

Foreign borrowing added a further \$9 billion to the use of borrowing authority. As a result of these financing operations, the total use of borrowing authority in the 1984-85 fiscal year was \$27.6 billion. If honourable senators would like a breakdown on the foreign borrowings, I can provide that for them. Of the borrowing authority in 1984-85 fiscal year \$4.3 billion was unused at the end of March 31, 1985. Of that amount \$2 billion was carried forward as a regular contingency and the balance of \$2.3 billion was cancelled, as is required.

In conclusion, I ask honourable senators to support the bill on second reading. As honourable senators are aware, this government has an ongoing debt program. Honourable senators opposite should be more aware of that than we are. In order to achieve the government's goal of minimizing public debt charges, it is important that sufficient borrowing authority shall always be in place. I commend the borrowing bill and ask for speedy passage in the Senate.

**Hon. Allan J. MacEachen (Leader of the Opposition):** Honourable senators, I recall very well the speech which the Deputy Leader made in introducing Bill C-11. I assure him it was not the power of his oratory that caused the episode associated with Bill C-11 but the defects which surrounded the introduction of that bill. It is because those defects are absent in the bill presented tonight that there will be no reaction similar to the one which surrounded Bill C-11. I must say that having lived through that stormy period in the Senate and having reflected upon the aftermath of that particular episode, if confronted with the same situation in the future, I would have no hesitation in recommending to my colleagues that we do precisely what was done on that occasion.

**Some Hon. Senators:** Hear, hear.

**Senator MacEachen:** My confidence in that approach was supported by the action of the Conservative senators in the National Finance Committee who almost unanimously made a recommendation to the effect that in the future the Senate should remain reluctant to grant borrowing authority in the circumstances which prevailed at that time. When all the rhetoric and excitement vanishes and when everybody looks at that event more dispassionately, I think that they will agree that recommendation of the National Finance Committee supported by the Conservative members captured the real essence of the issue that was raised by myself and other Liberal senators. In any event, we live with our actions. There is no point now in rehashing them at any great length.

The Minister of Finance has assured the National Finance Committee that he will not be returning to Parliament for further borrowing authority for this current fiscal year. The Minister of Finance has stated that he has come the second time and that he will not come again for the current fiscal year. Therefore, we will not have a further borrowing bill for the current fiscal year. In this bill Parliament is being asked to authorize the borrowing of an additional \$18.2 billion. Of course, that is, as Senator Doody has pointed out, in addition to the \$12 billion authorized in Bill C-11.

**Senator Balfour:** We have to pay the bills.

[Senator Doody.]

**Senator MacEachen:** The Minister of Finance in introducing Bill C-51 in the House of Commons referred to the cost of the delay in passing Bill C-11. I believe that some of his comments made in the other place deserve reply here. He said, "The cost of the delay by Liberal senators in the other place was quite significant." If I were recording the event, I would say that the intransigence of the Minister of Finance and his refusal to accept reasonable proposals by the Liberal opposition was the source of the cost.

**Senator Sinclair:** There was no cost.

**Senator MacEachen:** Indeed, if any cost existed. The minister went on to say, "We may never know the total indirect costs arising from the confusion and uncertainty which resulted from these delays." I do not know exactly what he has in mind by "indirect costs." He went on to say, "However, we have been able to identify very clearly and precisely the amount of money that that did cost us. It amounted to \$15 million."

**Senator Balfour:** Shame.

**Senator MacEachen:** Honourable senators, we remain quite unconvinced. The Minister of Finance has not yet produced the evidence. The clarity and precision used by the Minister of Finance to assert his position in the House of Commons was replaced with rather different assertions in the National Finance Committee. The official accompanying the Minister of Finance told the committee that it was an estimate that was made, and he went on to add, "One can always argue that there are different ways of making estimates."

So much for clarity and precision. Then, when pressed for further details, the minister said:

● (2200)

If you wish the details of the calculation, we can get those for you.

Senator Kirby then said:

I agree with that.

Honourable senators, I am not aware that these details have been made available yet to the members of the Standing Senate Committee on National Finance, but I think it is worth mentioning the comment that was made in committee by Senator Kirby, which was:

It seems to me that the minister, if not tonight, certainly on other occasions, has made the argument that there was a \$15 million cost incurred because he was required to borrow later rather than earlier, since the borrowing bill has been tied up.

He went on to say:

... if we look at the history of interest rates over the past several weeks, which have been dropping, the replacement fund will be borrowed at a lower interest rate than the government would have had to pay had it borrowed the money when it originally hoped to do so back in February. If that is the case, it seems to me that one must deduct from the so-called cost of \$15 million the savings that result from the lower borrowings.