

*Adjournment Debate***PROCEEDINGS ON ADJOURNMENT
MOTION***[Translation]*

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

**PUBLIC WORKS—TASK FORCE REPORT ON PAYMENT OF GRANTS
TO MUNICIPALITIES IN LIEU OF TAXES**

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on Monday, May 31 last, I directed a question to the Minister of Public Works (Mr. Cosgrove). If you remember, my question dealt with Bill C-4, the Municipal Grants Act, 1980.

In evidence brought before the Standing Committee on National Resources and Public Works, it had been suggested that the minister set up a task force whose reference would be to consider the key factors having an impact on municipal budgets, especially as far as the payment of grants in lieu of taxes was concerned. The minister had undertaken to submit to a task force the issue of the right of appeal in cases of differences of opinions on the real property assessment. In addition, an important matter, the use of the minister's discretionary power was to be considered by the task force chaired by Mr. Pollack. We know that in several clauses of Bill C-4, especially in Section 3, it is provided that the minister will have an absolute discretionary power. This, according to several witnesses heard before the committee, would give rise to some considerable problems with respect to municipal revenues.

● (2225)

Mr. Speaker, in almost all Canadian municipalities, we find several buildings for which the Minister of Public Works (Mr. Cosgrove) pays grants in lieu of taxes. It can be easily understood under the present circumstances that those municipalities whose budgets are more restricted are especially sensitive about that issue. For some of them, a relatively substantial part of their budget is based on those grants and it seems essential that a consultation or appeal process in case of differences of opinions be set up to provide them with some assistance.

Besides, we have seen this week, Mr. Speaker, that economic matters were the main concern of municipalities. Indeed, everyone knows that the Canadian Federation of Municipalities held its 45th convention right here in Ottawa and that the theme of the convention was precisely "The municipalities and the economy". Various economic themes were discussed during the convention, including the financial imputability of municipalities, the drawing up of municipal budgets, housing, employment and energy conservation as well as technological change.

That is why, considering the concerns of the municipalities, I asked the minister last week, before the convention was held, whether the task force had made its final report and whether

the minister would table or make public, before the convention in Ottawa this week, what seemed to me as being the rather significant findings of that report. The minister replied that indeed the task force had completed its work and that he was looking into the recommendations. Since then, he has said that the report will be made public in the near future.

As the committee has already completed its work, if the minister could table the report shortly, the participants to this convention would have been able to read this report and return to their respective regions to study its content. Since the representations made by the municipalities to the Pollack committee dealt with increased consultation in the decision-making process on matters concerning them, I suggest the minister would be well advised to let them express their views on the final recommendations of the task force before they are implemented. That is why I urge the minister to make public this report which is of tremendous importance for municipalities as soon as possible. This would contribute to a healthy dialogue between the parties and result in a happy agreement between the federal government and the municipalities concerned.

● (2230)

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, first of all, I shall, if I may, congratulate my hon. colleague from Ottawa-Vanier (Mr. Gauthier) on his foresight in raising this very important matter of grants in lieu of taxes. I shall now take this opportunity to provide a detailed answer to the question he put on May 31.

During the hearings held by the Standing Committee on National Resources and Public Works early in 1980, before the new Municipal Grants Act was passed, many representatives from the provinces, municipalities and various associations submitted briefs criticizing the absence of an appeal procedure—as the hon. member mentioned—which would make it possible to resolve differences of opinion, and also the minister's discretionary powers. At his suggestion, the minister set up a task force that would analyse the situation and submit a report to the minister. The task force, chaired by Mr. Isidore Pollack of Quebec City, had a work plan which included the following elements: a documentary research program on key factors affecting grants to municipalities, the development of various possible appeal procedures, an intensive program of field trips including meetings with recipients of grants and evaluating authorities, and finally, the drafting of a report to be submitted.

I have been informed that the task force has completed its mission and will submit its final report to the minister within the next few days. As the minister noted in the House on May 31, he will make this report available to members of the Standing Committee in due time. However, I can say at once