

*The Address—Mr. Poulin*

● (1622)

We are now in a period of a flat economy. We are now in a period where there is an additional economic factor, albeit an artificial economic factor. It seriously affects the viability of the heart of the nation's capital. The artificial factor I am referring to is the freeze placed by the government on the growth of the public service. If there were no artificial impediment to the growth of the public service, and if it were growing at a more normal rate of 1½ per cent, 2 per cent or 3 per cent annually, then we would not have any vacant space in the city of Ottawa. If that were the case, the growth rate would be equal to the gross national product. Also, we would not have the prediction of four million square feet of office space being vacated. In fact we would be constructing other buildings in Ottawa and Hull.

The planning of the government was based upon economic factors which existed at that time. Indeed the same type of planning was done by the private sector. I have implored ministers of the Crown to take these factors into consideration as they exist today. The moves to Hull and the decentralization across the rest of Canada should not be stopped. But they should be slowed down in order to give our economy and our public service a chance to grow in a more normal way, at which time we will spread the harm and the difficulty being occasioned to the people who live in the centre of my city. This is not an unreasonable request. The private sector should bear some of the burden. There should be some empty space in Ottawa owned by the private sector, as well as some empty space owned by the federal or public sector in Hull.

There are benefits to the economy of Ottawa because the public service is located here. Likewise, there should be benefits to the private sector in Hull because of the federal government being located there. We should share the benefits. In the short run we should share also the hardships which will be curtailed because of economic factors since the planning of the late sixties and early seventies.

A slowdown will not cost the Treasury a great amount of money. A slowdown such as that will show the good will of the government toward this community. Ottawa has benefited greatly by having the public service and a dedicated group of public servants who are highly trained specialists. This ought to be acknowledged. A slowdown in these moves must take place in order for the economy to catch up. In that event the harm will not be so great.

Another matter of great concern to the community at large, the chairmen of regional governments, the mayors of the region and the reeves of the region, is the grants which are being paid in lieu of taxes. The vacancies which will take place in the private sector in terms of office space are a very serious matter at this time. Notwithstanding the fact that the office space is empty, the municipal expenditures continue at the same rate. I am referring to expenditures for police service, garbage collection, and education. Those expenditures are present whether or not the government occupies these buildings.

[Mr. Poulin.]

There are some buildings in Ottawa owned by the federal government which are exempted properties. These properties are of a cultural nature or are monuments, such as the National War Memorial in the centre of Ottawa. It is recognized that those properties are properly exempt. They are there for the people of Canada, and indeed the people of Ottawa enjoy them as well. Two examples of exempt properties are the National Museum and the National Arts Centre. But there are other properties which are exempt from the payment of any or all taxes and I wonder whether they should continue to have that status in this day and age.

Generally the government pays a full commercial tax rate on realty owned or occupied by it. That must be understood in order to eliminate some of the confusion surrounding this area. In addition the government pays full police rates, water rates and taxes, except for the exempt properties. The few buildings which are exempt might be brought into the ambit of full taxation in order for this municipality to have more funds to meet its day to day commitments. I am referring to such buildings as the National Library, the National Archives, and the National Science Library. As I said before, the National Museum will be exempt because it is a cultural establishment. These other buildings are repositories of information and knowledge. They provide knowledge and information in the same manner as similar organizations in the private sector. Their operations are closely related, and therefore these buildings should no longer be exempt from the payment of municipal taxes. The government should make moves in that direction. It is capable of doing so.

The Prime Minister (Mr. Trudeau), in correspondence with the mayor of the city of Ottawa, has indicated that the Grants in Lieu of Taxes Act will be amended during the life of this parliament. I urge the government to move as quickly as it can in order for the benefits of those amendments to be felt by the city of Ottawa, of which I represent a part, and the surrounding municipalities.

**Mrs. Pigott:** Hear, hear!

**Mr. Poulin:** This cannot be over-emphasized because of the great exodus plan which will be implemented in the future. That involves the move of public servants from this community to other parts of Canada. This community will have to tighten its belt, but it should not have to do so because the federal government is not paying its fair share.

**Mrs. Pigott:** That is right—justice.

**Mr. Poulin:** The most serious part of the controversy regarding taxes is the area known as business tax. I am sure there is room for compromise in this area. There is room for members on all sides of this House to strive for equity and justice. Taxes should be paid where operations that are being conducted are akin to, similar, or like work which is carried on in the private sector. As I have mentioned, grants are being paid on realty by the federal government at the full commercial rate on all real estate which it owns and occupies. It does not pay grants in lieu of business tax.