

On the first clause, providing that the Province should not tax Dominion property and *vice versa*, and that property vested in corporations and used by the Government for official purposes should not be taxed,

Mr. MEREDITH said that he had heard it stated very decidedly that the Confederation Act did not give the power to tax Provincial property. He dissented entirely from the view expressed by the Government on that point.

Mr. ROBINSON contended that the Committee had not been appointed to find what was or what was not the opinion of the Government on the question, but to consider it *de novo*. Some members appeared very anxious to saddle the whole thing on the Government in order to avoid responsibility on their own part. He moved that the first clause stand.

Mr. HODGINS read the 125th section of the British North America Act, which is as follows:—"No lands or property belonging to Canada or any Province shall be liable to taxation." He thought that clause conclusively showed that such property was not liable to taxation.

Mr. MEREDITH contended that this clause did not prevent the Province taxing its own property or giving the power to the municipalities to do so. He thought it unfair that the Committee should shelter itself behind that provision.

Mr. WOOD said that there was a great difference between the Provinces taxing Provincial property for Provincial purposes and the municipalities taxing Provincial property.

Mr. HODGINS said it was one of the first principles of Constitutional Government that we could appropriate our own money as we saw fit. The argument which was used in the case of the additional subsidy to Nova Scotia was that the Parliament of Canada could dispose of its own money as it pleased.

Mr. MEREDITH thought this clause should be discussed on its merits, in fairness to Toronto, which had only two representatives in the House against eighty-six.

Mr. MILLER agreed with Mr. Meredith that every class of exemptions should be considered on their merits, as otherwise the resolution they had passed might be found troublesome. For his own part, while he did not support the absolute taxation of Government property, he thought the House and the Government should consider such a case as when the city of Toronto paved Wellington or Front streets, or built a sewer along them which was of benefit to the House in a sanitary way. It was worthy of consideration whether the Province should not bear a share of a frontage tax for such purposes as those. He did not think the British North America Act would prevent a sum being put in the estimates annually, to be paid to the city, for these advantages.

Mr. MEREDITH moved that the first clause stand as one subject of enquiry by the Committee.

Mr. MILLER seconded the motion.

Mr. ROBINSON said he was perfectly willing that the clause should be considered by the Committee.

Mr. HARDY thought that the question raised by Mr. Miller was not one for the consideration of the Committee, as it would amount to an instruction to the Government as to what they should put in the estimates or bring down in their budget. Though it was within the province of the Committee to consider the assessment law, he did not think that it was part of their functions to consider what shape any proposed change should take when it came down to the House. He contended that the language of the British North America Act was unmistakable as to the exemption of Provincial property.

Mr. MEREDITH said he protested against the course adopted by the leader of the Government in the House and by the last speaker. An unfair attempt was being made to induce the rural municipalities to do an injustice to Toronto by appealing to sectional prejudices.

Mr. MILLER said he fully endorsed every word which had been said in the House by the leader of the Government as to the feeling in the rural municipalities on this subject. Still, he believed the Committee had power to consider the question and make recommendations to the House.

Mr. WOOD remarked that the question was not one which applied simply to the cities. There was one of the Government institutions in the township of London, costing about three-quarters of a million, and if it was taxed the Government would pay a large amount of the township taxes.

Mr. HARDY said that the questions mentioned by Mr. Miller could be taken up as separate questions, and considered by the Committee. But it was an entirely different proposition to recommend that the Government should bring down an appropriation from year to year for roads, bridges, &c., not as a tax, but as a matter of payment.

After some discussion,

Mr. DEACON said it appeared to him from what had been said by Mr. Hardy and Mr. Hodgins that Mr. Robinson's motion should be worded differently. That gentleman had moved that the first clause which the Committee had taken up should stand, but if there was anything in the arguments of the Provincial Secretary and Mr. Hodgins, the motion should rather be that it should stand if it was found that the British North America Act precluded their considering it.

Mr. ROBINSON said that was what he had intended by his motion. With regard to this clause he thought the Provincial Buildings in the city were of far more benefit to it than any expense they cost the people of Toronto. If Toronto thought these buildings a burden, Kingston, which was as healthy a city as any in the Province, would be glad to take them free of taxes and give the land on which to build them.

Mr. BELL said he would like to mention one little instance of the benefit the Parliament Buildings were to Toronto. The city was laying down a sewer which ran along Queen-street in front of the Asylum for nearly three-quarters of a mile, and they had been trying for months to get the Government to make an appropriation towards its expense. The people on the other side of the street would be com-

elled to pay for the benefit of a Government institution. Besides, the sanitary condition of the Asylum in respect to drainage is very faulty. It requires the benefits of this sewer as much as private citizens.

