

cent. The interest rate payable on Canada Savings Bonds (\$42.0 billion) was 11.25 per cent.

[Translation]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[English]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-99, an Act to provide borrowing authority, as reported (without amendment) from a legislative committee, be concurred in.

Motion agreed to.

Hon. Barbara McDougall (Minister of State (Finance)) moved that the Bill be read the third time and passed.

She said: Mr. Speaker, as Hon. Members are aware, Bill C-99, which seeks borrowing authority for the 1986-87 fiscal year, has been returned to the House for report stage and third reading by the special committee of the House which has concluded its examination of the Bill. Today I rise briefly to remind Hon. Members of the contents of this Bill and to inform them of the current situation with respect to borrowing authority.

As Hon. Members are aware, Clause 2 of Bill C-99 requests \$22.6 billion of borrowing authority for the 1986-87 fiscal year. This amount matches exactly the financial requirements for this fiscal year as set out in the Budget of my colleague, the Hon. Minister of Finance (Mr. Wilson). The Government is not requesting any additional amount of borrowing authority for fiscal 1986-87 since it has access to \$2 billion of nonlapsing authority provided by the Borrowing Authority Act 1984-85 (No. 2).

Clause 3 of Bill C-99 states that any unused borrowing authority of the Borrowing Authority Act 1984-85 (No. 2) will be cancelled on March 31, 1987, to the extent that the unused authority exceeds \$2 billion.

[Translation]

Perhaps Hon. Members would like to know how the Government used the borrowing authority granted by Parliament for the fiscal year ending in 1986. The over-all amount authorized was \$32.2 billion, as follows: \$12 billion under last year's Borrowing Authority Act; \$18.2 billion under last year's

Borrowing Authority Act

Borrowing Authority Act (No. 2); and \$2 billion of nonlapsing reserve authority provided by Borrowing Authority Act, 1984-85 (No. 2).

For the fiscal year 1985-86, domestic borrowing operations so far have used roughly \$24.3 billion of borrowing authority: \$9.9 billion through Treasury bond issues; \$11.5 billion through sales of negotiable securities; and \$2.9 billion through net sales of Canada Savings Bonds.

[English]

In addition, foreign borrowing added \$5.8 billion to the use of borrowing authority. Consequently, a total of about \$30.2 billion of borrowing authority was used during the 1985-86 fiscal year, and \$2 billion was carried forward into the 1986-87 fiscal year. The \$2 billion of reserve authority is currently being used. Financial requirements are always seasonally heavy at the beginning of the fiscal year and, given the limited amount of borrowing authority provided by the reserve, the Government will quickly have to resort to running down its cash balances.

Without having new borrowing authority in place for the 1986-87 fiscal year, the Government will soon have to resort to the use of Section 39 of the Financial Administration Act in order to avoid totally depleting its cash balances. As Hon. Members are aware, this is a temporary measure only and is designed to provide short-term funds to the Government if it appears that the Consolidated Revenue Fund will be insufficient to meet the disbursements lawfully authorized to be made from it. Thus, I hope that the House will be able to deal with this matter in its usual expeditious manner.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Official Opposition certainly appreciates that this Bill must be passed fairly promptly in order for the Government to conduct its business, and we do not intend to delay it unduly. Bond issues have to be planned and announced to the market weeks in advance of the sales date. New funds raised at Treasury Bill auctions are announced a week in advance. Therefore, it is not our intention to delay the passage of this Bill. However, the reservations which we expressed at the time of the second reading debate, and in the legislative committee, remain. I think it is important that they should be put on the record once again.

The Bill before us requests \$22.6 billion worth of borrowing authority for 1986-87. The Government also has access to \$2 billion of unused, nonlapsing borrowing authority as provided by an earlier Borrowing Authority Act. We certainly hope the Government will be able to manage its affairs in accordance with its forecast needs and that the Members of this House will not be asked later in the year to approve a request for supplementary borrowing authority.

● (1220)

Our concerns arise from the assumptions and projections by which the Government arrived at the \$22.6 billion figure. As I and a number of my colleagues here have said before, we