

development in metropolitan Toronto is in the riding which I represent. The residents of the riding are people from many provinces and many countries who, in my opinion, face a significant challenge in building what has been described as their instant city into more than just a city but also an attractive community in which to live, work, play and indeed to call home.

Geographically, the riding is comprised of approximately the northern half of the borough of Scarborough, which I represented as mayor, together with a portion of the city of North York, which I represented as metropolitan Toronto councillor. Both of these municipalities have been rapid growth areas in municipal Toronto, each averaging approximately 5,000 residential starts over the past 20 years. In many cases this development has been called an instant city with all the challenges of settling that many people, with both hard and soft services and the challenge to make this part of Canada a good place in which people can live, work and play.

Bill C-4, I realize, is not a panacea to the financial challenges of my riding or indeed of the some 2,000 other municipalities which will benefit from the provisions of the bill. For my part, however, the bill is a recognition of the role played by local government in the total delivery of government services to the public. It is my hope in the upcoming months, when a re-analysis of the respective roles of government is undertaken, that the role and responsibility of local government will find a voice in the restructuring process. It is my view that this government and the provincial governments can only benefit from the combined input of local government, and hence all Canadians can benefit from the input of local government in that process. But topics such as trilevel discussions, revenue sharing, etc., will be for another day.

Bill C-4 now before the House is intended to provide the federal government with new legislation to govern the program of grants to municipalities in lieu of property taxes. I do not propose to make a long statement in support of this bill because, as I have indicated, other ministers on two previous occasions have talked to the bill at length. It would be desirable, however, to summarize the provisions of the bill and comment on the background.

The general purpose is to update and expand the federal system of grants in lieu of taxes. The bill achieves this by enlarging the definitions of real property and real property taxes in respect of which grants are to be paid and by establishing how set grants are to be determined, making it clear that they are to constitute a full tax equivalent in almost all cases. The bill also provides for a set of guidelines which are to be observed by Crown corporations in making grants in lieu of taxes on their own properties.

The definition of property subject to grant is being made very broad. It encompasses virtually all lands and buildings that are owned by the Government of Canada. Let me list some examples, which include the Parliament buildings, office buildings, postal terminals, defence bases, armouries, national parks, historic sites, research laboratories, airports, marine properties, warehouses of all kinds including those associated

with harbour facilities, communications stations, experimental farms, fish hatcheries, penitentiaries, police detachments, residential properties, hospitals, schools, libraries, and it goes on.

The definition of taxes in respect of which grants will be paid includes the real property tax, local improvements taxes, and almost any other kind of tax levied on owners of real property.

The grants to be paid in respect of the foregoing taxes and in respect of the properties described will be determined on the basis of full tax equivalency in almost all cases. In some cases they will represent more than full tax equivalency because some types of property which will be included are properties of a kind that are often not taxed when owned by someone other than the federal government.

In order to achieve the position which I have described, the bill makes a large number of changes in the legislation which has governed the program since 1957. In fact, the changes are so numerous that new legislation was necessary. I do not intend to itemize the changes, but I could describe three changes. First, as I have indicated, national parks, defence bases in rural areas, the Parliament buildings, etc., will be brought into the grant system. Second, and this is new, most deductions from grants will be eliminated. Third, the establishment of guidelines to govern grants by Crown corporations will be authorized. This will have a significant impact on the amount of moneys actually transferred to local authorities. These changes will mainly become effective for the 1980 taxation year of municipalities. Some provisions are subject to a four year phasing and the guidelines for Crown corporations will apply with a one year lag.

Now I have a few comments to make about the antecedents of Bill C-4. The present Municipal Grants Act is a 1951 statute which was amended in 1955 and 1957, but not since then. A sizeable number of representations were made about the act during the decade of the 1970s, and the credit for responding to these and coming forward with a bill must go to my colleague, the Minister of Justice (Mr. Chrétien), who, in his former capacity as minister of finance, introduced Bill C-46 in the Thirtieth Parliament. We know that that bill did not proceed when Parliament was terminated. In the thirty-first Parliament an almost identical bill was introduced by the hon. member for St. John's West (Mr. Crosbie), and that bill similarly did not proceed past the second reading stage. But on December 3, 1979, which was the date of the second reading last given to the bill, although the debate was not completed I am told there were at least two hours of full discussion and eight hon. members spoke to the item. There was a full statement to Parliament to open the debate and this statement is set out in full in *Hansard*. I encourage members to review that statement.

Bill C-4 incorporates a few changes from the previous two bills. These changes do not alter in any way the amount of grants to be paid. Their general purpose is simply to clarify some of the provisions. However, I would like to refer to one of the changes since it affects me personally. This is the change in the definition of minister in the provision of the act which