

Municipal Grants Act

and each owner of landed property belongs to a local community and benefits from available services. It is only fair therefore that he should pay his share of the costs calculated on the basis of the sharing index which has been accepted.

In that context, any exception to the rule under which the real value of landed property is assessed distorts cost sharing and is unfair to the other ratepayers. Understandably, many exceptions have already been accepted, either because of tradition or jurisprudence. For instance, exceptions are made with respect to mines, oil fields and, in certain cases, highway corridors.

Such particular situations result in changes to the distribution of real costs and in the preferential treatment of certain ratepayers at the expense of others. For constitutional considerations, the higher levels of Governments do not look upon themselves as being ordinary ratepayers, but that should not be an excuse to disregard the general rules under which the costs of municipal services is shared among landed property owners.

When I say higher levels of Governments, I do include both the Government of Quebec—I happen to represent a Quebec riding—and the Government of Canada. I think that neither level of Government can teach us a lesson in that respect. They too have to consider themselves as being full-fledged ratepayers, but they have not always done so, although in recent years particularly, as a result of Bill C-4, they have shown good will.

● (1640)

Schedule II of Bill C-4 includes drydocks, among other things, which means that the value of that real property cannot be a factor when assessing the value to determine the grant to be paid to the municipality involved. According to generally accepted real estate assessment principles, it seems that such structures or facilities should be included in the books of the municipality which expects to collect money from owners of landed property. In the case of the City of Lauzon, the inclusion of Lorne and Champlain drydocks changes the calculations altogether. For instance, in the City of Lauzon, on the basis of the data provided and of the 1982 rates, the properties belonging to the Government of Canada should be assessed at some \$22 million. According to the 1982 rates, the assessment in this one city should be \$22 million.

But, if the drydocks are excluded, the assessment of these properties would be ten times smaller. The fact is that drydocks are of great value and also that there are not many drydocks which belong to the Government of Canada. I agree that this is a local and specific case, but following representations by officials of the City of Lauzon, we felt it was quite proper for us to move this motion, so that the government understand that although this legislation was adopted by all the parties in the House, there might be cases where exemptions would prove detrimental to the people of a city in particular.

I hope that the leaders and members of all parties will take note of the exemption which I referred to as far as drydocks are concerned.

When raising the problem of grants paid in lieu of taxes to municipalities, I think that it is difficult for us not to point out the position of the Quebec government. It cannot be overlooked since we want to assess the attitude of the Government of Canada compared with that of the Quebec government towards the municipalities. It would be advisable for the purposes of this debate to show for example what the intervention of the Quebec and Ottawa governments means in the case of the City of Lauzon. We have heard lately the star performers of the PQ government systematically spread rumours among the Canadian people saying that the government of Canada does not always act like a good taxpayer. I admit that, in this case, there may be minor difficulties but when you want to accuse a neighbour, you have to be faultless. The Quebec government is often like the pot calling the kettle black.

Let me give an example. In the same City of Lauzon, the municipal taxation system put into effect by the Quebec government meant a loss of revenue of \$235,132. And this is due to the assessment of buildings and properties belonging to the Quebec government such as the schools, the CEGEP and the social affairs buildings. According to the figures provided to us, an amount of \$235,132 which would normally have been paid to the taxpayers of the City of Lauzon in the past years was not paid because of the Quebec legislation.

Recently, another bill was tabled in the National Assembly. I refer to Bill 38, also dealing with grants paid to municipalities and more particularly grants coming from the federal government. The ostensible purpose of Bill 38 as restated by Mr. Lévesque during the weekend, is to prevent municipalities from accepting any federal grant. But, strangely enough, the first lines of the bill make it quite clear that federal grants in lieu of taxes are not covered by this bill.

There are two ways for the federal Government to help municipalities. In the case of taxes, the Quebec Government says that Ottawa can make grants in lieu of taxes. In the case of other subsidies, for instance to create jobs, the Quebec Government says: "No, you cannot accept subsidies; if you do, there will be certain penalties, such as reductions in the amounts that we owe you under the Quebec taxation system." This would mean for instance that, in the case of the City of Lauzon—and I shall come back to that later as I have a very good example in this regard—if this city had directly or indirectly, at the discretion of the Quebec Government, accepted any amount, such as \$100,000, from the federal Government for a job-creation program, next year, the Quebec Government might decide that these \$100,000 would be subtracted from the amount of taxes payable to the municipality of Lauzon, because the province does not want the Government of Canada to be in contact with the municipalities.