

paragraph preserves the government's non-lapsing reserve into the next year to accommodate the possibility that new statutory borrowing authority is not provided before the 1991-92 fiscal year begins.

Paragraph 3 ensures that the \$3 billion reserve granted last fiscal year by the Borrowing Authority Act, 1989-90 will be cancelled on March 31, 1990 or on the date the new bill comes into force, whichever is later. Thus, this paragraph prevents non-lapsing reserves granted for earlier years from accumulating but ensures that cancellation will take place at a time that is not disruptive.

Paragraph 4 ensures that if the new bill passes after March 31, 1990 and part of the \$3 billion reserve granted for 1989-90 has been used, this does not increase the total amount of borrowing authority available for 1990-91.

For the information of hon. members, I would like to briefly review the government's debt operations to the end of February 1989-90.

• (1220)

So far the domestic debt program has increased the unmaturing domestic debt outstanding by approximately \$19.6 billion. At the same time the outstanding debt in foreign currencies has been reduced by \$2.9 billion. The combined effect has been an increase in the outstanding unmaturing debt to around \$294 billion.

Of the total net debt issued so far in 1989-1990, \$10 billion was in the form of marketable bonds. As well, the government increased the emphasis on selling bonds by auction, which it has found to be a cost effective form of issuing debt. Auctions now account for about 65 per cent of all marketable bonds issued, up from about 60 per cent in 1988-89.

Treasury bills were used to raise \$15.5 billion of new funds to the end of February 1989-90.

This fall the 1989 Canada Savings Bond campaign with a coupon of 10.5 per cent generated total sales of \$9.3 billion. The net amount raised in the campaign, after taking account of CSBs which matured in 1989 and other maturities which were redeemed during the campaign, was \$3.1 billion.

In closing, I would like to remind hon. members that they have all the necessary information before them to deal with this bill. The bill is related to the borrowing

requirements set out in the budget and the Estimates which have been tabled in the House.

[Translation]

Thank you, Madam Speaker, and I hope that the hon. member for Kingston and the Islands (Mr. Milliken) and other members of the opposition will help expedite the passage of this bill through the House.

[English]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I listened to the minister with great care. As he mentioned, every item of expenditure of the Government of Canada falls under the public accounts of this country. I also noticed that he made some more projections, as the finance minister often has a habit of doing. We will talk about that later.

As he said, Bill C-65 would give the government the authority to borrow up to \$25.5 billion during the coming fiscal year to cover its budgetary deficit. Projected financial requirements look as if they are about \$21 billion.

In its role as the supreme authority in Canada—that is this government—in matters relating to the raising and dispersing of funds on behalf of the Crown, Parliament is regularly requested to grant authority to the Minister of Finance to raise money under the Financial Administration Act by way of loan or by the issue and sale of securities of Canada in the words of each bill forming such a request.

Having stated that, it is very important to put on the record today in this borrowing bill debate just what kind of financial management this government has had since taking office. We know that at the end of March 1984 the national debt of this country stood at \$160 billion. Today, after five years plus with this government, the national debt of this country stands at \$351 billion. This is financial management from a government that stated it was going to cut the deficit and get the finances of this country under control. The fact is that they have skyrocketed every year that this government has been in office.

Let us take a look at this. I do not like to say things like that without being able to back them up.

This government borrowed \$7.3 billion during the period 1984-85 to the end of the fiscal year of March 1985. Let us go to 1985-86 when this government borrowed \$12 billion. If we go back to 1984 and 1985, the