meet again?

Mr. REID: I would suggest to-morrow.

The CHAIRMAN (Hon. Mr. Copp): I am afraid we cannot meet to-morrow, because some of the Senators are away.

Mr. BOUCHER: To-morrow there are quite a number of House of Commons Committees, at which some of us may wish to be present.

The CHAIRMAN (Mr. Gregory): It is going to be difficult to have a quorum of senators. The difficulty might be overcome if the Senate section of this Committee would move that the quorum of senators be reduced from three to one.

Mr. REID: What about meeting on Thursday? This is an important committee, which has been set up after many years of agitation. We do not want to be rushed with our report; we want to have time to consider all the briefs and statements.

The CHAIRMAN (Mr. Gregory): If the Senate section of the Committee is agreeable, instead of having our quorum composed of three Senators and six members of the House of Commons, we might agree that it be simply seven members of the Joint Committee.

The CHAIRMAN (Hon. Mr. Copp): A change in the quorum of the Senate section could not be made without permission from the Senate.

Mayor LEWIS: I understand, Mr. Chairman, that the City's representatives will be subject to call by the Chair?

The CHAIRMAN (Mr. Gregory): Yes.

The CHAIRMAN (Hon. Mr. Copp): It would save a good deal of time if we could have a statement showing the total amount that has been paid by the Government to Ottawa since, say, 1935. It has been paying an annual grant of \$100,000.

Mr. McILRAITH: Since 1925.

The CHAIRMAN (Hon. Mr. Copp): I would not go back that far. I would like a statement showing what the Government has paid to the city since 1935 and what it has paid to the Federal District Commission in that same period. Mr. Bronson has given us figures of the expenditures by the Federal District Commission in the last three years. I should like to know what proportion has been spent within the confines of Ottawa, as distinct from what has been spent outside.

Mr. McILRAITH: All that information would no doubt be easily available from the City's Finance Department.

The CHAIRMAN (Hon. Mr. Copp): I have no doubt that the information has already been given us here. My object is simply to have it in a concise statement.

Mr. McILRAITH: There is one thing that would have to be remembered, I suggest, Mr. Chairman. Part of the money expended by the Federal District Commission was for things that would never be normally undertaken by a city; they were projects considered fitting for the national capital.

The CHAIRMAN (Hon. Mr. Copp): That could be explained. I should like to have shown as well in the statement the amounts paid by the Government since 1925 for water supplied by the city. I understand the water is metered.

At 1 p.m. the Committee adjourned, to meet again at the call of the Chair.

SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat
of Government in the City of Ottawa and to Report on the Relations
Between the Federal Government and Municipal Authorities of
the said City and the Relative Responsibilities in Respect
of Such Problems with Power to Inquire into the Matter
and Things Therein Referred to.

No. 5

WEDNESDAY, JULY 19, 1944

WITNESSES:

Mr. H. R. Cram, Secretary, Federal District Commission.
Mr. J. M. Somerville, Secretary, Public Works Department.
His Worship Mayor Lewis of Ottawa.
Dr. G. M. Geldert, a Controller of the City of Ottawa.
Mr. G. W. Goodwin, a Controller of the City of Ottawa.
Mr. E. A. Bourque, a Controller of the City of Ottawa.

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,

and Honourable Senators:

DuTremblay, P. R.
Lambert, N. P.
Leger, A. J.

Stevenson, J. J.
White, G. V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,

and Messrs.:

Boucher, G. R.
Coté, P. E.
Dechene, J. M.
Hill, B. M.
Knowles, S. H.
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J.
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A.
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,

Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White, be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

WEDNESDAY, 19th July, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

SENATE: The Honourable Senators Copp, DuTremblay, Lambert, Leger and White.

HOUSE OF COMMONS: MESSRS. Boucher, Dechene, Gregory, McIlraith, McLean (*Simcoe East*), O'Brien, Purdy, Reid and White.

In attendance:

The Official Reporters of the Senate;

Mr. J. M. Somerville, Secretary, Department of Public Works;

Mr. H. R. Cram, Secretary, Federal District Commission.

His Worship Mayor Lewis; Controllors Bourque, Geldert, Goodwin and McRae, and Aldermen Coulter, Hamilton, Pinard and Powers, appeared as representatives of the Ottawa City Council.

Mr. H. R. Cram, Secretary, Federal District Commission, Ottawa, was recalled and submitted a statement of expenditure, inside and outside of Ottawa, for the period April 1, 1935, to March 31, 1944.

Mr. J. M. Somerville, Secretary, Department of Public Works, Ottawa, was recalled and submitted a statement of amounts paid yearly by the Department to the City of Ottawa from 1935 to 1944.

His Worship Mayor Lewis again appeared and answered questions put to him by Members of the Committee.

Doctor G. M. Geldert, a Controller of the City of Ottawa, was heard with respect to the water supply to the Dominion Government by the City of Ottawa.

Mr. G. W. Goodwin, a Controller of the City of Ottawa, was heard with respect to sewage and garbage disposal in the City of Ottawa.

Mr. E. A. Bourque, a Controller of the City of Ottawa, was again heard and requested certain corrections in the printed record.

The Clerk of the Committee submitted a copy of the Reference to the Supreme Court of Canada as to the powers of the Corporation of the City

of Ottawa and the Corporation of the Village of Rockcliffe Park to levy rates on Foreign Legations and High Commissioners' Residences, together with a memorandum by the Law Clerk and Parliamentary Counsel of the Senate as to the questions referred to the court and the opinion of the court thereon.

Ordered that the memorandum of the Law Clerk and Parliamentary Counsel be printed in the record.

At 1:10 p.m. the Committee adjourned until to-morrow, 20th July, 1944, at 11:30 a.m.

Attest.

A. H. HINDS,
*Chief Clerk of Committees, the Senate,
Clerk of the Joint Committee.*

MINUTES OF EVIDENCE

WEDNESDAY, July 19, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11 a.m.

Hon. A. B. COPP, P.C. Chairman, Senate Section.

Mr. J. A. GREGORY, M.P., Chairman, House of Commons Section.

The CHAIRMAN (Hon. Mr. Copp): Now, gentlemen, we have a quorum from both branches of Parliament and we can proceed. Are there any new witnesses? Or do those who have already been heard desire to submit further statements?

Mr. BOUCHER: Mr. Chairman, at the outset I should like to draw to the minds of the Committee the fact that we are coming very close to the termination of the present session, when, of course, this Committee's functions will end. The scope of the Committee's terms of reference is rather large, and it would seem to me that with the limited time now at our disposal it will be almost impossible for us to deal with other than the strictly financial aspect of the problem before us. That being the case, and as our report should be in and possibly have concurrence during the present session, I would suggest that we should concentrate our efforts on the financial aspect.

The CHAIRMAN (Hon. Mr. Copp): A very good suggestion, Mr. Boucher.

At the last meeting of the Committee I asked the Federal District Commission to prepare a statement of what money had been spent by the Commission in Ottawa and outside of Ottawa. I understand that Mr. Cram, the Secretary of the Commission, has such a statement ready.

Mr. REID: Before Mr. Cram proceeds, Mr. Chairman, I should like to draw the Committee's attention to information which has come to me—I do not know whether it is correct or not—that the Mayor of the City will be leaving to-morrow for Peru. Therefore I would suggest that following this witness we should hear the Mayor of the City.

The CHAIRMAN (Hon. Mr. Copp): All right. This is just a short statement which Mr. Cram will present to us so that it may be a matter of record.

Mr. CRAM: This is the statement which, on behalf of the Federal District Commission, Mr. Chairman, I wish to submit:—

FEDERAL DISTRICT COMMISSION

Statement of Expenditure, Inside and Outside of Ottawa for the Period
April 1, 1935 to March 31, 1944

| | In Ottawa | Outside Ottawa | Total |
|--|--------------|-------------------|-------------|
| Parkway Sytem | \$1,478,559 | \$ 936,703 | \$2,415,262 |
| Government Buildings | | | |
| Grounds Maintenance | 910,995 | 12,984 | 923,979 |
| Works for Departments of the Government. | 297,990 | 80,705 | 378,695 |
| | \$2,687,544 | \$1,030,392 | \$3,717,936 |
| | 72% | 28% | 100% |

Mr. REID: May I ask if there are any reimbursements in the latter item of Work for Departments of the Government, \$378,695?

Mr. CRAM: That money, sir, was supplied by various Departments of the Government on estimates prepared by the Federal District Commission for that class of work. Actually only the cost of the work was a charge on the Dominion Government. In other words, the funds we got were expended, and any balances on the original advances were returned to those Departments.

Mr. REID: What proportion of those outlays would be money spent by the Federal District Commission for the Dominion Government, for which no remuneration was received outside of the annual grant? I take it these are special expenditures?

Mr. CRAM: Yes, sir, it is all over and above the money we received under the annual grant.

Mr. BOUCHER: This expenditure represents the total of specific assignments for specific amounts?

Mr. CRAM: Yes, sir.

Mr. BOUCHER: Rather than the general function of the Federal District Commission?

Mr. CRAM: That is correct, sir.

Mr. McLEAN: Would there be any one large item representing the bulk of these expenditures?

Mr. CRAM: No. Perhaps the largest in any particular case might be \$20,000. They are all individual amounts running from smaller amounts up to that figure.

Mr. McILRAITH: The item, Government Buildings Grounds Maintenance, I take it is the type or class of work that would not normally be done by other than the actual owner of the building. Assuming the buildings had been privately owned, the grounds maintenance would be done by the private owners?

Mr. BOUCHER: That would include garbage collection?

Mr. CRAM: Yes, sir. That represents money spent entirely for the Dominion Government in the improving and beautifying of the grounds and Government-owned buildings in Ottawa.

Mr. McILRAITH: But it actually goes further than beautifying, it is levelling off and sodding in many cases.

Mr. CRAM: Yes, that and also maintaining the grounds of the Parliament Buildings, which were here before the Commission took over the responsibility. Prior to that the Parliament Buildings, Rideau Hall and the Museum grounds were done by Public Works.

Mr. McLEAN: Is there any substantial amount of this work which, in your opinion, might be done more economically by the City? Is there any sort of overlapping which could be eliminated in view of a readjustment of finances?

Mr. CRAM: I would not think so, sir, because the Federal District Commission as a body is really set up for the specific purpose of beautification and improvement work, and we have trained personnel, and could do it I think more economically, perhaps, than the City.

Mr. McLEAN: You would not suggest that garbage collection could be done more economically if it were all done by the City?

Mr. CRAM: Oh, absolutely.

Mr. McLEAN: Do you think there could be a substantial saving if it were done by the one body or the other.

Mr. CRAM: I think so.

Mr. PURDY: And what about snow removal?

Mr. CRAM: I think the Commission can remove the snow as economically as the City, with respect to our own properties.

Mr. BOUCHER: It seems to me there is a possibility at least that considerable of the work carried on under the second item here is not commensurate with the ideal situation, and that, briefly, the Federal District Commission was not set up with the idea of maintenance, but more with the idea of improvement and beautification, and that possibly a better arrangement could be made if some other body were charged with a considerable portion of the maintenance work. I am speaking more particularly of such things as garbage collection and snow removal from other than Government buildings themselves. Could you give us any lead on that?

Mr. CRAM: I would suggest, sir, that apart from the collection of garbage, the responsibility could best remain with the Commission for the work we are doing. The Federal District Commission is a Government body and is simply charging the cost of this work, which if done by private concerns would involve a consideration of the element of profit, which does not enter into the question now.

Mr. BOUCHER: Probably you do not get the full purport of my question. I believe that some few years ago the Department of Public Works were in charge of public buildings and grounds around them.

Mr. CRAM: Yes, sir.

Mr. BOUCHER: And it does seem to me that that is really more properly the function of the Department of Public Works than of the Federal District Commission. I believe that is to some extent the opinion expressed by Mr. Bronson.

Mr. CRAM: At the time of the transfer of the responsibility for the improvement and beautification of the grounds it was believed that the Federal District Commission was a body that could perhaps more efficiently and in a better manner take care of the ground control, because they had trained personnel and equipment for that work, and the Public Works had not. That was the underlying motive for the transfer, and I really think the Commission is the proper body to look after the grounds.

Mr. McILRAITH: Could you give us an estimate of the cost of garbage collection from Government Buildings?

Mr. CRAM: At the present time it is costing us about \$25,000 a year.

Mr. REID: Would you say the duties of the Federal District Commission are increasing year by year?

Mr. CRAM: I would say they are, sir. As the system grows and develops, naturally the maintenance duties are increasing each year, and with the new work the Commission has in mind their duties will become greatly increased.

Mr. REID: Would you say as years have gone on, especially during the past two or three years, your Commission has been performing duties which formerly were done by the City?

Mr. McLEAN: That is your function. They are not increased, are they?

Mr. CRAM: In some respects, possibly. Snow removal is a matter—of course that is on Government-owned grounds, not City streets, or City property at all—

Mr. GRAMS That is quite right.

Mr. REID: While some hold to the view that the City of Ottawa should be a Federal District, I am wondering if we are gradually moving into the Federal

District, rather than taking a bold stand. Hence my question. I see "Snow removal" and "Mosquito control". I think the City does some of that work too. There is a duplication in those two things, which could very well be done by one body. The one set of machinery could very well do all the snow removal, and the same is true with regard to mosquito control.

Mr. CRAM: That is quite right.

Mr. REID: These functions are increasing, and the money is being spent, and there is a duplication that should be looked into.

Mr. CRAM: There is that side of the question.

Hon. Mr. LAMBERT: Your general remark about duties increasing and extra work accumulating is not reflected in the vote you have received each year for the last five years.

Mr. CRAM: That is right. Just preceding the opening of the war the annual grant was insufficient to meet normal maintenance requirements.

Hon. Mr. LAMBERT: In other words, you have done less work than before the war.

Mr. CRAM: Yes, we have deferred maintenance.

Mr. REID: But that is not a natural curtailment.

Mr. CRAM: No, it is due to the war.

Mr. BOUCHER: Would it be fair to ask you whether this \$923,079 set out as expenditure for Government buildings, grounds and maintenance, if it were in another city in Canada where there is no Federal District Commission, would be an expenditure of Public Works?

Mr. CRAM: That is correct.

Mr. BOUCHER: Consequently, while that would look on the surface to be a grant for services rendered by the City of Ottawa, no part of it is such.

Mr. CRAM: That is correct.

Mr. REID: If I were a lawyer, I would say that is a leading question.

Mr. BOUCHER: Not being a lawyer, you don't say it.

Mr. REID: It is true just the same.

Mr. CRAM: It is, sir.

Hon. Mr. LEGER: Will you tell me what is comprised in the third item, "Work for departments of the Government"?

Mr. CRAM: Well, take for example all these new temporary war buildings erected in the last two or three years. When the building is erected the grounds require improvements, right-of-way, construction of courtyards, sodding, seeding, drains and so on. We make an estimate for that class of work and submit it to the department concerned, and if it is in line with the estimates they receive from private contractors, the work is given to us. We work against an advance of the estimates, and do the work at cost, and any unexpended balance is returned to the Government, and there is no actual out-of-pocket expense.

Hon. Mr. LEGER: In other words, the Department of Public Works or the Department of National Defence, whatever department it is, simply passes the money on to you, and you do the work?

Mr. CRAM: Exactly. They make the payments to us out of moneys they have received through a vote.

Mr. PURDY: Did I understand you to suggest that in other cities where there are large Government buildings the Department of Public Works does the kind of work that your Commission does with respect to Government buildings in Ottawa?

Mr. CRAM: I could not say.

Mr. PURDY: That is what I understood you to say in answer to Mr. Boucher's question.

Mr. CRAM: I could not answer for any other city.

Mr. REID: Then why did we get the answer that the Department of Public Works did that kind of work in other cities?

Mr. BOUCHER: Is it not a fact that Government buildings in all other cities than Ottawa are maintained by the Department of Public Works? There is no Federal District Commission in other cities, so you could not do the work there.

Mr. REID: I dispute Mr. Boucher's statement. Take one item alone, the removal of garbage. In all the cities that I know of where there are Government buildings, although the Government makes no contribution to the municipality in lieu of taxes the city collects the garbage from those buildings. In my own city, for instance, there are a number of federal Government buildings, on which no taxes are paid. All those buildings are given the usual city services—they are policed by the city, their garbage is collected by the city, and so on.

Mr. McLEAN: I have to take exception to the statement that in all places where there are Dominion Government buildings the garbage collection is done by the municipality. In certain towns where there is a residential garbage collection made by the municipality, and paid for out of taxes, the garbage from institutions and Dominion Government buildings is not collected by the municipality.

Mr. REID: I am not arguing that the city of Ottawa should make garbage collection from Dominion Government buildings and not be compensated; I am just trying to keep the record straight. So far as I know, garbage collection is made by other municipalities where there are Government buildings, and the municipalities receive no compensation for this.

The CHAIRMAN (Hon. Mr. Copp): This witness would not know about other cities than Ottawa. Whether or not garbage is collected from Government buildings in other municipalities would be a question for discussion among members of the committee afterwards.

Mr. McLEAN: The removal of ashes and garbage is a substantial item of expense for the Department of Public Works in other cities. The removal of ashes from Government buildings in my town is a substantial item for the Department of Public Works, although we have a municipal garbage collection.

Mr. REID: I am interested to know that. I should like to ask Mr. Cram about another matter, the work done by the Federal District Commission at the Civic Hospital. That is paid for, isn't it?

Mr. CRAM: Yes.

Mr. REID: How does it come that the Federal District Commission is asked to do that work? That is not a Dominion Government project.

Mr. McILRAITH: Oh, yes, it is. I take it that it is the Military Hospital section that is referred to. There are two hospital buildings: one is the Civic Hospital and the other is the Military Hospital, which has been built during the war.

Mr. CRAM: A few years ago the city of Ottawa asked the Federal District Commission if it would undertake the maintenance and improvement of the grounds at the Civic Hospital, to be paid for out of funds advanced by the City, and I believe at that time the Commission undertook that responsibility, having in mind the general beautification and improvement of Ottawa.

Mr. REID: The City, not the Government, asked you to do this work?

Mr. CRAM: The City.

Mr. BOUCHER: Just to keep the record straight, it should be pointed out that there has been built on the grounds owned by the city of Ottawa a military hospital. That is a purely Government project, and the Government has asked the Federal District Commission to look after that military hospital. The city of Ottawa says to the Commission, "We will pay you to look after our hospital grounds as well."

Mr. CRAM: The building that has been put up there for the Department of National Defence is completed now, and the grounds will be maintained from this year on. It is a new development there.

Mr. McLEAN: Who pays for the maintenance work that you are doing on the Civic Hospital grounds, at the request of the City?

Mr. CRAM: The city of Ottawa.

Mr. McLEAN: Then why are we discussing this?

Mr. REID: I brought out that fact that the City pays for that work.

The CHAIRMAN (Hon. Mr. Copp): Mr. Somerville, of the Department of Public Works, was asked to prepare a statement. He is here now, and perhaps he has the statement with him.

Mr. J. M. SOMERVILLE, *Secretary, Department of Public Works*: Mr. Chairman, a request was made for a statement showing all the payments made by the Government to the City of Ottawa, under the agreement with the City, from 1935 to date. Each of the annual payments has been \$100,000. Do I need to read them off?

The CHAIRMAN (Hon. Mr. Copp): No.

Mr. SOMERVILLE: The amount for last year, that is from July 1, 1943, to June 30, 1944, was paid by cheque on the 3rd instant. The total amount paid in those nine years was \$900,000.

I also was asked for a statement showing payments by the Department of Public Works to the City for water supplied to Government-occupied buildings from April 1, 1925, to March 31, 1944. These payments vary, the amounts having been as follows:

| <i>Fiscal Year</i> | <i>Amount</i> |
|--------------------|----------------|
| 1925-1926 | \$ 47,961.01 |
| 1926-1927 | 39,829.29 |
| 1927-1928 | 42,474.73 |
| 1928-1929 | 45,000.00 |
| 1929-1930 | 44,999.65 |
| 1930-1931 | 69,249.12 |
| 1931-1932 | 61,000.00 |
| 1932-1933 | 58,039.85 |
| 1933-1934 | 68,000.00 |
| 1934-1935 | 46,594.02 |
| 1935-1936 | 57,826.88 |
| 1936-1937 | 57,864.90 |
| 1937-1938 | 54,830.44 |
| 1938-1939 | 51,056.28 |
| 1939-1940 | 52,502.18 |
| 1940-1941 | 57,760.59 |
| 1941-1942 | 66,617.50 |
| 1942-1943 | 97,872.04 |
| 1943-1944 | 132,357.72 |
| | \$1,151,836.30 |

The CHAIRMAN (Hon. Mr. Copp): That is for water alone?

Mr. SOMERVILLE: For water alone. I should like to say that the foregoing figures do not include certain buildings used by the Department of National Defence for training and hospital purposes.

Hon. Mr. WHITE: Why was there such a variation between certain years?

Mr. SOMERVILLE: Because of increase in buildings.

Hon. Mr. WHITE: There was a considerable variation away back in the early thirties.

Mr. SOMERVILLE: In some of the years, sir, we did not have enough appropriation to pay, so we did not pay in the current year but carried over the balance to the following year.

The CHAIRMAN (Mr. Gregory): Are these payments based on meter readings?

Mr. SOMERVILLE: Yes, sir.

The CHAIRMAN (Mr. Gregory): Are you in a position to say whether the Government pays the same rates for the same kind of service as the citizens pay?

Mr. SOMERVILLE: The City is paid the same rate as it charges adjoining municipalities. The figures that I gave previously for sample years, which figures are to be found on page 51 of the Committee's proceedings, are slightly different from the figures I gave this morning. The reason for the variation is that the figures given previously were for Government-owned buildings, whereas the figures given to-day are actual expenditures for all Government-occupied buildings.

The CHAIRMAN (Hon. Mr. Copp): Do any members of the Committee desire to ask Mr. Somerville any further questions?

The CHAIRMAN (Mr. Gregory): Just one question. There is a sum of about \$60,000 away back in 1925 or 1926; then it drops down to \$30,000-odd. What is the reason for that? There would be fewer Government buildings back in 1925 and 1926 than in later years.

Mr. SOMERVILLE: There is \$47,000 first—

The CHAIRMAN (Mr. Gregory): There is one \$60,000 in the early years.

Mr. SOMERVILLE: The first one I read was \$47,000.

The CHAIRMAN (Mr. Gregory): Just go on from there.

Mr. SOMERVILLE: The next is \$39,800. In 1924-25 there was not a sufficient appropriation to pay for the expenditure and we charged it over.

The CHAIRMAN (Mr. Gregory): Then you come to \$60,000, do you not?

Mr. SOMERVILLE: 1930-31, \$69,000. The previous year was \$44,000. The next year it dropped to \$61,000. That is because there were not funds enough and we had to carry it.

The CHAIRMAN (Hon. Mr. Copp): Mr. Reid suggested that as His Worship the Mayor will probably be leaving the city to-morrow and be absent for some time, we might hear any further statement he has to make.

Mr. HINDS (Clerk of the Joint Committee): Mr. Chairman, Mr. McIlraith asked for a copy of the reference to the Supreme Court with respect to taxation matters in the City of Ottawa. The Department of Public Works has supplied the reference and the Law Clerk of the Senate has prepared a synopsis report.

Mr. McILRAITH: I just want it put on the record.

Mr. HINDS: This, Mr. Chairman, is the memorandum from Mr. MacNeill:—

Re the questions put to and the answers given by The Supreme Court of Canada in the Reference thereto as to the Powers of the City of Ottawa and the Corporation of the Village of Rockcliffe Park to levy Rates on Foreign Legations and High Commissioners' Residences.

The following questions were referred to the Court:—

Is it within the powers of the Council of the Corporation of the City of Ottawa to levy rates on

- (1) properties in Ottawa owned and occupied as Legations by the Governments of the French State, the United States of America and Brazil, respectively, or
- (2) on property in Ottawa owned and occupied by His Majesty in right of the United Kingdom as the Office and Residence of the High Commissioner of the United Kingdom, or
- (3) on property in Ottawa owned and occupied by His Majesty in right of Australia as the Residence of the High Commissioner for the Commonwealth of Australia, and
- (4) is it within the powers of the Council of the Corporation of the Village of Rockcliffe Park to levy rates on property owned and occupied by the Government of the United States of America as the Legation of the United States in Rockcliffe Park?

