

This is clearly the practice we follow, the practice accepted by the Chair's acceptance of motion No. 1 which also reduces the amount to be spent. May goes on to make it clear what sort of amendments for reductions are in order. He says:

A proposed reduction of a charge may consist in reducing its amount, or restricting its objects or inserting limiting conditions, or shortening the period of its operation.

Clearly, this is what is being done in this particular amendment. The amendment seeks to remove reference to the year 1973. We are saying that the advance for the purchase of preferred stock in the Canadian National system can only be made with respect to the year 1972, not 1973. The amendment would drop one year. It seeks to reduce the amount of money which can be advanced to the national system.

I suggest that this is acceptable as the royal recommendation sets the upper limit on expenditure in this House. In no way does the royal recommendation insist, nor can it be so construed, on setting both a minimum and a maximum. Here we are talking about reducing the upper limit, about the purchase of stock on the basis of the 1973 year-end statement of the Canadian National system.

I will refer to one example of an instance in which the Chair allowed an amendment which, if passed, would have rendered inoperative the precise wording of the royal recommendation. The House will recall the lengthy debate on Bill C-203, an act to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses. The royal recommendation for Bill C-203 read in part:

His Excellency the Governor General recommends to the House of Commons a measure to amend the Canada Elections Act, the Broadcasting Act and the Income Tax Act in respect of election expenses; upon receipt of the prescribed certificate of the Chief Electoral Officer, to provide for the reimbursement to candidates who are elected or who obtain a number of votes equal to 20 per cent of the number of votes cast in the appropriate electoral district to the extent of sixteen cents for each of the first twenty-five thousand names appearing on the preliminary lists of electors for their electoral districts and fourteen cents for each additional name—

And so on. You will recall, Mr. Speaker, that the bill was amended. The percentage of subsidies was raised to 20 per cent, even though this was in excess of the royal recommendation. That amendment was allowed.

In the amendment before the House we are asking for a reduction in the amount of money which can be advanced for the purchase of preferred stock in the Canadian National system. There are many reasons for this. In one sense, the financial statement for the year ending December 31, 1973, has not been available to this House, yet the royal recommendation now before the House calls for the purchase of capital stock up to and including the period ending December 31, 1973. In a sense, the provision we are now seeking to amend is out of line with the royal recommendation because the amount of capital stock which can be purchased cannot be computed until we receive the financial statement for the Canadian National system for the year ending December 31, 1973. The stock would have to be purchased before December 31, 1973, and it would have to be on the basis of statements received before the year even ended. In a sense, the present bill is therefore beyond the royal recommendation.

*Canadian National Railways and Air Canada*

● (2130)

All we are attempting to do is to reduce the provision in the bill for the purchase of capital stock back to the royal recommendation. Therefore, I suggest that this amendment is clearly in order. Indeed, it is probably more in order because of the royal recommendation than in spite of it.

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I want to make three submissions to Your Honour to the effect that this amendment is out of order. First, the amendment would render the bill inconsistent with the royal recommendation; second, the bill in its own terms provides for a continuous style of financing over an 18-month period; that this financing hangs together by way of borrowing authorization of the two companies or by authority given to the companies to purchase preferred shares. By eliminating the words "and the 1973 fiscal year" the amendment really negates the bill, interrupts and destroys it. It goes to the heart of the bill and negatives it. In other words, the hon. member has the more legitimate alternative, if he wishes to make an amendment, to negative the bill by voting against the bill in its entirety.

My third submission is that the amendment indirectly affects the balance of ways and means, caused by depriving the national company of accepting preferred stock during the 1973 year which would force the national company to seek financing in the commercial sector, with the result that CN would have to pay interest at commercial rates. The results for the year would be worse than if they were able to get more favourable financing through preferred shares from investment by the government of Canada. That being so, a subsequent bill would have to reflect this in the further financing necessary for the CNR upon the authority of the government, thereby imbalancing ways and means.

**Mr. Deputy Speaker:** I thank the hon. member for Mississauga (Mr. Blenkarn) and the Minister of Finance (Mr. Turner) for discussing this point of order. It is indeed helpful to the Chair. The point that must now be considered by the Chair is whether the point of order originally raised by the Chair is correct. The point of order is whether the bill should be amended in clause 13 by deleting line 6 on page 9 and substituting therefor "the 1972 fiscal year".

I think it is clear and accepted by all hon. members that there is a right to take particular provisions in a bill as they relate to proposed expenditures and seek to reduce them. I do not think there can be any question but that hon. members have a right to do that. However, I do not think that is the question that has to be determined by myself at this time.

The bill as it was approved on second reading provided for the provision of money to meet certain expenditures for a period from the 1st day of January, 1973, to the 30th day of June, 1974, and to guarantee certain securities to provide for these moneys. The amendment proposed by the hon. member for Central Nova (Mr. MacKay) and argued on his behalf by the hon. member for Mississauga would, in the opinion of the Chair, negative the principle of the bill as determined by this House on second reading. I would quote to the hon. member for Mississauga para-