

In the case of the green belt—where of course by far and away the biggest amount is involved—the government has acquired tens of thousands of acres of land surrounding the city for the purpose of controlling the use of the land over a long term period in the future. In the treasury board, at the time this was done, we came to the conclusion that over the years this would be a sensible investment as well as being a proper way to control the plan of the capital and its development. There appeared to be no other way to achieve that purpose. However, we felt parliament should be aware, from year to year, of what it costs to maintain and to control all the land in the green belt. That is what is reflected in the interest charges parliament is asked to vote.

The commission is expected to put the land to as good use as it can, and rent it for what it probably can get for it. Over the long period we would expect those lands to reflect the rising value of land in a suburban area such as this; but the net interest to be voted is the cost of preserving the area for the limited purposes established in order to control its use.

Now, the land remains as a tremendously valuable asset which could be sold and marketed for other purposes if the policy of controlling its use for these limited purposes was changed. So, I think to ask parliament to vote this interest is a reasonable way to reflect the cost of holding the land for these purposes which I have described.

The CHAIRMAN: Mr. Henderson, do you have any comment?

Mr. HENDERSON: I would like to ask Mr. Long if he would care to say something.

Mr. G. R. LONG (*Audit Supervisor*): One reason this was brought up is that one of the tests in setting up assets of the government of Canada on the balance sheet is that they be revenue producing. We are unable to see how, when parliament has to provide the interest, the loans can be regarded as revenue producing. These loans appear as assets on the balance sheet of Canada, and there is no doubt that the land is valuable, but so also are government buildings, and such buildings are not placed on the balance sheet, and are not considered as an asset of Canada in the thinking which goes into the present statement of assets and liabilities. This land seemed to be very similar.

In respect of the Queensway, a great part of the expenditure is for the purchase of city lots, and homes which were destroyed for the widening of the Queensway. By doing it in this way, some minister of finance at one particular time is going to have to provide all the money to cover the full cost of the Queensway when it is finally turned over to, I believe, the city of Ottawa. As I understand it, there has been no partial turnover as yet, even though part of the Queensway is in operation.

This method of controlling the use of land has been used in relation to some of the larger airports, and I believe this is the only time land has been reported as one of the assets of Canada—the reason being that it was going to be resold. Primarily the green belt land is farm land; it could not, as farm land, hope to produce income to pay the interest which presently is being charged. As we understand it, the idea of holding it is to maintain a green belt around Ottawa, and limit the expansion of the city so that it is unlikely it ever will become industrialized. So long as this policy is followed, it is going to be kept as an open space. If this policy continues to be followed, we will go on for years to come, voting money, thereby increasing the recorded expenditures and revenues of Canada.

Mr. CROUSE: Are we still acquiring green belt property?

Mr. LONG: All of the properties are not finalized yet. There are payments being made even yet, although the number is diminishing.