As to Questions 2 and 3, the Court was of opinion that they should be answered in the negative.

As to Questions 1 and 4, the majority of the Court, being the Chief Justice, Sir Lyman P. Duff, Rinfret and Taschereau JJ., was of opinion that these questions should be answered in the negative.

(Signed) J. F. MACNEILL,

*Law Clerk and Parliamentary Counsel
of the Senate.*

July 14th, 1944.

The CHAIRMAN (Hon. Mr. Copp): Now, Mr. Mayor.

Mayor LEWIS: Mr. Chairman, I do not know what the Committee want to ask me further. I have still other members of the Board of Control, chairmen of various committees, and my heads of the various departments. The question of water has been raised. Controller Geldert—

The CHAIRMAN (Hon. Mr. Copp): The Committee rather wanted to know whether you desire to submit anything further.

Mr. REID: Was my information correct, Mr. Mayor, as to your impending absence from the city?

Mayor LEWIS: Yes, sir.

The CHAIRMAN (Hon. Mr. Copp): Have you any comments to make before you leave?

Mayor LEWIS: I think we have submitted a very comprehensive brief during the early stages of your meetings.

Mr. REID: There are one or two questions I should like to ask the Mayor.

Mr. McILRAITH: Will you be here to-morrow?

Mayor LEWIS: Part of the day. If it is all right, Mr. Reid, I shall be only too pleased to answer any questions now.

Mr. REID: Under the Greber plan the City of Ottawa is to erect a City Hall. What steps has the City taken to incorporate that plan? There have been accusations made about lack of co-operation by the Dominion Government; there may also be lack of co-operation on behalf of the City too in carrying out that plan.

Mayor LEWIS: I might say that so far as the municipal government is concerned, we have no knowledge of the Greber plan.

Mr. REID: It is amazing to me to hear that the City of Ottawa has no knowledge whatsoever of the Greber plan.

Mayor LEWIS: Except what we read and see of the plans. Mr. Greber was brought here by the federal Government, and all the work he did was for the federal Government.

Mr. REID: I cannot conceive of a plan being outlined for the City of Ottawa, in which extensive recommendations were made about a new City Hall and a new station, without the City Hall authorities being made acquainted with the plan. If they have not been so acquainted they should be at once.

Mr. McLEAN: Such a plan would be extremely interesting to the City.

Mayor LEWIS: Yes, when we see the whole layout of the plan and the purpose of it.

Mr. McLEAN: Mr. Chairman, I should like to tell the Mayor just the position in which I now find myself. Personally, I do not feel like acceding to the principle involved in the submission made by the City. Although it takes the form of a request for payment of services, in effect the principle involved is taxation of Government property on the same basis as other property. That is a principle which it would be very difficult for me to bring myself into agreement with. On the other hand, I think we want to do what is fair to the City, and for my part I think the grant ought to be increased, perhaps substantially. My difficulty is that I feel that such an amount will be but an arbitrary amount; and, further, it will be very difficult for me, even from all the evidence and all the discussion we have had, to arrive at what that arbitrary amount ought to be. Perhaps some other members of the Committee may also find themselves in a similar position.

Mayor LEWIS: I do not know how I am going to answer those remarks.

Mr. McLEAN: I am not asking for an answer. I merely want to let you know how I feel.

Mayor LEWIS: We thought that as the meetings went along your group and our group would get together with pencil and paper and arrive at an adjustment which would be satisfactory to all concerned.

Mr. McLEAN: That is what we would like.

Mr. REID: I think, Mr. Chairman, that members of the Committee generally will agree with Mr. McLean's statement. Nevertheless, Mr. Mayor, this Committee has been set up to consider special problems of the City of Ottawa. That is why I asked that question regarding the City Hall. Probably the other question I had better address to the Commissioner of Water Control.

Mayor LEWIS: Yes.

Mr. REID: I am also interested in the disposal of the sewage of the city. Most cities have to find either an outlet for their sewage or else build a disposal plant. I understand that Ottawa just puts its sewage into the Ottawa river, and no matter whether fish or people die, that is that. Has there ever been any discussion regarding a sewage disposal plant?

Mayor LEWIS: Yes.

Mr. REID: I think it would be interesting to the Committee to hear something about it.

Mayor LEWIS: Mr. Askwith, Commissioner of Works, will be able to give you information on that, sir. In common with all the other municipalities bordering on the Ottawa river, both on the Ontario and the Quebec side, they all dump their sewage into the Ottawa river.

Mr. McLRAITH: Is it not a relative matter, the amount of sewage in proportion to the river flow? It might not be very important if a small municipality dumped its sewage into the river.

Mr. REID: In British Columbia we found the sewage did kill all fish life. I notice you supply light to the Federal Commission driveways at a cost of \$5,000 a year.

Mayor LEWIS: Yes.

Mr. REID: Is that the actual cost to the City, or under what arrangement do you operate in so far as the light is concerned?

Mayor LEWIS: It is billed through whatever power company serves the driveways at that particular point.

Hon. Mr. LEGER: You use a meter system, of course?

Mayor LEWIS: It could be serviced through the Ottawa Light, Heat and Power Company in one section and through the Ottawa Hydro in another section.

The CHAIRMAN (Mr. Gregory): It is metered?

Mayor LEWIS: Yes.

The CHAIRMAN (Mr. Gregory): Is a special rate given to the Government for electric energy?

Mayor LEWIS: No, there is no special rate. You would have to get that from the utility company.

Mr. McLEAN: I understand, Your Worship, that you have the second cheapest lighting system in the Dominion.

Mayor LEWIS: Yes.

The CHAIRMAN (Mr. Gregory): Regarding charging the Government for water, have you followed a general basis over a span of years?

Mayor LEWIS: There is a basis. We have a regular brief prepared for that, which I would ask Controller Geldert to submit.

I should like to add a little to what I said to Mr. Reid in regard to the Greber plan. The city, as such, had no connection with any arrangements made by the Dominion Government. We did co-operate with him through our Works Department and our Building Department in preparing a master plan. That is, he used our map, and he presented to us at a little informal gathering his map of the proposed layout of Ottawa. We are willing to co-operate with the Dominion Government at any time they want us to consider any plan for the future development of the city. But I am quite right in saying that when Mr. Greber came here he was entirely under the control of the Dominion Government.

Mr. REID: Then your statement bears out what I said at an earlier meeting, that it might be advisable to consider a co-ordinating body, so that if the Dominion Government or the City council should go into a new venture, the two could work together under one scheme.

Mayor LEWIS: I believe this committee could evolve some plan for presentation to Parliament so there would be no tight drawn arrangement between the Government and the city, but I don't think we should be coming every year before Parliament with a City of Ottawa bill and get into a general discussion. There should be some machinery which would be automatic year after year between the city and the Government.

Mr. REID: I agree with you.

Mr. McILRAITH: The Greber plan did evolve an expensive proposition for a city hall, did it not?

Mayor LEWIS: Yes. Mr. Greber had an idea for a city hall centre to be developed in the vicinity of Lyon and Wellington streets, from his own personal observations only.

Mr. McILRAITH: Had the city taken any steps at the moment for a new city hall?

Mayor LEWIS: At that time we submitted to the ratepayers a proposed set-up in the vicinity where Mr. Greber had suggested, and the taxpayers turned it down.

Mr. McILRAITH: So at the moment there is no projected city hall scheme by the civic authorities.

Mayor LEWIS: We had before the war attempted to secure the Normal School grounds on Elgin street. We had negotiations under way with the Ontario Government for the purchase of that property. Then war broke out and the Dominion Government asked permission to use the building for war purposes. So the matter stands there.

Mr. REID: As I said, Mr. Mayor, it is amazing to think that plans would go forward for the development of Ottawa without the City Council being made aware of those plans.

Mayor LEWIS: I want to assure you, sir, it was not from any opposition of the city that that occurred.

Mr. McILRAITH: Some time or other, I take it, there will have to be a city hall?

Mayor LEWIS: Yes.

Mr. McILRAITH: And that will involve considerable expenditure.

Mayor LEWIS: Yes.

Mr. McILRAITH: Is there any fund established now against that possible expenditure?

Mayor LEWIS: No, we have not any power under present legislation to raise any money except by issuing debentures for a building.

Mr. McILRAITH: With respect to the Greber plan, I understood a copy of it was sent to the city by the Government in 1938.

Mayor LEWIS: A copy of the plan is in the Board of Control office.

Mr. McILRAITH: So the City was given notice of the scheme and plan as finally drafted?

Mayor LEWIS: Only on our own City map. There is no definite plan prepared for any master changes.

Mr. McILRAITH: I was under the impression that the Government actually had given the City the plan and report, so that the civic authorities had full official notice of what it contained.

Mayor LEWIS: Not to my knowledge.

Mr. McILRAITH: Can you check that? It would be about the year 1938.

Mayor LEWIS: I can check it, but to my knowledge now I do not know of any.

Hon. Mr. LEGER: There was no intimation from the Government that you should proceed in such and such a way in regard to anything?

Mayor LEWIS: No. The matter has to be discussed by the Government.

Mr. McILRAITH: The City Hall would be a civic matter, and the civic authorities would want to decide that, would they not?

Hon. Mr. LAMBERT: The improvement around Connaught Square would be done with the co-operation of the City?

Mayor LEWIS: Yes. But, Senator Lambert, that was all proposed a considerable time ahead of Mr. Greber's plan.

Hon. Mr. LAMBERT: It has been actually incorporated into the Greber plan Mayor LEWIS: Oh, yes.

Mr. REID: May I direct the Mayor's attention to the fact that the beautiful City Hall in Vancouver was built on a ten-year plan without any

cost as to loaning of money. Of course, I am not making any suggestion as to what Ottawa should do.

MAYOR LEWIS: We think it is a very fine building. I might say, however, sir, that the City has not suffered in its municipal government for the lack of a City Hall.

MR. BOUCHER: Any City Hall to be constructed by the civic authorities would have to fit into any plan which the government may accept—they have not yet—for beautification of the capital city.

MR. REID: The City authorities and the federal authorities should be brought together as soon as possible to discuss the Greber plan.

MR. McLEAN: The Government has not dealt with it yet.

MR. REID: No.

MAYOR LEWIS: As I have remarked at different times, we in Canada after the war will be entering a phase in which the City and the Government must proceed to develop the capital, and we must go together, not go in opposite directions. We hope some recommendations will come out of this Committee along that line.

MR. REID: In the question I am about to ask, Mr. Mayor, I have no intention whatever of entering into any dispute with the City Council, but I think you will agree with me that we do take note of what happens, in the city. Could you explain your garbage disposal and garbage dump?

MAYOR LEWIS: If I could explain it without the odour I should like to do so. The matter is a very contentious one, Mr. Reid. We are not very well pleased with it ourselves. It is another case where the people rule, and at different times when we put the proposition to the taxpayers for an incinerator it has been defeated. We think now we have a way of using some old legislation in proceeding with the installation of an incinerator. I agree with you that the thing is not just at its best. You may have noted in yesterday's papers that Detroit is bringing its garbage across the river and dumping it on the Ontario side, and when the wind is in a certain direction the people in Sandwich have to shut their windows in an attempt to exclude the disagreeable odour arising from the garbage. It is not only in Ottawa, possibly, that this smell is getting around; but we think that if the Government will consider our application here, consider our brief for a greater contribution to the maintenance of the City, we will proceed to erect the necessary incinerator, with all persons concerned contributing to the cost.

MR. McILRAITH: You have actually taken some steps.

MAYOR LEWIS: Actually, yes.

THE CHAIRMAN (HON. MR. COPP): Are there any other questions?

MR. REID: That is all I have.

MAYOR LEWIS: If you would like me to bring forward other members of the Committee, I shall do so. I should like to present Controller Geldert, who has control of the water works.

CONTROLLER GELBERT: Mr. Chairman and gentlemen, unfortunately our Water Works Engineer has sustained an illness, and has been ordered out of town by his doctor, which leaves me to carry on as best I can without, perhaps, some of the details.

Before going into the question of water works, generally, I should like to make clear the situation with regard to the hospital grounds. Many years ago when the hospital was built, in 1924, arrangements were made by the trustees with the Federal District Commission for the upkeep of the grounds, because we felt that could be done much better by them with their facilities than it could be done by the City of Ottawa. All expenses in connection with the

handling of the grounds are borne by the Civic Hospital, which is really the City of Ottawa, and come out of taxation. All the beautification is paid for by the City. Also, the beautification around the new Military Annex, for which the hospital—which is the City—donated the ground to the Department of National Defence, is paid for by the City, not by the Government, and the work has been done by the Federal District Commission, but the City has paid for it.

I might say that in addition to that the City has expended an amount of some \$200,000 in enlarging its facilities in order to take care of the new Military Annex for the Government, and this is barely self-sustaining from the revenues we receive. In addition, we have made available approximately \$1,500,000 of property throughout the City to the Government during the war. Previous witnesses have told you the amount of property which has been deeded to the Government by the City.

Then again, there is the Strathcona Hospital, which costs \$75,000 a year, and which is providing facilities for the Armed Forces.

The City tax rate goes to \$117,000 for indigent cases, people who cannot pay their way. That figure will go up tremendously when the war is over, because it has always been the experience that many of the thousands of people brought here by the Government departments remain, and quite a large proportion of them become indigent and have to be taken care of by the Corporation.

Another thing I might draw to your attention is the tremendous increase in children's aid. This item jumped last year from \$69,726 to over \$125,000 this year. After the war that will probably increase again, due to our extra load of population which will stay here if history repeats itself.

Something has been said about the City Hall. I might tell you substantially what the Mayor has said, that civic services have not suffered at all by reason of the absence of a City Hall. As a matter of fact, we are getting along very well with an expenditure of \$27,000 or \$28,000 a year, whereas if we were to build a new city hall at the present time the overhead would be much higher, and the additional money would have to come from the taxpayers by way of an increase in the tax rate.

Now, with regard to the water, I was consulting my figures as compared with those of Mr. Somerville. They differ slightly.

The following is a resume of the rates received by the City of Ottawa for the supply of water to the buildings owned and occupied by the Dominion Government from the year 1920 to the present time. For the period from 1920 to 1932 they paid on the meter basis, 13c per thousand imperial gallons for the first two hundred thousand, and 10c for anything over that. In addition to these rates there was a charge made to cover meter rentals, based in accordance with the size of the meter.

Mr. BOUCHER: Have you any comparison of these rates with the rates charged in other cities?

Controller GELDERT: Of course, during that period the City was supplying the Dominion Government with water at less than cost, but the rates charged in most instances are less than those charged in other municipalities.

The CHAIRMAN (Mr. Gregory): You were giving a special rate to the Government.

Controller GELDERT: Yes.

The CHAIRMAN (Mr. Gregory): And by actual computation it is less than cost.

Controller GELDERT: Yes.

The CHAIRMAN (Mr. Gregory): In your brief you speak of buildings. What about lawn sprinkling? Have you a certain rate?

Controller GELDERT: There is no charge for the lawn sprinkling. Are you referring to city lawns or Government lawns?

The CHAIRMAN (Mr. Gregory): Both.

Controller GELDERT: There is no extra charge for that; it all comes in the assessment rate or the meter rate.

The CHAIRMAN (Mr. Gregory): Have you in your domestic rate a classification for private homes, for industrial purposes, and so forth?

Controller GELDERT: Yes. The private homes are based on the assessment. The industrial rate is based on whichever is the highest.

The CHAIRMAN (Mr. Gregory): That is, you mean a house is not metered.

Controller GELDERT: No, unless it is a three-apartment building.

The CHAIRMAN (Mr. Gregory): How does your industrial rate compare with the rate charged the Government?

Controller GELDERT: It is higher.

The CHAIRMAN (Mr. Gregory): The industrial rate has not been less than cost?

Controller GELDERT: No, sir.

The CHAIRMAN (Mr. Gregory): But the Government rate is—

Controller GELDERT: —slightly less than cost. It was less than cost up to 1932. This year it is slightly less than cost, not allowing anything for the interest on the investment.

Mr. REID: Do you say there are meters in buildings of three apartments and over?

Controller GELDERT: Yes.

Mr. BOUCHER: Three stories.

Controller GELDERT: Three apartments, and over.

Now, from April 30, 1932, to June 1, 1942, the date on which the Water Purification Plant was completed, a new agreement was entered into between the City of Ottawa and the Dominion Government. This agreement provided for the payment for all water consumed in buildings owned and occupied by the Dominion Government located within the City of Ottawa and the Central Experimental Farm, at rates as indicated above, but subject to a 25 per cent increase covering the additional cost to the City of supplying filtered water. When we completed the Filtration Plant the Government agreed to pay the 25 per cent additional to the rates before collected.

Mr. REID: That is 1942.

Controller GELDERT: That is up to June, 1942. The cost of constructing the City of Ottawa Water Purification Plant in 1932 amounted to \$1,544,250. The Purification Plant is on Lemieux Island.

Mr. BOUCHER: Did I understand you to say that although the Filtration Plant was erected in 1932 the 25 per cent increase was not collected until 1942?

Controller GELDERT: No. It came into effect in 1932 on the completion of the Filtration Plant.

On January 31, 1936, a separate agreement was entered into between the City of Ottawa and the Department of National Defence of Canada, covering the supply of filtered water to be furnished by the City of Ottawa to the Rockcliffe Air Station. This water was to be taken by the Government from the mains of the City of Ottawa at the intersection of Acacia avenue and Maple Lane, Ottawa. All water was to be supplied and measured by meter for which the Dominion Government agreed to pay to the City of Ottawa the regular non-resident rate, as contained in By-law 8267, section 51, of 17½ cents per 100 cubic feet. That is the regular non-resident rate outside the City.

Mr. BOUCHER: It might be of some value if you were to give the rates charged by the Corporation to outside municipalities to whom you supply water.

Controller GELDERT: The rate charged to outside municipalities, as set down by the Ontario Municipal Board, is 18·72c per 1,000 gallons. But that does not include certain services that the Dominion Government receives, such as the tapping of mains for installation of service pipes, installation of hydrants, turning on at curb, repairs to mains, services and fire hydrants, etc.; installation of new mains, services, fire hydrants; meters, and repairs to defective meters. It is necessary for outside municipalities to carry out these services. Such services, however, are available to the Dominion Government at all times. Further along in my brief I cover that. The outside municipalities receive no benefit from our high-pressure system, maintained by the City of Ottawa, which is mainly the booster system which is maintained for the buildings on Parliament Hill. Does that answer the question?

Mr. BOUCHER: Yes.

Hon. Mr. LEGER: Are those water meters inspected?

Controller, GELDERT: Oh, yes.

Hon. Mr. LEGER: By whom?

Controller GELDERT: By our Department and our shops, and they are gone over regularly by Government inspectors. I may say that under the arrangement completed in 1942 the Government was relieved of any charge for meter rentals.

Hon. Mr. LEGER: The reason I asked that question is that at this session we had a bill providing for the inspection of water meters.

Controller GELDERT: We have a highly qualified staff and a very efficient laboratory. The meters are taken out at regular intervals and inspected.

Mr. REID: Is there a difference between the resident rate and the non-resident rate?

Controller GELDERT: Yes, sir. Outside of the city limits, with the exception of the Experimental Farm, the Government pay the non-resident rate, the same as anyone else.

Mr. REID: They are not paying the non-resident rate in the City?

Controller GELDERT: No. They are paying 20·82c per 1,000 imperial gallons by meter.

Mr. REID: I am reading from the brief, at page 2, where you say:

On January 31, 1936, a separate agreement was entered into between the City of Ottawa and the Department of National Defence of Canada, covering the supply of filtered water to be furnished by the City of Ottawa to the Rockcliffe Air Station. This water was to be taken by the Government from the mains of the City of Ottawa at the intersection of Acacia avenue and Maple Lane, Ottawa. All water was to be supplied and measured by meter, for which the Dominion Government agreed to pay to the City of Ottawa the regular non-resident rate, as contained in By-law 8267, section 51, of 17½c per 100 cubic feet.

Mr. McILRAITH: That is for the Rockcliffe Air Station, which is outside the municipality.

Controller GELDERT:

WATER FURNISHED DOMINION GOVERNMENT BELOW COST

On March 4, 1940, a report was submitted to the City Council of Ottawa, which showed that water was being supplied to the Dominion Government under meter at rates very much below actual cost. The following excerpt is taken from this report to Council:—

Dominion Government Water Rates

The Board has filed with the City Clerk for your information a report by the Water Works Engineer showing that the cost of delivering water to the Dominion Government is 15·76105 cents per thousand gallons. The interest at 4·83744 cents and depreciation at 2½ per cent on the paid up investment increased the figure by 1·9910 cents. The total cost of water as figured on this basis therefore amounts to 21·58949 cents.

The Dominion Government is at present paying at the rate of 16·25 cents for the first 200 million gallons of metered water and at the rate of 12½ cents for quantities in excess which averaged 15·5044 cents during 1939.

MOTION OF CITY COUNCIL

On March 4, 1940, City Council adopted the following motion in respect to water supplied to the Dominion Government:

Moved by Alderman Pickering, seconded by Alderman Band, that water supplied to the Dominion Government by meter be charged at a price not less than the cost of production, such cost to be based upon the cost of operating the plant plus interest on the investment and reasonable depreciation.

PROPOSED NEW RATE

In accordance with the above Motion, the Board of Control on April 7, 1942, advised the Minister of Public Works, Hon. P. J. A. Cardin, K.C., that on and after June 15 next, the water supplied to the Dominion Government, through meter, would be charged for at a rate of 13 cents per 100 cubic feet. The following is a copy of letter of the above date:—

April 7, 1942.

Hon. P. J. A. Cardin, K.C.
Minister of Public Works,
Hunter Building,
Ottawa.

DEAR SIR:—

I have been instructed by the Board of Control of this City to advise you that the water rates payable by the Government under the provisions of Clause 2(a) of the agreement of 1920 (10-11 George V, Chapter 15), as subsequently amended and extended from time to time, will be terminated by the Corporation in respect of all water supplied to the Government from and after the 15th day of June next.

On and after June 15 next, the water taken by the Government through meter will be charged for at the rate of 13 cents per 100 cubic feet, which is, as near as may be, equivalent to 20·82 cents per 1,000 Imperial Gallons. This is approximately the cost of producing water at the present time.

Yours truly,

(Sgd.) C. E. PEARCE,
Secretary, Board of Control.

On August 10, 1942, the Board of Control received a communication from Mr. W. P. Harrell, Acting Deputy Minister, stating that the Dominion Government had agreed to pay the Corporation of Ottawa for all water as measured by meter at the rate of 20·82 cents per 1,000 Imperial Gallons.

The following is a copy of letter received from the Acting Deputy Minister:—

Office of the Deputy Minister

August 10, 1942.

C. E. Pearce, Esq.,
Secretary,
Board of Control,
Ottawa.

DEAR SIR:—

With reference to previous correspondence relative to water rates in the City of Ottawa, I beg to advise that provision has been included in the Supplementary Estimates recently approved by Parliament, to pay for water consumed at the increased rates mentioned in your letter of April 7, 20·82 cents per 1,000 Imperial Gallons.

It is understood, however, that, as set forth in your letter of June 19, the Corporation of the City of Ottawa is to absorb the meter rental charges.

Yours very truly,

(Sgd.) W. P. HARRELL,
Acting Deputy Minister.

On September 8, 1942, the Board of Control reported to the City Council that all water supplied to the properties owned and occupied by the Dominion Government within the City of Ottawa and the Dominion Experimental Farm would be charged for at a rate of 13 cents per 100 cubic feet.

In the adoption of this new rate, it was agreed that the City of Ottawa would discontinue the previous charges covering meter rentals on all water services of the Dominion Government. The new rate was to be effective as from June 15, 1942.

The foregoing rate is the one which was approved by the Department of Public Works on August 10, 1942. This rate of 13 cents per 100 cubic feet (20·82 cents per 1,000 Imperial Gallons) as contained in Order in Council, is in effect at the present time.

