

Municipal Revenue Sharing

tion and all kinds of other related services to promote building and residential development.

Rural municipalities face very difficult problems because an increasing number of urban dwellers have been settling down in rural areas, to avoid in many cases, I imagine, the extremely high tax burden brought about by the financing of these sewers and water systems. Mr. Speaker, I am well aware that municipal affairs come under provincial jurisdiction. I have known this for a long time and I hope that this will never change. However, it is time the municipalities had a greater share of the fiscal pie.

Mr. Speaker, statistics show that municipalities sunk so deep into debt that the servicing charges account for some 60 per cent of their budgets. They cannot count on the remaining 40 per cent to expand and improve the services provided their citizens. This is a situation that must be looked into. We all know the enormous costs municipalities have to pay for the design and construction of water and sewer systems, so much so that even with provincial subsidies they must face decades or even a half-century of debt repayment at excessive interest rates. This is why they are at the mercy of higher governments for further financing or additional subsidies. It must be remembered that under the current financing system, where a water and sewer system costs nearly \$1 million, ratepayers will have to pay \$5 million. So the current burden of municipalities is debt service.

Mr. Speaker, I would like to refer to the situation in Quebec rather than other provinces, because municipalities are under provincial jurisdiction and the laws may vary. I read last week in a Montreal area newspaper that the municipality of Sainte-Lucie, in the Laurentians, was so deep into debt it is incapable of getting out, and ratepayers refuse to pay their property taxes. There is something basically wrong and we must have a very serious look at this to find a solution. I see that my colleague from Hamilton West (Mr. Alexander) wants to contribute, so I will conclude on a suggestion. Earlier the hon. member for Winnipeg North Centre (Mr. Knowles) indicated the mover had no proposal to solve the problem. This may be, but I would like to put forward a suggestion made by the Canadian Association of Municipalities before parliament, before the cabinet, in a self-explanatory brief. In that brief cabinet was urged to amend the Bank of Canada Act so the latter could make long-term loans to provinces so that the latter in turn may extend long-term credit to municipalities, with an interest rate covering service charges only. I am here to represent these municipal governments, and I support their proposals. I would therefore call upon cabinet to consider this serious matter once more, before all our municipalities go bankrupt.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I was not going to have too much to say—

[Mr. Lambert (Bellechasse).]

Mr. Foster: Mr. Speaker, I rise on a point of order. I think you have recognized three speakers from the opposition side—

Mr. Knowles (Winnipeg North Centre): Order.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Hamilton West (Mr. Alexander).

● (1750)

Mr. Alexander: I just want to be on the record as stating that what I heard from the hon. member for Comox-Alberni (Mr. Anderson) would indicate to me that, notwithstanding the fact that three quarters of the population of this great country of ours in the 1980s will be living in cities which are bigger than many of the provinces, the hon. member for Comox-Alberni thinks that the cities are not important, nor should they be an important participant in the constitutional debate. He indicated to the people of Canada that the cities are unwanted, not needed, are irrelevant. I will not say that he meant that deliberately, because we are not allowed to say that, but perhaps I will say that he was less than honest with regard to the thrust of the motion put forward by the hon. member for Edmonton-Strathcona (Mr. Roche). He made that statement with malice aforethought, and if that is unparliamentary I will have to think about withdrawing it.

What the hon. member was attempting to say is that the needs of the cities are increasing but that their revenues are decreasing, and that it is about time we accepted that as a fact, knowing that in reality our cities are growing into megalopolises of the size of New York. Therefore we must be concerned about their future in terms of the environmental malaise which stems from this growth.

When I talk about environmental malaise I refer to the drunkenness, the broken homes, the family squabbles, the deprivation that children are facing, the frustration of living in big cities, and so on. This is what the hon. member was talking about. He was saying that these problems which come about as a result of the growth of cities need solutions, and one of the solutions he is thinking about is that we should sincerely think about a tripartite approach. In other words, it is time now to say that cities should count. This is the opposite of what the hon. member for Comox-Alberni stated. What he wanted to do was to take advantage of the situation by throwing a few cheap shots.

Mr. Knowles (Winnipeg North Centre): And then running.

Mr. Alexander: And then running, because he knows there is now an election in Alberta. But I am talking about the problems of the cities in general. I become very concerned because now and again we have an election and I remember this government was talking about urban transportation during the 1974 election campaign and it spoke about pouring millions of dollars into the city of Toronto because, as it said, it understood there was a need.

What did they do after they were elected? They forgot all about the promises. I remember their promises in Hamilton where they said, "You need an expanded airport and here are