

**Mr. Dick:** Mr. Speaker, if the Hon. Member has listened to my last two answers, he would have a better understanding.

**Mr. Boudria:** Mr. Speaker, I tabled a question in the House on November 5 concerning such simple matters as what did it cost to change the carpeting in front of the Prime Minister's office. I am sure you will agree that such questions can be answered in less than a month.

**Mr. Dick:** Mr. Speaker, the bill may not be in yet.

**Mr. Speaker:** The question indicated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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### MOTIONS FOR PAPERS

**Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)):** Mr. Speaker, I would ask that all Notices of Motions for the Production of Papers be allowed to stand.

**Mr. Speaker:** Shall all Notices of Motions for the Production of Papers be allowed to stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[English]

### BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

**Hon. Barbara McDougall (Minister of State (Finance))** moved that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Mr. Speaker, I rise today to present this House will Bill C-11, an Act to provide borrowing authority. The practice of obtaining new borrowing powers for the Government has always been at minimum an annual event, and Parliament has examined these Bills on many occasions in the past. Consequently many Hon. Members are familiar with the details of borrowing authority Bills. However, there are many new members of the House who are not so familiar and therefore I will present the new Bill in some detail and briefly explain the need for borrowing authority.

I bring forward this Bill on behalf of the Government fully aware of the increased pressures government borrowing authority puts on capital markets. However, this Bill is guided nonetheless by our efforts to restrain government spending in

### *Borrowing Authority*

order not to affect adversely capital markets. Under the Financial Administration Act, statutory borrowing authority must be obtained from Parliament in order for the Government to increase its outstanding debt, and 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, Mr. Speaker. That is because under Section 38 there is continuing authority to borrow funds to repay maturing debt. Thus for the Government to implement a regular debt program to meet its financial requirements, statutory borrowing authority must be obtained from Parliament.

As some Hon. Members will recall, Parliament has already granted borrowing authority amounting to \$24.6 billion for the present fiscal year, an amount based on the previous government's financial requirements of \$25.5 billion. However, as the Minister of Finance (Mr. Wilson) pointed out in his economic statement, our Government's inherited financial requirements for fiscal 1984-85 have increased to \$29.9 billion. Therefore, because of the sorry plight left us by the previous government, our Government will require supplementary borrowing authority for the current fiscal year.

● (1510)

In addition, the financial requirements for 1985-86, inclusive of the new expenditure and tax initiatives which the Minister of Finance announced in his economic statement, are now projected to be \$29.2 billion, almost \$6 billion higher than estimated last February.

I would now like to discuss the Bill itself and how the amounts requested were arrived at. Part I, Clause 2(1) of this Bill, seeks additional borrowing authority for 1984-85 of \$7.3 billion. This amount is made up of \$5.3 billion, an amount equal to the increase in financial requirements for 1984-85 of \$29.9 billion less the \$24.6 billion already granted, plus a reserve of \$2 billion.

Clause 2(2) states that all borrowing authority conferred by the above section that remains unused, to the extent that the unused portion exceeds \$2 billion, shall expire on March 31, 1985. The intent of this provision is to enable the Government to carry forward the reserve. Thus, we are not requesting a further reserve for 1985-86. This clause also ensures that not more than \$2 billion will be carried forward.

The request for a non-lapsing reserve is intended to cover unpredictable changes in the financial requirements. In other words, Mr. Speaker, it is money for a rainy day. It does not permit spending beyond what has been approved by Parliament or that has been given ongoing authority by Acts of Parliament. The reserve amount is designed to accommodate the impact of unpredictable changes in financial requirements caused, for example, by foreign exchange operations. When the Canadian dollar is under upward pressure, for example, Canadian dollars are sold into the market and U.S. dollars are purchased in order to maintain an orderly market in the Canadian dollar.