Mr. REID: What does the rate work out at when you are getting the rental from meters, plus the rate the Government was previously paying?

Controller GELDERT: The rental of meters runs to around \$1,400 a year; but as you will remember, further back, the rate was 13¢ per 1,000 Imperial gallons for the first two hundred million gallons, and 10¢ per 1,000 gallons for the next two hundred million gallons. That was increased 25 per cent when the filtration plant came in.

Mr. REID: I am trying to get the picture of the old rate plus the meter rental.

Controller GELDERT: The meter rental would only account for \$1,400 or \$1,500 extra. Under this new rate, the Government agrees to pay to the Corporation for a supply of water from the Water Works of the Corporation of Ottawa, for use in and on all buildings, lands and premises in the City of Ottawa, now or hereafter owned or occupied by the Government.

That does not include parks and driveways, and we do not consider government grounds, parks and driveways.

I would record that from April 7th to August 10th, 1942, many meetings were held between the officials of the Dominion Government, Department of Public Works, and the Engineering Staff of the City of Ottawa Water Works Department.

In the course of these meetings, it was pointed out by the Engineer of the Water Works Department that the pumping, purification and delivery of water differs fundamentally from that of any other industry by reason of the facts that the total output must be produced and delivered exactly at the instant of demand, and change instantaneously with change in demand and the demand for any instance is fixed at the will and pleasure of the consumers, augmented by the water required for fire extinguishment.

In view of the above facts, it is therefore necessary that the water works system shall have sufficient capacity to produce and distribute an amount of water which is equal to the greatest possible demand which may be imposed on the system in any one instance. Hence, the investment of all the charges proportioned thereto, such as interest, operation charges and depreciation are fixed by the maximum load and are proportioned to it.

The CHAIRMAN (Mr. Gregory): Do you consider that last statement very important?

Controller GELDERT: We think so, sir; because, as a matter of fact, the Government is responsible for our maximum load.

Hon. Mr. LEGER: You take the water from the Ottawa River.

Controller GELDERT: Yes, and filter and purify it.

Hon. Mr. LEGER: It is not the supply of water that is causing you any anxiety; it is the purification.

Controller GELDERT: That is right, sir. I may say in connection with what was brought up before that we do not feel that we are making much change in the category of the river water, because that was all gone into before the sewage was disposed of in the river, and the category of the Ottawa River is category D. With the large volume that is flowing down the river, we do not think that the addition of Ottawa sewage makes the water any worse for drinking purposes than it was before we dumped the sewage in. Sewage comes in to the river all the way down, and it is category D water even before it reaches Ottawa.

Mr. REID: Does the filtration add considerable expense as compared with the period when you took the water straight?

Controller GELDERT: Oh, yes. In the table that is presented here we show the actual cost.

I come now to the use of reserve facilities. The present total capacity of the City of Ottawa water purification plant is 35 million gallons per day. The Dominion Government is one of the largest consumers of water in the City of Ottawa and our records indicate that the supply of water to the Government, during peak periods; has seriously taxed our capacity in recent years. The fire demand to Government buildings, has, in at least one instance, taxed the water works system to the extent of supplying water at the rate of 9 million gallons per day. This represents approximately twenty-five per cent of the total output of the City of Ottawa plant, whereas the annual revenue received from the Federal Government is approximately 13 per cent of the total revenue. The fire underwriters have placed our necessary reserve at 9 million gallons.

Mr. REID: You must keep your plant at capacity to be able to maintain that reserve of 9 million gallons?

Controller GELDERT: Yes. That is all due to the disastrous fire on Parliament Hill. The insurance rates in Ottawa are largely based on that experience.

Mr. REID: You do not actually use that 25 per cent that you are required to keep in reserve?

Controller GELDERT: Not unless it is actually required. But it has to be kept there.

Mr. REID: Filtered and chlorinated?

Controller GELDERT: Yes.

Mr. BOUCHER: I am not sure that I heard what you said a few moments ago. I understood you to say the Dominion Government's requirements represented 25 per cent of the total output of the City's plant, but that the revenue received from the Dominion Government was a much smaller percentage of your total revenue. Is that right?

Controller GELDERT: Only 13 per cent of our total revenue.

Then we have to maintain a high pressure pumping station. The property of the Dominion Government located on Parliament Hill is situated on one of the highest elevations of ground in the City, and this fact in itself requires the City of Ottawa to maintain a high pressure pumping station to provide for increased pressures for general purposes and fire extinguishment in buildings of the Dominion Government. It costs us \$20,000 a year to maintain that high pressure pumping station.

I would also report that the tremendous increase in the water consumption to buildings and properties of the Dominion Government within the City of Ottawa and the Rockcliffe Air Station and the Research Council have been a major contributing factor in making it necessary for the City of Ottawa to expend an amount of \$80,000 this year in extensions to the filtration plant.

The present rates (13 cents per 100 cubic feet) to the Federal Government are actually less than the cost of supplying filtered water to the average consumer in this city.

Mr. REID: Is the average consumer in this city taxed for water separately, or is the water tax included in the one total?

Controller GELDERT: The water is charged for separately. We do not consider it a tax, we consider it a charge for a commodity received.

The brief goes on to say that the Government, however, are not average consumers, as for example, the average amount of filtered water delivered daily over the entire system, is approximately 20 million gallons per day, while peak demand approaches a rate of 38 million gallons per day. In connection with the water supply to the Dominion Government, I would report that the average consumption per day amounts to approximately 2 million gallons, whereas the peak requirements have actually reached a rate in excess of 9 million gallons per day. This shows that the relation of peak demand to average demand over the entire system is approximately two to one, whereas the relation of the Government consumption is almost five to one.

As an illustration of this point, I might mention that directly after the large conflagration which occurred in one of the Dominion Government buildings in 1916 it has been necessary for the City of Ottawa to construct and operate a plant which would provide at all times water for fire extinguishment equal to the peak demand of the Government fire in 1916. As I mentioned before, fire insurance rates in Ottawa are more or less based on that.

From the foregoing, it will be observed that the reserve facilities of the water works system are available to the Dominion Government to a greater extent than to any of our other consumers.

I am pleased to report, however, that the City of Ottawa in accordance with agreement recently enacted with the Department of Public Works in 1942, are agreeable to provide these additional major services to the Federal Government at no additional cost.

Mr. REID: Your water system must be like the telephone system, in that the more it is used the more it costs.

Controller GELDERT: Naturally, because more chemicals are used. The extra expense would be for the chlorine.

Now, as to the water purification plant, the City of Ottawa water purification plant is probably, without doubt, the finest plant on the American Continent. In substantiation of the above, I would respectfully refer to a report by the Department of Pensions and National Health. This report issued by the office of the Deputy Minister, on December 14, 1943, contained the following excerpt:—

Now since Ottawa's water treatment is thoroughly stabilized as a result of its careful scientific supervision, I do not know of any other water treatment plant in Canada that gives such uniformly satisfactory results, both from the point of view of safety, with accompanying freedom from contamination by pathogenic organisms, and also the absence of undesirable tastes.

For the purpose of determination of an equitable rate to be charged for water, the City of Ottawa, in 1940, engaged Mr. Reeves Newsom, Engineer-Consultant of New York City, to make a complete appraisal of the City of Ottawa water works system. Mr. Reeves Newsom is one of the foremost Engineer-Consultants on the American continent, and for many years has specialized in the compilation of reports on appraisals of public utilities.

On September 20, 1940, Mr. Newsom submitted his report to the Board of Control on the appraisal of the value of the property and plant of the water works system of the City of Ottawa. In his report, on page 1, Mr. Newsom reached this final conclusion:—

I estimate that the present cost new of the value of the property and plant of the water works system of the City of Ottawa is \$15,923,300 and that the accrued depreciation related to such cost new is \$1,571,300. I find the value of such property and plant, as of December 31, 1939, to be \$14,352,000.

It is also shown in the report of the consultant that the "Present value of property and plant comprising the Ottawa water works system, as of December 31, 1939, exceeded the actual Historical Book Cost by an amount of \$6,334,643.55 as determined by the following statements contained in the report:—

| | |
|--|-----------------|
| Present Value of Property and Plant comprising the Ottawa Water Works System as of December 31, 1939, per appraisal..... | \$14,352,000 00 |
| Historical Book Cost as of December 31, 1939.. | 8,017,336 45 |
| | <hr/> |
| Increase in value of Water Works System.... | \$ 6,334,663 55 |

The increase in the value of the Water Works System of the City of Ottawa since its construction is largely accounted for by the following:—

- (1) Labour and material costs have increased tremendously during the past 30 or 40 years, consequently the older parts of the Distribution System, Power Channels and the Hydraulic Pumping Station cannot be duplicated to-day except at a tremendous increase in cost.
- (2) The preponderance of long-lived elements of property included in a Water Works System.
- (3) The entire system has been maintained in an excellent condition and in a high state of efficiency.

In a supplementary report under date of January 8, 1941, Mr. Newsom, in the concluding paragraph stated as follows:—

The attached tables contain the computations made in arriving at the price which should be charged to cover all the costs of furnishing water. These computations show that if a fair return is to be earned upon the present value of the property and plant of the Water Works System the price to be charged should be 34·7 cents per 1,000 gallons. If the charge is to be based upon a return on a value equivalent to the mean between the present value and the cost of construction of the plant now in use, the charge should be 31·0 cents per 1,000 gallons.

Mr. REID: That price of 34·7 cents that he gave there would apply to all users, I suppose?

Controller GELDERT: He is allowing for interest on the capital investment, which is not taken into account in our charge to the Dominion Government.

Mr. REID: How would that price compare with what the people are paying?

Controller GELDERT: The people are paying more, sir. You will notice that is covered thoroughly on the next page of the brief.

At the present time, the Dominion Government is receiving a very preferential rate for the supply of water to buildings under meter located within the city limits of the city of Ottawa.

It must be noted that the rate for water to Ottawa consumers is in all cases, subject to a minimum charge based on the assessed value of the property. The full significance of the preferential rate granted to the Dominion Government is indicated by the fact that had the charges against the Dominion Government been computed in a like manner as in the cases of properties owned by citizens of Ottawa, the minimum charges on built-on properties in respect to which a supply of water is furnished would have produced an additional revenue to the Water Works Department in excess of \$44,000 for the year 1943.

Comparison of Rates

(a) Water Rates if Based on Assessment Plan.—If water were supplied to the property of the Dominion Government, owned and occupied within the city of Ottawa, under the same schedule of rates based on the assessment plan, the minimum water rates would have amounted to, \$163,850.

(b) Actual Cost paid by Government.—The actual amount paid by the Dominion Government at a rate of 20·82 cents per 1,000 gallons for water supplied to property owned and occupied within the city of Ottawa, together with consumption of water to the Dominion Experimental Farm for the year 1943, amounted to—Consumption of 575,119,004 gals., cost of, \$119,739.76.

From the above it will be observed that the Dominion Government received a supply of water to all property owned and occupied within the city of Ottawa together with the consumption of water to the Dominion Experimental Farm, at a price of \$44,000 below the minimum which would have been applied to any other consumer in the city of Ottawa.

The various parks and driveways owned by the Federal District Commission and the Dominion Government within the city limits are not under meter at the present time and it is therefore, impossible to prepare an exact statement of the amount of water supplied for sprinkling purposes. However, the consumption per acre on Major's Hill park has been computed by metering and by applying this fact to those parks, driveways, tea house, greenhouses and nurseries of the Federal District Commission where city water is used, it is estimated that the total consumption for this purpose amounts to 112,879,560 gallons per annum. At the Dominion Government rate of 20·83 cents per 1,000 gallons this amounts to \$23,512 per annum.

Mr. McILRAITH: The Government pays nothing for that?

Controller GELDERT: No.

Mr. REID: All the water to Government buildings is metered?

Controller GELDERT: Yes.

Under the present agreement, the city of Ottawa furnishes to the Dominion Government all water for street sprinkling and fire extinguishment, and to the Federal District Commission all water used on parks and driveways. None of this water is metered.

Mr. BOUCHER: You say that none of this water is metered. You might add that no payment is received from the Dominion Government for this, except an indefinite part of the total grant?

Controller GELDERT: That is correct, sir.

Mr. McLEAN: Would you say that the service for the Dominion Government buildings is more concentrated as regards area than the service for commercial properties?

Controller GELDERT: No, sir, I would not say so. At the present time Dominion Government buildings are scattered all over the city, all the way from the Experimental Farm, out on Carling avenue, to the Research Council building, down on Sussex street. The Government has put up a considerable number of temporary buildings.

Mr. McLEAN: But in the neighbourhood of the Parliament Buildings there is an area where a large part of the service to the Government is concentrated?

Controller GELDERT: It is concentrated, but that does not lower the cost of producing the water.

Mr. McLEAN: It would have a bearing on the cost would, it not? It would cost less to supply a given gallonage to a concentrated area than to a scattered area, would it not?

Controller GELDERT: No, sir, because the mains are all there anyway, and our principal costs are for chemical treatment and filtration.

I will not take up your time in reading the last page of the brief, which shows the average cost of delivery of water to city consumers. This statement also shows the expenditures for the water system in 1944, and the depreciation on physical property.

(The last page reads as follows):

AVERAGE COST OF DELIVERY OF WATER TO CITY CONSUMERS BASED ON CURRENT CHARGES APPEARING IN 1944 MAINTENANCE ESTIMATES AND THE QUANTITY OF WATER DELIVERED IN 1943

This tabulation is exclusive of any return on the Paid-Up Investment of \$6,114,609.64. Population Served—186,510.

Actual amount of water pumped 1943—7,625,892,000 Gallons (112.02 gallons per capita).

Estimated loss in Distribution System 25%—1,906,473,000 gallons.

Estimated amount delivered 1943—5,719,419,000 Gallons.

| Appropriation | 1944 Estimated Expenditure | Average Cost per 1,000 Gals. delivered— in Cents |
|--|----------------------------------|---|
| Administrative and General | | |
| Management | \$ 58,135 00 | 1-01645 |
| Insurance premiums | 1,717 85 | 0-03004 |
| Compensation and Claims | 1,295 00 | 0-02264 |
| Payments to Civic Superannuation Fund | 14,400 00 | 0-25177 |
| Unemployment Insurance | 1,000 00 | 0-01748 |
| Protection of Properties—War Measure | 17,668 90 | 0-30893 |
| Cost of Living Bonus | 16,000 00 | 0-27975 |
| Purification | 154,915 00 | 2-70858 |
| Pumping | 102,400 00 | 1-79039 |
| Distribution | 133,010 00 | 2-32559 |
| Other: | | |
| Exchange | 45,865 68 | 0-80193 |
| Interest | 4,000 00 | 0-06994 |
| Debenture Interest | 217,799 86 | 3-80808 |
| Debt Retirement: | | |
| Serial Debentures | 124,959 17 | 2-18482 |
| Sinking Fund | 60,699 81 | 1-06129 |
| Capital Expenditures provided from Revenue: | | |
| New Water Mains and Valves | 33,095 00 | 0-57864 |
| New Fire Hydrants | 3,145 00 | 0-05499 |
| New Water Services | 20,500 00 | 0-35843 |
| New Water Meters | 11,200 00 | 0-19582 |
| Distribution Division Buildings | 5,000 00 | 0-08742 |
| Aqueduct Headworks Replacements | 5,000 00 | 0-08742 |
| New Equipment | 8,250 00 | 0-14425 |
| Two New Sand Filters | 80,000 00 | 1-39874 |
| | <u>\$1,120,056 27</u> | <u>19-58339</u> |
| Depreciation on Physical Property | | |
| Reproduction Cost, as per Appraisal, Dec. 31/39 | \$14,601,045 00 | |
| Plus Construction 1940-41-42-43 | 249,040 08 | |
| | <u>\$14,850,085 08</u> | |
| Retirements of Physical Property 1943. | 100,000 00 | |
| | <u>\$14,750,085 08</u> | |
| Reproduction Cost as at December 31st, 1943 | \$14,750,085 08 | |
| .89 of 1% of \$14,750,085.08 | | |
| This depreciation is equivalent to 1.55% on the book cost of \$8,471,867.71. | \$ 131,275 76 | 2-29526 |
| | <u>\$1,251,332 03</u> | <u>21-87865</u> |

Average cost per 1,000 Imperial Gallons (1944 Estimated)—21.87865 cents.

Mr. REID: According to that statement the actual quantity of water pumped in 1943 was more than 7 billion gallons, and the total cost was slightly more than one million dollars. There would appear to be not a great difference between the rate paid by the Dominion Government and the actual cost of the water. Am I right in that assumption?

Controller GELDERT: The figures show that the estimated average cost this year per 1,000 gallons is practically 21.88 cents. That rate is arrived at after making a charge of \$131,275.76 for depreciation.

Hon. Mr. LEGER: You have included your capital expenditures, whereas an average charge should have been made during the life of the assets. Why have you charged the total amount of these capital expenditures in one year?

Controller GELDERT: That is new work this year, sir.

Hon. Mr. LEGER: The various capital items will last more than one year.

Controller GELDERT: Yes, sir. That is why our depreciation is put down at such a low figure. Our depreciation on water works equipment is very low, because of the length of life of the pipe and such things.

Mr. REID: The amount for purification is \$154,915. Is that for chlorine?

Controller GELDERT: That is for chlorination and the treatment.

Mr. REID: That would include the chemical and the labour involved?

Controller GELDERT: Yes.

Mr. REID: The labour would not be included in that, would it?

Hon. Mr. WHITE: Is all the water chlorinated, including the water used for the sprinkling of streets?

Controller GELDERT: Yes, sir. It would cost a tremendous amount to have two systems.

Mr. REID: Can you tell me whether that amount of \$154,915 includes labour?

Controller GELDERT: Yes, that includes labour too. About \$70,000 of that is for chemicals, if I remember correctly.

Mr. REID: Is the chlorine test made by medical men periodically?

Controller GELDERT: Yes, it is all tested by the provincial Department of Health. For many years everything has been quite satisfactory.

Mr. REID: Mr. Chairman, if the Committee could find the time I think it would be well for us to go down and look over the plant.

Controller GELDERT: If the Committee could find time I should be glad to show them that plant. They would be amazed. I want to make it clear, gentlemen, that the City Council is quite satisfied with the agreement made with the Dominion Government on the water supply, and we are not asking for anything extra there. But we do want to point out the fact, and impress it upon you, that you are getting preferential treatment in the supply of water as against our citizens. I hope I have made that point quite clear.

Mr. REID: That \$102,000-odd for pumping, is it for looking after the wear and tear of the pump?

Controller GELDERT: That includes labour.

Mr. REID: What is the \$45,865 for?

Controller GELDERT: That is exchange on debentures maturing in New York.

Hon. Mr. LEGER: According to your statement, because you have been generous in one point you want us to be generous in many other points.

Controller GELDERT: No, we are not asking anything for water, sir.

Hon. Mr. LEGER: But you are asking something for some other things.

Controller GELDERT: Naturally.

Mr. BOUCHER: Can you explain why you put in these items under Capital Expenditures Derived From Revenue?

Controller GELDERT: Because our policy has been for a number of years to construct a certain number of mains and extensions from water revenue rather than from borrowing. If we did not do that our debenture debt would get so high that our interest and exchange would be top-heavy and rates would have to be raised.

Mr. BOUCHER: Is not depreciation affected by virtue of that policy?

Controller GELDERT: No. We attempt each year to construct what we can out of revenue.

The CHAIRMAN (Mr. Gregory): Your depreciation is low, then, because your maintenance factor is high.

Controller GELDERT: No, our depreciation is low, sir, because such things as cast-iron pipes, and so on, have a very long life.

The CHAIRMAN (Mr. Gregory): I am aware of that. But you keep your maintenance at a high state of efficiency.

Controller GELDERT: Oh, yes, everything is kept up at a very high state of efficiency.

Mr. McLEAN: The figures here are extremely interesting, and I think you are to be highly commended for your policy of paying for capital extensions out of revenue. At the same time I feel that the figures hardly present a fair picture of the cost per gallon. However, that question does not come up because you say you are satisfied with the arrangement.

Controller GELDERT: Every public utility does that, sir. Take your Ottawa Hydro, it is doing the same thing. That is good business administration.

Mr. McLEAN: It is good business administration, but it is quite another thing in regard to cost of the service.

Controller GELDERT: If we went on the old policy of eight or ten years back of borrowing for everything our interest eventually on those things would be so high that we would have to raise our rates. In other words, we consider it excellent administration.

Mr. McLEAN: I quite agree on the advisability of the policy.

Controller GELDERT: If we did not do that the water cost would be much higher by the time our debentures started to mature. That is the only way we can cut down. We hope eventually to cut down the rate to our consumers.

Mr. McLEAN: That is the very point. That policy will in future cut down your rates.

Controller GELDERT: Eventually, unless we have some tremendous construction.

Mr. McLEAN: But in the picture of the cost now, it is hardly fair to include it.

Controller GELDERT: It is only a matter of what you consider to be good business.

Mr. O'BRIEN: Your debt retirement amounts to \$184,000. Then you have added new capital expenditures, which you have written off this year at \$165,000. So you have added almost as much new capital, which you have charged to current expenditure, as the capital expenditure which you have retired.

Controller GELDERT: The last item is for new filter beds, rendered absolutely necessary to meet Government requirements.

Mr. O'BRIEN: But you are adding almost as much in new machinery as you have put into the sinking fund.

Controller GELDERT: For this particular year.

Hon. Mr. LEGER: Is this particular year as high as some other years in regard to new capital expenditure?

Controller GELDERT: Comparatively the same as previous years, except that the cost of chemicals and such things has mounted up. Of course, we have no control over that cost. Labour has also gone up to a certain extent. I might also say, gentlemen, that under the new arrangement which is being reached with the Government—I hope it is—the Department stands to lose some \$2,600 a year from Legations based on the local rates.

The CHAIRMAN (Hon. Mr. Copp): All this evidence in regard to the water system simply shows that you have been generous. You are not asking for any change in the water system, irrespective of the fact that it is costing you that much.

Controller GELDEBT: No. The City or the Department is very honourably doing everything we can to co-operate with the Government and give it service.

The CHAIRMAN (Hon. Mr. Copp): This discussion is really of no use because we are not to consider any change in the water system.

Controller GELDEBT: No, but in case water came into the question, and it has been repeatedly mentioned in the Committee, I think the Committee should realize that the Government has really received very preferential treatment.

The CHAIRMAN (Hon. Mr. Copp): All right. Any other questions?

Mr. REID: The question of water cost is extremely important in view of the fact that the Dominion Government is paying a certain amount for water, and this Committee will have to look into the cost of water and say whether the Government is paying a fair amount or not.

Controller GELDEBT: That has already been gone into very carefully with engineers of the Public Works Department, Mr. Reid, and they are quite satisfied that the agreement as arranged between the City of Ottawa and the Government is very fair. They had the use of all our books and figures.

Mr. McILRAITH: Could we have Controller Goodwin now?

The CHAIRMAN (Hon. Mr. Copp): Who shall we hear now?

Mayor LEWIS: I will have some members of the Ottawa Committee.

Mr. BOUCHER: I think the Finance Commissioner of the City of Ottawa is here. Perhaps he would be a very important witness before the Committee, but I do not think we should hear him to-day; it would take too long. He could probably summarize the submissions to be made.

Mayor LEWIS: I should like to have you hear Controller Goodwin, Controller Bourque, and maybe some others. Controller Bourque has some corrections to make.

The CHAIRMAN (Hon. Mr. Copp): Who shall we hear first?

Mr. McILRAITH: I would suggest Controller Goodwin.

The CHAIRMAN (Hon. Mr. Copp): All right.

Controller GOODWIN: Honourable Chairman, and honourable gentlemen, this is like speaking on the eve of an election, when all the issues have been thoroughly discussed and there is not much left to be said. The only thing I should like to do, therefore, is to call attention to a few of the highlights of the City of Ottawa.

With all due respect to your own municipalities. I think you will agree that Ottawa is probably one of the cleanest cities in North America, due to the services rendered by the Engineering Department in not only sprinkling the streets, but flushing them every night. Every paved street is flushed thoroughly.

