

Supplementary Borrowing Authority

[Text]

*ACT STUDIES ON CHANGES IN CROWNEST PASS RATES

Question No. 4,102—**Mr. Nystrom:**

Did the Government undertake studies on the impact of the contemplated changes to the Crownsnest Pass rates on trade, on the balance of payments and on the value of the Canadian dollar and, if so (a) what were the studies and on what date were they completed (b) are there studies or proposed studies now under way (c) does the government intend to make the studies public?

[Translation]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the answer to question 4,102 is as follows:

A consultant's study, recently completed for the Department of Agriculture, included an assessment of Canada's agricultural trade balance as part of its analysis of the impact of a change in the Crownsnest Pass freight rates.

(a) This study, "An Economic Analysis of the Crow Rates", by Dr. D. R. Harvey was completed on January 18, 1982. It shows that revising the Crow could improve Canada's agricultural trade balance by as much as \$220 million in 1990, measured in 1981 dollars.

(b) No further studies are proposed or underway at this time. Export grain prices are established on the basis of world markets, and are not affected by changes in the cost of transportation within Canada. Canada's ability to export grain, however, is dependent on an adequate transportation system. It is this issue that the government's proposals to change the Crow rates are meant to address.

(c) Dr. Harvey's study is now available to the public.

[English]

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

[Translation]

Madam 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]

**SUPPLEMENTARY BORROWING AUTHORITY ACT,
1982-83 (NO. 2)**

MEASURE TO ESTABLISH

Hon. Paul J. Cosgrove (for the Minister of Finance) moved that Bill C-128, an Act to provide supplementary borrowing authority (No. 2), be read the second time and referred to a Committee of the Whole.

● (1630)

He said: Madam Speaker, the Financial Administration Act stipulates that statutory borrowing authority must be obtained from Parliament in order for the Government to increase its outstanding debt. Consequently, in order for the Government to borrow money to meet its financial requirements, statutory borrowing authority must be obtained from Parliament. Bill C-128 currently before the House seeks additional borrowing authority of \$4 billion for the current 1982-83 fiscal year.

As Hon. Members will recall, so far this fiscal year the Government has obtained parliamentary approval for a total of \$17.1 billion of borrowing authority. This amount is equal to the financial requirements forecast for 1982-83 in the budget presented by the Government in June. It is made up of \$3.5 billion of unused borrowing authority carried forward from earlier years, \$6.6 billion of authority for 1982-83 provided by Bill C-111, and \$7 billion supplementary authority provided by Bill C-125.

Hon. Members will recall that the original Bill seeking supplementary borrowing authority for 1982-83 included a non-lapsing contingency reserve of \$4 billion over and above the \$7 billion needed to meet the financial requirements of the Government. However, during its passage through the House earlier this year the Bill was amended, the contingency reserve was dropped, and in lieu of the reserve the House moved that the Standing Orders be amended so that, if at any time prior to March 31, 1983 the Government introduced a Bill requesting new borrowing authority of not more than \$4 billion, debate on all stages of that Bill in the House would be limited to a period not exceeding three days. Bill C-128 to obtain this amount is the one before the House today.

I mentioned earlier that the \$17.1 billion of borrowing authority already granted was equivalent to the financial requirements for 1982-83 projected in the June budget. As Members of the House are aware, the financial requirements for 1982-83 have increased to \$22.2 billion. These developments were explained to the House yesterday by the Minister of Finance (Mr. Lalonde). The Minister pointed out that the major share of the increase in the financial requirements was due to the increase in the budgetary deficit resulting from the weakness of the economy which had become more severe since the earlier forecasts were presented in the June budget.

As a result of this unanticipated weakness, revenue estimates have fallen almost \$3 billion since June while outlays have increased by slightly more than \$1 billion. Most of the remainder of the increase in financial requirements is due to the increase in the deficit in the unemployment insurance fund.

In view of the \$5 billion increase in the financial requirements for 1982-83 since last June, the Government is required to enter into a larger debt program. This is the reason we are seeking additional borrowing authority at this time. However, the additional \$4 billion sought in the present Bill will provide