

Northern Ontario Pipe Line Corporation

Mr. Knowles: So that those who read the record will know what you and I were talking about, Mr. Speaker, may I point out that rule No. 4 to which I referred calls for bills to be accompanied by explanatory notes opposite each clause of the bill. The bill before us has no such explanatory notes on any of the right-hand pages explaining any of the clauses of this bill.

The other aspect of this bill, as to its form, which I submit makes it impossible for us to proceed with it at this time, is that in the bill there is a reference to an agreement; yet the bill does not contain as a schedule thereto the agreement referred to in the bill.

I point out for Your Honour's consideration that the wording in this bill is quite different from that in some other bills in which it is said that the government may enter into an agreement. Rather, the wording here implies the existence of an agreement. I remind Your Honour that there are any number of statutes on our books, such as the Canada Shipping Act; the Great Lakes Fisheries Convention Act; the Bretton Woods Agreements Act; the Terms of Union with Newfoundland (Approval) Act, and a number of others I have listed, such as acts regarding income tax agreements with certain countries, in which parliament was called upon to deal with agreements that had been made by the government with another body or another jurisdiction. In each of those cases the agreement that had been made was made a schedule to the act so that parliament was brought into the picture.

In this case, though the agreement has been tabled and is known as sessional paper No. 174-P of the House of Commons, and though there has been plenty of reference to an agreement, and though some of us have copies of it and know what is in it, this agreement is not made a schedule to the bill. The bill makes reference to some of the conditions that would have to obtain in an agreement between the government and Trans-Canada, but the conditions set out in the bill that that agreement would have to meet are very few. I want to stick directly to the point of order, but just as an example may I point out that there is nothing in the bill that says the agreement must have in it a date by which the western leg of the pipe line is to be completed; there is nothing in the bill which says that the agreement must have in it a date by which the short-term loan is to be repaid.

Mr. Speaker: Could the hon. member tell me how these so-called omissions make it impossible at this moment for the house to consider second reading?

Mr. Knowles: Because, Mr. Speaker, it is a well established principle of our parliamentary institutions that parliament, indeed the House of Commons in particular, has complete control over the expenditure of money. If we are going to be asked to consider a bill which gives the government the power to make an agreement, the terms of which are not included in the bill, we are thereby giving the government power that properly belongs to the House of Commons.

In that connection, I remind Your Honour of some very important quotations that have been read to this house before by none other than the late William Lyon Mackenzie King. May I refer you in particular to page 159, volume 3 of Redlich, one of the authorities with which Your Honour is quite familiar. He says this:

At first glance there does not appear to be much to learn from tracing the history of the forms of financial procedure. The motive power in financial development is not to be found in procedure, but in the growth of constitutional principles, in the acquisition by parliament of the sole right to grant taxes and in the further evolution of the predominance of the commons as the true representatives of the nation.

Later on the same page he says, and I ask that you take particular note of these words:

Soon after the great change made at the end of the 17th century, political experience showed that a second principle must be established before the foundations of parliamentary government could be regarded as secure. It was necessary to gain for the commons full and unrestricted control over the destination of the money spent, to enable parliament to check its application and to see that expenditure corresponded to the grants made.

Similarly Mr. King on one occasion made reference to Durell's volume entitled, "Parliamentary Grants". In fact I note that certain passages on page 3 of this volume are marked with a pencil and for all I know they may be Mr. King's pencil marks.

It is one of the old standing principles of our constitution that the House of Commons should control the finances of the country. In other words, the cardinal principle on which the whole of our financial system is based is that of parliamentary control, and by this is understood not the control of parliament in its constitutional sense as composed of sovereign, lords, and commons, but control by the commons alone.

Mr. Speaker: I indicate immediately that no one can contradict those basic principles; but how does the hon. member relate those principles to the bill and the second reading of it?

Mr. Knowles: Thank you for that question, Mr. Speaker. In my thinking the relationship is very direct. We have been given the right to look at an agreement made between the government and Trans-Canada but, as a parliament, this bill does not involve us in