

the whole. One is entitled to wonder how long that can go on, because obviously that tax take has to be from revenues created, generally speaking, by the private sector, and the projection is that we may move fairly close to 50 per cent in the years ahead. We are, of course, up against the old goose and the golden egg argument.

How much can you take out of the GNP and still leave the GNP operative to provide money necessary to meet the demands and expectations of the Canadian public? I am not one who argues at this moment that those expectations or demands are too high. We are faced with them. In my estimation, this does not negative the very real warning that must be given that it cannot go on for ever without killing the goose that lays the golden eggs. That was the thrust of my argument last night, and I repeat it today, while thanking Senator Langlois for the very interesting figures he has put on the record, acknowledging his responsibility to do so, admiring the zeal with which he comes to the defence of these very high expenditures, but nevertheless begging leave to disagree with some of his conclusions.

● (1420)

Hon. Jacques Flynn: Honourable senators, I rise to take exception to the wording of this bill. I do so for the same reasons as I objected to Appropriation Bill No. 1 when it was considered by this house last February 22. My remarks can be found on page 302 of *Hansard* of the present session.

I have an additional argument to bring forward. I direct the attention of the house to the wording of the main section of this bill. It reads:

From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole seven billion, three hundred and eighty three million, nine hundred and eighty five thousand, eight hundred and eighty five dollars and eight cents towards defraying the several charges and expenses of the public service, from the 1st day of April, 1973 to the 31st day of March, 1974, not otherwise provided for, and being the total of the amounts of the items set forth in the Main Estimates as contained in the schedule to this Act, less the amounts voted on account of the said items by Appropriation Act No. 3, 1973.

There is nothing in the other sections of the bill which would alter the meaning of this section. It states flatly that the amount provided in the main estimates is the amount that has to be spent until 31st March, 1974, that is, for the current fiscal year.

Honourable senators, you will find in the main estimates at least 17 items that provide for estimates which could be spent during subsequent fiscal years, not only before March 31, 1974, but later than that. So, there is a direct contradiction between the main estimates and the provisions of this bill. It was this point that I raised on Appropriation Bill No. 1. I drew the attention of the Senate to the fact that we were providing in that appropriation bill \$350 million for winter works, whereas we had been told by the President of the Treasury Board that for that fiscal year—that is, the fiscal year which ended on March 31, 1973,—at most \$75 million was required. At that time we asked for an opinion from the Justice Department

and we got it. It was printed as an appendix to our *Hansard* on April 12, 1973, at page 523.

The substance of the opinion obtained from the Department of Justice was, first, that it was a long standing practice to have bills presented in this way, and that the main operating provision of the bill, like the one which I have just read, should be considered as amended by the schedule of the bill if such schedule provided for the expenditures made after the current fiscal year or the year mentioned in the main provision of the bill. I do not think it is a very strong argument. Rather, I think it is a very weak argument. It should have been corrected, and the Department of Justice should have provided that the usual form of the bill be changed in order to clarify the position so that when an estimate provides for amounts to be spent after the current fiscal year it is permissible and is to be taken as an exception to the main provision of the bill.

Another point was raised in the other place, and I think it should be put on the record of this house. A fault appears in the drafting of this bill when you take into consideration section 54 of the British North America Act and the resolution which is introduced in the other place with the main estimates. Section 54 of the British North America Act reads:

It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

The main estimates were produced by a resolution in order to meet the requirements of the said section 54 of the BNA Act. The resolution, which I take from page 127 of the *Votes and Proceedings* of the other place for February 20, 1973, reads as follows:

His Excellency the Governor General transmits to the House of Commons the Estimates of sums required for the service of Canada for the year ending on the 31st March, 1974, and, in accordance with the provisions of "The British North America Act, 1867" the Governor General recommends these Estimates to the House of Commons.

So the resolution covers only expenditures for the year terminating March 31, 1974. Therefore, if in the estimates there are expenditures to be made after that date, the resolution does not cover that part of the estimates. The bill, consequently, so far as those items which are applicable to subsequent fiscal years are concerned, is not covered by the resolution and those items are illegally presented to the House of Commons. Furthermore, I do not understand the obstinacy of the Department of Justice, or whoever drafts these bills, in continuing a practice which is wrong. Why have they not corrected this situation? Simply because the practice has been followed over a number of years does not make it legal or regular. If in the main estimates there are amounts to be spent after the current fiscal year, then there should be some wording to the effect that it will be "for the year ending 31st March following and in some cases during the following fiscal years;" and the bill itself should also contain a provision to cover those things.