

Municipal Revenue Sharing

national security, welfare and economic stability of Canada. The actual causes of such a shortage or disturbance could be natural disasters, technical problems, strikes, embargoes, or any other kind of emergency, including, of course, events far beyond our borders and quite outside the control of the Government of Canada.

The allocation powers provided in the act would be invoked by the governor in council when in his opinion, for reason of shortage or market disturbance, the national security, wealth or economic stability of Canada is affected to the point where in the national interest it is necessary to conserve our supplies of petroleum products.

The legislation authorizes the governor in council to appoint an energy supplies allocation board composed of up to seven members including a chairman. Under the previous act there were five members including a chairman. I would envisage the appointment to the board would reflect the interests of producing and consuming provinces, the consuming public and the petroleum industry.

● (1700)

We are fast approaching the time, Mr. Speaker, when we will be required to adjourn this debate for private members' hour. I am about to enter an important part of my speech which deals with the duties of the board, and because I do not feel that there is enough time to fully explain, I wonder if hon. members would agree to call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Moose Jaw (Mr. Neil)—Metric Conversion—Request for delay in implementation by housing industry; the hon. member for Provencher (Mr. Epp)—Canadian Broadcasting Corporation—Television coverage in southeast Manitoba; the hon. member for York-Sunbury (Mr. Howie)—Science and Technology—Guidelines for industrial research.

PRIVATE MEMBERS' MOTIONS

[English]

The Acting Speaker (Mr. Turner): It being five o'clock p.m. the House will now proceed to consideration of private members' motions as listed on today's order paper, namely, notices

[Mr. Gillespie.]

of motions and public bills. Shall items Nos. 7, 9 and 13 stand by unanimous consent?

Some hon. Members: Agreed.

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URBAN AFFAIRS

ADVISABILITY OF PROVIDING MUNICIPALITIES WITH DIRECT ACCESS TO REVENUE SHARING

Mr. Douglas Roche (Edmonton-Strathcona) moved:

That, in the opinion of this House, the government should consider the advisability of revising Canada's tax system in order to provide municipalities with direct access to revenue sharing so that they can meet increasing responsibilities to the expanding Canadian urban population.

He said: Mr. Speaker, Canadian cities are facing a crisis in financial management which threatens to get worse unless they gain access to an expanded source of revenue. As the number of urban citizens grows and the responsibilities toward these citizens increase, cities have become increasingly dependent on financing from outside, such as grants and borrowing. If the present trend continues, cities will no longer be able to function as self-governed units and decisions affecting urban dwellers will be made by an authority far removed from their local concerns.

Stated simply, cities are overwhelmed with the modern problem of urbanization in Canada which has increased the demand for physical and social services at the community level without an adequate tax base. This crisis has been building up for many decades and has its roots as far back as confederation. When our fathers drafted the constitution for the future dominion of Canada, they could not foresee the shift in population from the rural areas to the cities. In 1871 the urban population was a scant 722,000; in 1977 it was an overwhelming 16 million, 76 per cent of the Canadian population. Before the end of this century, 90 per cent of Canadians will be urbanized. Because such a radical shift was not foreseen, the municipalities were not considered in the division of fiscal powers.

As originally drafted, the BNA Act gave the federal government authority over all forms of taxation, while the provinces were restricted to direct taxation within the province. The provinces were also given authority over municipal institutions. With the enormous expansion of the revenue needs of the provinces, the federal government was forced to share more of its tax revenue and more taxation powers were transferred to the provinces. Municipalities gained the right to raise taxes on property.

Today municipalities find themselves in the same situation which provinces faced earlier; their revenue base is no longer adequate enough to finance the services which they provide. Grants from the federal and provincial governments and borrowing have made the shortfall, but just as the provinces could not function on the basis of additional grants from the federal government, municipalities cannot function primarily on additional grants from federal and provincial governments.