It is probably not good practice for one witness to disagree with other witnesses regarding matters, but I should like to correct an impression given by his Worship the Mayor and Controller Geldert, that Ottawa has not suffered through the lack of a city hall. I think they meant that it has not suffered financially, and with that I agree; but it has suffered a lack of prestige, and I for one am certainly most anxious that we should have a city hall which will be a pride and joy to the citizens of Ottawa, and of the Government, and one which will be in keeping with the beauty of the governmental buildings.

As far as the Filtration Plant is concerned, Dr. Geldert has given you a complete resume.

As far as sewage disposal is concerned, we must beware of the fact that while we have ten outlets into the Ottawa River, sewage in its raw state is disposed of all the way from Pembroke to Montreal, and before any sewage disposal plant is erected it will be necessary to have an interprovincial agreement.

Mr. McILRAITH: That would put it under the jurisdiction of the Federal government.

Controller GOODWIN: Yes, and that would be a very excellent law, and one with which the citizens of Ottawa would be most pleased to cooperate, in view of the fact that many thousands of them bathe in the Ottawa River. Dr. Geldert has put the water in category D. I do not know how far, technically, that would go as to its being impure, but it is not very good, and we should all like to bathe in A water if we could get it.

Mr. BOUCHER: You would probably agree with the statement made by the Mayor that the City of Ottawa should not proceed with a civic centre or city hall until an arrangement is made to co-ordinate the viewpoint of the City and the Government as to such a civic centre.

Controller GOODWIN: I think that would be a very excellent suggestion. As a matter of fact, I do not believe that any public building which is going to be, say, an imposing edifice, should be erected in the City of Ottawa either by the Government or the City authorities without the agreement of both parties.

Mr. BOUCHER: And would you say it is necessary that the City of Ottawa and the Dominion Government should proceed further than they have now, as far as their plans for Ottawa as a capital city are concerned, before the civic centre should be located or erected.

Controller GOODWIN: What you have reference to, no doubt, is co-ordination based on the representations of the City and the Federal Government.

Mr. McILRAITH: Or a Board similar to the Commission.

Controller GOODWIN: Or a Board similar to the Commission.

As far as garbage disposal is concerned, all members of Council have been aware of the necessity of incinerators, and steps have been taken to do what is necessary to erect one, and we think it will be possible to have one erected as soon as the materials are available.

Now, if there are any questions I should be glad to answer them. I think you gentlemen have a tremendous amount of material before you to study, and I should like to congratulate you, Mr. Chairman, and the gentlemen of the Committee on the patience you have displayed and the intelligent questions you have asked every witness who has come before you. I think it would be a big help to you in your campaign—those of you who have to run campaigns—if your constituents were here to see the intelligent way in which you have conducted yourselves. I congratulate all of you, and I feel perfectly safe in the knowledge that we are going to get fair treatment in the matter of the services we are rendering, and shall be glad to continue to render.

As far as snow removal is concerned, I should like to add just a word. We probably have better equipment than the Federal District Commission, and we would be glad to extend this service to cover snow removal on both city property and federally-owned property within the city limits. I know that Mr. Askwith will be a witness later, and will be able to give you some very valuable data.

Mr. McLEAN: Would the same thing apply to garbage collection?

Controller GOODWIN: Absolutely.

Mr. REID: One of the reasons why I suggest a co-ordinating body is that I can see the time coming when the Federal District Commission will be in conflict with the City, and services and machinery will be duplicated.

Controller GOODWIN: You are quite right; but it has really been remarkable, the great spirit of co-operation that has always existed between the Federal District Commission, the Department of Public Works and the City of Ottawa.

Mr. REID: And you admit that it is not the right policy to ruthlessly set the Commission aside.

Controller GOODWIN: Oh, no. They always have co-operated marvellously well.

Mr. McILRAITH: Actually the Mayor is on the Commission.

Controller GOODWIN: Yes.

Mr. BOUCHER: You have paid a very nice compliment to the members of the Committee who have to be elected. I think you should include those who do not have to be elected.

Controller GOODWIN: I did, Mr. Boucher, but I laid particular emphasis on those who are elected.

I thank you very much, Mr. Chairman and gentlemen.

The CHAIRMAN (Hon. Mr. Copp): Now, what is the next step?

The CHAIRMAN (Mr. Gregory): I should like to have the Mayor produce the necessary official to clear up the question of electrical energy rates. Just where do you stand at the present time?

Mayor LEWIS: The City of Ottawa as a Corporation has no dealings with the Government in regard to electrical power. The Hydro Electric Power Commission of Ottawa, and the Ottawa Light, Heat and Power Company, sell to the Government.

Mr. REID: Do they compete with one another?

Mayor LEWIS: Yes.

Mr. REID: Who gives them the right to do so?

Mayor LEWIS: It is under their charters. The Ottawa Light, Heat and Power Company have a Dominion charter.

Mr. REID: And you get some revenue from the Ottawa Light, Heat and Power, and none from the Hydro.

Mayor LEWIS: We get general taxation from the Ottawa Light, Heat and Power, and a minimum from the Hydro.

Mr. REID: How do they compare?

Mayor LEWIS: The private concern is the larger.

The CHAIRMAN (Hon. Mr. Copp): One of the members of the Committee suggests that we might hear Controller Bourque.

Mr. McILRAITH: He has one or two corrections he would like to make.

Controller BOURQUE: I have looked over the various reports, and I notice a few errors that I should like to correct. First, on page 77 of No. 4 of the Proceedings of the Committee, you will note a statement of expenditures of the Federal District Commission. It shows an item "Parkway system in Ottawa, \$238,640; outside Ottawa, \$178,315." Then they go on to give "Government buildings, grounds, maintenance," and then "Work for departments of Government." I submit that those two other items are the concern of the Government, and no concern of the City of Ottawa. But they give 70 per cent for the City, and 30 per cent outside, whereas if you take the parkway system you will find that the percentage is 57 per cent within Ottawa and 43 per cent outside Ottawa. Far be it from me to belittle the wonderful work done by the Federal District Commission.

The CHAIRMAN (Hon. Mr. Copp): That is an adjustment.

Controller BOURQUE: An adjustment to show the right percentage.

Mr. REID: That is what I suspected from the beginning—that some expenditures were being deducted outside the City.

Controller BOURQUE: I am just saying that you have the years 1941-1942 and 1942-1943. I just mention this to correct it.

In this connection I may state also that Ottawa has contributed immensely to this beautification plan. This year I figured out the total. The deeded property on Elgin street amounts to \$1,513,890.

Mr. McILRAITH: What is that?

Controller BOURQUE: The assessed value of the property deeded to the Government. We also have property leased at \$1.00 a year, which amounts to \$886,978; in other words, a total of \$2,400,868. In other words, if we should apply the grant of \$1,000,000 a year for the past 24 years, that would nullify the grants.

There is another mistake on page 93 of Report No. 4. I was answering a question. I said the Russell Hotel was paying in taxes \$43,000 a year. This appears as \$33,000. I also said that over a period of 20 years that would amount to \$860,000. It appears as \$33,000.

Then on page 92 of Report No. 4, while Mr. Pickering was making his submission, Mr. Matthews asked: "How long has this extra amount of \$133,500 been paid to the City of Ottawa," and Mr. Pickering said, "Since 1925." This is a mistake, as no other grant but the \$100,000 has been given to the City of Ottawa. Apparently this referred to the Federal District Commission, of which Mr. Bronson had spoken previously. The City of Ottawa has only received the \$100,000 a year grant.

Now, I think it is fitting that we should express our appreciation to the Prime Minister for suggesting this Committee. I believe we should also extend our thanks to the Senate and the House of Commons for agreeing to the Committee. I have no doubt that when you have looked over the various submissions by the City of Ottawa and its representatives, you will agree that the \$100,000 is far from adequate compensation.

Mr. REID: While you are thanking the Prime Minister, don't forget the Ottawa member of Parliament, who has advocated this for five years.

Controller BOURQUE: I also wish to extend our appreciation to the members of the Committee, and to our own senators and members who have represented the City of Ottawa on the various bodies.

I thank you.

The CHAIRMAN (Hon. Mr. Copp): Now, before we adjourn, how many representatives from the City are still to be heard?

Mayor LEWIS: Gentlemen, it will be entirely up to the Committee. We would still like to have you hear Alderman Coulter, who is one of the representatives on the Committee to be heard, and I have Mr. Askwith, Commissioner of Works and Mr. Gordon, Commissioner of Finance.

Mr. REID: Could we hear them at 4 o'clock?

The CHAIRMAN (Hon. Mr. Copp): I suppose we could try to come back at 4.

A CONTROLLER: No.

Hon. Mr. Copp: No?

Mayor LEWIS: We have a meeting with the Ontario Government at 4 o'clock.

The CHAIRMAN (Hon. Mr. Copp): Could we meet to-morrow?

Mr. McILRAITH: Could we meet at 11.30?

Mr. REID: So we could take in prayers in the House of Commons.

The CHAIRMAN (Hon. Mr. Copp): Could the Committee meet to-morrow at 11.30 a.m.? If that is satisfactory, we will meet them.

Before we adjourn, I may say that Mr. Gregory has suggested that a gentleman representing the Henry George system of taxation would like to be heard.

Mr. BOUCHER: What has that got to do with the question?

The CHAIRMAN (Hon. Mr. Copp): He is Mr. Owen. We cannot hear Mr. Owen to-day, but we want to learn if what he has to say is important to the Committee, and so that he will be here to-morrow.

Will you be here to-morrow?

Mr. H. T. OWEN: Yes.

Mr. BOUCHER: I should like to know what aspect of this situation Mr. Owen is to deal with?

The CHAIRMAN (Hon. Mr. Copp): That is what I had in mind that we could discuss.

Mr. OWEN: It would deal particularly with the Federal District idea.

Mr. BOUCHER: In what respect?

Mr. OWEN: The future Federal District.

The CHAIRMAN (Hon. Mr. Copp): I do not think we are going to get very far with that at this session.

Hon. Mr. LAMBERT: Mr. Owen represents the Single Tax Association, and would like to discuss single tax.

Mr. REID: I think it will probably be years before the Committee is set up again.

The CHAIRMAN (Hon. Mr. Copp): We might, perhaps, hear it to-morrow.

Mr. McLEAN: We have no evidence that the submission of this gentleman will be germane to the question before us. It is extremely important that the agreement between the City of Ottawa and the Government, if it is not fair, be adjusted before the end of the session. Quite a number of committees are working hard to finish their work, and I am doubtful if this gentleman has anything which will assist us in coming to a decision as to what ought to be done between the City of Ottawa and the Dominion Government. If he has some theory of taxation he wants to advocate, that is very fine, but I do not think the time of the Committee should be taken up in that way.

Mr. BOUCHER: I agree with Mr. McLean. I feel that our functions are really: 1, to inquire into the relations of the Dominion Government and the City of Ottawa; and 2, to inquire into the financial situation. I think we decided to deal with the second problem first, and dispose of it. That being the case, and in view of the fact that time is slipping away, it would appear that we will not be able to go into the second aspect.

The CHAIRMAN: We will adjourn until to-morrow at 11.30.

The meeting adjourned until to-morrow at 11.30 a.m.

SESSION 1944



PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat
of Government in the City of Ottawa and to Report on the Relations
Between the Federal Government and Municipal Authorities of
the said City and the Relative Responsibilities in Respect
of Such Problems with Power to Inquire into the Matter
and Things Therein Referred to.

No. 6

THURSDAY, JULY 20, 1944

WITNESSES:

Mr. L. L. Coulter, an Alderman of the City of Ottawa.

Mr. F. C. Askwith, Commissioner of Works for the City of Ottawa.

OTTAWA

EDMOND CLOUTIER

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1944

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,
and Honourable Senators:

DuTremblay, P. R.
Lambert, N. P.
Leger, A. J.

Stevenson, J. J.
White, G. V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,
and Messrs.:

Boucher, G. R.
Coté, P. E.
Dechene, J. M.
Hill, B. M.
Knowles, S. H.
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J.
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A.
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White, be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

THURSDAY, 20th July, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11.30 a.m.

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

SENATE: The Honourable Senators Copp, DuTremblay, Lambert, Leger and White.

HOUSE OF COMMONS: Messrs. Boucher, Coté, Dechene, Gregory, McIlraith, McLean (*Simcoe East*), Purdy and Reid.

In attendance:—

The Official Reporters of the Senate.

Mr. J. M. Somerville, Secretary, Department of Public Works.

Mr. H. R. Cram, Secretary, Federal District Commission.

His Worship Mayor Lewis; Controllers Bourque, Geldert, Goodwin and McRae, and Aldermen Coulter, Hamilton, Pinard and Powers appeared as representatives of the Ottawa City Council.

Mr. L. L. Coulter, an Alderman of the City of Ottawa, appeared and advocated the establishment of a Joint Planning Board for the future development of the City of Ottawa.

Mr. F. C. Askwith, Commissioner of Works for the City of Ottawa, appeared and was heard on the facilities and requirements of the City of Ottawa for sewage disposal and snow removal.

At 1.05 p.m., the Committee adjourned until to-morrow, 21st July, 1944, at 11.30 a.m.

Attest.

A. H. HINDS,

*Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.*

MINUTES OF EVIDENCE

THE SENATE

THURSDAY, July, 20, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11.30 a.m.

Hon. A. B. Copp, P.C., Chairman, Senate Section.

Mr. J. A. Gregory, M.P., Chairman, House of Commons Section.

The CHAIRMAN (*Mr. Gregory*): Gentlemen, I believe we have a quorum now of both sections of the Committee. If you will take your seats we will proceed.

Now, gentlemen, from whom do you wish to hear first this morning? Mayor Lewis, whom would you suggest?

Mayor LEWIS: I think Alderman Coulter might be heard.

The CHAIRMAN (*Mr. Gregory*): Shall we hear Alderman Coulter? Agreed?

Alderman COULTER: Mr. Chairman and gentlemen, I am going to open my remarks this morning by making a prediction that the City of Ottawa in the next twenty-five years will be a city of at least three hundred thousand people; and such being the case I think there should be a definite master plan for the future development of the city.

Hon. Mr. LEGER: What is the population now?

Alderman COULTER: The population of greater Ottawa is approximately two hundred thousand; within the city limits, one hundred and eighty-five thousand.

The CHAIRMAN (*Mr. Gregory*): That takes in what suburbs?

Alderman COULTER: Westboro, Eastview, Rockcliffe and outlying districts which in all probability will be absorbed. That being the case, I think there should be a city planning board appointed, or set up at once, to look after this development in an orderly manner. That board should embrace members of this Parliament. It should have at least one member from the House of Commons, one from the Senate, one from the Federal District Commission, one from the Civil Service Association, one from the Ottawa Board of Trade, two from the Ottawa City Council, and probably a liaison officer from the Department of Municipal Affairs in Toronto, who could look after the adjoining counties and municipalities affected by the development of a great city.

Now, gentlemen, had this planning gone on seventy-five years ago, we would not have the haphazard lay-out we have to-day. We would have had the elimination of the cross-town tracks, a very bad obstruction in the way of the development of Ottawa. We have not been able to develop our north and south arteries. These tracks should never have been there, and I think the time is here when a board such as this should be set up.

It should be an active board, a board with authority. It should report to the City Council, because if the ratepayers of the City of Ottawa make possible the development of this city, I think their elected representatives should be the ones to have some say in it. I would not want to take away any authority from the Federal District Commission with respect to the splendid development of

parkways and driveways they control. I do think they should carry on their work as they are doing, but they should not have the complete say in the development of other portions of the city. If the Federal District Commission are the ones that are going to take over the planning of the city, then I believe the city should be developed as a Federal District.

Personally, however, I am opposed to that. I believe we can have an orderly development in the city. I believe the city is in what is one of the most beautiful natural settings for the world's greatest capital. We are at the confluence of three historical rivers, and nature endowed us with a beautiful site to start with.

The plans must go ahead in an orderly and sane fashion. An advisory board, composed of town planning experts to assist the planning board, should be called in and should meet regularly and make reports to the Parliament of Canada and the people of Ottawa.

A master plan should be mapped out; it should be in plans; it should be set out in display, so taxpayers can see what is proposed, and I think that is the only sane way for this City to progress.

Now, much has been said at the hearings I have attended—and I think I have attended them all—on the tax rate of the City and the fact that in recent years it has been reduced. It is quite true that it has been reduced, but there are very good reasons for the reduction, and I intend to give them to you. With the permission of the Chairman I should like to make a comparison of the tax rate of the City of Toronto, a large commercial city, and of the City of Ottawa, in which the seat of government is situated. I do so because I am more familiar with the city of Toronto than with any other Ontario city, and because I think it is a very progressive and well planned city. With permission of the Chairman I should like to read a comparison of the mill rates of these two cities over the last ten years:—

| | <i>Ottawa</i> | <i>Toronto</i> |
|-----------|---------------|----------------|
| 1935..... | 36.80 | 34.15 |
| 1936..... | 39 | 34.85 |
| 1937..... | 39 | 35.70 |
| 1938..... | 39 | 36.05 |
| 1939..... | 38.50 | 34.75 |
| 1940..... | 39 | 35.15 |
| 1941..... | 37 | 34.60 |
| 1942..... | 35 | 32.60 |
| 1943..... | 34.50 | 31.60 |
| 1944..... | 33.50 | 32.85 |

Hon. Mr. LEGER: Are they taxed on the same basis?

Alderman COULTER: On the same basis, sir. In Ontario, under the Assessment Act, they are comparable. Toronto is a much larger city, a commercial city. We have the seat of government here, but Toronto has many amenities that we lack in Ottawa. In Ottawa our tax rate has been kept down, but had we embarked on a number of necessary projects over the last few years it naturally would have gone up, because we would have had to borrow money on debentures at a high rate of interest. We need in Ottawa, as has been mentioned here, incinerators for the disposal of garbage, and I personally have fought for them in City Council. We need a modern system of sewage disposal, we need a new City Hall, we need many many miles of new sidewalks and of replacements of existing sidewalks, we need to reconstruct our roadbeds to take care of the motor traffic that never was contemplated thirty or forty years ago. It was never dreamt then that we would have buses and motor transport to the extent that we have them to-day. If we had embarked on these capital expenditures the ratepayers of Ottawa would have had to pay interest on the debentures

and to retire some of them. Instead of that, in the last few years we have tried to pay as we go, and we have had a policy of retiring existing debentures as they become due, which I think is a sane and safe policy.

Mr. BOUCHER: You might also point out that in Toronto the Transportation Commission is owned by the municipality, and that has a beneficial effect on the mill rate there.

Alderman COULTER: Quite right. That is a very profitable venture.

Hon. Mr. LEGER: May I ask you what the capital debt of Ottawa is?

Alderman COULTER: I am not prepared to answer that, sir. That information would have to be got from our Commissioner of Finance.

Mr. McLEAN: I have been told, perhaps incorrectly, that assessed values for taxation purposes in Ottawa are very high, that they are probably equal to or in excess of the market value of the properties. After all, the mill rate does not indicate very much.

Alderman COULTER: No, indeed.

Mr. McLEAN: My impression, from what I hear, is that although the mill rate is low in Ottawa as compared with some other cities, the taxes are high.

Alderman COULTER: All Ontario cities are governed by the Ontario Assessment Act and are supposed to have their valuations on the same basis.

Mr. McLEAN: But they are not.

Alderman COULTER: No; I quite agree with you.

Mr. McLEAN: In the municipality where I live they attempt to assess at not more than 75 per cent of the market value.

Alderman COULTER: Those capital expenditures that I mentioned will have to be made sooner or later. We must have a city hall here. What other capital city of any country is lacking a city hall and a sports stadium? As you know, most other capital cities have sport stadiums, civic abattoirs, sewage disposal plants, incinerators, and other such things which Ottawa, as a progressive capital city, must have sooner or later. I contend that when these works are undertaken, unless we receive compensation from some other source, the tax rate will of necessity have to rise. I do not think that the amount of money we are requesting from the Parliament of Canada is in any way out of order or inequitable; and I hope members of this Committee will feel that if we do get an adequate grant it will not all be applied to the reduction of taxation—the grant will be used for the improvement, beautification and extension of this city. The city is bound to progress—we cannot hold it back—so why should it not progress in an orderly and sane fashion?

Mr. McILRAITH: What about the improvement and development of the city in those areas surrounding the Government-owned driveways and so on? At present the city has control of those areas. Would you be agreeable to some arrangement whereby the Federal District Commission or some other body of that kind would have some say in the type of buildings that could be erected in those areas?

Alderman COULTER: My proposal is that a city planning board should be set up, and that the Federal District Commission should be represented on that board. And as I have already said, I think that a representative of each House of Parliament, of the Civil Service Association and of other bodies should be on that board. If that were done, there would be protection for the areas you have mentioned.

Mr. BOUCHER: Do you not think that some effort should be made to have some control exercised by the Federal District Commission over buildings erected opposite the Commission's driveway?

Alderman COULTER: I agree with you, and I believe that the proposed city planning board, composed of representatives of the Federal District Commission and other bodies that I have mentioned, would look after the situation and not permit the erection of any buildings that might mar the beauty of the driveway system.

Now, Mr. Chairman, I am speaking not only as an Alderman of this city, but as a retail merchant, and I tell you that business in Ottawa is excellent. The question has been asked whether we as a city should not feel well compensated because of the present state of business, but the fact is that the state of business is not reflected in the city treasury. The merchants are prospering. But what are we doing? We are paying excess profits tax and income tax to the Government, and in many instances our merchants would prefer to be back where they were five years ago when they had not the headaches and trouble of securing help and merchandise that they have to-day.

Mr. McLEAN: The merchants never had any depression in Ottawa.

Alderman COULTER: I agree with you. But that does not reflect into the city treasury. It takes approximately \$6,000,000 to operate this city, and the merchants pay in only their proportion of that amount, just the same as any other taxpayers or civil servants.

Mr. BOUCHER: Would you say, Alderman Coulter, that business places in Ottawa have reflected the situation you have described as having had good business in the depression in comparison with other business areas?

Alderman COULTER: I would say that Ottawa has always enjoyed very good business. During the depression I do not think we suffered as much as some manufacturing centres. But at the same time that does not reflect into our tax rate.

Mr. BOUCHER: Your point is that the taxes you are paying do not go to the city?

Alderman COULTER: No, they are going to the federal Government. Our merchants would prefer to go back to a little less business than working as they are to-day. As a merchant I have viewed with alarm Government expropriations in this city. You have been told that those expropriations have amounted to a little over seven and a half million dollars in the last few years. That is a very considerable sum of money. Take one instance on Bank street with which I am familiar, for I have a business on that street. The Government expropriated the Jackson Building and land valued at nearly three-quarters of a million dollars. That expropriation took away our business tax and the other taxes on that building, without any compensation whatsoever. At the same time in taking over this and other buildings and creating Government Departments, businesses in the neighbourhood are hurt. I am definite in that statement: such expropriations do hurt neighbourhood businesses. I have talked with other merchants and they are of the same opinion. You erect a bank or a Government building on a street and it tends to kill that street as a business district. Where are these Government expropriations going to end? If the Government comes along and takes over a lot of other buildings on Sparks street that street will be killed as a business artery.

Mr. McLEAN: What would you suggest as an alternative?

Alderman COULTER: I suggest that the Government leave business properties alone.

Mr. McLEAN: But what is the Government to do when it has to open up new departments?

Alderman COULTER: The Government will have to spread out their departments. That is why I propose this city planning board.

Mr. McLEAN: Would it not then be a question of better judgment as to the location of Government buildings?

Alderman COULTER: Absolutely. That should be studied by this city planning board and by all interested parties.

Much money has been spent in developing the tourist industry in Canada. Our provincial and federal Governments have spent and are planning to spend large sums of money to bring tourists into this country. I maintain that the capital city of Canada should be the biggest tourist attraction that we have. If we can develop this city and make it worthy of the name of the capital city of Canada, and so have something to show tourists, they will come here in numbers that will compensate for any money spent by the people of Canada on the development of this city as our national capital. This tourist industry, as I understand, is the largest industry we have in normal times, and I am sure that from that angle alone the Government would be well advised to increase its grant to the city of Ottawa.

