

Government Orders

Mr. Guy Ricard (Laval-Ouest): Mr. Speaker, I welcome this opportunity to express my support for Bill C-61, an act to provide borrowing authority for 1992-93.

Every year, after the federal budget is brought down, Parliament is asked to consider legislation that gives the government the financing authority to carry out public works and to finance other activities of a general nature.

The government is requesting authority to borrow \$24.7 billion for the 1992-93 fiscal year.

Like borrowing bills in recent years, this bill contains three basic elements: financing authority to cover the financial requirements for 1992-93, exchange fund account profits and a contingency reserve. Details of financial requirements are contained in the budget papers.

There is a provision in the bill to cover exchange fund account earnings which gives rise to additional Canadian dollar borrowing requirements. This is because these earnings are retained in the exchange fund account to provide the government with the capacity to intervene in foreign exchange markets. The total amount requested in the bill must therefore include an amount equal to those earnings.

There is a \$3 billion reserve, the same amount requested in borrowing authority bills over the past years. This reserve provides for unforeseen contingencies such as foreign exchange transactions, seasonal swings in borrowing requirements and delays in passing future year borrowing authority acts.

The bill also contains some minor technical changes that more clearly link fiscal year borrowing authority with fiscal year borrowing requirements.

The \$3.9 billion required to cover the refunding of bills issued in 1991-92 under section 47 of the Financial Administration Act guarantees that these borrowing requirements for 1991-92 are not charged against regular 1992-93 borrowing authority. As was said repeatedly in the course of this debate, were we to issue less than the \$3.9 billion requested, the residual would be deducted from the 1992-93 authority. The 1989 legislation had a similar provision, without the cap.

Another new provision provides for linking borrowing authority with borrowing requirements for 1992-93, even

if the legislation receives royal assent before the beginning of the new fiscal year.

Finally, under another provision, the borrowing authority becomes effective on April 1, 1992, for the purposes of determining costs related to borrowing under the provisions of this legislation. In the course of this debate, we have also been advised of the report on the government's debt operations. Each year's program is carefully designed to minimize debt costs and reduce exposure to increases in debt service charges.

Hon. members are of course aware that the government cannot implement its new borrowing program for 1992-93 before this legislation is adopted. I would therefore urge all members of this House to adopt this bill as soon as possible, so that the government can maintain the most cost effective approach to its borrowing requirements.

I will stop here, Mr. Speaker, because I see many more members are anxious to speak. Thank you for having given me this opportunity to do so.

[English]

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): The vote will be deferred until Monday, March 9 at six o'clock p.m.

It being three o'clock p.m., pursuant to Order made Thursday, February 27, 1992, this House stands adjourned until Monday, March 9, 1992, at eleven o'clock a.m., pursuant to Standing Orders 28(2) and 24(1).

The House adjourned at 1.58 p.m.