

Municipal Development and Loan Board

were to borrow from the Bank of Canada, it would go into the consolidated revenue fund.

Mr. Leboe: I think it is relevant for the reason that we are planning a deficit budget here in parliament and the increase in the money supply is going to be the same in either case. All I want the minister to do—and he can say yes or no—is say whether it is possible. All he has to do is answer my question yes or no. Surely it must be one or the other.

The Chairman: Order. I must say that I agree with the proposition put forward by the minister, that this point is really not relevant to the clause now before the committee. It appears to the Chair that the hon. member is perhaps proposing to amend the Bank Act, and that is not before us at the moment.

Mr. Gregoire: Mr. Chairman, we are dealing with a bill which will authorize the spending of \$400 million; that is the matter we are now studying. If the money is coming from the consolidated revenue fund, from where will it be taken to go into that fund? The amendment has been defeated, but the point is that this money will come from that fund. Where will the money be coming from to go into the fund? I think the question of the hon. member for Cariboo was completely in order for the reason that it is in order to ask the Acting Minister of Finance whether it is possible to have the Bank of Canada finance the consolidated revenue fund in regard to this \$400 million. Is it possible, or not?

Mr. Sharp: Mr. Chairman, it is possible. In my opinion, inadvisable.

Mr. Gregoire: Then, Mr. Chairman, I would like to ask the minister this question. If it is inadvisable, why did the Liberal government in 1939 borrow money directly from the Bank of Canada? I think that was done in October, 1939.

Mr. Sharp: This, as you have said, Mr. Chairman, is a very complicated question dealing with the money supply. I would be quite happy to debate this question with my hon. friend, but I really think that at twenty minutes to six on what I hope will be the last day of this part of the session it would be inadvisable for me to enter into such a debate, just as it would be inadvisable for the government of Canada to borrow large sums of money from the Bank of Canada.

Clause agreed to.

On clause 15—*Agent of Her Majesty.*

Mr. Nasserden: Mr. Chairman, I would like to ask the minister whether clause 15 involves any of the rights of the crown, its patronage, its property or its prerogatives.

[Mr. Sharp.]

Mr. Favreau: Mr. Chairman, I think the short answer to this question is that the effect of clause 15 is to make the board a corporation of the crown; to make it henceforth a representative of the crown and to give it the status of a body acting not on its own behalf but really on behalf of the crown. So that anything that is made by the board is deemed to have been made by the crown.

Mr. Nasserden: Am I correct in saying that this means that this involves the rights of the crown, its patronage, its property and its prerogatives?

Mr. Favreau: Surely it does not abrogate or diminish in any way the rights or prerogatives of the crown, because the board will be created when the law is enacted by an act of parliament and will be regulated by regulations enacted by the crown in right of Canada. So that the board will have no jurisdiction to do anything which will in fact affect the rights of the crown, because if it did it will be acting beyond its jurisdiction.

Mr. Nasserden: I am not clear on that point. Does this involve any of the rights of the crown, is what I am getting at.

Mr. Favreau: I am sorry if my answer is not clear. It is because the hon. gentleman's question is not clear to me. If he would care to give an illustration of what he fears, or of what right of the crown might be involved or affected, I might be in a position to answer him.

Mr. Nasserden: The clause reads:

The board is for all purposes of this act an agent of Her Majesty, and its powers under this act shall be exercised only as an agent of Her Majesty.

(2) For the purposes of this act, the board may, on behalf of Her Majesty, enter into agreements in the name of the board.

I am asking whether this involves the rights of the crown, and whether the minister could answer that question.

Mr. Favreau: All acts of any agent or officer of the crown do involve the rights of the crown, but the question is whether that board, agent or officer acts in accordance with the authority given by the crown and the instructions of the crown. As the bill is drafted, surely even when the board purports to act in its own name the effect of the bill is that any legal undertaking given by the board will be deemed to have been given by the crown itself.

Clause agreed to.

Clauses 16 to 22 inclusive agreed to.

Title agreed to.

Bill reported.