Hon. Mr. LEGER: I am afraid you cannot beat the Maritimes.

Alderman COULTER: I agree with you; the Maritimes have their attractions as have all other parts of Canada. When I visited Washington I was greatly inspired. It is a splendid city and worthy of the name it bears as the capital of the United States. I should like to see Ottawa developed along the same lines—not as a federal district, but as a capital city that we would all feel proud of whether we live here or in Moncton or any other part of Canada.

With the Government owning and controlling \$65,000,000 worth of property and buildings in Ottawa, which represents over 25 per cent of the total value of buildings and property in the city, it must appear to you gentlemen that \$100,000 is wholly inadequate for the services we are rendering to the federal Government to-day. I am confident it must so appear to you; I cannot see how you could feel otherwise. We have to maintain our fire department at a high rate of efficiency, and I would say that our whole civic service is catering to the needs of the federal Government in snow removal, sewer extension and fire protection; in everything we are catering to the federal Government, and the heads of the department responsible for those services are trying their hardest to please the federal Government. All that reflects back on the taxpayers.

Mr. REID: Go easy on the snow removal.

Alderman COULTER: If we were not cleaning the streets in the uptown area and around the Government buildings, then the people out in the residential parts of the city would get better service during the year on the same amount of money which is being expended to-day, and which our taxpayers have to pay.

I am not going to take much more of your time, gentlemen, but I wish to leave this thought with you. If each individual in Canada—the people who send you to Parliament, and who, I think, are very proud of our country and our capital—if each one expended three four-cent stamps a year it would make possible this increased grant to the city of Ottawa. That is not much to ask of any individual. When you average that up across the country there might be some who could not afford three four-cent stamps, but surely to goodness it should be possible for the rest of our people to make up the fair and equitable grant which we are asking of you gentlemen to-day.

Hon. Mr. LEGER: Outside of the grant of \$100,000, is the Government paying anything for fire protection?

Alderman COULTER: Absolutely not.

Hon. Mr. LEGER: You give to the federal Government the same fire protection that you give to the individual taxpayer?

Alderman COULTER: I made the statement that we maintain our fire protection service on a higher grade of efficiency than we do for our ordinary citizens.

Mr. REID: Alderman Coulter, I have listened very attentively to your excellent speech and I wish to ask you a few questions based on it. First of

all, may I say that when you compare the city of Toronto taxation with that of Ottawa—

Alderman COULTER: The mill rate.

Mr. REID: Yes, the mill rate. As Mr. McLean pointed out, the mill rate does not reveal any reliable picture in taxation. If once we took into account other cities outside of Ottawa we should be here a long time.

Alderman COULTER: I agree with you.

Mr. REID: And I don't know that we would reach any satisfactory result.

Alderman COULTER: I just wanted to say that over this long period Ottawa's tax rate had been considerably higher, in many cases four or five mills higher, and that under the Ontario Municipal Act property is supposed to be assessed in the same way throughout the province.

Mr. REID: You opened up a very wide question when you spoke about the Government owning 25 per cent of the taxable property in the city of Ottawa.

Alderman COULTER: Yes.

Mr. REID: This committee has been set up to deal with Ottawa's special problems, and if we went into the question of the Government owning property in certain cities the scope of our work would be considerably extended. As I pointed out earlier, there are districts where the Government owns 75 per cent of the taxable property.

Alderman COULTER: I was pointing out that \$65,000,000 was a considerable sum of money, and it must be apparent to the members of this committee that if that represents a quarter of the total value of local taxable property, then \$100,000 does not in any way compensate the city for the services we render the federal Government.

Mr. REID: I merely mention that in passing. You dealt in your opening remarks with a master plan, and you told us about the need for a new City Hall and other improvements, and to all of which I am heartily in agreement with you. But I wonder why no steps have been taken by the city itself towards doing any of the things you have mentioned. Is it because the City Council and the citizens generally feel that if they wait long enough perhaps the Dominion Government will come forward with more national help than in the past?

Alderman COULTER: I would answer you, Mr. Reid, in this way. There always has been the hope, and I believe the average citizen of Ottawa is firmly convinced that the present grant is not adequate.

Mr. REID: You are looking towards this city being the Washington of the North?

Alderman COULTER: Yes.

Mr. REID: It is a very fine goal to strive for. I hope you will not mind my mentioning this matter, but take your streets, if I was on the City Council I think I would make an attempt to take the street cars off the main streets and modernize those streets.

Alderman COULTER: I could show you that that has been the desire of the City.

Hon. Mr. LEGER: Then there is the garbage dump.

Mr. REID: In my city there are no street cars on the streets. Once the streets are so cleared you realize what a great improvement has been effected, and you appreciate how much pleasanter it is to live on those streets without street cars. Those street cars have been replaced by electric buses and motor buses, which move into the curb to take on and let off passengers. Anyone who, as I have, has ever driven a motor car through this city knows what a nightmare it is to follow behind street-car traffic.

Alderman COULTER: I agree with you there.

Mr. REID: Have any steps been taken by the City towards that end?

Alderman COULTER: There have been. First of all, Mr. Reid, I might point out to you that the Ottawa Electric Railway is a privately-owned company. It is operating on the city streets under a charter.

Mr. REID: So they are in most cities.

Alderman COULTER: And the City Council had not the right to order the company to take the street cars off the streets and substitute buses. But I believe in the long range view that will have to come.

Mr. REID: Surely there is no charter which gives a company a perpetual right to operate street cars. Transportation, yes, but not street cars.

Alderman COULTER: Yes, I think it was.

Mr. BOUCHER: Is not part of the answer the fact that the City of Ottawa has been at least handicapped in making improvements by two things: First of all, a lack of co-operation between the Government and the City of Ottawa in the development of the City as a national capital, and secondly, limitations placed upon capital expenditure by the Department of Municipal Affairs?

Alderman COULTER: That is quite right. We cannot go out as a municipality and spend large sums of the money of the citizens of Ottawa without the approval of the Municipal Board. There is a controlling factor there. Many of these suggestions could very well be studied by the Board which I have proposed, embracing all interested parties, who could take part in the development of the national capital.

Mr. McILRAITH: Suppose an improvement had been undertaken, and the City had agreed and the Dominion had agreed, the Municipal Board could prevent it.

Alderman COULTER: Absolutely. They are supreme.

Mr. LEGER: Since when has there been such a Board?

Alderman COULTER: The Ontario Municipal Board? It has been in operation for ten or twelve years.

Mr. MEDCALF: It is only for the last twelve years it has exercised control.

Mr. McILRAITH: Prior to that you had to have a vote of the ratepayers.

Alderman COULTER: You still have to have a vote of the ratepayers, and then the matter is referred to the Ontario Municipal Board for approval.

Hon. Mr. LEGER: That is only as to capital expenditures.

Alderman COULTER: That is right.

Mr. REID: Again I ask if one of the principal reasons for not putting in improvements is not a lack of help or co-operation from the Federal Government.

Alderman COULTER: It is mainly a case of expenditure of money. We as a City Council cannot go out and harness on to the taxpayers large capital expenditures, and run the city into great extravagance. We know improvements are needed, and we are looking to the Federal Government and hoping for a larger grant. I do not believe it is the intention to use all that money to reduce taxation, but rather to improve the City of Ottawa along the lines proposed all through this hearing.

Mr. McILRAITH: You spoke of two good improvements. One is the sewage disposal. Have any plans actually been developed on that subject?

Alderman COULTER: No definite plans. There have been studies made of sewage disposal and an incinerator.

Mr. McILRAITH: Have they made any estimate of the cost.

Alderman COULTER: They have had estimates from other cities, but nothing has been definitely appropriated for that purpose.

Mr. McLEAN: I should like to mildly support what has been said as to the advantages to the city of employment. The alderman has indicated a lack of ability to secure more taxes. I think that is correct so far as the mercantile institutions of the city are concerned; so far as enabling them to pay more taxes I do not think the employment of all these people is of much benefit. But after all, the revenue of the municipality comes from taxation on property.

Alderman COULTER: That is right.

Mr. McLEAN: And I think that is badly in need of revision.

Alderman COULTER: Unfortunately that is the set-up.

Mr. McLEAN: I think what the members of the Committee had in mind in pointing out the advantages of having a concentration of Government departments is the fact that all these people must live some place, and if it is of benefit to the city it would be reflected in the help it would give property owners to pay taxes. In other words, rentals now are as high as they could be.

Alderman COULTER: Under the rent control, they are fixed.

Mr. McLEAN: But surely the large increase in permanent Government officials ought to be reflected in a large increase in potential taxation from residential property.

Alderman COULTER: Undoubtedly there is a connection there.

Mr. McLEAN: I just say this in defence of those who say that it is a consideration.

Alderman COULTER: The same argument might apply in regard to owners of large apartment blocks. They may be making a profit, although controlled by the Federal Government, but that is not enhancing the City Treasury. But I believe the increase in population and the building of new homes will.

Mr. McLEAN: I was very much interested in what you said about a joint board. That is a consideration we will not be able to deal with before the House adjourns, but I think careful consideration would have to be given by the city, as well as the Government, to the composition of that board.

Alderman COULTER: I am only making personal suggestions. Our Committee have already submitted a brief, to which we gave deep study. I am only giving my own personal observations as an alderman and a merchant of the city, and saying the \$100,000 grant is not adequate.

Mr. REID: Over the past two or three years has there been any tendency on the part of the people of Ottawa to live outside the city and avoid contributing to the city but at the same time to get all the benefits of the city?

Alderman COULTER: Definitely.

Mr. REID: I have noticed one result. You see districts going up outside. They contribute nothing to the city, yet, in fact, their life and business is in the city. That would be a loss of revenue, too.

Alderman COULTER: Definitely.

Mr. BOUCHER: But the business they do in the city is of some benefit to the city.

Alderman COULTER: We are hoping that sooner or later these particular areas will be absorbed into the city.

Mr. PURDY: Can you give any estimate of the number of these people who live outside the city?

Alderman COULTER: I would not like to hazard a guess.

Mr. McILRAITH: It would be very large.

Alderman COULTER: It is large, indeed. It is not always a case of Government employees wanting to go out there, but of being forced to do so by lack of accommodation in the city.

Mr. BOUCHER: I suppose the city of Ottawa would like to take in part of my riding, the best section.

Alderman COULTER: You have a very nice section, but I should like to see it developed more progressively.

Mr. REID: Am I right in understanding that under the charter of the company the street cars cannot be taken off the street?

Alderman COULTER: They have a perpetual charter for operation.

Mr. REID: For street cars alone?

Alderman COULTER: No, it is for street cars, buses or other modes of transportation.

Mr. REID: Then you have the right to take the street cars off the streets?

Mr. MEDCALF: No, that lies within the discretion of the company.

Alderman COULTER: That could be the subject of study under the proposal I have outlined for a board.

Mr. REID: You cannot have a modern city with street cars.

Alderman COULTER: I agree with you on that, Mr. Reid.

Mr. REID: Their removal from the streets would be a start.

Mr. McLEAN: I should like to make one or two more remarks in connection with the observations I commenced to make in connection with this board. We have here very able controllers and aldermen, and I want to congratulate the Mayor on the very excellent and able assistants he has. I have no doubt that here, as in other municipalities, we have men who will be future mayors of the city, and the thought I should like to throw out is this: if Ottawa is to be made the sort of capital city they have in mind, a city which the country will be proud of and to the support of which it will contribute liberally, there will be a development to which the city will have to come, perhaps reluctantly. I have been mayor of a town, and I know that we like to run our own town. But I think there will come a time when there will have to be a considerable amount of giving up of municipal authorities and powers. That is something which is not tasteful to municipal bodies, but I think that is one thing the city will have to keep in mind if Ottawa is to be outstanding as the capital city of the Dominion. There will have to be a considerable reduction in the authority and powers of those in charge of the city's affairs and the people of Ottawa.

Alderman COULTER: That is quite right. We have already lost a certain amount of authority to the Ontario Municipal Board. But I think the control is good and is worth it.

Mr. McLEAN: That is a control exercised by a provincial body to prevent municipalities from making extravagant expenditures and in that way going bankrupt. But I am thinking of the normal control the City of Ottawa has in regard to planning and the type of buildings to be erected.

Alderman COULTER: Don't you think that if a board of the type I propose were set up, bringing in members of Parliament, representatives of the Federal District Commission and the Civil Service Association, it would exercise a certain amount of control over us in the expenditures made to improve the city? There would be a control there.

Mr. McLEAN: I have some reservations as to the advisability of that board being composed largely of people who are elected from year to year.

Alderman COULTER: They would have to report back to the City Council, which would be the governing body, and would be elected to represent the people of Ottawa. They would be only representatives.

Mr. McLEAN: I think both the city and the board would run into a very great deal of trouble.

Alderman COULTER: Undoubtedly; but I think we should have some control, whether it be by the board proposed or some other board; and a master plan should be laid down before areas like Mr. Boucher's go ahead, areas which we are hoping to absorb some day.

Mr. BOUCHER: Wouldn't the board you speak of almost necessitate a Federal District?

Alderman COULTER: I don't think so. I think we could function as a City Council, as we are doing; and that board should be made responsible to the City Council.

Mr. BOUCHER: But the board has a very small proportion of its members from the City Council.

Mr. McILRAITH: Why would the board be responsible to the City Council if the Dominion Government were going to contribute largely?

Alderman COULTER: They would have representation on the board.

Mr. McILRAITH: The board would not be answerable only to the City Council. That would seem unreasonable.

The CHAIRMAN (*Mr. Gregory*): I think you said the City Council's representatives on the board would report.

Alderman COULTER: Yes, to the City Council.

The CHAIRMAN (*Mr. Gregory*): And the rest of the board—

Alderman COULTER: —would report to those they represent.

Mr. McILRAITH: You have very much that type of board now in the Federal District Commission.

Alderman COULTER: I agree, but I do not think that Commission should step into commercial sections of the city and lay out changes. They are not set up for that.

Mr. McILRAITH: By statute the Mayor of the city is a member of the Federal District Commission.

Alderman COULTER: That is correct, but I think the Federal District Commission should continue to carry on in the same way they are carrying on now.

Mr. McLEAN: But they are not responsible to the city.

Alderman COULTER: They are to the Parliament of Canada.

Mr. McLEAN: That is the point with regard to which I had reservations, because if this work is to be done as it ought to be done, the city with their present high taxation, and the ordinary improvements necessary, cannot afford to undertake what we have in mind. The Dominion will have to pay for it. That being the case, I think the board would have to be primarily responsible to the Dominion of Canada.

Alderman COULTER: They would be, through their representatives. I am not suggesting that these improvements all be carried out at once, but that a master plan be evolved at once so that we would know where we are going in the future.

Mr. REID: In your remarks this morning you mentioned snow removal, and pointed out that a great deal of the work done was of great benefit to the Government. My question is this. Are the people taxed specially for snow removal?

Alderman COULTER: It all goes into the general fund.

Mr. REID: Are you under obligation to clear the snow?

Alderman COULTER: Yes, there is a certain obligation there.

The CHAIRMAN (*Mr. Gregory*): There is no frontage tax?

Alderman COULTER: No, not for that purpose, but the roadways must be made reasonably passable, as they are to-day. The public demand that.

Mr. REID: In the question I am about to ask I do not want anything to be taken out of it other than a desire to secure information. I live out on First Avenue. In walking back and forth I see great crews of men shovelling snow. Sometimes the thought has come to my mind that the number of men employed was greater in the heat of an election than at other times.

Some MEMBERS of the Committee: Oh, oh.

Mr. REID: My question is this—

Alderman COULTER: You said you lived on First avenue. That is not in my ward.

Mr. REID: I don't know whose ward it is, but my question is this: In view of the duplication of work and machinery under the present method of snow removal by the Federal District Commission and by the city, do you think it would be of advantage to place this entirely under the Federal District Commission?

Alderman COULTER: No.

Mr. PURDY: Has the Ottawa Street Railway any responsibility for the removal of the snow?

Alderman COULTER: No. They do certain snow removal work, but the city pays for it.

The CHAIRMAN (*Hon. Mr. Copp*): Alderman Coulter, you stated the value of the buildings that had been expropriated by the Government of Canada.

Alderman COULTER: Yes, sir; about seven and a half million dollars.

The CHAIRMAN (*Hon. Mr. Copp*): Those expropriations were carried on over what period?

Alderman COULTER: The last twenty years, I think. Of course, expropriations were accelerated in the last five or six years.

The CHAIRMAN (*Hon. Mr. Copp*): A good many new houses and apartment buildings have been erected to house the additional population that has come to Ottawa because it is the seat of Government. To what extent did the taxes from these new buildings offset the loss of taxes on the buildings expropriated by the Government?

Alderman COULTER: I have not figures for that, sir.

Mr. McLEAN: There has not been anything like the amount of private building that there would have been if times had been normal?

Alderman COULTER: No. There has been a certain falling off due to the inability to get priorities for building material. You know that we have an overcrowded condition in our city.

Mr. McLEAN: Do you believe that after the war there will be a large building program in Ottawa to supply the demand for apartment houses and private houses?

Alderman COULTER: I would not like to make a guess about that, sir.

Mr. McLEAN: There is a great need for more accommodation?

Alderman COULTER: Yes. But whether the building program will be undertaken will depend upon financial and labour conditions after the war.

Mr. McLEAN: It can hardly be expected that the people will continue to be satisfied to live crowded together as they are now.

Alderman COULTER: I expect quite a growth in the city of Ottawa.

Mr. McLEAN: That should help the city?

Alderman COULTER: Yes. That is why I feel that the agreement between the Government and the city should be open to revision every ten years or so. The present grant is totally inadequate, but I would not make a guess as to

what the situation might be twenty years hence—we might be so prosperous then as not to need a grant. But the present grant certainly does not compensate the city for the services rendered.

The CHAIRMAN (*Mr. Gregory*): Are there any further questions to be asked of Alderman Coulter? If not, we shall pass on to the next witness.

Mayor LEWIS: Gentlemen, I should like Mr. Askwith, the Commissioner of Works, to give some figures. There seems to be some question about snow removal. I want to assure the Committee that the City does not remove snow from private property. The Federal District Commission removes snow from Government-owned properties inside the street lines, and the City takes care of snow removal on the streets. I should like Mr. Askwith to answer any questions about that, and also about sewage disposal.

Works Commissioner ASKWITH: Mr. Chairman and gentlemen, someone, I think it was Mr. McLean, made a remark to the effect that there had not been heavy capital expenditures in Ottawa. With regard to sewerage, during the period from 1932 to 1939 upwards of \$2,600,000 was expended by the Corporation on storm or relief sewers. There has also been some question about the degree of pollution of the Ottawa river, into which we dump our sewage. There are ten outlets, the lower one being down on John street, east of the Rideau river, and the upper one at the tail-race at Pooley's bridge—the eight other outlets being in between those points. To provide sewage disposal works we would have to have pumping plants and an intercepting sewer or more than one to deliver the sewage to some place at the easterly end of the City, at a site to be determined. The cost of the sewage disposal works, using present day methods, would be upwards of four million dollars.

Mr. REID: Of course, they might be an asset. The plants at Chicago and some other places across the line are almost self-sustaining.

Commissioner ASKWITH: I know of only one that is, Mr. Reid. Ottawa is at present sewered on the combined system. That is to say, the sanitary flow and storm water are discharged into the one system of pipes. That means that our plant would have to be much larger than if it were for disposal of sanitary waste only. Our domestic sewage is what might be termed very weak sewage, over ninety-eight per cent of the total volume being water and less than two per cent sewage. So the discharge into the river is not so bad as most people may believe. However, as I said before, I think a sewage disposal plant should be constructed after an agreement is reached between the provinces of Ontario and Quebec. An agreement would be necessary because, as you know, the Ottawa river is a boundary stream between the two provinces.

Mr. McILRAITH: Then the Dominion would have jurisdiction, would it not, rather than the provinces?

Mr. PURDY: Is it a navigable river?

Commissioner ASKWITH: Yes.

The grouping of the Government buildings does not lend itself to drainage, only as regards the main group. For instance, there are a number of new buildings at the Experimental Farm, and they all have their drainage into a city main sewer.

Mr. McILRAITH: Those buildings owned by the Government are located outside the City, but they are drained into a city sewer?

Commissioner ASKWITH: That is correct.

Mr. McILRAITH: And there is no special compensation for that service, is there?

Commissioner ASKWITH: Only token payment. The City makes a small levy per foot frontage, for the outlets. The charge is seven cents a foot for

three hundred and sixty-three feet, if I remember correctly, making a payment of \$25.41 per annum by the Dominion. If the Dominion Government had to provide its own outlets from that group of buildings to the Ottawa river it would cost the Government approximately \$250,000. That would cover a forty-eight-inch pipe, which would be required for the drainage area. I do not think the City has collected anything from the Government for drainage from any of the Government buildings, for most of the sewers were built over a long period of years under the local improvement plan, whereby the cost is paid by the owners of the abutting properties.

Until 1920 the Federal Government did not contribute anything towards local improvement works. In that year they entered into an agreement with the Corporation, and at present they pay their share based on the frontage of certain properties. I know of only three local improvement jobs towards which the Government contribute; that is the pavement on Wellington street, from Bank street to Connaught Place; the pavement on Mackenzie avenue, from Rideau street to St. Patrick street; and a short piece on St. Patrick street, from Sussex street to the approaches to the Interprovincial bridge. But I know of no contributions made by the Government for sewer construction.

Mr. REID: When the Government erects new buildings does it simply connect its sewage pipes to the city's sewer mains without your leave?

Commissioner ASKWITH: Oh, no, Mr. Reid. The Corporation was approached in a proper manner by the Department of Public Works and was glad to grant the facilities.

Mr. REID: But the Government does not contribute anything for the use of the sewers?

Commissioner ASKWITH: No, except the small payment that I mentioned, based on a charge of 7 cents a foot frontage.

Mr. REID: I wanted to make a comparison as between the Government and private parties. Suppose a private contractor opened up a subdivision and built a number of homes. Would you construct a sewer along the street without receiving any contribution from the private contractor for that local improvement?

Commissioner ASKWITH: I am glad you asked that question, Mr. Reid, because on numerous occasions it has happened that houses have been constructed on streets which are boundary lines between Ottawa and adjoining municipalities, and application has been made for permission to connect these properties with city sewers. In a number of cases those applications have been granted, on condition that the applicant pay the capital cost of the local improvement sewer opposite his property, and in addition the outlet charge of 7 cents per foot.

Mr. REID: The Government is given much better treatment than is afforded to private parties?

Commissioner ASKWITH: Yes. At the present time the Government does not pay the capital cost, but private parties do.

Mr. BOUCHER: Likewise, if outside municipalities connect with Ottawa sewers they must pay the capital cost? For instance, if Rockcliffe or Westboro or Billings Bridge wanted to connect with the Ottawa sewerage system, they would have to pay the capital cost of the connecting sewers, plus the outlet charge?

Commissioner ASKWITH: Yes.

Mr. REID: It would seem to me that the city has a real grievance, if the Government can drain into the city's sewers without making any contribution to the cost.

Commissioner ASKWITH: That applies to all Government buildings throughout the city, not only the group of buildings I have mentioned. The Government is permitted to make connection to city sewers wherever necessary, but it does not pay any part of the capital cost.

Hon. Mr. LEGER: But the Government does some of the work itself, does it not?

Commissioner ASKWITH: Only in the laying of its private mains, sir, from the building to the sewer. Every private owner has to construct his own drain from his building to the sewer.

Mr. PURDY: The former owners of properties that have been taken over by the Government paid their share of the capital cost of sewers?

Commissioner ASKWITH: Yes, up to the time that the Government took the buildings over.

Mr. REID: Coming again to the question of dumping sewage into the Ottawa river, may I ask you if that is a navigable river?

Commissioner ASKWITH: Yes, I think the Ottawa river can be considered a navigable stream.

Mr. REID: If it is a navigable stream within the meaning of the Navigable Waters' Protection Act, it would be under the jurisdiction of the Dominion Government, and the Government would have to be consulted before any sewage could be dumped into the river.

Commissioner ASKWITH: I could not tell you about that, sir.

