

over a million or several millions; whereas if the money had been provided over the years, as the properties were acquired, it seems it would have been an easier method of financing.

Mr. HENDERSON: There is a further point which it seems to me hardly commends itself. It certainly would not commend itself to financial managements outside government. We tender the national capital commission substantial sums of money to undertake these expenditures and then, because they cannot earn enough income to pay the interest, parliament appropriates a sum of money and gives it to them to pay the interest. The Commission then turns around and pays the interest back to the government, and the government takes it into its revenue as a return on investment. That is not a practice which should commend itself. Of course, that is not necessarily just confined to the national capital commission. Where we encounter such practices, it is necessary as your auditors that we bring them to your attention.

Mr. VALADE: In this regard is the national capital commission considered to be a profit-making organization?

Mr. HENDERSON: As Mr. Long explained, the advances are carried as an investment and the interest of which he speaks is one of the returns from that investment.

Mr. VALADE: In respect of the purchase of land, I am wondering whether in respect of the national capital commission it is government policy to acquire the land by expropriation or negotiation? This seems to be the first crown corporation to acquire land for future use for government purposes.

Mr. BRYCE: It does acquire a good deal of land which it is the intention of the government to put to use in future years, such as LeBreton flats. As I recall it, the commission has expropriated the whole of that land and it will be cleared as time goes on. This land is to be used largely by the Department of Public Works for building purposes and to some extent by the commission itself for parkways and park purposes.

Mr. VALADE: There is an appropriation here in the amount of \$35 million for acquiring property. I believe the commission has to pay interest on this \$35 million. Does it pay interest when it purchases the land, or is this interest paid on the total sum which is not being used?

The CHAIRMAN: This is in respect of the second paragraph in item 66.

Mr. BRYCE: We lend the commission the money to buy the land.

Mr. VALADE: Even if it is not used.

Mr. BRYCE: They are charged interest on those loans. They are expected to lease those lands for the most they can get out of them, and that goes to pay the interest on the loans.

Mr. VALADE: In another paragraph I see that these lands in some ways are not worth managing. I am looking at the French report and am translating it into English—"Those farms are not susceptible to bringing in revenue".

Mr. HENDERSON: In the second paragraph on page 23, the fact is recorded that interest payments by the commission amounted to \$1,500,000 of which only \$200,000 came from rentals and interest on bank deposits. The difference, or \$1,300,000, was provided by an appropriation from parliament. That is my point.

Mr. McMILLAN: Mr. Bryce, you said these lands were not limited to farm lands because these lands could be developed with buildings.

Mr. BRYCE: Yes, sir. For example, the Northern Electric laboratory out in the west of the city, as I recall it, is in the green belt. The land can be used. The limitations are in respect of the density of population and various other aspects. It need not be restricted to farm land.