

*Grants to Municipalities*

governments that on all days the minister perhaps did not exercise a little more rhetoric in praise of municipalities and the contribution they make to the whole Government of Canada. We know today is a rather historic day. Whether more aid to municipalities will solve some fundamental problems across this land obviously is not a fundamental solution.

I know the minister was very active in municipal government. When I was on the west coast, I was involved in the municipal government for school boards. The hon. member for Parry Sound-Muskoka (Mr. Darling) was a reeve for an historic number of years, some 26 years. It is interesting that a lot of members of the House have cut their eye teeth on municipal governments or with municipal governments, be they municipal governments or school boards.

When I first heard this bill being kicked around several years ago, I was surprised that the matter did not move off dead centre and did not really move. Some of the questionable gestation, it is reported, allegedly was an enticement originally in Bill C-46 back in the Thirtieth Parliament when the then minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), issued a press release on February 19, 1979. It was suggested then—and this is what I meant by questionable paternity—that there was an enticement for the then mayor of Ottawa to throw his hat into the ring. I think Ottawa will benefit from the bill more as a single entity than any other part of the country because there is so much government property here. This was supposed to entice the then mayor of Ottawa into the federal ring.

● (1530)

We now have on my side of the House the hon. member for Nepean-Carleton (Mr. Baker). When he was president of the privy council in the former government and even before, he showed as did other hon. members from the Ottawa-Carleton area, a real interest in trying to reduce some of the financial burdens municipalities have found themselves under, especially compounded by the fact that so much federal government property was not taxed or providing the benefits of grants in lieu of taxes because the definition was rather strict and narrow.

That is why I compliment the minister for bringing this bill forward. In just a slight digression, let me say that the sooner we move this bill off dead centre in terms of the floor of this House and into the committee, the more respect we will show in a concrete way for the job the municipalities of this country are doing in all their phases. We have in this federal system two major levels of government, federal and provincial, but obviously the municipalities, creatures of the provincial system, are really the ones in day to day contact and in many ways have more influence and are seen more often by the taxpayer than those of us who are tucked away here in Ottawa some months of the year.

For that reason I hope that there will be relatively speedy action to get this bill into committee so that we can deal with some of the fine points to which the minister alluded and into which perhaps the former minister of finance, the hon.

member for St. John's West, went perhaps in a little too much detail. I hope some of those matters can be discussed a little more in the committee.

The very grant program which the minister said started many years ago involves an expenditure to the departments of over \$148 million. Grants to Crown corporations I am informed add another \$110 million. This bill would add some \$25 million to this grant system by widening the definition of the property to get the grant and also changing some of the rates for calculation.

The minister spoke about his constituency. My province of Nova Scotia has several Canadian forces bases, let alone historic parks. We have a very direct interest. I do not want to declare any conflict of interest, but CFB Greenwood, which is really the heart and soul of the NATO air element of the Canadian forces, just happens to be in the heart of my riding. I am glad to see that under the new definition CFB Greenwood, like CFB Shearwater, CFB Chatham and many other bases across this country, is now going to be included in the grant structure. That will be all to the good as far as we Nova Scotians are concerned and as far as members from various municipalities across the country are concerned.

The minister mentioned that Parliament Hill, the National Library and Public Archives, the National Arts Centre, the National Gallery and the National Museum, all in Ottawa, will be included. I am sure the hon. member for Nepean-Carleton will be speaking further about this, about the problems created by this bill and the good the bill will do in the Ottawa area.

Because the bill seems to be positive, hon. members may wonder why it has been around for as long as it has. It has been without substantive amendment for 22 years. I go back to the debate in this House on December 3. The bill is going to accomplish some very positive things, but obviously—and this is one of the reasons I think we should get it into the committee fairly soon—there are problems involving taxation in view of municipal rates and formulae which perhaps can be illuminated and examined in committee, and perhaps the floor of the House is not the place to do it.

In a brief from the Federation of Canadian Municipalities tendered to the government way back in 1977, which was the basic brief on the then bill—and this bill has not been fundamentally changed—I think there were five areas of concern which the federation set out with regard to that bill, Bill C-46. As we know, the provisions of that bill were included in Bill C-3 and now in Bill C-4. Those five areas of concern were the difference between the assessed value versus the accepted value; second, the problem of properties which currently have a tax exempt status; third, the exemption from commercial or business tax; fourth, service deductions which the government made for services it received from the municipalities; fifth—which the minister touched upon—the fact that Crown corporations were rather ad hoc and inconsistent as to how they paid—if they paid at all—grants in lieu of taxes.

As I understand the bill, the first problem, the difference between an assessed value and an accepted value, is still going