Hon. Mr. LEGER: Is it a tidal river?

Commissioner ASKWITH: No, sir.

Mr. McLLRAITH: You said that most of the sewage dumped into the Ottawa river was water. I take it that you are familiar with the area around the Ottawa and New Edinburgh Canoe Club.

Commissioner ASKWITH: I swam there many years.

Mr. McLLRAITH: You do not swim there now, do you?

Commissioner ASKWITH: Not in late years.

Mr. McLLRAITH: Why do you not swim there now?

Commissioner ASKWITH: It is not as convenient as my present swimming hole.

Mr. McLLRAITH: Are you familiar with the raw sewage that flows past there?

Commissioner ASKWITH: At times some is noticeable. But beyond there it is not, when you get down opposite Kettle Island.

Mr. McLLRAITH: That is seven miles away; but along the shore where the canoe club is situated raw sewage is quite evident.

Mr. REID: After all, Mr. Askwith, when you say that 98 per cent of the discharge into the river is water and 2 per cent is sewage, that does not give us a true picture. There are nearly 200,000 people living in Ottawa so there must be a great deal of sewage going into the river.

Commissioner ASKWITH: But there is an immense volume of water passing through the pipes.

Mr. McLLRAITH: It is quite fair to say, is it not, that the sewerage problem will have to be faced at some time in the not too distant future?

Commissioner ASKWITH: As a matter of fact, we have made surveys, and we know that the cost of the work will be very high.

Mr. McLLRAITH: The cost is the factor preventing you from proceeding with the work?

Commissioner ASKWITH: That is the chief reason why not much progress has been made. Later on a report will be presented for consideration.

Mr. McILRAITH: Is anything being done about that now?

Commissioner ASKWITH: We are working on the scheme, but we have no plans ready yet. We have some calculations made.

Mr. McILRAITH: It is under way?

Commissioner ASKWITH: Yes.

Mr. REID: In connection with your plans, have you in mind a proper site where land is available?

Commissioner ASKWITH: Yes. We have our eye on a site that belongs to the Dominion Government, down near the old rifle ranges, a considerable distance east of Rockcliffe Park.

Mr. REID: Have any representations been made to the Government to hold the land for that purpose?

Commissioner ASKWITH: I do not think the Government would sell it, in any event.

If there are no other questions on that point, I shall go on to the snow removal. The city of Ottawa looks after snow plowing on about 148 miles of city streets, and the Ottawa Electric Railway Company on about 20 miles, there being in all about 168 miles of streets within the city limits. Under their agreement with the Corporation the Ottawa Electric Railway Company at their own expense sweep the track allowances and plow back to the kerb line of the sidewalks all the snow that falls. But they remove the snow in these areas, 20 miles in length, at the expense of the Corporation of Ottawa. Under the agreement they are the agents for the Corporation in the removal of snow on car-line streets.

Mr. BOUCHER: That was an agreement imposed on the city of Ottawa by a ruling of the Board of Transport Commissioners some years ago?

Commissioner ASKWITH: Yes.

Mr. REID: Is that a permanent agreement?

Commissioner ASKWITH: Up to 1933 the company did that work at their own expense, but since then it has been done at the expense of the Corporation of Ottawa.

Mr. BOUCHER: It was transferred to the City of Ottawa by the ruling of the Railway Board.

Commissioner ASKWITH: By the ruling of the Board of Transport.

Mayor LEWIS: It was an agreement confirmed by that ruling.

Commissioner ASKWITH: Yes.

The cost to the city of the electric railway snow removal alone last year was \$132,000. If you add to the city expenses for snow handling and removal, \$268,000, you have a grand total of \$400,000 expended in 1943 for snow handling.

Mr. REID: Between the city authorities—?

Commissioner ASKWITH: And the railway. But the Corporation had to pay the entire cost, amounting in all to \$400,000.

Mr. McLEAN: Would this not be a fair surmise to make, that during the depression years that work was done much more thoroughly than it would have been done if there had been no unemployment? It is a very big item.

Commissioner ASKWITH: This was not in any of the depression years, Mr. McLean, it is last year I am referring to. That was the heaviest year so far in snow removal. We hope it will be less this year.

Mr. McLEAN: Once a certain standard is established of snow removal it is very likely to carry on. I suggest that might have happened.

Commissioner ASKWITH: Our experience is that not only can we not take away the service, but we have to improve it. With that end in view the Corporation has recently purchased additional ploughing equipment, including snow loaders and ploughs.

Mr. McLEAN: To an outsider that service seems to be pretty good in the city of Ottawa.

Commissioner ASKWITH: It is fair, and it could be better, Mr. McLean. The city expects it to be better.

Mr. BOUCHER: You were referring to the year 1942-43 rather than to 1943-44, Commissioner Askwith?

Commissioner ASKWITH: Yes; but our fiscal year ends on December 31st, and the cost for the year 1943 amounted in all to \$400,000.

Mr. PURDY: You had a very heavy snowfall last December.

Commissioner ASKWITH: A year ago last December.

Mr. REID: What is your investment in machinery?

Commissioner ASKWITH: We provided in our estimate for 1943 an amount of \$50,000 for the purchase of new equipment.

Mr. REID: What would be your total investment now?

Commissioner ASKWITH: We have a total investment of about \$175,000 worth of snow-ploughing equipment. Some of that equipment is for general purposes, but we do use about \$175,000 worth of equipment in snow handling.

The point has been raised of duplication of services between the Federal District Commission and the Corporation in the matter of snow removal. That is not the case. The Federal District Commission do their own snow-ploughing work on the driveways in areas which they have always maintained.

Mr. BOUCHER: It is government-owned there.

Commissioner ASKWITH: Yes. Whereas the Corporation work is done only on the city streets. The Ottawa Electric Railway clears its street railway tracks.

Mr. REID: How does Ottawa compare with other cities in regard to snowfall? Where I come from nature looks after snow removal.

Commissioner ASKWITH: I think nature discriminates against Ottawa in that respect. Hamilton and Toronto have a much lighter snowfall.

Mr. McLEAN: There is no comparison at all between Ottawa and those two cities.

Mr. REID: What about Montreal?

Commissioner ASKWITH: It is comparable to Ottawa. I do not think there is any comparison in the services. I know that Toronto is a very well-run municipality, but the Corporation authorities there have had only a slight idea until the last year or two of how to handle snow-cleaning. I was in Toronto on one occasion when a six-inch fall of snow practically tied up all traffic. We think nothing of such a fall of snow here.

Mr. REID: The removal of snow from the sidewalks means that those sidewalks must be sanded, otherwise the City might be liable for accidents to pedestrians?

Commissioner ASKWITH: That is correct. That \$400,000 includes the cost of distributing sand and cinders as required; otherwise the City would be held responsible in case of personal injuries.

Mr. McILRAITH: Reverting to the question of sewage, have you any knowledge as to the relative cost to the Government as between Ottawa and outside areas with respect to sewage construction for new buildings?

Commissioner ASKWITH: No, not so far as construction of sewers is concerned.

Mr. McLLRAITH: No. I have in mind Government buildings in other areas where, I understand, the Government has put up a good many, and have had to spend a lot of money on sewage construction to service those buildings. Here that item does not exist?

Commissioner ASKWITH: I could not give you information on costs to the Government on outside sewage.

Mr. McLLRAITH: You have never made a study of that?

Commissioner ASKWITH: No.

There is one note I should like to add to my remarks. Last year the cost to the Corporation, through its engineering department, totalled \$953,000 for maintenance services alone, and that does not include waterworks maintenance. That figure of \$953,000 is more than double what it was twenty years ago.

Hon. Mr. LEGER: Do you expect a constant increase from year to year?

Commissioner ASKWITH: The cost has been increasing, sir, from year to year. The population is larger and consequently the services cost more.

The CHAIRMAN (*Mr. Gregory*): Are there any other questions, gentlemen? Thank you very much, Mr. Askwith.

Mayor Lewis, have you any other officers to present to the Committee at its next meeting?

Mayor LEWIS: Yes, Mr. Chairman. I should like Mr. Gordon, our Finance Commissioner, to give you a review of the financial set-up. We have other departmental men here at the present time. As Mayor of the City, I want to thank the Committee for the courtesy and attention with which they have received and listened to our group. I am going away for a short time, but I hope to be back before the Committee disperses.

Mr. BOUCHER: There is some pessimism in this Committee that we may still be here when you come back, Mr. Mayor.

The CHAIRMAN (*Mr. Gregory*): I am sure the Committee wish you a very pleasant trip south.

When shall we meet again, gentlemen, to-morrow morning?

Mr. McLLRAITH: Perhaps it might be well to decide our procedure before we meet again. I should like to suggest for consideration of the Committee that we hear the Commissioner of Finance, Mr. Gordon, to-morrow, and then meet by ourselves, for I think at that point we should be ready to meet without witnesses.

The CHAIRMAN (*Mr. Gregory*): I was going to raise that question, gentlemen. When we finish with Mr. Gordon to-morrow morning it will be for the Committee to decide its procedure. I presume we shall want to meet then in camera to discuss the evidence that has been adduced before the committee.

Mr. McLEAN: How many other City officials are we to hear from?

Mayor LEWIS: Mr. Gordon will be a considerable time.

The CHAIRMAN (*Mr. Gregory*): Then we will adjourn until to-morrow morning at 11.30.

At 1 p.m. the Committee adjourned until to-morrow at 11.30 a.m.

SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat of Government in the City of Ottawa and to Report on the Relations Between the Federal Government and Municipal Authorities of the said City and the Relative Responsibilities in Respect of Such Problems with Power to Inquire into the Matter and Things Therein Referred to.

No. 7

FRIDAY, JULY 21, 1944

WITNESSES:

Mr. Alan K. Hay, Consulting Engineer and Acting Superintendent,
Federal District Commission.

Mr. G. P. Gordon, Commissioner of Finance, City of Ottawa.
Controller Geldert, Acting Mayor of Ottawa.

OTTAWA

EDMOND CLOUTIER

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1944

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,
and Honourable Senators:

DuTremblay, P. R.
Lambert, N. P.
Leger, A. J.

Stevenson, J. J.
White, G. V.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*,
and Messrs.:

Boucher, G. R.
Coté, P. E.
Dechene, J. M.
Hill, B. M.
Knowles, S. H.
Marshall, J. A.
Matthews, J. E.

McIlraith, G. J.
McLean, G. A. (*Simcoe East*)
O'Brien, J. L.
Pinard, J. A.
Purdy, G. T.
Reid, T.
White, G. S.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White, be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,

Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

FRIDAY, 21st July, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 11.30 a.m

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

SENATE: The Honourable Senators Copp, Lambert and Leger.

HOUSE OF COMMONS: MESSRS. Boucher, Dechene, Gregory, Matthews, McIlraith and Reid.

In attendance:

The Official Reporters of the Senate.

Mr. J. M. Somerville, Secretary, Department of Public Works.

Mr. H. R. Cram, Secretary, Federal District Commission.

Controller Geldert, Acting Mayor; Controllers Bourque, Goodwin and McRae, and Alderman Coulter, Hamilton, Pinard and Powers, appeared as representatives of the Ottawa City Council.

Alan K. Hay, Consulting Engineer and Acting Superintendent, Federal District Commission, appeared and was heard with respect to the activities of the Commission, and conveyed to the Members of the Committee an invitation from the Chairman of the Federal District Commission to inspect the Commission's driveways and properties.

On motion of the Honourable Senator Lambert, it was:—

Resolved,—That the invitation of the Chairman of the Federal District Commission be accepted and that the inspection take place on Wednesday morning, 26th July, 1944.

Mr. G. P. Gordon, Commissioner of Finance for the City of Ottawa, appeared and submitted a statement of the debenture debt of the City of Ottawa as at December 31, 1943, and a statement shewing for the period 1920 to 1944 the Federal grants to the City of Ottawa, and the percentages of tax levies which the Federal grants represent.

Controller Geldert, Acting Mayor of Ottawa, appeared and was heard with respect to civic expenditures which have been deferred due to war conditions.

The Acting Mayor extended an invitation to the Members of the Committee to inspect the Civic Filtration plant following their inspection of the Federal District Commission's driveways and properties.

At 1.15 p.m., the Committee adjourned to Wednesday, 26th July, 1944, at 10.30 a.m.

Attest.

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

MINUTES OF EVIDENCE

THE SENATE,

FRIDAY, July 21, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review special problems arising out of the selection of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and the municipal authorities of the said city and their relative responsibilities in respect of such problems, with power to inquire into the matter and things therein referred to, met this day at 11.30 a.m.

Hon. A. B. Copp, P.C., Chairman, Senate Section.

Mr. J. A. Gregory, M.P., Chairman, House of Commons Section.

The CHAIRMAN (Mr. Gregory): Gentlemen, it has been suggested that we hear Mr. Hay, Acting Superintendent of the Federal District Commission, whose evidence will be very brief.

Mr. ALAN HAY, Consulting Engineer to the Federal District Commission and Acting Superintendent: Mr. Chairman and gentlemen, at this late stage of your proceedings I do not intend to make any extensive remarks but merely to reiterate some of the points made by Mr. Bronson in the brief which he submitted to you on June 28: First, that the Commission is not concerned in any discussion as regards the financial set-up between the Government and the City, and that the funds which the Commission expend on the driveways and for beautification are in no way a payment for services rendered—they are purely and simply a contribution of all the citizens of Canada through the Government as their share in the development and embellishment of Ottawa as a national capital.

Mr. McILRAITH: Of the area, not the city?

Mr. HAY: Of the area, yes. When I say "Ottawa" I mean the national district.

The other point that I wish to comment on is planning. A number of witnesses and certainly the members of this Committee from time to time have made it quite plain that they consider the future improvements in the area should be preceded by some measure of broad planning, and to that the Commission partly subscribes. But in the brief we have pointed out two specific things that might be done right away to form a basis for such planning: first, that the Commission is at the present time a going institution and should have control of the placement and of the design of all Government buildings, for whatever department of the Government they may be erected. That is not the case at the present time.

Hon. Mr. LEGER: When you speak of the Commission, you mean what?

Mr. HAY: The Federal District Commission. We do have an arrangement at the moment with a number of departments, and particularly with the Department of Public Works we have a say, but only on sufferance, you might put it. That has not always been the case in the past, and it may not always be the case in the future. The Commission considers that it is the proper body to act

as a clearing house, and that any department of Government which wishes to erect a building, build a road or improve an area in this part of the country should submit its plans to the Commission.

Mr. McILRAITH: So that they can be co-ordinated?

Mr. HAY: So that they can be properly co-ordinated. As you gentlemen know, things have been done in the past—almost over night, in some instances—in such a way that the results have not been altogether happy.

Mr. BOUCHER: Mr. Hay, is that submission not true to a lesser degree in so far as the City itself is concerned?

Mr. HAY: Yes.

The CHAIRMAN (Mr. Gregory): Just what do you mean by that question, Mr. Boucher?

Mr. BOUCHER: Mr. Hay has said that in his opinion departments of the Government should not erect buildings in the environment of Ottawa without first consulting with and getting the approval of the Federal District Commission. I say to him that to a lesser degree that is true of civic public buildings, and civic planning, town planning and management.

Mr. HAY: I would even go further, Mr. Boucher. I think that eventually the Commission might very well have control, in some form or another, of all buildings erected on main thoroughfares—that is, I mean, control with regard to their appearance and so forth.

Mr. McILRAITH: When you say main thoroughfares, do you mean main city thoroughfares or the driveway system?

Mr. HAY: I am referring to the driveway system for the present, but I think that eventually either the Federal District Commission or some other body should have a co-ordinating control of all the main thoroughfares.

Mr. BOUCHER: I agree that as to buildings along the Federal District Commission driveways and thoroughfares the time has come when the Commission should have a definite say, but it does not seem to me that this Committee should recommend that the Commission, as now constituted, should have arbitrary authority over construction generally in the City of Ottawa.

Mr. HAY: I agree, sir. I was only saying that it would appear that at some time in the future either the Federal District Commission or some other body should be given control as regards the type of buildings that may be erected on the main thoroughfares. We are not suggesting that that control be given now.

Mr. BOUCHER: Two suggestions have been made before this Committee. One was that a new co-ordinating body be set up that would act with authority over both civic management and Federal District Commission management. The second suggestion was that the Federal District Commission itself be reconstituted or enlarged to effect a better co-ordination between Ottawa as a capital city and Ottawa as a municipal corporation. Would you care to say which of these two alternatives you would recommend at this date?

Mr. HAY: Well, sir, that is probably a matter of policy. I am only an official of the Commission, and it would not be appropriate for me to express an opinion about that.

Mr. McILRAITH: You are an engineer in the employ of the Commission?

Mr. HAY: Yes.

Mr. BOUCHER: I felt that I should point out to you that those suggestions have been made.

Mr. HAY: It has to be remembered, sir, that the Commission has done what we hope is a creditable job in improving the driveways, parkways and so on, and Ottawa is considered a beautiful city in summer. But the rigors of our climate are such that for six months of the year there are no leaves on the trees, there is no growth, and the only way of beautifying Ottawa as a capital is to have beautiful buildings, properly placed and properly regulated. This is extremely important.

That brings up the second point in Mr. Bronson's brief. We believe that the Federal District Commission should have some measure of control over property fronting upon the driveways, areas, public buildings and so forth. That arises out of the first submission.

Mr. BOUCHER: Mr. Hay, may I interrupt to ask another question? Do you not think the time is long past due when there should be greater co-ordination as to town planning between the Federal District Commission and the city corporation?

Mr. HAY: Yes, sir.

The other point in the brief—this is the third and final matter to which I wish to refer—is that the one fundamental basis for improving the planning of this area is a re-hash of the railway systems running into Ottawa. That has been pointed out in the Holt plan and in the Greber plan. In our brief we have said that no broad planning can take place until something is done about the local railway situation. We suggest that the two railways be caused to get together and form a terminal company, and arrange for joint operation of the railway lines into Ottawa. That was suggested as far back as thirty years ago. If that recommendation were carried out it would do away with perhaps forty per cent of the tracks in the city. I know of one area in Ottawa, five miles long and half a mile wide, in which there are nine dangerous grade crossings on main highways. There have been a number of fatalities at those crossings. The problem presented by the cross-town tracks has been referred to before this Committee. The whole situation could be vastly improved if the two railways had joint or pooled operation of their services from a union terminal. That has been done to some extent in Toronto and Montreal.

Mr. REID: What equipment does the Federal District Commission possess, and how many men does it employ?

Mr. HAY: The number of our employees varies. At the present time, due to lack of man power and curtailment of activities, I suppose we have not more than two hundred employees altogether. There have been times in the past when we had as many as four hundred or five hundred.

Mr. REID: Have you much in the way of equipment?

Mr. HAY: Yes. The value of our equipment would run into several hundred thousands of dollars.

The CHAIRMAN (Mr. Gregory): Have you any snow-loading equipment?

Mr. HAY: No, sir. Our snow loading is all done by hand. During the depression our policy was to employ as many men as possible, and we did not buy any mechanical equipment. Now, when labour is scarce, we need mechanical equipment for snow loading, but unfortunately it cannot be obtained.

Mr. McILRAITH: Would it be feasible to take the members of the Committee around the driveways system?

Mr. HAY: I am glad you mentioned that. Mr. Bronson authorized me to extend to the Committee on his behalf an invitation to make a trip over the driveways system and see what has been accomplished. If the members could spare a day we would be very glad to take them through the Gatineau park, the Commission's most recent creation.

Mr. McILRAITH: I doubt if the Committee would be able to spare that much time. Would it be possible to take the members on a tour lasting about two or three hours?

Mr. HAY: Yes, sir. We will suit the convenience of the Committee.

The CHAIRMAN (Mr. Gregory): I think that is a good idea. We would have a better picture of what the Commission's functions are if we were shown some of the work it has done. Would Sunday afternoon be convenient for a tour?

Mr. BOUCHER: Sunday afternoon would not be convenient to me. Mr. Chairman. I would suggest that we choose some evening, between 7 and 9 o'clock.

Hon. Mr. LAMBERT: Mr. Chairman, in a private discussion with me after the Committee began its sittings, Mr. Bronson suggested that the Committee be taken on a tour of the Commission's properties, including Gatineau park. I think the idea is a good one. If we started from here at about 11 o'clock some morning, we could have lunch somewhere in the course of the tour and be back in time for the afternoon sittings of both Houses. The Commission would be glad to supply the means of transportation.

The CHAIRMAN (Mr. Gregory): Would someone make a motion stating a definite date and hour?

Hon. Mr. LAMBERT: I move that the invitation of Mr. Bronson, Chairman of the Federal District Commission, be accepted, and that if possible the tour be made next Wednesday morning, leaving from here at 11 o'clock.

Mr. McILRAITH: I would suggest that the Chairman of the Committee be allowed some latitude in fixing the hour of departure.

Hon. Mr. LAMBERT: When discussing the matter with me Mr. Bronson suggested that the party be made up of representatives not only of this Committee, but of the City and the Federal District Commission.

Mr. REID: Would it be possible to visit the filtration plant on the same tour?

Mr. BOUCHER: It is important that we should see the filtration plant.

Hon. Mr. LAMBERT: We could go there on the way back.

The CHAIRMAN (Mr. Gregory): Senator Lambert, is your motion that the tour be made on Wednesday morning, and that the details as to the hour and so on be left to the Chairman?

Hon. Mr. LAMBERT: Yes. Perhaps a meeting of the Committee might be called for 11 o'clock Wednesday morning, and have the meeting assume the form of a tour.

Mr. MATTHEWS: I think it would be better to meet at 10.30, so as to be sure to get away by 11.

The CHAIRMAN (Mr. Gregory): Gentlemen, are you ready for the question? The motion is that the Committee meet next Wednesday morning at 10.30, with a view to accepting the invitation of Mr. Bronson, Chairman of the Federal District Commission, to make a tour of properties under the Commission's jurisdiction.

The motion was agreed to.

Mr. BOUCHER: Mr. Hay, I understand that either the Federal District Commission or the Department of Public Works has a plan for relieving traffic congestion by building a driveway somewhere along the waterfront. Can you give the Committee any light on that?

Mr. HAY: No, sir. We have talked about it several times, but in a vague and preliminary way, but there is no specific plan.

Mr. BOUCHER: I understand that the Department of Public Works has an actual plan right now. In fact, I saw a copy of it a short while ago.

Mr. HAY: We have no knowledge of it, sir.

The CHAIRMAN (Mr. Gregory): Gentlemen, I understand that our next witness is to be Mr. G. P. Gordon, Commissioner of Finance of the City of Ottawa.

Mr. G. P. GORDON (Commissioner of Finance of the City of Ottawa): Mr. Chairman and gentlemen of the Committee, I should like first, with your permission, to give you some information with reference to the debenture debt set-up of the City. Yesterday one of the honourable members of the Committee asked for information in that connection, and I think it was suggested that I might give it. It is very important, and there has been no evidence given yet in that regard. After that, Mr. Chairman, with your permission I should like to run over in a summary way the main and salient points brought out by the City, with the purpose of adding information which would be valuable, and which has not yet been brought out. I should like also to touch briefly on some other points that have not yet been dealt with. Of course, I shall be happy to answer any questions which members of the Committee may ask me. In this way I think I shall be able to round out pretty well the City's case, clearly bringing out what the City desires to bring out, and showing the general tendency of the evidence. I think you will agree with me that it has been along lines definitely advantageous both to the Government and to the City as to the best methods of developing this great entity of municipality and national capital.

First, I should like to give you the following information with reference to the capital debt structure of the City as it was at the end of December, 1943, and then submit this statement.

The CHAIRMAN (Hon. Mr. Copp): Have you copies of that for members of the Committee?

Commissioner GORDON: No, Mr. Chairman, there are no copies for the members.

The total gross unmatured debenture debt at the end of 1943 was \$13,359,146.83. There were total accumulated sinking funds to be applied against that debt at the time of \$3,825,665.06. This leaves an actual net total unmatured debenture debt of \$9,533,481.77. That total debt of over \$9,000,000 includes not only the debt which will be met from taxation, but also the debt of self-supporting utilities, the hydro-electric and the waterworks.

