

Inquiries of the Ministry

bonds by issuing quotations of the prices at which it would purchase bonds of various issues." This apparently refers, although somewhat incorrectly, to a wartime practice which terminated nearly four years ago. It was not a practice of supporting the market, but a question of trading methods. During the war the practice was for the Bank of Canada to notify dealers each day the prices at which, subject to change at any time, it was prepared to buy bonds, and similarly the prices at which it was prepared to sell. These prices were changed from time to time in accordance with market conditions. In January 1948 the bank announced that it was reverting to its pre-war practice of dealing, in general, only in response to bids and offers initiated by other buyers and sellers in the market, and there has been no change in its usual practice since that time.

Perhaps I may take this opportunity also of referring to the results of the sale of Canada savings bonds, sixth series, during the campaign period which has just closed. As hon. members know, these are not marketable bonds whose price fluctuates according to factors of supply and demand, but special savings instruments which not only provide a substantial annual return to their holders by way of interest but have the special feature of being cashable at any time at the price originally paid.

The government could not, of course, pay a relatively high interest rate, appropriate to long-term bonds, on an unlimited amount of what are virtually demand instruments, that is, payable on demand at the option of the holder. Accordingly, the amount of Canada savings bonds that may be held by any individual has always been limited. The underlying purpose of these bonds is to encourage and facilitate small savings and to provide a convenient and safe method by which large numbers of Canadians may build up out of current incomes a fund of personal resources for future use, and with the further advantage of a guaranteed value at any time in case of need to draw upon such savings before the final maturity of the bonds.

The limit in recent years has been \$1,000 per holding of each series. This year the limit was raised to \$5,000 in view of the desirability of giving every encouragement to new saving in the largest possible volume as an offset to inflationary pressures.

The results to date of the sale of the sixth series are as follows: In the payroll savings field, bonds to a total value of \$168 million have been subscribed for by 677,500 employees in establishments for which definite statistics are available. This is an increase over last

[Mr. Sinclair.]

year of 12 per cent in dollars and of 5 per cent in number of subscribers. The foregoing figures relate largely to bonds to be paid for by regular monthly or weekly instalments set aside out of wages and salaries during the next twelve months.

In the general sales field, covering sales by investment dealers, banks, and other authorized agents to their customers and depositors, figures reported from October 15 to November 16 amount to \$149 million from 190,000 individual purchasers. This represents an increase of 52 per cent over the same period of last year in dollar amount, chiefly as a result of raising the limit on individual holdings, but there was a reduction of 11 per cent in number of purchasers.

In total, therefore, during the principal selling period this year 867,500 Canadians have bought Canada savings bonds to the amount of \$317 million and these figures represent increases of 2 per cent in number of purchasers and of 27 per cent in dollar amount. I am sure hon. members will agree that such results are gratifying, and indeed reassuring, and that those companies and organizations that have participated in providing facilities for the purchase of Canada savings bonds and the individuals who have taken part in the work of organization are entitled to take satisfaction in a worth-while job of real value to their fellow citizens and to Canada as a whole.

Mr. Knowles: May I ask the parliamentary assistant if he has any figures with respect to the earlier series, as to whether there has been any substantial cashing in of earlier bonds in order to purchase the sixth series with its higher interest rate?

Mr. Sinclair: I have no information on that, but if the hon. member wants the information I will get whatever is available for him.

VETERANS AFFAIRS**INCREASE IN BASIC RATES OF PENSION—INQUIRY AS TO INCREASE FOR DEPENDENT PARENTS**

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to direct a question to the Minister of Veterans Affairs arising out of the statement he made on Friday in which he mentioned widows among those who would be entitled to the increase in the basic pension under the Pension Act, but did not make any reference to that other very worthy group commonly referred to as dependent war mothers. Will these war mothers be included among the recipients of the increase in the basic pension, and if so what will be the percentage of their increase?