

requirements arise as a result of the statement to be made by the minister, or any consequent budget changes, the government will have to come back for additional borrowing authority. In other words, this bill does not anticipate that additional amount.

For those reasons, honourable senators, I ask that this bill receive approval on second reading. If it does, I shall comment on the readiness of the Standing Senate Committee on National Finance to study and report on the bill after second reading.

Hon. G. I. Smith: I would address a question to the deputy leader on the meaning of clause 2 of the bill in relation to the total amount of money which will be at the disposal of the government for borrowing purposes if this bill is passed.

I thought I heard him say that about \$3 billion of existing borrowing authority was still unused. This is described by the earlier words of that clause as follows:

—in addition to the sums now remaining unborrowed and negotiable of the loans authorized by any Act of Parliament heretofore passed—

This bill authorizes an additional \$6.6 billion. If this bill is passed, the total borrowing authority at the disposal of the government will be \$9.6 billion.

Senator Frith: Honourable senators, that is correct, but only in the context of the contingency of \$3.3 billion which is the usual figure and which would be included in the \$6.6 billion. It will be, and will have been available. If the contingency amount had not been exempted, then the borrowing authority would have to have been requested earlier in the year. For example, last year the borrowing authority was requested on April 5 or 6, and sometimes it is requested even before the end of March.

In terms of the availability of the actual borrowing authority, Senator Smith is quite correct in that the total borrowing authority will amount to the \$3.3 billion that has been used up to now, and which has not been used, plus the \$6.6 billion. That is my understanding.

Senator Smith: The deputy leader has confused me, which is not very hard to do, by his comment about the contingency fund, which he said had been used, and then he went on to say that it had not been used.

I should like to clarify in my mind whether, as of now, there is an unused borrowing authority of \$3.3 billion in addition to the \$6.6 billion.

Senator Frith: I do not know whether the full \$3.3 billion has been used. The \$3.3 billion that was in the contingency for last year's borrowing authority, and which was exempted from the automatic cancellation, has been used in the meantime. For this reason we are discussing this borrowing bill at this late date. Generally speaking, we would be doing this in April rather than in June. Essentially, the \$3.3 billion has been used up, and the \$6.6 billion is what is required for the future.

I am sorry I did not pay particular attention to the word "unused" which the honourable senator used. I believe that sum of money has been used.

[Senator Frith.]

Hon. C. William Doody: Honourable senators, I have only a few comments to make on this latest borrowing bill. As Senator Frith has pointed out, this year we will not have a single borrowing bill; we may have several or, indeed, a multitude of borrowing bills.

I would assume that the reason for the \$6.6 billion, which has been requested now, is that it is the amount estimated in the budget. If that figure is as accurate as the rest of the budget figures, there can be very little doubt that we will be asked to approve another \$6.6 billion and, probably, a third \$6.6 billion, because the deficit keeps climbing and the new projections become more frightening each time we hear them.

The original budget figures are completely out of whack, and I can only assume that this \$6.6 billion is far less than the government actually needs.

It is unfortunate that the government did not come in and ask for what it thinks it will really need, so we could examine the figures. They have not seen fit to do that, so we will have to deal with the matter in sections.

In my estimation, this is a rather unfortunate way of dealing with the public accounts of the country. I think it is not very complimentary to the Senate and, indeed, to the whole parliamentary process because Bill C-111 was placed on our desks today; it will receive second reading in this place this afternoon; and tomorrow morning there will be an emergency—in my opinion—meeting of the Standing Senate Committee on National Finance to consider this borrowing authority. The bill will be reported back here tomorrow afternoon, and will receive third reading and Royal Assent, and another \$6.6 billion will be tacked on to the debt of the country. All this after a cursory examination by all honourable senators who, I think, have a greater responsibility to the people of Canada than we are demonstrating in this particular instance.

In his opening remarks Senator Frith mentioned that the Financial Administration Act stipulates that statutory borrowing authority must be obtained from Parliament in order for the government to increase its outstanding debt. That is absolutely true. I rather suspect if that were not a provision of the Financial Administration Act, this government would continue to borrow without reference to Parliament at all.

Hon. Duff Roblin (Deputy Leader of the Opposition): They have done it already.

Senator Doody: As Senator Roblin so aptly points out, they have not only done it already, they keep doing it and will continue to do it.

Senator Frith shakes his head in amazement and indicates that that is impossible.

Senator Frith: Not for money.

Senator Doody: They authorize and guarantee loans for private and public corporations through letters of comfort to those companies, with never a reference to Parliament. This amazing little piece of information came to light during a meeting of the Standing Senate Committee on National Finance in March of this year, when the minister responsible for the Treasury Board, the Honourable Donald Johnston, was