

are to be a charge upon and payable out of the Consolidated Revenue Fund. The Bill is in the same terms and for the same amount as The Loan Act, 1936.

The only clause which I should read is clause 2, which says:

The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament by any Act heretofore passed, raise by way of loan, under the provisions of The Consolidated Revenue and Audit Act, 1931, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rate of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money as may be required, not to exceed in the whole the sum of seven hundred and fifty million dollars, for paying or redeeming the whole or any por-

tion of loans or obligations of Canada, and also for purchasing and withdrawing from circulation from time to time unmatured securities of Canada, and for public works and general purposes.

There may be some questions as to what the words "for public works and general purposes" comprise. This phrase relates to the fact that at the end of the year, or during the year, there may be a deficit in the amounts voted by Parliament for those purposes, and it empowers the Government to borrow money to cover the deficit. That is the only addition to the general clause, the meaning of which is quite clear.

Between this date and December 31, 1940, there matures or is callable a total of \$719,995,115.33. I give the details of that amount:

Date	Interest rate per cent	Where payable	Amount
Callable on 6 months' notice (due July 1, 1950)	3½	London	\$137,058,841 00
1939—June 1	1	Canada	2,638,000 00
July 1	4	"	33,293,470 85
Oct. 15	4	"	17,168,000 00
Oct. 15	2½	"	6,242,500 00
Nov. 15	2	"	4,654,000 00
1940—Mar. 1	3	"	115,013,636 82
June 1	1½	"	80,000,000 00
Sept. 1	4½	"	75,000,000 00
Callable Oct. 1, 1940, (due Oct. 1, 1960)	4	London	93,926,666 66
Recapitulation			\$564,995,115 33
Maturing in 1939			\$ 63,995,970 85
Maturing in 1940			270,013,636 82
Callable prior to end of 1940			230,985,507 66
			\$564,995,115 33
Treasury Bills*			155,000,000 00
			\$719,995,115 33

*Treasury Bills are renewable under the Appropriation Acts, but if this amount were funded into long-term bonds, necessary authority would have to be provided.

The Dominion Government in 1936 were authorized to borrow \$750,000,000. That amount is practically exhausted, the balance left at the disposal of the Government being only \$17,371,475.03. To-day the Government are without power to meet liabilities such as I have described except through this Bill which is before you for ratification.

My honourable friend from Westmorland (Hon. Mr. Black) asked me yesterday at what rate the Government intended to borrow. I have this afternoon mentioned the rates on borrowings that have taken place lately. The rates on the last \$50,000,000 borrowed under the Loan Act of 1936 will be an indication of the present market for our Canadian securities. On May 15 last, a three-year loan was taken up at 1½ per cent, and on the same date a nineteen-year loan was taken up at 3 per cent. The rate changes

from day to day, and it is impossible to say what it will be within six months or a year, but I hope it will not be above the figure I have just indicated.

Hon. Mr. BLACK: I was much interested in the honourable gentleman's statement of the various interest rates payable on the total of approximately \$700,000,000 which matures or is callable between now and the end of 1940. Included in that amount there is, I gather, between \$300,000,000 and \$400,000,000 on which we are paying three per cent or more. I feel quite sure the Government will borrow money at a much lower rate and pay off these obligations. Very considerable savings can be made in this way. I thank the honourable gentleman for his explanation.

Hon. Mr. DANDURAND: Out of maturities totalling \$564,995,115.33, details of which