Mr. HARDY said the Government spent thousands of pounds for the drainage of the institution, and the city had the benefit of the expenditure.

Mr. BELL said that the result of their expenditure was that their sewage was carried down to the lake near the place whence the Asylum derived its water supply. Fever and other diseases, he understood, were very prevalent in the institution.

Mr. WOOD replied that the Asylum grounds were well drained, and that the sewer spoken of by Mr. Bell was not required for the purposes of the Asylum. At present they were themselves doing all the sewerage that was required, but if at a future time they felt that they would need the use of the city sewer referred to, he thought the Government would endorse the view that they would help the city for its construction. With regard to the statement that the Asylum sewer entered the lake at short distance from the source of their water supply, if Mr. Bell had been there and seen that that was the case, he (Mr. Wood) would of course accept the statement. If not, he should be inclined to doubt it unless it was corroborated by Dr. Clarke, the Medical Superintendent, or Mr. Langmuir. With a population of 600 or 700 in the Asylum of the class confined there, it would be strange, indeed, if there were no cases of sickness, but he believed the number of such cases was by no means exceptionally large, nor were they to be attributed to defective sanitary arrangements.

Mr. HAY favoured a discussion of the whole question on its merits. There were some classes of Government property which he thought ought to be taxed, though with regard to the public institutions located in Toronto, London, Brantford, Belleville, and other places they conferred vastly more benefit on the municipalities in which they were situated than they received.

After further discussion,

Mr. HODGINS said if they taxed the Government property in Ontario for city purposes the county property would be taxed for town purposes. If the cities did not receive taxes on account of this property they obtained advantages in having the Government buildings, which was compensation for any taxes they pay. If such a principle was to obtain, the surplus of the Province would speedily disappear.

Mr. WOOD said he had consulted Mr. Langmuir on the point made by Mr. Bell, and he was able to state that the Asylum drew its water supply at a distance of a quarter of a mile from the mouth of the sewer.

Mr. DEACON, in order to bring the subject squarely before the public, moved as an amendment, "That, in the opinion of this Committee, section 125 of the British North America Act excludes from the consideration of this Committee the subject of exemption set forth in sub-section one of section six of the Act respecting the assessment of property; and that, in the opinion of the Committee, the Legislature of Ontario has no jurisdiction to repeal the said section of the British North America Act."

Mr. LAUDER objected to the Committee giving an opinion on a legal question, on the ground that the members were not all lawyers.

Mr. WOOD was not prepared to give an opinion on a legal question. But the Legislature had passed the Revised Statutes, in which it was set forth that certain property should not be taxed, and as a layman, he would suppose it was necessary to state this, or otherwise the property might be taxed.

Mr. MEREDITH moved an amendment, "That the question of exemption of Government property from municipal taxation should be the subject of further enquiry and evidence by this Committee, with a view to the determination of the propriety of continuing such exemption in whole or part."

Mr. MILLER said he was opposed *in toto* to giving municipalities the power to tax Government property. (Hear, hear.)

Mr. MEREDITH was not in favour of taxing the property, but thought it would be unjust to the cities to declare that they would not hear them on the question. (Hear, hear.)

Mr. HARDY remarked that there was nothing wrong in the Attorney-General's argument; the hon. gentleman simply pointed out how much the tax would be, and who would pay it.

Mr. HAY could add further on this point that he had not heard on either side of the House such reflections on the Attorney-General's speech as had been advanced in the Committee. (Hear, hear.)

Mr. DEACON was satisfied that the majority of the Committee and the House was in favour of exempting Government property from taxation. He suggested they should leave this subject, and pass to the consideration of the other twenty-five heads of exempted property.

Mr. HARDY stated that the resolution of Mr. Robinson and that proposed by Mr. Deacon might very well be incorporated.

A vote was then taken on Mr. Meredith's amendment with the following result:—

Yeas.—Bell, Hay, Lauder, Meredith, Miller, Wills—6.

Nays.—Hardy, Wood, Deacon, Graham, Harkin, Hodgins, McMahon, O'Donohue, Robinson, Williams—10.

The amendment was therefore declared lost.

Mr. Deacon's motion was then carried by the following vote:—

Yeas.—Hardy, Wood, Deacon, Hodgins, McMahon, Williams, O'Donohue—7.

Nays.—Bell, Graham, Hay, Wills, Meredith, Miller—6.

Messrs. Lauder, Robinson, and Harkin declined to vote.