

items objected to were considered not to be properly before the House and were allowed to remain in the estimates only by unanimous consent.

In 1974, on March 26, the Speaker said he was not convinced that the item establishing the Food Prices Review Board program was a legislative item because it did not seek to establish a "legislative principle".

In 1976, the Speaker found that while there may be existing legislative authority to permit the establishment of and funding for Loto Canada to pave its way in a supplementary estimate, he went on to say that where a question of principle was involved in an urgent situation, such as that which has given rise to this course and this particular situation, it would be considered an extremely singular situation and would not be repeated in the future.

● (1510)

In 1977, on March 22, the Speaker reviewed the previous rulings on the question of the estimates and pointed out that whether it is a one dollar item or not, a vote in the estimates may not "contain legislative content". He went on to say:

On the general question, it is my view that the government receives from Parliament the authority to act through the passage of legislation and receives the money to finance such authorized action through the passage by Parliament of an appropriation act. A supply item in my opinion ought not, therefore, to be used to obtain authority which is the proper subject of legislation—

The Speaker struck down two items as being legislative items and said that while he had grave doubts about four others as being proper he would give them the benefit of the doubt and the remaining items to which objection was taken were less clear but that in any case, in the absence of a procedure which allows a full exchange on these matters, he would allow them to remain. He cautioned members, however, not to take this lenient approach as a precedent.

Then on December 7 of the same year, the Speaker struck down the item in the supplemental estimates covering VIA Rail as representing an amendment to legislation.

The hon. member for Calgary Centre, in a well prepared argument, submitted that the part of Vote 5c energy, mines and resources relating to the purchase of Petrofina by Petro-Canada was a legislative item for, among other reasons, it did not request even the traditional one dollar. With respect to Votes L18c finance, and Votes 7c and 8c industry, trade and commerce, he also says that there is no legislative authority to support these, and directs our attention to certain sections of the Financial Administration Act which, he alleges, suggest that the course of action to accomplish what is set out in these three votes should be done by statute and is beyond the traditional scope of an appropriation act.

With respect to the eight items which delete or cancel debts, that is 5c agriculture, 30c health and welfare, 1c national revenue (part), 5c national revenue, 10c public works, 20c public works, 1c regional economic expansion, and 5c supply and services, he points out that none of these items ask for any money, the traditional use of estimates but that Section 18(1) of the Financial Administration Act only permits that debts up

to the amount of \$5,000 may be cancelled. In other words, each of these items is in effect an amendment to Section 18(1) of the Financial Administration Act.

While the President of the Treasury Board (Mr. Johnston) did not direct our attention to the authority under which they were to obtain the funds, he submitted nevertheless that the items in question were not legislative in nature and pointed out on more than one occasion that nothing in Supplementary Estimates (C) represents a departure from past practices.

I think that it is fair to say that this is the first time that we have heard arguments against the use of dollar items to cancel debts or to pay for programs set out in Votes L18c (finance), Votes 7c and 8c industry, trade and commerce, and 5c energy, mines and resources, particularly the line of argument raised by the hon. member for Calgary Centre. They have been in use for some time but there has never been any argument raised in the past.

When in 1971 and later objections were raised principally concerning using the appropriation acts to amend acts other than the appropriation acts, because of the novelty and also because of the time constraints, the Speaker felt compelled to remove only the most obvious cases of improper use of estimates and give a warning with respect to the other objectionable items.

I have been placed in this present position. It is clear in my mind that the eight items referred to above which cancel debts are pure legislative items and seek in each case to amend Section 18(1) of the Financial Administration Act and I would rule that they should be and are hereby deleted from Supplementary Estimates (C), 1981-82.

While I have grave doubts about the other items referred to by the hon. member for Calgary Centre, it is not as clear that they too infringe upon the traditional use of estimates. This is the first time that we have heard submissions concerning guarantees, and probably also the first time in connection with the use of the estimates for acquisitions such as Petrofina. A major concern here is the time constraints. Later this day all questions will be put to dispose of the supplementary estimates and interim supply.

As was done by my predecessor in 1971 and later, I would say that should they be raised at some future date. I will have to be convinced that the matters such as those raised in Votes 5c energy, mines and resources, L18c finance and Votes 7c and 8c industry, trade and commerce are not really legislative items that should be introduced by a separate statute.

There is now under way a reprint of the bill based on Supplementary Estimates (C) in which the items 5c agriculture, 30c health and welfare, 1c national revenue, 10c and 20c public works, 1c regional economic expansion, 5c supply and services, and the debt deleting portion of Vote 5c national revenue, will be deleted.

Hon. Erik Nielsen (Yukon): Madam Speaker, will it be your intention, perhaps tomorrow, to deal with the substantive argument advanced by the hon. member for Calgary West (Mr. Hawkes), who based his argument on this question in