

Adjournment Debate

ingly. The city of Ottawa has applied to the province on many occasions to change the basis of taxation because it would add something like \$30 million a year to its coffers if the federal government paid the full taxes as a normal private employer would do. The government has rejected this contention.

I do not hold out much hope, on the basis of discussions which have taken place, that there will be a change in the position of the federal government. I do hope that the government will consider a change in policy as part of a new phase of federal municipal relations in Canada and that it will carry its full share of the tax load for services to that property which it owns in the municipalities. I hope that it will look at the special claim of an area like the national capital which suffers from the adverse effects of federal government policies. I hope also that the province of Ontario will look at its structure of business and residential taxes and make certain modifications that would be more consistent with the way in which property taxes are levied in other parts of Canada. That would have the effect of substantially increasing the grant.

● (2220)

Mr. D. M. Collette (Parliamentary Secretary to Postmaster General): Mr. Speaker, I am pleased to respond to the hon. member for Ottawa West (Mr. Francis) on behalf of my colleague, the hon. member for Scarborough West (Mr. Martin), who is away on government business.

In response to the question raised by the hon. member for Ottawa West, the government is preparing legislation concerning grants to municipalities in lieu of taxes. A bill providing for a completely new Municipal Grants Act will be tabled very soon. The details of the government's proposals for enlarging the grants program will be set out in that bill. A statement providing a general outline of the proposals will be issued within the next few days.

A great deal of work has gone into the preparation of a new act. This has included an examination of all of the various restrictions on the grants that are now paid. In particular, a detailed study has been made of each of the categories of property that is presently excluded from grant, and of various irritants with the program that have accumulated in the 22 years since the legislation was last amended.

While the program of grants in lieu of taxes is a national program which applies all across Canada, it does have particular importance for municipalities in the national capital area, including the city of Ottawa, to which the hon. member for Ottawa West has referred. In view of these circumstances the government has looked carefully at the impact of the present grant program on Ottawa in order to ensure that the new program will treat the city in a fair and equitable manner. The new municipal grants act will take account of this study, and the government's proposals will bring important benefits to the city. It will also take account of numerous representations which have been received from the city and, on behalf of the city, from the hon. member for Ottawa West and the hon. member for Ottawa-Vanier (Mr. Gauthier).

[Mr. Francis.]

In closing, Mr. Speaker, I should like to acknowledge how the hon. member for Ottawa West and his colleague, the hon. member for Ottawa-Vanier, have spoken out most strongly and forcefully on behalf of the citizens of Ottawa on this particularly difficult subject.

INDUSTRY—REBUILDING OF AIRPORTS IN TRINIDAD—
GOVERNMENT INVOLVEMENT

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, some time ago I received a letter from a constituent who is vice-president of a telecommunications engineering firm. He enclosed an article from the *Globe and Mail* "Report on Business". The heading indicated that Canada will provide \$10 million for Trinidad airports and that it is planning to help build new airports and a penitentiary there.

Just a few days ago, February 15, the *Ottawa Citizen* carried an article which pointed out that Canada will act as the key contractor for the construction work. In part the article reads as follows:

Presumably, when the memorandum was under discussion, Trinidad's officials were not acquainted with Canada's experience in building penitentiaries.

If the Minister of Industry, Trade and Commerce (Mr. Horner) wants to sell Canada's expertise in building penitentiaries, which one will he use as a model—Archambault, Millhaven, Laval, the B.C. penitentiary, Dorchester, or Kingston?

When I put a question to the minister in the House about the construction deal his department is negotiating with Trinidad, he answered, as reported at page 1652 of *Hansard*, as follows:

Our Department of Transport was chosen to act as a key contractor. It will seek out and sublet contracts to Canadian engineering firms in order to complete the work.

We should focus on two points in this matter, Mr. Speaker. First, is the government competent to act as the key contractor in the construction of airports? Mirabel airport cost \$600 million and is now running into the red at \$1 million per week, something like \$52 million per year. It is the forty-fourth busiest airport in Canada, which does not show the government as competent to act as the key contractor for other airports. When I went through Mirabel airport a year ago the roof was leaking and the floors were cracked. A zinc tub placed to catch the leak from the roof had a beautiful red velvet rope around it. The government was the key contractor for that installation.

● (2225)

I turn to what the Auditor General said concerning the government's role as key contractor for the airport at Calgary. I quote from paragraph 19.105:

Although the design and construction of air terminal buildings to meet future requirements is a complex task, we are not satisfied that the Department's procedures were adequate to prevent any unnecessary increases in either the cost or size of the Calgary air terminal building. Specifically:

Extensive authority was delegated to the Western Region without effective review, challenge and control by Headquarters.