

Government Orders

This bill has another set of standard provisions. They provide that on March 31, 1993 any unused borrowing authority under this bill over \$3 billion will be cancelled. This preserves the government's non-lapsing reserve into the next year in case new borrowing authority is not provided before the start of the next fiscal year.

Of course, it contains the similar \$3 billion reserve granted in last year's borrowing authority on either March 31 of this year or the date the bill comes into force, whichever comes later.

As background I would like for a moment to review the government's debt operations in the current fiscal year up to the end of January. At this point, in the domestic debt program, about \$26.8 billion in net new market debt has been issued. Of this total, \$14 billion was in the form of marketable bonds. Of these, 78 per cent were sold at auction which we have found to be a cost effective method of distributing the bonds. By the end of January, \$10.25 billion new funds had been raised by treasury bills.

I would also like to report to the House on last fall's Canada savings bond campaign. That campaign, with bonds bearing interest at 7.5 per cent generated total sales of \$9.6 billion, an increase of \$2.9 billion from last year. After taking into account Canada savings bonds that matured or were redeemed in the period, the campaign yielded a net amount of about \$3.5 billion. Taking into account all redemptions so far in the fiscal year, the stock of Canada savings bonds outstanding has increased by about \$2 billion. Canada savings bonds represent about 10 per cent of the federal market debt outstanding.

In closing, I would like to remind the House once again that the government has been operating under section 47 of the Financial Administration Act since January 28 of this year, for about one month now. Various factors contributed to this, particularly the increase in financial requirements, as reported in the budget. It is therefore important that Bill C-61 be considered in a timely manner.

I wish to remind members that until the new borrowing authority is in place, only short-term debt instruments can be sold and the government cannot maintain the desired balance of short and long-term debt in its

debt program. This balance is carefully designed to achieve the objectives of cost minimization and reduced exposure to increases in debt service charges.

The amount of borrowing authority requested in the bill is directly connected to the budget and the financial requirements stated therein. The information required to deal with the financial aspects of the bill is set out in the budget documents.

I therefore urge the House to proceed with this legislation as quickly as possible so that new borrowing authority will be in place at the beginning of the new fiscal year and the government's regular borrowing program can proceed as the fiscal year begins.

The government's record spending restraint and deficit reduction offers sound testimony that the government's finances are being handled prudently and responsibly. I urge all members to support this bill.

Mr. John Manley (Ottawa South): Mr. Speaker, I welcome this opportunity to address the House on the matter of Bill C-61, whereby the government seeks the authority of the House to borrow \$24.7 billion to finance the massive deficit proposed again this year by the Conservative government.

Well the government is at it. It is seeking to pick-up an extra \$3.9 billion which was the amount that came up short last year so poor was its forecast. This bill can only be considered in light of the 1992 budget presented on Tuesday by the Minister of Finance, the first budget of this new minister.

It seems a shame that this minister who, by all accounts from his colleagues on the government side of the House, confirmed by some who know him on this side, is a much nicer, more empathetic person than his predecessor. It seems a shame that his first budget must be delivered at a time of very weak economic performance, not to mention startling, indeed, wrenching change.

No one could envy the budget-making task that confronted this Minister of Finance in the face of the legacy he inherited from his predecessor. What a legacy it was. The annual deficit has not been reduced since 1986-87. The accumulated debt of the federal government had more than doubled from about \$186 billion in