

Adjournment Debate

One example of the need for a reformed method of governing and planning in the national capital region is the situation now caused by grants in lieu of taxes; this is a very real problem for Ottawa and a potential problem for Hull. It has been argued that Ottawa should not protest the fact that government grants are lower than business taxes because of such facilities as the National Arts Centre which, it is implied, would not exist if the federal government did not take a leading role in the national capital region. Does a statement of this sort explain to a resident of Gloucester why his property taxes are \$990 this year while a citizen of Toronto pays \$597? The \$18 million in non-paid taxes facing Ottawa this year would purchase a great many tickets at the National Arts Centre—which was supposed to be a centennial gift to the nation.

It was in the early 1950's that a fire in the Library of Parliament prompted the government to give its first grants in lieu of taxes to the city of Ottawa in order to improve the water supply in the event of another fire. Do non-paid taxes have to bring the national capital region down in flames before the government considers this a "burning issue?"

The recently announced move of 15,000 public servants to Hull will leave four million square feet of office space vacant in Ottawa. Four million square feet of office space is almost 160 acres; it would take 100 small factories to cover four million square feet. As more and more office space in the national capital region becomes the responsibility of the private sector, officials must deal with the fact that businesses are reluctant to locate in an area where taxes are so much higher than the rest of the country. Non-paid taxes play a major role in causing these high charges, and reluctance of the NCC to have realistic ideas about land leasing or sale of industrial land to prospective buyers causes a serious problem. Notice of this move was given in advance, but the accelerated growth of the Public Service and of government offices in Ottawa disguised the magnitude of government statements.

Relocation, coming as it does with a decrease in Public Service growth, could turn Ottawa into a "ghost town." I find the callous attitude of the Minister of Public Works (Mr. Buchanan) and the Minister of State for Urban Affairs (Mr. Ouellet) hard to understand. If they had to face 160 empty acres in their cities or constituencies would they not have emergency meetings and call for help? Even DREE would be involved if this happened in their constituencies.

There is no question that Ottawa and area business people must take an initiative to attract firms to fill up the four million square feet of office space vacated by the federal government in downtown Ottawa. In fact meetings are taking place in an effort to promote a stronger business life for the capital. A study was commissioned and plans formulated to build a convention centre for Ottawa.

However, in spite of the fact that Ottawa is the fourth largest metropolitan area in Canada and the second largest in Ontario, 40 per cent of the land in our area is controlled by a non-elected body, the National Capital Commission. With a presence of that magnitude in Ottawa, the federal government

can deny neither the effect of its actions on the community nor its responsibility to take an active role in finding solutions. It is interesting there is no one to champion the city in the cabinet. Can you imagine any other large metropolitan area without someone caring?

What action could be taken in this regard? In the immediate future the demolition of temporary buildings could be accelerated giving more work to the construction industry at a critical time, and moving workers from these buildings into vacated space could alleviate some of the burden of empty office space. Secondly, space not needed immediately at Place du Portage could be mothballed for a period of time until Ottawa had time to adjust.

There are many problems which come under the umbrella of the National Capital Commission and they need the attention of this government if Ottawa is to be really national. There is the on-again off-again Rideau Centre; satellite cities and land appraisal at Carlsbad Springs; a convention centre to support the tourist industry; decentralization plans that should be clearly defined and a timetable established; rapid transit assistance should be provided in light of the energy crisis and, of course, grants in lieu of taxes. There is a great need for equity of treatment for the people of the national capital region. Mr. Speaker, the capital of Canada does not deserve an absentee landlord.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member for Ottawa-Carleton (Mrs. Pigott) talked about an uncaring government. Over the years governments have been careful in approaching the question of grants in lieu of taxes. Obviously the government cares.

The statistical figures in my hand show that in 1950 grants to the city of Ottawa in lieu of taxes on departmental properties amounted to \$762,392. That figure has risen over the years, and in 1977 it reached the level of \$26,428,000. The figures do not suggest the government is uncaring, and I do not accept the suggestion that the Conservative government of the late 1950's was uncaring. We operate under a national program. The federal program of grants in lieu of taxes is a national program which will require the expenditure of an estimated \$111.5 million during the 1977-78 fiscal year. That program applies to all federal buildings across the country, to all areas where there are federal buildings, such as post offices. In all those cases the act applies.

Mr. Paproski: What about Ottawa-Vanier?

Mr. Gauthier (Ottawa-Vanier): We have only a few federal buildings in Ottawa-Vanier.

The alleged grant shortfall claimed by the city of Ottawa relates primarily to the non-payment of business taxes and certain Crown-owned properties on which no grants are paid. While it is true that some properties are excluded from grants by statute they consist, for the most part, of cultural properties