

The borrowing authority is dealt with by the Financial Administration Act, Section 41, which provides that no money shall be borrowed for a security issue by or on behalf of Her Majesty without the authority of parliament. We are not talking about the case of borrowing for payments out, we are talking about securities or loans issued from time to time by the Government of Canada for the purpose of pay-outs in actual funds. In that sense I would agree with the Leader of the Official Opposition that the strictest construction is to be applied.

When we are talking about the estimates and Section 54 of the British North America Act we are talking about payments out of the Consolidated Revenue Fund. The borrowing power of the Government of Canada is not restricted by the British North America Act in the same way, and it is for that reason that for many years we have followed this procedure of authorizing this borrowing in this particular bill without having preceded it with the same kind of recommendation as is necessary in the case of payments out.

**Mr. Speaker:** Order, please. I note that no other hon. members to my right seem to wish to intervene in this very interesting point. There are several on my left who have indicated their desire, but I have refrained from hearing them, a fact which I suppose may give some indication of the position I propose to take.

The practice involved in examining and coming to a decision on the supply of money by parliament to the government has undergone some changes in the recent past. However, this still leads to the situation in which, as this evening, the House has had to address itself to all stages of a supply bill without debate and without amendment.

Accordingly, as I think all members who have participated in the discussion have agreed, the strictest interpretation of the rules has to be applied in terms of all clauses of the bill to which the House is addressing itself.

The practice of including in a supply bill a clause which gives to the government the power to borrow money has been referred to, or defended almost exclusively this evening on the basis of the fact that it has been the practice of the House for many years. The fact of the matter is that in respect of supplementary estimates, it has been the practice only very recently. Since 1955, I may say to the House, that kind of clause has been presented only in relation to the main estimates or, in some cases, to interim supply. Its occurrence or presence in a bill which is related, as is this bill, to supplementary estimates is a most recent occurrence, indeed.

If I were to indicate my disapproval, that would probably be not very important. I must go back a year ago to the disapproval of what was suggested or put forward in this House, in unequivocal terms, by the President of the Privy Council (Mr. Sharp). This has already been quoted by the hon. member for Edmonton West (Mr. Lambert), but the remarks I think bear repeating. This was said by the President of the Privy Council almost exactly one year ago, and it is as follows:

**Mr. Speaker,** I agree with the hon. member that this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced.

### Supply

He was referring to the presence in the supplementary estimates supply bill of a clause relating to the borrowing power of the government. He said:

—this was a most unusual proceeding. It was one that some of us were not aware of at the time the bill was introduced. I say, however, that a question was raised on a point of order, an explanation given and a vote taken. There was some opposition. However, Mr. Speaker, I want to make it clear that I am not defending the procedure that was followed. I hope we can avoid this sort of thing in future.

There is an historical ground or some justification for including in a supply bill which relates to the main estimates, and even a supply bill that relates to interim supply, a clause which relates to the borrowing power of the government. However, the inclusion of such a clause in a bill for supplementary estimates as in the bill before the House tonight, seems to me to be totally without justification, as I understand the remarks and the stand taken by the President of the Privy Council almost exactly one year ago.

**Some hon. Members:** Hear, hear!

**Mr. Speaker:** I would therefore suggest at this stage, when the supply bill is about to go through all stages before this parliament without debate or without amendment, that in my view it can only go forward through that sort of process if clause 5 can be stricken from it.

**Some hon. Members:** Hear, hear!

**Mr. Speaker:** I might add that according to our standing orders there is no provision for debate or amendment, therefore no provision for discussion of any sort. A point of order has been raised, one that was raised a year ago. I take it as a valid point of order, and I order that clause 5 be stricken from the bill and that the bill proceed for consideration.

It would be most serious and a grave step to interrupt in any way the process of supply at this time and I do not propose to do so. The borrowing-power clause is clause 5, and I ordered that it be stricken from the bill and that we proceed through all the stages of the bill. But this does not open in any way any clause for discussion, debate or amendment. It should proceed quickly and without discussion through all stages.

**Some hon. Members:** Resign.

**Mr. Speaker:** Order, please. When the second reading motion was proposed to the House, the hon. member for Edmonton West raised a point of order. That point of order has been taken and has been decided. I have ordered that clause 5 be stricken from the bill and I now put the motion for second reading. Is it the pleasure of the House that the bill be now read the second time and referred to committee of the whole?

**Some hon. Members:** Agreed.

Motion agreed to, bill as altered read the second time and the House went into committee thereon, Mr. Laniel in the chair.

**The Chairman:** Shall Clause 2 carry?