

Grants to Municipalities

now assigns responsibility for administration of the act to the Minister of Public Works rather than the Minister of Finance (Mr. MacEachen). The change in the definition of minister in the act was made because responsibility for administration of the grants program was transferred from the Department of Finance to the Department of Public Works on April 14 of this year. It was done just two days before the bill was introduced into the House. The change of administration was preceded by extensive discussions between the two ministries concerned, and it was approved by the Prime minister (Mr. Trudeau) on the basis of the recommendation of the Minister of Finance and myself.

● (1520)

The program of grants in lieu of taxes began in 1950. It was housed in the Department of Finance at that time. It was assigned to that department because the original program had limited coverage and numerous discretionary aspects. However, over the years the program has been significantly enlarged. The discretionary aspects have been curtailed, and from a managerial aspect the program is similar to the tax payment function of a privately owned corporation. In our opinion, this function is best carried out by those who are concerned with real property management, as is the general case in the private sector. In this way the tax or grantpaying function can best be integrated with all other aspects of property management. The foregoing considerations led the Minister of Finance and myself to the conclusion that the grant in lieu program should be transferred to the Department of Public Works, as I have indicated.

I should like to conclude with two final comments. First, this bill will bring benefits to a large number of municipalities across Canada. As a former mayor of Scarborough, I am very pleased to have the privilege of bringing this legislation before Parliament and of assuming the continuing responsibilities for the administration of the program. Second, there is good reason to believe, because of the history of this bill which I have outlined, that it will receive good support from this House. As I have indicated, there has been extensive public and parliamentary discussion of the issues raised in the bill. I dare say that some of the questions which members opposite may have concerning the bill will have been touched on and have been touched on in the past. I would encourage their support of the bill inasmuch as municipalities have been waiting in anticipation for the passage of this legislation for some time. Therefore I indicate that I am sure there is an appreciative audience for speedy treatment of this bill before the House.

In summary, I feel that I cannot improve upon the comments made by the former minister of finance on December 3, 1979 in his concluding remarks at this point in the previous bill. He was speaking about the bill when he said the following: It will tidy up and modernize a statute where changes are long overdue; it is now 22 years since it was changed. It will bring substantial benefits to local governments in all parts of Canada and will strengthen the principle that the Government of Canada is paying its way for the services it receives from municipal government.

Mr. J. P. Nowlan (Annapolis Valley-Hants): Mr. Speaker, I too am glad to participate in the debate on Bill C-4. I congratulate the minister for giving this bill priority over other government legislation, as was the case with the last government, and for showing the interest of the government in this bill, the subject matter of which has been around for quite a while, as the minister said.

I frankly do not know when a minister of the Crown perhaps has had such a relatively easy bill to bring in during troubled times. During other debates in this House I gather there has been a disposition for approval in principle mainly because there is a recognition of the fact that municipalities, which contribute so much to the ongoing government of this land, require and deserve much more financial assistance. There has been this anomaly which really stems right from the BNA Act. I find that somewhat ironic in view of the events which are taking place today. Of course, the BNA Act indicates that federal and provincial property shall not be subject to, in effect, property taxation, thereby starting the problem some 113 years ago. Perhaps it did not seem to be much of a problem then, but as the country, the government and the municipalities grew, the need for a proper grant system in lieu of property taxes became quite apparent.

I think the minister has a relatively easy job in his department in piloting this piece of legislation. He is getting his baptism of fire, so to speak, by bringing this bill in. One reason the minister may get off a little easy today is that he has a bill with which we are all sort of generally in agreement. Also, he is dispensing money, which is an easy thing for a minister to do. But this is also my first baptism of fire in that I have the honour of following a minister in sort of a critique role. Being the type of person I am—and the party to which I belong is always constructive—naturally I will try to make my comments not too critical but certainly constructive in nature.

The historic speech of the minister of finance in the last House was not quite as historic as the vote which occurred ten days later. It was on December 3 when Bill C-3 was debated. For members interested, the hon. member for St. John's West (Mr. Crosbie), as reported at page 1957 of *Hansard* for December 3, set out in almost extreme detail all the pitfalls and definition problems in this bill.

As the minister said, this bill has had a long gestation period. I suppose my friends to the left who have never really been in a position to be a putative father to any bill might question the joint paternity of this bill. The hon. member for Winnipeg North Centre (Mr. Knowles) looks at me with his quizzical eye. I say that in the best parliamentary sense.

Mr. Knowles: We have been fathering good legislation around here for decades.

Mr. Nowlan: Certainly the hon. member for Winnipeg North Centre is a father of many things in terms of legislation. Obviously he has an interest in this bill which will bring help to over 2,000 municipalities across the land.

I have really one critical comment. I am somewhat sorry in the first sortie of the minister on a bill involving municipal