

Accordingly, last Wednesday I gave notice of the intention to hear arguments on this, and points of argument were registered with the Chair on Thursday, and arguments in fact took place on Friday. Since tomorrow is the final day I thought I should adjudicate on that now.

The argument put forward last Friday concerned two items raised by the hon. member for Calgary Centre (Mr. Andre) in a very able way. These related to two items in these estimates, the first being vote 31a under regional economic expansion concerning the Cape Breton Development Corporation. I think I should read it as follows:

Payment to the Cape Breton Development Corporation to be applied by the Corporation in payment of the losses incurred in the operation and maintenance of the coal mining and related works and undertakings acquired by the Corporation under Section 9 of the Cape Breton Development Corporation Act, including administrative expenses chargeable to the Coal Division,—

And the following was the part objected to:

—and notwithstanding Section 31(2) of the said act, for grants to municipalities on Cape Breton Island not exceeding an amount equal to the taxes that might have been levied for their 1977-78 fiscal year by the municipalities in respect of the personal property of the Corporation if the Corporation were not an agent of Her Majesty . . .

Then the amount stipulated is \$21,976,000.

The second objection was in respect of Vote L56a under transport, which is as follows:

To authorize,

(a) the Minister to purchase on behalf of and to hold in trust for Her Majesty in right of Canada all of the issued common shares of VIA Rail Canada Inc. and to pay \$100,000 in consideration thereof; and—

The following is the portion to which objection was taken:

(b) that all borrowings by VIA Rail Canada Inc. be exempted from the interest rate limitation of six per cent per annum imposed by subsection 72(5) of the Railway Act, and all such borrowings for a term of more than 12 months be subject to the approval of the Minister of Finance . . .

The total amount indicated is \$100,000.

Members will recall that on the last occasion which I have referred to, we attempted to devise this better procedure which has led us to this point. The point at issue is whether the two items seek legislative authority which does now exist or does not exist. That is the nub of the problem, for if indeed the government already has legislative authority to do these things, then whether the amount is \$1 or a billion dollars makes no difference to the Chair. If, on the other hand, the government does not possess the legislative authority to do these things, then neither does the amount of \$1 or \$1 billion make any difference. The test to which I put them is whether or not in these items the government is putting forward a spending estimate under authority it already possesses, or whether it is seeking new legislative authority for these two items.

In respect of the first vote, 31a, a reading of Section 31(2) of the act, which is the relevant section, clearly indicates that the government is entitled to pay to the Cape Breton Development Corporation amounts of money not to exceed amounts which would be levied in lieu of property taxes if in fact the Cape Breton Development Corporation were not a Crown corporation. As it turns out, the proposal here is to pay a sum

### *Estimates*

of money to that corporation which in fact exceeds that which could be levied as property tax of the corporation and extends it to a new concept which is in lieu of personal tax, that is a tax on personal property. That seems to me to be directly contrary to the section because the section puts the limit as taxes that could be levied on property, and introduces a new kind of replacement. Therefore I feel that the words beginning "and notwithstanding Section 31(2) of the said act" must be deleted from the item.

● (1512)

In my view the item can remain in. The total amount of money can remain a proper part of the estimate. If it turns out to be an over estimate of the amount that is required to pay amounts in lieu of property taxes, so be it. That is an administrative matter which can be dealt with. I do not think the amount ought to be altered. I think the item has to come out which relates to the new concept being introduced into the statute.

In the second item, paragraph (a), it is significant that the same principles apply, but even more so because it is noted that paragraphs (a) and (b) form part of the \$100,000 estimate. Paragraph (a) seeks that exact amount of money, the full \$100,000 for the purchases of stock in VIA Rail Canada Inc. Therefore, obviously paragraph (b) is not an estimate in any sense of the word, because it does not seek any money, not even \$1. The whole amount of \$100,000 is the total amount of the estimate. All of that is contained in paragraph (a). Therefore no money is sought in paragraph (b). In any case, even if some sum of money were sought, the language of it is simply to release the restriction, which is contained in present legislation, of a ceiling on interest rates that ought to be sought by way of an amendment to the legislation.

In respect of both cases, I accept the argument of the hon. member for Calgary Centre, pursuant to the ruling which I made in March of this year: both of these items seek legislative authority which does not now exist. In all cases I am encouraged by the fact that the dispute by the House was not with the principle but with the approach to be taken to these programs. In fact the House is interested in the programs, particularly with respect to Cape Breton Development Corporation, and espouses an extension to the program. Simply, the House wants to see it done in a regular way. Therefore I would be encouraged by the prospect that if legislation is introduced to regularize this intention through an amendment to the legislation, it will receive speedy consideration by the House at least. In saying that I am drawing upon the arguments made by all members.

Also I hope all members have gained from this experiment, which has enabled us to argue these very important and significant subjects in a more orderly and regular way than we have done in the past. By coming to this point today, we are able to indicate what items, by order of the Chair, must be deleted from the supply bill tomorrow, again to encourage a repetition of the practice we have followed in the last two or three years of seeing the introduction of a supply bill at an