

*Transport and Communications*

financing of Air Canada, and part of those moneys is to be used to buy an equity share in Wardair.

**Mr. J. H. Horner (Crowfoot):** Mr. Speaker, on the point of order and the question Your Honour raised as to whether or not you are convinced that the sixth report of the Standing Committee on Transport and Communications was a proper report for the committee to make in view of its terms of reference, I should like to say that I am sure Your Honour acknowledges the difficult position in which I, as chairman of that committee, was put.

Normally committees run rather smoothly. But in a minority House committees are nearly equally balanced, and on this occasion the vote on whether or not that amendment should carry was a tie vote and I as chairman was then called upon to make the final decision. I referred to Beauchesne's Fourth Edition, section 75, which suggests that the chairman must always protect his impartiality and that, whenever possible, he should refer such decision to another body so that that body can make the final decision.

Having well understood that the Canadian Transport Commission had made a particular ruling in regard to the purchase of 30 per cent of Wardair by Air Canada and that Canadian Pacific Airlines had appealed that decision to the Governor in Council, I thought that according to Beauchesne's Fourth Edition I, as chairman of that committee, could best maintain my impartiality by continuing to refer the final decision to the cabinet, which was already called upon to review the CTC decision.

May I refer to *Votes and Proceedings* for February 16, 1971. At that time the Standing Committee on Veterans Affairs was studying Bill C-203, introduced in that session, which had to do with the Pensions Act. The sixth report of the committee recommended that the government consider the feasibility of taking certain actions. On that occasion in 1971 the committee took it upon itself to go outside the scope of Bill C-203. It recommended something that might not have been encompassed in the bill but nevertheless was within the financial aspects of the bill. The committee recommended that the House should consider the advisability of including merchant navy personnel and auxiliary service personnel who were prisoners of war of the Japanese in world war II under the provisions of Section 57 of the Pension Act as amended by Bill C-203. That was only one of the committee's recommendations.

May I refer Your Honour as well to *Votes and Proceedings* of June 22, 1971. On that occasion Mr. Gervais, for Mr. Tolmie, from the Standing Committee on Justice and Legal Affairs, presented the ninth report of the said committee. That committee made a recommendation to the House with regard to Bill C-243, then being considered. The committee recommended, in view of the financial implications involved, that the government should propose a series of amendments that were outlined at that stage. There are extensive precedents and I am sure Your Honour is aware of them.

On this particular occasion the committee was considering a financing bill authorizing the expenditure of \$140 million in connection with capital and operating expenditures of Air Canada. I thought that the Wardair agreement

[Mr. Howard.]

fell within the area that the bill was designed to cover with regard to Air Canada. The money had actually left Air Canada and was being held in escrow until the cabinet had made a final decision. The money had actually been spent by Air Canada and was being held in escrow until the cabinet could make a final decision on the appeal by CP Air.

When the motion came before the committee I questioned it and examined it thoroughly and felt I had to rule the motion in order. I felt I had to vote to refer the matter to cabinet which was already studying the question. The motion only asks the government to consider the advisability of refusing to grant permission for Air Canada to engage in this transaction. The government can consider it. My recommendation to the government would be that it should accept the motion for concurrence and consider the advisability of doing what is proposed. Of course, the final decision is solely for the cabinet to make. I am reassured that the cabinet will consider it. That is the prerogative of the cabinet. We in this House should not trouble ourselves with that sixth report because I am certain the government is considering a lot of things at this very moment.

**Mr. Don Blenkarn (Mississauga):** Mr. Speaker, in considering the question whether this motion is in order, I think one has to refer to clause 7 of Bill C-164. I think that you, in ruling, should understand it was clearly contemplated that, of the \$140 million being advanced to Air Canada by debenture, \$2.7 million would be for the financing of this particular transaction involving Wardair. In addition, evidence given before the committee by Air Canada officials clearly indicates that the \$2.7 million to finance the Wardair transaction was part of the budget requirements in clause 7 of the bill. On that basis, Sir, the motion is clearly in order.

What we are really saying to the government is that the amount of financing required depends on whether or not the Wardair transaction is approved by the government. In the event the government should refuse to ratify this transaction, then clearly the decision as to the amount of funding Air Canada requires under the terms of this bill is altered. It is on the basis that this particular advance of funds by the government to Air Canada is affected by the exact matter now before the government that this sixth report of the standing committee is in order and I, Sir, would ask you to accept it and rule on it in that way.

● (1420)

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, as a member of the standing committee responsible for this motion I should like to submit that the argument supporting those who say that the committee did have the right to make this recommendation to the government stems from the fact that what was under consideration was not the annual report of Canadian National Railways or Air Canada but rather a financing bill to provide authority for specific capital expenditures by Air Canada so it could undertake certain projects. Among the propositions put forward by Air Canada was one that they had made an arrangement, and had evidently made application to the Air Transport Committee, to spend approximately \$3 million for the purchase of a 30 per cent equity in Wardair.