

Senator Frith: Regarding the difference between the March and June figures, the approximate amount of \$3.3 billion was contained in the contingency amount for previous years. In previous years, if that contingency was not used, then, by reason of the Financial Administration Act, it was an unused borrowing authority, and so it disappeared. This last year, 1981-82, exempted the contingency figure from the automatic cut-off, from the automatic guillotine. So that \$3.3 billion, not having been guillotined, existed as an authority to be used until today.

Senator Molson: What did they borrow last year when the amount was cut off?

Senator Frith: I do not know the amount of the borrowing authority for last year, but I can look it up or we can get it in committee tomorrow. If we do not get the figure in committee tomorrow, then I will certainly provide it.

Hon. Fernand-E. Leblanc: It is \$12 billion.

Senator Frith: According to the deputy chairman of the committee, the figure is \$12 billion.

The question asked by Senator Flynn underlines the fact that what is being asked for here is \$6.6 billion in the previous amount, and there is no authority given for any additional amount. If clause 2(3) of this bill intends to clarify, once and for all, the ability of the government to borrow and repay loans in funds other than Canadian currency, it does not succeed in doing so. As I understand it, that subclause is there temporarily, not to solve the problem but until an amendment can be made to the Financial Administration Act to solve the problem.

Senator Flynn: It says in part, "any other authority conferred by Parliament". That covers the Financial Administration Act and any future bills.

Senator Frith: But only those dealing with borrowing authority.

Senator Flynn: Yes, but it is really a general amendment, and I do not see how you find it there.

Senator Frith: It seems to me that clause 2(3) will not live past, or ought not to live past, or should not be interpreted as living past, March 31, 1983. In the meantime it is hoped that the Financial Administration Act will be amended to cover that point.

Senator Flynn: You will not need it, because you will lose this subclause somewhere, somehow.

Senator Frith: I hope not, but perhaps someone can also give us some help on that matter tomorrow.

Honourable senators, that is all I have to say on second reading of this bill. I commend it to you, and if it is adopted on second reading, I will—

Senator Flynn: Do you have any doubt?

Senator Frith: That is a famous Hobson's choice. If I say, "when it is adopted," someone will say, "Don't take that for granted"; and when I say, "if it is adopted," someone asks,

"Do you have any doubt?" In any event, if it is adopted, I will suggest that it be referred to the Standing Senate Committee on National Finance for study and report before third reading. I can tell honourable senators that there is a meeting of that committee planned for tomorrow morning at 9.30, at which time there will be room on the committee's agenda for this item.

Senator Smith: I wonder if the deputy leader would mind responding to another question. As I followed him, he was saying that there is nothing extraordinary about the timing of this bill, or the time allowed between its introduction and the date on which it is hoped to be passed, and that everything is just as it has always been.

I wonder if his research into that situation led him to examine also whether we have ever been faced with such a bill when the budget itself had never been passed into law. In this case, seven months, or thereabouts, have expired since the budget was placed before Parliament, and, I believe, 24 changes have already been made to what was in the budget the night it was presented; and the deputy leader himself says that we will not really know the final figures on the budget until we get another statement from the Minister of Finance.

Senator Frith: Honourable senators, my research definitely never disclosed a situation parallel to the situation described by Senator Smith. That is why, it seems to me, it is important to underline the fact that what is being asked for here is the borrowing authority, and I think honourable senators can be sure that, no matter what takes place in terms of other changes, it will be no less than \$6.6 billion. So, the honourable senator's point is well taken. The precedent does not exist and this is an unusual situation. But if, for example, much more speculative figures were included, I would agree with him that it would be very relevant to the asking for such speedy passage of this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Senator Frith moved that the bill be referred to the Standing Senate Committee on National Finance.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO STUDY CANADIAN RELATIONS WITH COUNTRIES OF THE MIDDLE EAST AND NORTH AFRICA

The Senate resumed from yesterday the debate on the motion of the Honourable Senator van Roggen:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report upon Canadian relations with countries of the Middle East and North Africa, namely Morocco, Tunisia, Algeria, Libya, Egypt, Sudan, Israel, Lebanon, Jordan, Syria, Iraq, Saudi Arabia, North and South Yemen, Oman the United Arab Emirates, Qatar, Bahrain, Kuwait and Iran;