

Supply Bill

is contained in the final appropriation bill which in the present case is the one we are now considering.

The amount so authorized started out in 1931 as \$150 million; it was raised in 1932 to \$200 million, and remained at that figure until the present time, when it is being increased to \$500 million. This is made necessary because each year latterly we have been issuing Canada savings bonds in amounts in excess of \$300 million per year. In addition at certain times it is necessary to raise money temporarily to meet extraordinary payments. This is often a question of timing. It is possible that at certain times our cash position is such that instead of refunding maturing issues we are able to pay them out of cash on hand. When this is done it may later become necessary that we replenish our cash by new borrowings, which, since they are not refundings, cannot be issued under the authority contained in the Appropriation Act No. 1. Thus as long as we are following the present financial policy it is necessary for us to increase our borrowing authority in the manner indicated, although this increase in borrowing authority does not mean that we shall use it to increase the public debt any more than we would have done under the \$200 million borrowing authority.

Mr. Macdonnell (Greenwood): If we could consider section 5 I should like to ask the minister to give us assurance on one point. The wording of the section is:

. . . not to exceed in the whole the sum of five hundred million dollars, as may be required for public works and general purposes . . .

My understanding is that that is merely a phrase which somehow or other has crept in and is used, but that in fact this borrowing will not increase the public debt in any way but will be expended purely for financial operations of the type indicated.

Mr. Garson: I am not just sure what meaning my hon. friend has in mind to attribute to this phrase but as I understand the operations of this matter, it works in this way: We borrow money for public works and general purposes, which is the phrase used in the section. The necessity for increasing this borrowing authority arises from the fact that if in following out our policy to encourage savings we should issue \$300 million per year in Canada savings bonds, it puts us in a cash position at various times which is not necessarily related to our borrowing needs. We sometimes have to use that cash for paying off rather than refunding an issue, and when we do that it creates the necessity of having greater borrowing powers later on.

Mr. Macdonnell (Greenwood): I am satisfied with that explanation. I raised the point [Mr. Garson.]

simply to draw attention to the somewhat unusual words and to be assured just what was meant by public works.

Section agreed to.

Sections 2 to 6 inclusive agreed to.

Schedules A, B and C agreed to.

Title agreed to.

Bill reported.

Mr. Garson moved the third reading of the bill.

Mr. Knowles: By leave.

Motion agreed to and bill reported, read the third time and passed.

PROROGATION OF PARLIAMENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, June 30, 1950

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber at 11.30 o'clock for the purpose of proroguing the present session of parliament.

I have the honour to be,
sir,

Your obedient servant,

J. F. Delaute,

Assistant Secretary to the Governor General

BUSINESS OF THE HOUSE

Mr. St. Laurent: May I suggest that the sitting be suspended until we receive a message from the other place?

I should like to take just a moment to express on my behalf, and on behalf of my colleagues, appreciation of the manner in which the matters brought before the house by the government, in the discharge of which it considered to be its responsibilities, have been dealt with by all hon. members. At the same time I should like to extend to all hon. members our best wishes for a restful holiday, which will enable them to return whenever the occasion requires in the mood that has been displayed throughout the whole of this session.

SITTING SUSPENDED

At 11.10 p.m. the sitting was suspended until twelve o'clock noon this day.

SITTING RESUMED

The house resumed at twelve o'clock noon.