I will come now to the distribution to show what is the net debt to be met from taxation. The total gross unmatured debenture debt, as I have stated, is \$13,359,146.83. The gross unmatured debenture debt of the public utilities, that is, self-supporting debt which will be met from profits of these utilities, is \$4,603,001.31. The total of the sinking funds is \$3,825,665.06. Deduct from that total public utilities sinking funds of \$1,984,206.16 and you have a figure

of \$1,841,456.90. If you add that to the gross unmatured debenture debt of self-supporting utilities you get a total of \$6,444,458.21. That is debt which has not got to be met from taxation. Deducting that \$6,444,458.21 from the \$13,359,146.83, leaves a net unmatured debenture debt to be retired from taxation of \$6,914,688.62. That is an extremely low debt for a municipality of this size, and is far and away the lowest per capita debt of any of the larger municipalities in the Dominion.

Mr. REID: You have given a figure of over \$1,000,000 for sinking funds in the public utilities, and then you added another sinking fund of over \$4,000,000.

Commissioner GORDON: No, the \$4,603,001.31 is gross unmatured debenture debt of the public utilities. The total amount of sinking funds is \$3,825,665.06, off which you take \$1,984,208.16, being the sinking funds of the public utilities.

Hon. Mr. LEGER: Could you give the average rate of interest on your debenture debt?

Commissioner GORDON: Yes. The rates of interest vary from the days when Ottawa did not have the very fine financial position that it has to-day and interest rates were higher. The interest rates would go as high as 6 per cent to as low as 1 per cent in more recent years. Quite recently we issued three-year debentures on a 1 per cent basis, and we got that money at an actual net cost to the City of less than 1 per cent. The average rate is around 4 per cent at the present time, but that average is rapidly coming down.

The gross unmatured debenture debt of the public utilities is distributed as to waterworks, \$4,419,063.74 and as to hydro-electric, \$183,937.57, representing a total of \$4,603,001.31.

There is held in sinking fund against retirement of this public utilities debenture debt \$1,938,558.56 for waterworks and \$45,619.60 for hydro-electric.

Mr. REID: What is included in the public utilities debt?

Commissioner GORDON: We have only two utilities, the waterworks and the hydro-electric.

The net debt of these two public utilities is \$2,480,475.18 for the waterworks and \$138,317.97 for the hydro-electric.

With reference to the debenture debt situation of the City, I may point out that it has been the policy of the City Council to endeavour to reduce the debt as far as is reasonably possible in order to get the City on a pay-as-you-go basis, thus reducing the debt charges—which are included in the tax levied from year to year. That policy has been very successfully carried out. Of course, during the last several years it has also been the policy of the City to issue as few new debentures as possible, and also to finance projects through ordinary taxation instead of, as formerly, through debenture issues. That policy, too, has been very successfully carried out. I might add that instead of issuing debentures for periods running from thirty to as long as even forty years, the tendency has been to bring our debenture issues down to the shortest possible maturity, that is, three, five or ten years. A tremendous advantage has been derived from that practice. Take, say, a twenty-year debenture issue of \$1,000,000 at 5 per cent; you pay out a solid million in repaying that capital charge, and you pay out another solid million in interest.

Mr. REID: Does the City buy any of its high interest debentures and make a new issue at a lower rate?

Commissioner GORDON: The City is in both a fortunate and a very unfortunate position. It is in this fortunate position, that over recent years it has developed a very high credit,—a credit comparable to that of the Dominion Government.

The CHAIRMAN (Hon. Mr. Copp): Do you suggest that the City should assist the Government, instead of the Government assisting the City?

Commissioner GORDON: I think, Mr. Chairman, by the time we are through with these very genial meetings, it will be found that the City of Ottawa and the Dominion Government cannot be dissociated the one from the other.

Mr. REID: In other words, the worst is yet to come.

Commissioner GORDON: I do not think so.

I was pointing out that while the financial position is very favourable, in that the City can get such low rates for its debenture borrowings, unfortunately it cannot go out into the market and buy its own bonds profitably, in view of the fact that owing to the strong financial position of the City you will find that when its bonds are on the market—and they are very rarely there—they are quoted at such a high price that it does not pay the City to buy them in. Of course, we should like to buy them back.

Hon. Mr. LEGER: I suppose that debt of about \$7,000,000 was largely for the construction of streets and side-walks?

Commissioner GORDON: It was for many things, Senator Leger. The debt has been incurred for all projects of large expenditure, such as schools, and so on. True, side-walks and sewers do figure in that expenditure.

Hon. Mr. LEGER: You have mentioned schools. Have you not a separate board for schools?

Commissioner GORDON: Oh, yes, but still those debentures must be met, and in this province public school debentures are direct obligations of the municipal authority.

Hon. Mr. LEGER: It is different down home.

Commissioner GORDON: Yes, there are variations in the different provinces; but in Ontario the public school debenture debt is a direct charge against the rateable property of the city or other municipal district, although of course the meeting of that debt comes through the estimates of the Public School Board.

Mr. REID: What is the total estimated value of buildings and improvements in the City of Ottawa?

Commissioner GORDON: There is an assessed value for taxation for 1943 of \$162,832,395.

Mr. McILRAITH: Does that include all property?

Commissioner GORDON: I was just going to add that there are exemptions not included in that total amounting to \$102,552,039.

Mr. McILRAITH: Of those total exemptions, what amount is for the Dominion Government?

Commissioner GORDON: \$61,000,000-odd.

Mr. REID: I asked that question in view of the suggestion made by a member of Parliament before the Commons Banking Committee that \$300,000,000 be spent in the City of Ottawa. I think the Government might better use that money in building a new capital on a more genial site—

Mr. BOUCHER: Where could you find a finer site than we have here?

Mr. REID: —where the winters would not be so hard and the leaves would be on the trees twelve months of the year.

Commissioner GORDON: Mr. Chairman, I should like to file this statement of debenture debt as at the end of December, 1943.

CORPORATION OF THE CITY OF OTTAWA

STATEMENT OF DEBENTURE DEBT AS AT 31st DECEMBER, 1943

| | |
|--|------------------------|
| Total Gross Unmatured Debenture Debt | \$13,359,146.83 |
| Less: Total Sinking Funds | 3,825,665.06 |
| Actual Nett Total Unmatured Debenture Debt | <u>\$ 9,533,481.77</u> |

ACTUAL NETT UNMATURED DEBENTURE DEBT TO BE RETIRED FROM TAXATION

| | |
|---|------------------------|
| Total Gross Unmatured Debenture Debt | \$13,359,146.83 |
| Less: Gross Unmatured Debenture Debt (Self Supporting Debt) Public Utilities | \$ 4,603,001.31 |
| Total Sinking Funds | \$3,825,665.06 |
| Less: Public Utilities Sinking Funds— Retirement Reserves | 1,984,208.16 |
| | 1,841,456.90 |
| | <u>6,444,458.21</u> |
| Actual Nett Unmatured Debenture Debt to be Retired from Taxation | <u>\$ 6,914,688.62</u> |

The gross Unmatured Debenture Debt Public Utilities
is distributed:

| | |
|----------------------|-----------------------|
| Water Works | \$4,419,063.74 |
| Hydro Electric | 183,937.57 |
| | <u>\$4,603,001.31</u> |

Held in Sinking Fund against retirement of above
Debenture Debt:

| | |
|----------------------|-----------------------|
| Water Works | \$1,938,558.56 |
| Hydro Electric | 45,619.60 |
| | <u>\$1,984,178.16</u> |

Nett Debt Public Utilities:

| | |
|--------------------------|-----------------------|
| Water Works | |
| Gross Debt | \$4,419,063.74 |
| Less: Sinking Fund | 1,938,558.56 |
| | <u>\$2,480,475.18</u> |

Hydro Electric

| | |
|--------------------------|----------------------|
| Gross Debt | \$ 183,937.57 |
| Less: Sinking Fund | 45,619.60 |
| | <u>\$ 138,317.97</u> |

The CHAIRMAN (Hon. Mr. Copp): Does any member of the Committee wish to ask Mr. Gordon any questions before he takes up a new matter?

Mr. REID: No, other than to say that the City seems to be in a very nice position financially.

Commissioner GORDON: Yes, we do think we are in a very favourable position financially.

So far as depreciation is concerned, particularly with reference to local or municipal governments, you really depreciate in a very sound way by the obligatory paying off of your debt.

Mr. McILRAITH: But you are carrying on with no City Hall at all in a very modest office building, to put it mildly, in the capital city of Canada. That is one way you have kept down your debt.

Commissioner GORDON: Yes. I was going to point out later on as a matter of fact that for certain reasons it may be that the debenture debt of the City will have to be increased.

Mr. McILRAITH: I was suggesting to you that the debenture debt of the City at the moment gives a false impression because of the fact that certain works have not been undertaken—I am not criticizing the deferment—amongst those works being a new City Hall, a sewage disposal plant and an incinerator. I believe steps are now being taken to provide an incinerator. In this capital city of the Dominion we are still following the horrid practice of dumping raw sewage into the Ottawa river and raw garbage close to our driveways. In addition to providing those facilities the steady expansion of the city will bring in its train certain costs of development. Therefore the debenture debt figures do not give a true picture of the situation.

Commissioner GORDON: I quite agree with all you have said and I intend to discuss that point when I come to the subject of taxation, because it will affect our mill rate.

Mr. REID: You can talk of mill rate and assessment, but neither gives you a clear picture of taxation in the city. I should like to know what would be the taxes on \$5,000 or a \$10,000 home in one of the better districts of the city.

Commissioner GORDON: Of course, Mr. Reid, it is very easy to establish what the taxation would be on a \$10,000 home, because the mill rate is merely so much per \$1,000.

Mr. REID: You can have a low assessment and a high mill rate, or a high assessment and a low mill rate.

Commissioner GORDON: That is precisely right, Mr. Reid. There is a direct relationship of the mill rate to the assessment in percentage of value. If you have a high assessment it gives you a relatively low mill rate; and if you have a low assessment it gives you a relatively high mill rate. But in this province there is a very sound way of establishing the tax rate. First, you have to arrive at the amount of money required, that is the budget; then the levy struck is divided by the assessment and you get what your rate will be. Of course, there are other methods of setting the rate, as in many of the States of the Union. That rate, multiplied by the assessment, gives you the amount of money you have to use, with the result that sometimes at the end of the year there are not enough funds to pay the police, firemen, and teachers. That is not the case where the levy is struck first, as is done here.

Now, to answer your question with reference to the mill rate. The mill rate is a simple way of talking of taxation. It simply means the amount of dollars and cents per \$1,000 of assessment. If we say the tax rate is 33.5, it means that there is a tax rate of \$33.50 per \$1,000 of assessment. So you multiply your mill rate by the assessment and you get the tax on any piece of property.

Mr. BOUCHER: Roughly speaking, in the City of Ottawa an assessment of \$5,000 would bring a tax of \$165.

Commissioner GORDON: Yes.

Mr. MATTHEWS: I do not think that was Mr. Reid's point. What would be the average tax on a home bought for \$10,000? The price would be determined somewhat by the location, of course.

Commissioner GORDON: Yes, a property may be bought in a time of depression for less than the assessment, and you may pull the assessment down.

Mr. MATTHEWS: What is the average under ordinary conditions?

Commissioner GORDON: In the province of Ontario, from a statutory point of view, the assessment is supposed to be 100 per cent of the valuation.

The CHAIRMAN (Mr. Gregory): Does that apply to both the land and the building? Do you assess 100 per cent of the value of the building?

Commissioner GORDON: Yes, the building and land.

Mr. McIlraith asked a question about the possibility of an increase in the city's debt due to debenture rates. The city foresaw that, and commencing with 1935, at the high point of the city's debt, \$23,779,381—that is the high in recent years—a policy was decided on.

Mr. BOUCHER: Mr. Gordon, excuse me for interrupting you, but isn't the evidence that you are going to give us now concerned with city management? May I point out that I think we, as members of this Committee, would prefer to hear something that would help us, rather than something that would commend or damn city management.

Commissioner GORDON: I hope to give something that will help you in a minute, sir. This whole thing is tied in, in one way and another. Briefly, I may say that the city's debt has been brought down in recent years, and the tax rate has been reduced accordingly, but it will go up again.

Mr. BOUCHER: My point is that I do not think this relevant.

Commissioner GORDON: Mr. Chairman, as shown by the report of the third sitting of your Committee, at page 75, His Worship the Mayor submitted a statement from which it will be seen that although the Federal District Commission has spent so much money on parks in and around Ottawa, the city has also spent very considerable sums. His Worship points out that in 1943 \$71,966.08 was spent on playgrounds and parks; and that in addition for work done by the Federal District Commission in caring for the Civic Hospital grounds, the city paid \$9,619.61. His Worship also pointed out that at the present time a park is being built just north of the Civic Hospital, at a cost of \$8,000 to \$10,000. That park, by the way, will be mainly for the use of veterans receiving hospital treatment in the new annex of the Civic Hospital. And finally His Worship referred to Lansdowne Park, where the city has buildings worth \$1,020,000, which are being used by the military forces, and will be so used for the duration of the war, at no cost to the Government. Now I should like to point out that in addition the city has, since 1897, made a capital expenditure of some \$278,181 for parks and playgrounds.

With your permission, Mr. Chairman, I would submit a statement showing the relationship that the Dominion Government grant bears to the city's tax levy.

| <i>Year</i> | <i>Grant</i> | <i>Tax Levy</i> | <i>Grant in Percentage of Levy</i> |
|-------------|--------------|-----------------|--|
| 1920 | \$ 75,000 | \$3,207,987 | 2.338 |
| 1925 | 100,000 | 4,304,513 | 2.323 |
| 1930 | 100,000 | 4,730,106 | 2.114 |
| 1935 | 100,000 | 5,840,822 | 1.712 |
| 1938 | 100,000 | 6,118,878 | 1.634 |
| 1939 | 100,000 | 6,172,525 | 1.620 |
| 1940 | 100,000 | 6,181,631 | 1.617 |
| 1941 | 100,000 | 5,903,950 | 1.693 |
| 1942 | 100,000 | 5,834,748 | 1.713 |
| 1943 | 100,000 | 5,781,387 | 1.730 |
| 1944 | 100,000 | 5,736,260 | 1.743 |

It will be seen that in 1920 the grant, which at the time was \$75,000, represented 2.338 per cent of the tax levy, but that in 1944, this year, the grant of \$100,000 represents only 1.743 per cent of the tax levy. So that the Government's contribution to the city for services rendered is relatively less to-day than it was in 1920.

Mr. BOUCHER: Mr. Gordon, is it not fair to state that if the grant were compared with the assessment instead of with the levy, the decline in percentage would be much greater?

Commissioner GORDON: Decidedly so, because the tax rate has not risen in comparison with the assessment.

In the proceedings of the fourth meeting of the Committee at page 95, is a statement submitted by Controller Bourque showing the mill rate for public school supporters from 1922 to 1943. I should like to refer to the rates for the last four years, from 1940 to 1943. I see there is an error in this statement. The rate of 33.50, given for 1943, is the 1944 rate; the 1943 rate has been omitted from the statement. The reduction in the tax rate this year as compared with 1940 is 5.5 mills, or \$5.50 per thousand dollars of assessment. In the same time there has been a reduction in debt charges, general fund, of 5.216 mills.

Mr. BOUCHER: Was there not also a material rise in the assessment on existing properties, irrespective of new properties?

Commissioner GORDON: Yes, during that period. I have just stated that there was a reduction in debt charges of 5.216 mills, which represents \$672,085.70. This year there has been a further reduction of one mill, representing \$164,017, because of an additional grant from the Provincial Government. The total of these two items is 6.216 mills, but the reduction in the tax rate is only 5.5 mills. That means that although the debt charges have been reduced and we have received an extra mill from the province, there is a tendency at present for the cost of municipal government to go up. It has been going up and it will continue to go up. Let me for instance give four of the main things that comprise municipal government costs to-day—public works, protection of persons and property, law enforcement and social security. The Works Department estimates in 1940 were \$584,308, and this year they are \$972,129, an increase of \$387,821. Those estimates cover sanitation, roadways, bridges and everything that comes under the Works Department. In 1940 the estimates for the Fire Department, which protects persons and property, were \$385,449, and this year they are \$403,979, an increase of \$18,530. The estimates for law enforcement, as represented by the Police Department, in 1940 were \$362,947, and this year they are \$379,717, an increase of \$34,770. The total increase in the estimates for these three departments is \$441,121.

It may be thought that the costs of social security are going down. They are, in respect of direct relief, hospitalization of indigent patients, and so forth. But there has been an abnormal increase in the cost of maintenance of wards of the Children's Aid Society, illegitimate children, children whose parents are not looking after them, and other children who have become public wards. In 1940 the estimated cost was \$47,000, and this year it is \$125,000, an increase of \$78,000. I am pointing out these matters, Mr. Chairman, to show that the costs of civic government are going up, although the tax rate in Ottawa has come down. It has come down because of a certain peculiar situation.

Mr. McILRAITH: Is your idea in pointing that out to show that Ottawa is not any different, so far as the costs of government are concerned, from any other municipality?

Commissioner GORDON: It must not be taken that the reduction in Ottawa's tax rate over the last four years indicates a tendency.

Hon. Mr. LAMBERT: To what do you attribute the reduction in the tax rate?

Commissioner GORDON: I just pointed out, sir, that it is due to reduction of debenture debt charges plus the receipt of an additional grant, representing a further one mill, from the Provincial Government this year.

Mr. BOUCHER: There is also the fact that capital expenditures have been deferred.

Commissioner GORDON: I am just coming to that. We have had a drop in debenture debt charges during the last five years owing to the fact that long the tendency will be the very opposite. Municipalities, like other bodies, will

be expected to give work to returned men, and this will mean additional term expenditures have been deferred. But following the war, Mr. Chairman, capital expenditures.

Mr. BOUCHER: During the war necessary works have been deferred?

Commissioner GORDON: Quite right, sir. Necessary works have been deferred, for more than one reason. For instance, it was not possible to get much of the material that would be required to proceed with various works, and labour has been distinctly scarce. I imagine that almost every municipality has deferred a great many projects that will have to be undertaken as soon as possible after the war ends, and when there will be a demand for employment by returned men. So I want to point out that the actual tendency is towards an increase in the tax rate, rather than a continued decrease. Once you eliminate the cause of the decrease in the taxes—the main cause has been reduction in debenture debt—the influence that for several years has actually been operating towards increased taxation will continue.

At the third meeting of the Committee (page 74 of the proceedings) His Worship the Mayor gave a statement showing the very large expenditures the City made on the Elgin street widening and Confederation Park Square, for the purpose of beautifying the city as a national capital. His Worship showed that the actual expenditures were \$965,933.26, and that in addition the City lost properties worth \$822,050.00, so that the total contribution amounted to \$1,787,983.26. I might add to that an amount of \$124,850 interest which the City will have to pay on the debentures of \$875,000 issued to cover work done in connection with the Elgin street widening. This makes the City's total contribution \$1,912,833.26—almost two million dollars—towards this feature of beautification of the national capital.

I would also like to draw attention to information submitted by Mr. MacDonald, at the fourth meeting of the Committee, and referred to on page 102 of the proceedings, regarding properties deeded to the Dominion Government and the Federal District Commission and properties used but not yet deeded. The assessed value of properties deeded was \$346,600. Then there was a half interest in the Empress Navigation property, which cost the City \$12,000. And then there was the property bounded by Cathcart, McTaggart, Sussex and the Ottawa river, for which the City paid \$75,000, and which was handed over to the Federal District Commission. The properties referred to by Mr. MacDonald as being used by the Government but not yet deeded to them have a value of \$64,925. I want to point out that besides this the City purchased Rockcliffe Park some fifty years ago. The Park, which is outside the city boundaries, has an area of 95 acres. I do not know what it cost the City, I have not been able to get those figures, but I do find there is an assessed value of \$455,000 on Rockcliffe Park. The City leased that to the Federal District Commission, and it is administered by, and is part of, the Federal District Commission parkways today. I presume very few people in Ottawa actually know it, but that park was turned over to the Federal District Commission as part of the City's contribution to the federal Government for beautification purposes.

I should like to refer, Mr. Chairman, to page 19 of the City's brief.

Mr. McILRAITH: Page 17, I think.

Commissioner GORDON: Oh, yes; it is page 19 of the printed report.

It is pointed out there that between the years 1920 and 1943 the Dominion Government took over lands and buildings, which were previously assessed and for which taxes were received, to the extent of \$7,579,330. At to-day's tax rate of 33.5 mills, that would represent a tax revenue to the city of \$253,907.55. That is just one phase of how the City loses revenue through buildings and lands being taken over by the Dominion Government and becoming non-assessable.

I would cite another contribution by the City. The City has granted to the Dominion Government a portion of the Civic Hospital grounds for the purpose of building an annex to be used for military purposes. The Dominion Government has paid for the cost of the building, but in connection with it the City has spent, or will spend, on a tunnel from the main building to the new building a sum of \$200,000. That expenditure is not for civic purposes, but really to assist the Dominion Government. It is, in fact, a contribution by the City. In addition to that the City has spent about \$8,000 on a piece of land north of the Civic Hospital two blocks long and one block deep. I do not know how much more will have to be spent before the work is completed and the land made into a beautiful park. That park will be mainly for the use of those soldiers who will be hospitalized in this annex to which I have referred. That is a very considerable contribution by the City.

May I refer, Mr. Chairman, to the very preferred water rates which the City has given to the Government. That was mentioned by the acting Mayor at a very recent meeting of this Committee. It was then pointed out that the rate is 20·83 cents per thousand gallons—a rate lower than the commercial rates.

The City has never asked for anything specifically with respect to these contributions, but I wish to point out that these are all definite and substantial contributions which the City has made to the Government.

Not only is this water rate lower than the commercial rates to our rate-payers, but it has tended to increase costs in other ways. I think it has been pointed out that as a result of the tremendous amount of water which is now being given for Government purposes, and also as a result of the influx of civil servants into the city, it has been found necessary to arrange for the expenditure of a further \$80,000 on the building of two new filter beds. That expenditure would not have been necessary but for the conditions which I have just mentioned.

I would also point out, Mr. Chairman, that since the commencement of the war and for the duration the National Defence Department has been given the use of Lansdowne Park and buildings without rental. The City has a capital expenditure there of over \$1,000,000. I think in one submission it was stated to be \$1,200,000. The National Defence Department has also been given the use of the Chamberlain avenue work-yards at a nominal rental of \$1 a year. This civic property has a value at the present time of probably \$30,000, with a replacement value of about \$50,000. The City has also turned over to the National Defence Department at the nominal rent of \$1 a year for the duration of the war the Knights of Columbus Hall, which was taken over by the City for arrears of taxes. It has an assessed value of \$22,075. Number 6 Fire Station of an assessed value of \$7,825 has also been handed over to the National Defence Department. These are points that had not been brought out.

I might, Mr. Chairman, direct the attention of the Committee to the fact that owing to the location of the federal Government buildings, including so many temporary buildings, widely scattered throughout the city, the City's policing problems have been greatly increased. The beautification of Confederation Square, with its National War Memorial, and its layout, has also added very much to the through traffic problem and to the cost of policing the city.

With reference to fire protection, it should be borne in mind that the City's costs have already been greatly increased by Government buildings being so extensively distributed throughout the city.

While we all recognize the necessity of these temporary buildings, I would remind honourable members of the Committee that as a result of their erection and the great influx of civil servants the City will have to embark on new capital expenditure of \$80,000 for the purpose of building two new filter beds.

These temporary buildings have also added to our costs for fire protection and police protection. They have also added much in the way of difficulties to subsequent city planning and post-war construction problems. As to policing, if honourable members should happen to be near any of these new temporary buildings during the busy hours of the day, that is, three times a day, they will notice members of the police force controlling traffic. That has made further demands on our police force.

Another point arises in connection with these temporary buildings. After the war, if they become empty and disused they will tend to reduce the value of adjoining property and will create quite a problem with relation to the future planning and development of the city. To show you how disused buildings can reduce property values, I might instance what happened after the last war, when the Dominion Government expropriated the buildings on the north side of Wellington street. That part of the street was a very busy section at that time, several large commercial houses being located on the south side of the street. In a very short time those commercial houses were doing comparatively little business, just because of their proximity to those disused buildings.

