Municipal Revenue Sharing

If this problem were easy to solve, I suppose it would have been solved long ago. Political realism enters the picture. Local governments could be given the power to tax in areas other than property taxes. But tax power given to the municipalities would have to be taken away from the federal or provincial government.

The Acting Speaker (Mr. Ethier): Order, please. I regret to inform the hon. member that his allotted time has expired. However, with the unanimous consent of the House the hon. member may continue. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Roche: Mr. Speaker, I thank my colleagues for their courtesy in allowing me to continue.

The problem is how to decide how much tax power transferred from which level of government, and under what conditions, should now be brought into place. Once the local government gained the power to tax, a decision would have to be made on whether city administrations are capable of handling the collection and dispersal of the taxation revenue. Differences in rates of taxation among cities might lead to shifts in population trends as taxpayers sought to live where they paid lower taxes.

Consideration ought to be given to a more effective means of giving the municipalities a secure source of revenue through revenue sharing. In other words, the municipalities would not be given taxation powers, as with tax sharing, but would be given a fixed percentage of the revenues gathered by federal and provincial governments. Revenue sharing would presumably eliminate the need for grants, and cities could calculate with assurance their expected total revenue.

The route to a proper mechanism could be found by a tri-level task force, which could work out an effective way of implementing either revenue or tax sharing. The representatives of the Federation of Mayors and Municipalities should be present at any federal-provincial meeting, including those on the constitution, not just as guests but as participants. This is the theory behind the tri-level process begun in the early 1970s but now suspended because a few provinces refused to give up their total jurisdiction over municipalities and because Ottawa is afraid to lead the way in a new national urban policy.

I want to see tri-level meetings made regular and systematic as a form of government in Canada, because it is only in such meetings that the voice of local governments can be heard. Let us end forever the idea that local government does not belong at these high level conferences. There is no doubt in my mind that the cities can make a positive contribution to our present day constitutional debate. As has been said through the mayors and municipalities associations:

We are fully prepared to assist in setting new directions for Canada that will serve the interests of all Canadians—directions that will hopefully lead us to a stronger, more united Canada for the decades ahead.

It is long past time to streamline government in Canada and allow the municipalities to stand on their own feet. The federal government should take the initiative in finding tax room for local government. And the municipalities who so urgently need revenue should be directly involved in negotiations and should, of course, be held politically responsible for any new revenue sources granted.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I think all of us were rather amazed to listen to the hon. member for Edmonton-Strathcona (Mr. Roche) list a litany of sin and evil which the province of Alberta is guilty of, specifically in reference to the city of Edmonton. It has not provided funds or assisted the city with its police force. Edmonton is a city with a high rate of rape and other crime, and where health care is poor because the provincial government has not provided the funds.

Mr. Alexander: You have deliberately missed the point.

Mr. Roche: Mr. Speaker, I rise on a point of order. While I would not suggest to the House that the hon. member is deliberately misinterpreting my remarks, he is certainly inadvertently misinterpreting specifically what I said with respect to the province of Alberta having given $1 billion—

The Acting Speaker (Mr. Ethier): Order, please. The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development has the floor.

Mr. Anderson: In the event the House misinterprets the hon. member's remarks, I am saying that we are all aware that municipalities are creatures of the provincial government. Do we accept that first point? If we accept that first point then the second point follows as night follows day. If there is a shortage of funds for essential services in the city of Edmonton, then I suggest the hon. member not mislead this House and say that it is the fault of the federal government. I would suggest that the hon. member has brought out a litany of sins against the province of Alberta.

Some hon. Members: Hear, hear!

Mr. Anderson: That is a province that cannot cry poor or say that it does not have the money to assist its municipalities. I have some prepared remarks but I must reiterate that I was amazed to hear the hon. member say that it is the fault of the federal government that we are not getting these sources of funds for the city of Edmonton. That city is surrounded by wealth unknown in other provinces. If it is not able to carry on essential services, whose fault is it? Is it the fault of the federal government, which has no jurisdiction whatsoever in municipal affairs? The hon. member is less than honest if he assumes or misleads this House by saying it is the federal government which has financial responsibility for the city of Edmonton.

He knows and we know that it is the government of the province of Alberta that has total responsibility in the taxation field. If the province of Alberta wishes to give taxation responsibility to the city of Edmonton, it does not have to ask the federal government. Elected representatives do not have to ask their colleagues in Ottawa; all they have to do is to pass