

case of a purely Canadian authority running the Canadian half of a bridge, the guideline is completely relevant, since ultimate responsibility must rest with the Government, even if certain powers were delegated to an overall authority of some sort.

A problem could arise from the fact that while the approval of the Governor in Council is required, the Federal Government has not yet developed a capability for evaluating borrowing plans except in purely financial terms, and it is questionable whether the Interdepartmental Committee is a proper instrument to undertake such a task. Of course, borrowing plans cannot be considered in isolation, and this guideline presumably intends that all relevant non-financial factors would be considered. It would, however, be preferable if the guideline were expanded to say that all major decisions would be subject to the approval of the Governor in Council or, at least, of a Minister.

- e) The position of a bridge authority in relation to provincial and municipal taxes must be clearly defined.

The question of taxes has been at the root of a number of disputes since there has been no consistent approach on the Canadian side while on the U.S. side, bridges are generally exempt.

Where there is a clearly defined Canadian bridge entity, this does not present a problem. For example, the Blue Water Bridge Authority operates independently of the U.S. half of the bridge and pays local taxes. However, where a bridge is entirely owned and operated by a U.S. entity, there is strong resistance to payment of taxes in Canada when the bridge is exempt in the U.S.A.

It is clearly desirable that the responsibilities of a bridge authority should be defined, but the guideline does not suggest what policy should be adopted in this