Then there is the problem of the increase in the Civil Service for war purposes. At the present time the City is not receiving adequate revenue for civic services given as a result of the great influx of civil servants during these war years. Many of those civil servants do not contribute at all to City revenues, but nevertheless they all must receive civic services. Then post-war problems will arise with reference to occupancy of dwellings, reconstruction and rehabilitation as a result of many of those people leaving Ottawa and going back to their former places of residence. On the other hand, many of them will never go back. That was our experience after the last war. They will probably be unoccupied and, having been here long enough to qualify for relief and hospitalization, will become a charge on the City. All this will involve considerable extra cost to the City.

Then, Mr. Chairman, there is the question of a new City Hall. That surely is something which must await a proper planning relationship between the City and the Dominion Government.

Mr. McILRAITH: But it has to be initiated by someone and brought forward. Plans don't just happen.

Commissioner GORDON: No, these things don't occur just like Topsy—or, if they do, they grow like Topsy, and hence the necessity for a close relationship between the Dominion Government and the City. That is the point I am just coming to.

Now, Mr. Chairman, the question was asked, and quite properly, at the last meeting of this Committee, and it has been asked more than once in the course of the Committee's proceedings: In what way does the City of Ottawa differ from any other city, in that it should be given any specific grant? Well, after these various meetings, I think it will be generally agreed that there is a very definite reason why Ottawa does differ in that respect. Ottawa is unique—it is the national capital. It is there that the difference arises. There is a complex situation and a multiplicity of conditions, municipal and otherwise, so far as the Dominion Government and the City are concerned, which means, so to speak, that we are practically a twin city. I go further, it is what I may term a Siamese-twins city. That is, you cannot dissociate the municipality from the Dominion Government; and, conversely, you cannot dissociate the Dominion Government from the municipality. Certain services are given by the municipality to the Government for which, I submit, the municipality should receive reasonable remuneration. On the other hand, Ottawa is the national capital and, as such, there should be expenditures within the city which the Dominion Government should bear either wholly or at least in part if those expenditures

are made by the municipality. There has been a good deal of evidence to show why there is a difference between Ottawa and all other cities in the Dominion, and that difference hinges around the unique situation of Ottawa being our national capital.

It seems to me, Mr. Chairman, that the evidence submitted by the City's representatives and by other bodies points probably to two conclusions: first, that there be more definite plans prepared for the future development of the capital city as a federal district. How that may be brought about, whether by a new planning body or by the City being given additional representation on the Federal District Commission, I would not care to say. The other conclusion, I think, must be that the City has established its case for a more equitable distribution of expenditures for the services given by the municipality for the benefit of the Dominion Government. That, of course, is for Parliament to decide. But, Mr. Chairman, as I have already pointed out, in the total budget of the City for 1944 the grant of \$100,000 represents only 1.743 per cent. The relationship of the total assessment on Government buildings to the total rateable assessment of the City, plus the assessment on Government buildings, is 27.428 per cent. There is a very great divergence between 1.743 per cent and 27.428 per cent.

The city in its brief has pointed that out. I should like to emphasize it. Whatever basis this Committee may decide to recommend to Parliament as a fair and just contribution by the Dominion Government to the city, I think I should repeat what has already been very definitely pointed out, that while the relationship of the city with the Dominion Government, and of the Dominion Government with the city, has been very satisfactory in the past, it should be borne in mind that the municipality at the present time is not receiving a reasonable, fair and just grant from the federal authorities.

That is really all I have to say, Mr. Chairman. I shall be glad to answer any questions.

The CHAIRMAN (*Hon. Mr. Copp*): Do members wish to ask Mr. Gordon any questions?

Mr. McILRAITH: I do not think so.

The CHAIRMAN (*Hon. Mr. Copp*): Have you something else you want to present to us, Mr. Gordon?

Commissioner GORDON: No, I have run over all the notes I have here.

The CHAIRMAN (*Hon. Mr. Copp*): Thank you for your very clear statement and full information, Mr. Gordon.

I understand that Controller Geldert has taken the place of His Worship the Mayor during the latter's absence from the city. Do you, Controller, desire to bring any other witnesses before the Committee?

Controller GELDELT: Mr. Chairman and gentlemen, lest the Committee gather from the report of our Commissioner of Finance that the city is in such excellent shape as not to need assistance from the Dominion Government, I want to point out that the reason our financial picture appears so good is that since the outbreak of war we have not been spending any money.

The CHAIRMAN (*Hon. Mr. Copp*): I thought you were going to say it was due to the generous grant from the Dominion Government.

Controller GELDELT: No, Mr. Chairman. We have restricted our civic services. For instance, our Works Department has deferred some \$3,000,000 of necessary works. Our water works branch has necessary works amounting to \$1,500,000 to be done when the war is over. And the Engineering Department will have to make an expenditure of \$2,000,000 for necessary works. We have deferred these works in order to reduce our expenditures and cut our tax rates, so that our people might have an opportunity to give greater support to the war effort. Naturally, if a city does not proceed with necessary works, the

debenture debt goes down and the tax rate is reduced. We have followed this policy in compliance with the Government's suggestion to reduce expenditures as much as possible during the war. But I want to make it clear again that the city's financial picture appears much better than it actually is, because we have deferred millions of dollars' worth of work that should have been done.

Hon. Mr. LEGER: The question we should consider is, not whether the city needs a larger grant, but whether it is being treated fairly.

Controller GELDERT: Someone asked a question about assessment. New properties are being assessed at 70 per cent of their actual cost. The reason for that is that we realize people are paying high prices for occupancy to-day, and that after the war these properties will not be worth more than 70 per cent of their actual cost.

I wish to thank you, Mr. Chairman, for the co-operation and courtesy we have received. I feel quite satisfied that on the evidence that has been brought out this Committee will see that the City of Ottawa gets what it deserves. We are asking for no more than we are convinced we deserve.

Mr. McLLRAITH: On behalf of the members of the Committee I should like to express our thanks to the members of the City Council of Ottawa and the civic officials who have appeared before us.

The CHAIRMAN (*Hon. Mr. Copp*): I am sure we all join in that.

Controller GELDERT: I heard it mentioned that the Committee might visit the filtration plant on Wednesday. We shall be pleased to serve luncheon to the Committee there.

At 1.20 the Committee adjourned until Wednesday, July 26, at 10.30 p.m.

SESSION 1944



CANADA

PROCEEDINGS

OF THE

JOINT COMMITTEE OF THE SENATE AND
THE HOUSE OF COMMONS

APPOINTED TO

Review the Special Problems Arising Out of the Location of the Seat
of Government in the City of Ottawa and to Report on the Relations
Between the Federal Government and Municipal Authorities of
the said City and the Relative Responsibilities in Respect
of Such Problems with Power to Inquire into the Matter
and Things Therein Referred to.

No. 8

TUESDAY, AUGUST 1, 1944

FINAL REPORT OF THE COMMITTEE

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

MEMBERS OF THE COMMITTEE FOR THE SENATE

Honourable A. B. COPP, P.C., *Chairman*,

and Honourable Senators:

DuTremblay, P. R.

Stevenson, J. J.

Lambert, N. P.

White, G. V.

Leger, A. J.

MEMBERS OF THE COMMITTEE FOR THE HOUSE OF COMMONS

Mr. J. A. GREGORY, M.P., *Chairman*

and Messrs.:

Boucher, G. R.

McIlraith, G. J.

Coté, P. E.

McLean, G. A. (*Simcoe East*)

Dechene, J. M.

O'Brien, J. L.

Hill, B. M.

Pinard, J. A.

Knowles, S. H.

Purdy, G. T.

Marshall, J. A.

Reid, T.

Matthews, J. E.

White, G. S.

A. H. HINDS,

Chief Clerk of Committees, the Senate.

Clerk of the Joint Committee.

APPOINTMENT OF SENATE COMMITTEE

TUESDAY, 30th May, 1944.

Ordered, That the Senate do unite with the House of Commons in the appointment of a Joint Committee of both Houses to review the special problems arising out of the location of the seat of government in the city of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said City and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to.

That the Honourable Senators Copp, DuTremblay, Lambert, Leger, Stevenson and White be appointed to act on behalf of the Senate as members of the Joint Committee.

That the Committee have power to send for persons, papers and records.

That the Committee be authorized to sit during sittings and adjournments of the Senate.

That a Message be sent to the House of Commons to inform that House accordingly.

Attest.

L. C. MOYER,
Clerk of the Senate.

APPOINTMENT OF HOUSE OF COMMONS COMMITTEE

MONDAY, 29th May, 1944.

Resolved,—That a Joint Committee of the Senate and House of Commons be appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problem with power to inquire into the matter and things therein referred to:—

That the said Committee consist of the following: Messrs. Boucher, Coté, Dechene, Gregory, Hill, Knowles, Marshall, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard, Purdy, Reid, White.

That Standing Order 65 of the House of Commons be suspended in relation thereto;

That the Committee shall have leave to sit while the House is in session;

That the said Committee shall have power to send for persons, papers and records and to report from time to time;

That a Message be sent to the Senate to acquaint their Honours that the House of Commons has appointed this Committee and to request their Honours to appoint Members of the Senate to act thereon with the Members of the House of Commons as a Joint Committee of both Houses.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

WEDNESDAY, 26th July, 1944.

Pursuant to adjournment and notice the Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, met this day at 10.30 a.m.

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

Senate:—The Honourable Senators Copp, DuTremblay, Lambert, Leger and White.

House of Commons:—Messrs. Boucher, Gregory, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Purdy and Reid.

At 10.45 a.m., the meeting was suspended to permit the Members to inspect the driveways, parks and properties of the Federal District Commission.

The Committee then adjourned until to-morrow, Thursday, 27th July, 1944, at 11.30 a.m.

THURSDAY, 27th July, 1944.

At 11.30 a.m. the Committee resumed.

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

Senate:—The Honourable Senators Copp, Lambert, Leger and White.

House of Commons:—Messrs. Boucher, Cote, Dechene, Gregory, Hill, Matthews, McIlraith, McLean (*Simcoe East*), O'Brien, Pinard and Reid.

The invitation of Acting Mayor Geldert, extended to Members of the Committee on the 21st July instant, to inspect the Civic Filtration Plant, was accepted, the inspection to take place at 5 p.m., to-morrow, Friday, 28th July, 1944.

A request of Mr. Herbert T. Owens, Ottawa, that a brief prepared on behalf of the Henry George Society of Canada on the subject of Taxation, be recorded as submitted and that a copy of the brief be circulated to Members of the Committee, was concurred in.

Following a discussion of the evidence, adduced, the Honourable Senators Copp, Lambert and Leger, and Messrs. Gregory, McLean (*Simcoe East*), O'Brien and Reid, were appointed a Sub-Committee to prepare a draft report.

At 1 p.m. the Committee adjourned to the call of the Chairmen.

TUESDAY, 1st August, 1944

At 11.30 a.m. the Committee resumed.

Present:—

The Honourable Senator Copp, Chairman of the Senate section, and Mr. J. A. Gregory, M.P., Chairman of the House of Commons section.

Senate:—The Honourable Senators Copp, DuTremblay, Lambert, Leger and White.

House of Commons:—Messrs. Boucher, Dechene, Gregory, Matthews, McIlraith, McLean (*Simcoe East*), and Purdy.

A draft report prepared by a Sub-Committee was read and considered.

On the consideration of the recommendation contained in paragraph 4 of the draft recommendations, namely: "That for a period of five years, the annual grant should be increased to \$300,000",—

Mr. McIlraith, M.P., moved in amendment, seconded by Mr. Boucher, M.P.:—

That for a period of five years, the annual grant should be increased to \$500,000.

The question being put on the motion.

It was passed in the negative.

At 1.10 p.m. the Committee adjourned until 4.30 p.m. this day.

At 4.30 p.m. the Committee resumed consideration of the draft report.

Certain amendments to the draft report having been adopted, it was—

Ordered that the draft report, as amended, be adopted as the Second and Final Report of the Committee for presentation to both Houses of Parliament.

At 6 p.m. the Committee adjourned.

Attest:

A. H. HINDS,
Chief Clerk of Committees, the Senate.
Clerk of the Joint Committee.

FINAL REPORT

TUESDAY, 1st August, 1944.

The Joint Committee of the Senate and the House of Commons appointed to review the special problems arising out of the location of the seat of government in the City of Ottawa and to report on the relations between the Federal Government and Municipal authorities of the said city and their relative responsibilities in respect of such problems with power to inquire into the matter and things therein referred to, beg leave to make their second and final Report, as follows: —

In response to the reference contained in the resolution calling for the appointment of a Joint Committee of the Senate and House of Commons for the purpose of investigating relations between the Federal Government and the City of Ottawa, which resolution has been adopted by both Houses of Parliament, seven public sessions of the Committee have been held. Evidence has been heard and recorded from His Worship the Mayor, members of the Board of Control, the Board of Aldermen, and staff officials of the City of Ottawa, the Ottawa Board of Trade, the Chairman and officials of the Federal District Commission, and the Secretary of the Federal Department of Public Works. In addition, private sessions of the Committee have been held to consider the evidence, make recommendations and discuss the drafting of a Report to Parliament.

The problem which has confronted the Committee was twofold. In the first place, the immediate request from the City of Ottawa to have its annual grant from the Federal Government increased, represented the first question that had to be answered; and secondly, there arose the longer term question of the future planning of this Capital City in conjunction with the so-called Federal District.

In the discussion of both phases of the problem as presented to the Committee by all of the witnesses, an admirable spirit of co-operation was reflected in the commonly expressed desire to have the Capital city of Canada made worthily representative in every respect of the Dominion which it has been designed to serve. Sympathetic consideration was also given by these same witnesses to the abnormal conditions created by the war and their effect upon the finances alike of the City and the Dominion.

To deal first with the City's immediate case, the claim for an increased federal grant, as made by His Worship the Mayor and his special committee, was based on the following grounds:—

1. The large increase in the value of Government property from 1925 to 1943.
2. The large amount of taxable property in the City expropriated by the Government from 1925 to 1943 from which the City now receives no revenue, but which it is still required to serve.
3. The street frontage of Government owned property has now increased to 9.3 miles (not including streets owned by the Government) which is almost twice the street frontage of Government property in 1925.
4. That the population of Ottawa, due to special war services established by the Federal Government, has increased from 145,000 in 1939 to 185,000 in 1944.

5. That as the result of the erection of many temporary buildings, and the appropriation of many others, to serve the requirements of expanded Government Departments, such municipal services as water supply, street maintenance, garbage and sewage disposal, police and fire protection have involved materially increased expenditures on the part of the City.

6. That the dislocation of commercial values of private property and local business interests through the location of Government Buildings and the establishment of such decorative features as Confederation Square and the widening of Elgin Street has affected substantially the City's regular sources of revenue.

7. In keeping with the desire to preserve Ottawa as a beautiful capital city its industrial possibilities have never been exploited as might have been expected by reason of the existence of adjacent natural resources of water power, which rather have been used to develop industrial areas in other parts of the province.

8. Finally, as the result of these circumstances, the present annual grant of the Federal Government amounting to \$100,000, represents only 1.743 per cent of the total budget of the City for the current year 1944, as compared with 2.32 per cent in 1925 when the amount of the present federal grant was fixed; and that the Government, according to the brief submitted by the City of Ottawa, should now pay annually to the City a grant equivalent to that proportion of the total net operating expense of the City for the last complete year which the total assessed value of Dominion Government property bears to the whole rateable property of the City plus the value of Dominion Government exempt property. That proportion is represented as 27.428 per cent, or expressed in the form of an annual grant, \$1,597,460.

Over against the foregoing argument, the Committee places the following considerations:—

(1) Ottawa is the Capital city of Canada, the seat of Federal Government for the Dominion, involving the established presence of many thousands of civil servants and other officials within its limits. While the internal economy of this municipality is essentially the business of its tax payers it is inextricably bound up with the future of a National Capital.

(2) In addition to the annual grant of \$100,000 to the City, the Federal Government also provides \$335,000 annually to the Federal District Commission, which co-operates closely with the City in performing various services which represent a substantial contribution to the welfare of Ottawa.

(3) The acquisition by the Federal Government of Gatineau Park whose present maintenance and future development represent in tourist possibilities and in other direct respects a substantial contribution to the City of Ottawa.

(4) That due to enforced postponement of necessary improvements in municipal services during the war years, the City in a measure has been assisted in reducing its debenture debt.

(5) That great need exists for an improved modern system of sewage and garbage disposal, both from the point of view of the interests of the Municipality and the Federal Government. Very little attention has been given to this subject which, in the light of possible future developments, will require joint action on the part of the Government and the City in the planning and financing of that project.

(6) Consolidation of street cleaning and garbage collecting services which are now shared by the Federal District Commission with the City should be effected so that certain duplication of effort be eliminated.

(7) There is urgent need of a Union Terminal Company for Ottawa, embracing the railway companies, as an essential factor in eliminating the present cross-town trackage system, and adjusting tributary transportation facilities to the adequate planning of a National capital.

(8) The City's claim is based mainly upon its assessment value of properties owned or controlled by the Federal Government within the city limits: services such as water, sewage and garbage disposal, street cleaning, fire and police protection are made incidental to that basis of claim. One of the features of the City's position in relation to the Federal Government is Embassy and Legation properties. At the present time, water rates and taxes are paid to the City on these properties by the Government through the Department of Public Works. A proposed agreement between the City and the Government concerning a fixed assessment for purposes of taxation upon this particular class of property is now pending, and is not unrelated to the findings of this Committee. The whole question of the assessed value of Government properties as referred to in the City's statement of claim, must be subject, therefore, to much closer check and investigation than this Committee can give to it. Another point in this connection is the fact that at the present time, over 200 properties leased for office and storage accommodation by the Government in the City, brought an annual rental in 1942-43 of \$800,000, and in these cases City taxes and water rates are paid by the Lessor.

THE FEDERAL DISTRICT AND THE CITY

The members of the Committee, in company with representatives of the City of Ottawa, also spent one day as guests of the Federal District Commission in a tour of the driveways and the Gatineau Park which covers an area of some sixteen thousand acres lying between the Ottawa and Gatineau Rivers and extending to a point some twenty-one miles north of Parliament Hill. It was the unanimous opinion of the Committee that this recently acquired park area represents a beautiful and valuable national asset which should be carefully conserved for future generations of Canadians and their visitors from other countries to enjoy. At the present time it is under the jurisdiction of the Federal District Commission which administers that trust on an annual expenditure of only \$17,000 taken out of the Commission's yearly appropriation.

It is not the purpose of this Committee to make definite recommendations to the Government regarding the future character of a Federal District to embrace this park area and the municipalities on either side of the Ottawa River including the City of Ottawa. We are of the opinion, however, that this long-term project should be committed by the Government to a special commission of experts for investigation and report, involving as it would the possession of expert professional knowledge and the need for extended travel to study the plans and workings of federal capital districts in other countries. From the observations made by this Committee during its investigations, it is clear that with the growth of Canada and the corresponding expansion of its governmental activities, the administrative problems arising between the City of Ottawa and the Federal Government will become more complex and more difficult of settlement than they are now. As an indication of that prospect we would merely stress the inevitable difficulty that will arise in connection with the present reckless system of sewage disposal into the Ottawa River, the both banks of which within the most directly affected area, are the property of the Dominion of Canada.

While the project of a Federal District of the proportions indicated must wait not only for well matured and well founded plans, but also for the wide-

spread support of a crystallized popular opinion throughout Canada, the development of Ottawa as a national capital is proceeding apace, and must not be held up, pending a settlement of the larger question.

Different reports have, from time to time, been made to the Government on the development of this district as a national capital. The report of the Holt Commission set up in 1913 is the most exhaustive of them all. The Greber report made in 1939 agrees in general with the main findings of the Holt Commission. These reports have been before the public for many years and have been illustrated and discussed in the press and have on the whole met with very general approval.

RECOMMENDATIONS

1. In order that such development may be co-ordinated in general with the plans already laid down, we suggest that the powers of the Federal District Commission be increased and its personnel be enlarged to include, not only representation from the Ottawa area, but of the people of Canada as a whole. The name Federal District Commission might even be changed to include the idea of a National Capital.

As we believe from its past record and experience, and the independent nature of this commission, it is the logical arm of government to co-ordinate in this district, the developments which will take place in the future. Therefore, we recommend that any plans for constructional or development work to be carried out on any government owned or leased land in the district of the National Capital by any department of government should be submitted to the Federal District Commission and not be executed without their approval.

In the event of fundamental differences of opinion between the Federal District Commission and any department of government, regarding the placement or architecture of any proposed construction, or on any question referred to them, the department concerned and the Federal District Commission will make a report to the Governor General in Council setting forth the issue and the decision in such cases, of course, will rest with the Governor General in Council.

In the case of development on land not owned or leased by any federal government body but adjacent to any parkway or driveway maintained by the Federal District Commission, the Commission should be empowered to appoint sub-committees to deal with the City of Ottawa or any other affected municipality in the general area of the National Capital. It would be hoped that any of these municipalities would also appoint similar sub-committees to meet with the Federal District Committee for the purpose of discussing any problems involved. If possible, a joint report should be made but, if that was impossible, respectively separate reports to the municipality in question, and the Governor General in Council, should be submitted outlining such action as might seem desirable in the circumstances.

Co-operation should be established in the location and construction of all public buildings within the Ottawa area, not owned by the Federal Government.

The above suggestions are made as a simple means, with presently existing machinery, of obtaining that co-ordination and adherence to the general plans already laid down for the development of this district which is so necessary and desirable if the National Capital is to grow in an orderly way.

2. With further reference to railway facilities in Ottawa, it is recommended that the Government authorize the Federal District Commission to initiate negotiations with the Canadian Pacific, New York Central and Canadian National Railways looking to the formation by these systems of a Union Terminal Company to operate and manage all railway facilities and property within the National Capital district, and to report their findings thereon to

the government at as early a date as possible. In this connection it is felt that under one management and proper co-ordinated planning much cross-town trackage could be gradually eliminated as well as many grade crossings with their attendant danger to the public and increased cost of operation. We should also like to see associated with this recommendation an effort to re-organize the system of street transportation in Ottawa so as to replace as far as possible the present street cars and tracks with buses.

3. We would recommend that the cleaning of snow from all streets and adjacent sidewalks bordering on government owned or leased buildings in the City of Ottawa, and from the Federal District Driveways within the City and the sidewalks adjacent thereto, and the collecting of all ashes, garbage and other refuse from in and around Government buildings within the City, should be re-organized co-operatively between officials of the City and the Federal District Commission, with a view to applying their respective facilities to this work with the greatest degree of efficiency.

4. After examining all evidence submitted and considering the character of services rendered and the need for immediate capital expenditures in connection with some of them, in which the Federal Government should assume joint responsibility with the City, we recommend that for a period of five years, the annual grant should be increased to \$300,000, and at the end of that period this financial relationship be reviewed.

In submitting this recommendation, which gives the City a percentage of its budget over double that of the federal grant in any previous year, the Committee feels that it is impossible at this time to make an accurate accounting of the relationship existing between the City of Ottawa and the people of Canada as a whole as represented in the Federal Government. Reference has already been made to the question of assessment values. In addition, no attempt has been made, for example, to estimate the economic value to the Municipality of a Civil Servant and his family established here as a permanent employee of the Government. Since 1939, the number of employees in Government Departments established in Ottawa has increased from some 12,000 to 33,500. The war has caused this great increase, but a large percentage of it will remain permanently fixed here after the war is over in order that extended and growing activities of the Federal Government may be served. The Federal Government and the City of Ottawa as well as other nearby municipalities in reality are travelling along the great national highway of Canada in close partnership; and the journey has just been commenced. The objective at the end of the road is a unified Dominion and a great National Capital which in every respect should reflect the strength of a normal and healthy growth.

A copy of the evidence adduced is submitted herewith.

All which is respectfully submitted.

A. B. COPP,
Chairman, Senate Section,

J. A. GREGORY,
Chairman, Commons Section.

