There are a number of issues here as hon. members know. If I were allowed to act unilaterally, I might very well immediately change the rules, but I am afraid I do not have that luxury nor do hon. members. I must go away and decide this on the basis of the rules as they are and as the practice has been. I will report back to the House as soon as possible.

I may be able to report back by one o'clock, but I will certainly be able to report back immediately after Question Period. I thank hon. members.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1990–91

MEASURE TO ENACT

Hon. Gilles Loiselle (for the Minister of Finance) moved that Bill C–65, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Madam Speaker, as hon. members are aware—

[*English*]

The Financial Administration Act requires that statutory borrowing authority be obtained from Parliament in order for the government to increase its outstanding debt.

Specifically, Part IV, section 36 of the act requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament". This refers to new money only rather than the refinancing of existing debt since section 46 of the act provides continuing authority to borrow funds to repay maturing debt.

While section 47 provides for temporary short–term borrowings, statutory borrowing authority must be obtained from Parliament to permit the government to implement a regular debt program to meet its financial requirements.

This bill should be viewed in the context of the government's continuing efforts to deal with Canada's deficit and debt problem.

The budget tabled by the Minister of Finance on February 20 reaffirms the government's commitment to reduce the deficit. Through a wide–ranging expenditure control plan and with no increase in taxes, the budget keeps the deficit on a downward path that will see it cut in half in four years.

The budget is part of the government's consistent, comprehensive plan to ensure that Canadians benefit from a strong and prosperous Canada.

That plan, first set out in 1984, has two main thrusts: to foster a dynamic, innovative and competitive private sector; and to put the government's fiscal house in order.

Our economic plan and the firm actions we have taken in the budget as part of that plan have brought us a clear prospect of lower inflation and a steadily declining deficit. They help ensure that the government's fiscal position in the 1990s can support the programs Canadians value most. By persevering, we will attain great control over our destiny and greater ability to devote our resources to investments in a rising standard of living and a better quality of life for all Canadians.

I would now like to outline for the House the terms of the borrowing authority bill for 1990–91. Paragraph 2(1) of the bill requests borrowing authority in the amount of $25.5 billion for fiscal 1990–91. This amount is equal to $22.5 billion of borrowing requirements, of which $21 billion is the government's estimated net financial requirements from the budget, $1.5 billion is the estimated exchange fund account earnings, and a $3 billion reserve to manage foreign exchange transactions.

As was the case last year, the request for borrowing authority to cover exchange fund earnings reflects the fact that although these earnings are reported in the public accounts as budgetary revenues, they give rise to additional Canadian dollar borrowing requirements. This is because they are retained in the exchange fund account and are not available to finance ongoing operations of the government.

The $3 billion reserve requested in the borrowing bill is the same as granted in the previous three years.

Paragraph 2(2) states that all unused borrowing authority granted by the Borrowing Authority Act, 1990–91, to the extent that the unused authority exceeds $3 billion, will be cancelled on March 31, 1991. Thus, this