

Supplementary Borrowing Authority

clause, hitherto unreferred to and undiscussed, in which the government merely sought borrowing powers. What was that for? I asked the question last year as a point of order because I had seen that particular type of clause the first time in supplementary estimates under the Appropriation Act. I am told that it has happened on eighteen occasions in the past. But there are different rules, and I must say that if some of these things slipped through at that time, it must be remembered that prior to 1969 there was debate permitted on any clause in the clause by clause study.

I dare say, without going back to the records, that some people did make inquiries about borrowing. Last year the former minister of finance furnished an explanation, albeit a very brief one, in saying that the sales of Canada savings bonds had been so successful that the government, willy-nilly, had found itself forced through the ceiling of its borrowing powers. Today the minister has given us an explanation. Certainly some people may want to question it, and I would say that that is what is needed now.

I think the minister, and possibly others, have indicated that the House leaders are discussing ways and means of trying to avoid that sort of thing. All I will say is that I have a number of suggestions for him. Of course we can have a bill of this nature, leaving aside the question of whether or not a recommendation is necessary, but in any event we can have a bill that authorizes an increase in borrowing powers.

Also, I think it is possible that at the time of the tabling of the main estimates, when quite often the borrowing authority matter is raised, it might be referred to by the President of the Treasury Board on tabling the estimates. His whole statement then becomes the subject of discussion in the Standing Committee on Finance, Trade and Economic Affairs or in the Standing Committee on Miscellaneous Estimates, wherever the minister appears. Therefore, that subject is discussed. The same approach could be used with regard to miscellaneous estimates. They could be referred to in the statement at the time or, although I am not a devotee of \$1 items in supplementary estimates, it seems to me that a \$1 item is the same as asking permission of the House to transfer moneys from one account to another.

This bill seeks not to spend money but to raise money if there is a deficiency. It is not even required for refinancing, but permission of the House is sought. The item is debatable in the committee. I hope that the Standing Committee on Procedure and Organization will come in for more fruitful discussion. I suggest to you, sir, that the appropriation bill, instead of being subject to restrictions on debate and amendment, should allow for debate in which ten o'clock is not seen and, if necessary, one could start a debate at, say, three o'clock on the afternoon of the last day, to be continued until 1.45 the following afternoon. But in any event, debate which would allow members to ventilate their objections to any and all items appearing in those estimates.

There would be full discussion then and culmination of a lot of work done in the Standing Committees on Miscellaneous Estimates. At present, as I indicated the other night and have on other occasions, the work of committees

studying estimates is totally frustrated, first by the inability to discuss them in the House unless a supply date is allotted to a particular subject; and, second, by the lack of even a simple expression of views. I suggest, with respect, that the Chair has missed the record with regard to the interpretation of the rules on the posting of items for a vote and the giving of priority to the government to restore items rather than having a vote as set up in the notice given by a member regarding estimates.

Since we have not had an opportunity of discussing this bill, I have to leave the procedural aspects to one side for the moment and I want to go into the matter of what we are doing. I have a list here going back to 1961 in which borrowing powers were referred to in the first appropriation bill and in subsequent appropriation bills. It has to be noted that there is no such thing as a residual borrowing power. Anything that is not used in any year lapses at the end of the year, so that the government cannot accumulate a series of unused borrowing powers. However, I think this March, particularly since 1970-71, the effects of inflation are to be seen. In 1970-71, the first appropriation bill asked for \$2 billion. A subsequent appropriation bill sought \$1 billion. In 1974-75, authority was sought for \$3 billion in the first appropriation bill, and a year ago the amount was \$2.5 billion. Earlier this year, in June, there was one appropriation bill for \$4 billion, and now the minister is asking for \$2 billion. Where in the past have we seen figures so high, except in 1967-68 when there was a supplementary appropriation bill seeking approval of an increase of \$2.75 billion?

● (1540)

We should want to look at the public debt. An examination of the bank account tables with regard to public debt indicates that charges on the gross public debt currently are expected to increase by \$598 million in fiscal 1976 compared with fiscal 1975. The 18.9 per cent increase in these charges is due both to higher average interest costs and to the fact that the size of the debt has increased markedly over the year.

Just as an indication of how our national debt has mounted, I have before me the Bank of Canada Review for November, 1975, and table 21, entitled "Government of Canada direct and guaranteed securities", indicates that as at November 12 the total outstanding debt was \$35,885 million. If we go back five years to 1970, the figure was only about \$25 billion. I should not say "only \$25,746 million", because that is a lot of money. In 1964, when the President of the Privy Council (Mr. Sharp) did not have his feet in the Department of Finance, the amount was \$20,733 million. Over 11 years we have seen an increase of some \$15 billion in the national debt, or a 75 per cent increase.

From the end of fiscal 1975 to November 20 of this year the amount of unmatured debt, as I have indicated, increased by nearly \$4,300 million and has actually gone up—because my report here is more recent than the tables I referred to—to \$37,384 million. Even using this shorter time period, less than eight months, unmatured debt has already increased by an amount in excess of the increase between fiscal 1973 and 1974, a total of \$3,915 million. Based on current unmatured debt levels and current interest payments forecast in the main and supplementary