

Canadian Livestock Feed Board

On clause 17—*Advances*.

Mr. Bell (Carleton): Mr. Chairman, I wonder whether the minister could help me with a problem I have concerning the integration of clause 17 with clause 16 and perhaps with other clauses. Clause 17 seems to be a blanket authorization for the Governor in Council to make advances to the board on such terms and conditions as may be agreed upon. Is this authorization for the Governor in Council as wide as it appears to be or is it confined by clause 16? For example, are those to be only advances appropriated by parliament under clause 16 (1) or is this money to come out of moneys under clause 16 (2) paid out of the consolidated revenue fund? In other words, can the minister tell me whether this is a blanket clause enabling a raid to be made for advance purposes upon the consolidated revenue fund and by-passing parliament?

Mr. Sauv : As the hon. member knows, the board will have two functions. The first function will be to administer the funds voted by parliament for transportation and storage costs. In that sense clause 17 deals with that. Clause 16 deals with the operation of the board as a broker with certain limitations. Therefore we need clause 17 if we want to enable the board to administer the \$20 million annually voted by parliament.

Mr. Bell (Carleton): I should like the minister to clarify this point, that no advance may be made under clause 17 which is not already authorized under clause 16.

Mr. Sauv : Under clause 16 the government can lend money to the board. Clause 17 also gives this authorization. Clause 17 authorizes the payment of the \$19 million or \$20 million transportation subsidy plus the \$10 million for the fund, plus any amount that might be borrowed by the board to pursue its aims and obligations under the other provisions in clause 16.

Mr. Bell (Carleton): I am not sure the minister has understood my point. I should like the minister's assurance that there is no independent authority under clause 17. What I want to ascertain is that clause 17 carries with it only the authority which is contained in preceding or subsequent clauses, that it does not stand on its own and does not give a blank cheque to the board and to the Governor in Council to make advances of any amounts on such terms and conditions as may be agreed upon, thereby by-passing parliament. The minister will understand that if

this authority and power are confined to the financial provisions under clause 16 then I have no objection. But if this does constitute some power which goes away beyond that and gives an independent and separate authority, then I think members of this house have reason to take exception.

Mr. Sauv : Clause 16 (1) (a) provides for subsidies out of the annual appropriation, that is, \$20 million. Clause 16 (4) provides for a fund of \$10 million, and clause 17 provides for loans on terms and conditions established by the Governor in Council.

Mr. Bell (Carleton): Then are we to understand that these loans are in addition to and separate and distinct from the moneys appropriated by parliament and the \$10 million covered under clause 16? Is this in fact a blank cheque to the government to make loans of any amount on such terms and conditions as may be agreed upon?

Mr. Sauv : No, as long as the board acts as a broker if need be. It is only so if the board has to act as a broker, in which case there is a limited amount of \$10 million. If for one reason or another this is not sufficient, then the board can borrow from the Minister of Finance additional amounts of money. However, the intention was to try to limit the funds at the disposal of the board to \$10 million. We do not feel we will need more than \$10 million because, as you know, these operations are done within a very short period of time. Buying and selling are done practically in the same week. As soon as you collect for what you have sold you can pay for what you bought, and there is a very limited amount of time between those operations. It is therefore not expected that the board will need more than \$10 million for its operations. Nevertheless there is a provision there which authorizes the Minister of Finance to lend money on conditions set down by the Governor in Council.

Mr. Bell (Carleton): As usual the minister has been very clever and shrewd. He skated all around the issue. I want to put it to him immediately and directly. This clause does convey a power and authority in the governor in council to make advances of an unlimited amount which are not provided for in the previous clause 16. That is capable of a simple and direct answer.

Mr. Sauv : Yes, that is what I said.