

make this institution the important body that the Fathers of Confederation conceived of it as being, then we have to be prepared to accept some confrontation and the debate that goes with it, and also some of the publicity, good and bad, that that will entail. So I do not believe that we should entertain the notion that somehow or other we are preaching our own funeral sermons here today. That is not the case at all.

Senator MacEachen: Thank God.

Senator Stewart: If this motion is carried, Bill C-11 will come back to the Senate. The third reading motion will then be moved and honourable senators will be forced to line up either for or against the bill. The effect of adopting Senator Roblin's motion, I suggest, would be to frustrate the constructive proposal put forward by Senator MacEachen. Under that proposal the unamended bill would come up for third reading when the main spending estimates for 1985-86 have been presented to Parliament. Under that proposal, Bill C-11 can have Royal Assent next week. I do not believe that honourable senators want to reject this middle course, a course that will give the government the borrowing authority it has requested, while doing no violence to a fundamental principle of parliamentary government.

I believe it is important, honourable senators, to look at this bill, because it is almost unprecedented. The bill, as we all know, is in two parts. Part I will produce a distinct statute called the "Borrowing Authority Act, 1984-85, (No. 2)". That part will become effective immediately after Royal Assent. It will authorize the government to borrow \$7.3 billion in the fiscal year ending March 31, 1985.

It is important to notice that that act will permit the government to carry over \$2 billion of that \$7.3 billion for use in the forthcoming fiscal year. That is a very important point to note, because, as I shall show later, it was the antecedents of that non-lapsing aspect of Part I of the bill that in previous sessions attracted the hostility of the Progressive Conservative opposition.

Part II of the bill will produce a separate statute entitled "Borrowing Authority Act, 1985-86". As we all know, that part will become effective only on April 1, 1985. It will authorize the government to borrow \$12 billion for the fiscal year that will end on March 31, 1986.

The problem facing your committee is that the parentage of those two separate statutes is provided in this one bill. I suggest that had we been confronted with only Part I, there would have been no problem. The bill would now have been enacted and the government would have \$7.3 billion, with \$2 billion available to be used in the forthcoming fiscal year.

But the government, in its wisdom, decided to anticipate the borrowing needs for 1985-86. The government made that decision. It is my view that it was a mistake to incorporate Part II in the bill, because it was that decision, the decision of the government, that led to the problem that has been troubling your committee. The problem confronting your committee is that the bill raises the following question of fundamental importance: Has the Senate, and therefore the committee, the

right to pass Part II of the bill? That is the question Senator Roblin's motion puts before the Senate this afternoon. In order to answer this question, we must turn to the parliamentary precedents for guidance. The precedents show that if Part II of this bill goes forward for Royal Assent at this time, it will be without precedent. The problem is that Part II is premature. The Leader of the Government is asking this house to acquiesce in an action for which there is no relevant precedent. It has been stated—and I do not question the validity of the proposition—that the committee's extensive consideration of the bill is extraordinary. It is extraordinary because the committee has been confronted with an extraordinary and unprecedented request.

• (1700)

This matter is very important. I think it is worthwhile to look at the precedents which bring us down to where we are now. Until 1977 Parliament conferred borrowing authority on the government in the appropriation bills, which are based on the main estimates. We all know that the main Appropriation Act is the one that goes through at the end of June, the one that produces the headlines which say, "Parliament votes \$10, \$15, \$20 billion in 10 minutes." This is when we get our biggest black eye. However, during the middle seventies, the official opposition objected to this procedure. It said that by reason of the changes to the rules of the House of Commons it was no longer possible for it to perform its responsibility with regard to the request for borrowing authority. It wanted borrowing authority factored out of the appropriation bills. The government of the day agreed.

There has been reference to what was done in the fall of 1977. The Leader of the Government looked back to that instance this afternoon, if I heard him correctly. In the fall of 1977 the then Minister of Finance requested borrowing authority for fiscal 1977-78 and 1978-79 in a bill to amend the Income Tax Act. I should mention to honourable senators that the Minister of State (Finance) and the Minister of Finance regard this precedent as a relevant basis for the bill now before the Senate. I suggest that they are mistaken. I think honourable senators will find upon reviewing the record that what was done in 1977 was an aberration. It was a half-way house between two settled types of procedure. In introducing his bill, the Honourable Jean Chrétien, then the Minister of Finance, dealt with this matter. What he said can be found on page 646 of the *House of Commons Debates* for November 7, 1977. He laid out what I have just mentioned, that traditionally borrowing authority was incorporated in the appropriations acts. He went on to say that honourable members had complained and that as a result:

—it was agreed that the government would change the procedure for obtaining a new borrowing authority. The government intends to introduce a bill soon providing a new procedure which will give ample opportunity for normal debate. In the meantime, there is need for an increase in the borrowing authority.