

The second purpose for which it buys property—and it seems to me this is a matter of very important principle—is to have the property in order to control the use of it. I think probably this is unique. It is a matter which parliament decided in passing the National Capital Act some years ago.

Hon. members will recognize that in the national capital area parliament does not have jurisdiction to control the use of land; it does not pass laws saying that the land shall be used for this purpose rather than that purpose, or things of this sort. So, some years ago it was decided, where it was necessary to control the use of land, that the government through the national capital commission should purchase the land and then lease it, for the various purposes which should be permitted, and control it as owner rather than as a government. I may say that this was done after considerable consultation with the province of Ontario in which most of this land was situated. This course of action was one which the government took in the light of the opinions of the province and the decision on the part of the province that it did not wish to put in special legislation to control the use of the land in the national capital area.

Well, it is out of that kind of operation—these two types of operation—that the need for this arrangement arises. These interest charges are charges for loans made to the commission by the government to purchase land for one or another of these two purposes. That is to say, to hold for some years pending its use by the government, or to hold indefinitely in order to control the use of the land.

By requiring the commission to borrow the money from the government for this purpose and to pay interest on it, the commission is put under some pressure to get all the revenue it can out of that land while holding it for these purposes. Of course, this means that each year they have to justify to the treasury board the revenue they are getting for it and the government in turn is required to justify to parliament the revenue it is getting from it, and reflect to parliament and the public the cost of holding this land either for the years in advance of putting it to use, or for holding it indefinitely in order to control its use.

Now, there is a question which arises in the operation of this account in respect of whether the payments are made promptly; that is, whether the charges are made to expenditures promptly when the land is put to use. There is a real problem involved in doing this. In the small table on page 23, you will note that Mr. Henderson has included an item for \$3 million for loans to acquire land for Queensway purchase. I believe these are the former railway lands which came into possession of the commission as a result of the railway relocation plan around Ottawa. According to the understanding on which these accounts are set up, the land will be charged to expenditures when it is put into use.

As hon. members will realize, the Queensway is a big project and there is a nice point in respect of just when the land will come into use. The Queensway is being built in stages and consequently, in my opinion, the land ought to be charged to expenditures as that part of the project comes into use. I cannot give you the details, and if you wish to go into that, you should have a witness from the national capital commission.

I cannot tell the committee whether these loans are charged to expenditure promptly as parts of the Queensway have, in fact, come into use. However, that is the idea behind the arrangement; that is, that as soon as the land is committed and improvements or buildings put on it, it then should be charged to expenditure, as the Auditor General has suggested it should. The issue is whether it should be charged to expenditure at the time it is acquired or after it is committed to use.