

taxes that might have been levied for their 1977-78 fiscal year by the municipalities in respect of the personal property in the corporation, if the corporation were not an agent of Her Majesty”.

In other words, by use of the conjunctive “and”, a \$1 item has been attached. It is a legislative item, and it is calling for a minor change. It essentially changes the words “any lands” to personal property. It is a change to legislation and therefore it is a legislative item which is improper, according to Your Honour’s ruling on March 22, 1977. Prior to your ruling, under the old system that probably would have appeared as a separate vote with the \$1 attached to it. By use of the conjunctive “and”, it has been attached to a very proper, legitimate appropriation.

Also, I should like to draw attention to vote L56a under the Department of Transport which has a similar type of circumstance. This vote is divided up into (A) and (B). Rather than using the conjunctive “and” to associate two parts, (A) and (B) have been used. Part (A) is a legitimate, normal type of estimate which would be part of an appropriation act. We have no procedural objection to that part.

Part (B) indicates that all borrowings by VIA Rail Incorporated be exempted from the interest rate limitation of 6 per cent per annum imposed by section 72(5) of the Railway Act, and all such borrowings for a term of more than 12 months be subjected to the approval of the minister of finance. Part (B) of that vote is in direct contradiction of Your Honour’s ruling of March 22 because it effectively legislates. It has the effect of causing people who want to know the law with regard to VIA Rail to root around in appropriations to discover which law applies. I believe that was a basic reason behind Your Honour’s decision in March. We find this particularly offensive in view of the fact that VIA Rail was created by a \$1 vote in Supplementary Estimates (B) of 1976-77. In my opinion, that is an improper use of the estimates and appropriation procedures.

These two votes in particular are a violation of Your Honour’s ruling. The substantive proportion of those appropriations is legitimate. Therefore, if Your Honour rules that those two votes are improper and should be struck down, certainly we would be willing to grant unanimous consent to add back the proper and substantive portions of those votes, since we have no desire to effect the appropriation that Devco requires, nor do we have any desire, on a procedural ground, to try to eliminate the \$100,000 appropriation for VIA Rail.

We would be amenable to finding some way to ensure that these proper appropriations become part of the appropriations Act. In view of Your Honour’s ruling in March, we submit, respectfully, that these two votes as presented are out of order.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I almost feel like saying that this is where I came in, because a long time ago I became interested in and concerned about \$1 items. However, as is clear, what we are discussing this morning are not items for only \$1; they are items of more

substantial amounts, although the hon. member for Calgary Centre has made the point that in his view the effect in two cases is the same as if we had \$1 items before us.

I have fought a good many of these items. I hope the struggles of many hon. members in this House have had their effect. In fact, I believe they have. Certainly, there are far fewer items in these supplementary estimates that can be attacked procedurally than has been the case for a long time.

I have studied both of these cases. I am ready to support the hon. member for Calgary Centre with respect to the item on page 142, namely, vote L56a of the Department of Transport. However, I shall take the opposite view to the one he has taken with respect to the item on page 108, namely, vote 31a of the Department of Regional Economic Expansion.

From the rulings that other occupants of the Chair have made, as well as Your Honour, as I see it what we do when we pass a supply bill is, of course, to enact legislation. A supply bill is just as much an act of parliament as any other act that is passed. Practice and tradition have made it clear, however, that a supply bill should not be used for purposes other than the voting of money for specific purposes. In other words, a supply bill should not be used, especially by means of a \$1 item, as a way of smuggling in an amendment to some other statute on the books, in other words as a means of avoiding all the procedures necessary for that kind of amendment.

The act has been cleaned up a good deal and a good deal of that credit goes to Your Honour for the rulings you have made in the last two or three years. In the case of the Transport item, I suggest the drafters of this vote were not as careful as they were in many other respects. As the hon. member for Calgary Centre indicated, vote L56a has two parts. Part (A) calls for the payment of \$100,000 and the \$100,000 is there. There is no problem; that is clear. Part (B) has not attached to it any money for the purpose involved, but in effect is an amendment of section 72(5) of the Railway Act.

Section 72(5) of that act is the part of that legislation which enables the railways to borrow money and pay interest thereon. Very clearly it is indicated in the statute that the rate of interest shall not exceed 6 per cent per annum. Part (B) of this item removes that limit. It does not remove it on a one-shot basis; it does not remove it for some stated purpose; it removes the ceiling on the rate of interest. Presumably, these borrowings can be borrowings that may take 2 years, 5 years, 10 years, 20 years, 50 years or 100 years to pay back. Thus, for a long period of time the act is being amended. It is declared by (B) of this item that section 75(2) with its ceiling of 6 per cent per annum does not apply. I think Your Honour will have to look very carefully at that item.

● (1222)

I am on the opposition side of the House and have a long history of opposing legislative items in the estimates, but I have to say that I do not feel that way about vote 31a under Regional Economic Expansion which provides for the payment of \$21,976,000 to the Cape Breton Development Corporation. My friend, the hon. member for Calgary Centre, says—if he