

Hon. Pierre Bussières (for the Minister of Finance) moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

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BORROWING AUTHORITY ACT, 1981-82

SUPPLEMENTARY BORROWING AUTHORITY

The House resumed, from Friday, January 30, 1981, consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-59, to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is the third time in little over a year that the House has been faced with a borrowing authority bill; this is the second borrowing authority bill presented to the House in this session of Parliament. The House will recall that in July of this year the government was given authority to borrow \$12 billion. That was only eight months ago. So far in this fiscal year the government has borrowed from the public in general, on the open market and elsewhere, a total of \$9 billion of new money. That is the figure, according to the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), as of last January 15. Obviously there has been some borrowing since then, but in his statement the minister estimated he would need another approximate \$3 billion to meet his requirements for this fiscal year.

When we went into this fiscal year the government had outstanding borrowing capacity, which had not lapsed, of \$2.9 billion. To the \$2.9 billion borrowing authority of the government at the beginning of the fiscal year one would normally add the \$12 billion authorized in July, to give the government a total borrowing capacity in this fiscal year of \$14.9 billion. As of December 15 the government had used up \$9 billion of its \$14.9 billion borrowing authority. At that point it still had \$5.9 billion, and I remind hon. members of the minister's statement with respect to Bill C-54. Unfortunately for the government, Bill C-54 was altered by House order, so his speech on that bill was actually off the topic. The minister indicated that we had \$5.9 billion left, and of that amount he anticipated he would need only \$3 billion to the end of the fiscal year. That would leave the government at the end of March, 1981, with \$2.9 billion of borrowing authority.

● (1620)

The government is coming to us and saying, in addition to the \$2.9 billion of borrowing authority, that it needs an additional \$14 billion. In other words, the government wants us to give it a blank cheque to borrow a total of \$16.9 billion in the period ending March 31, 1982, which is more than the government has shown it needs for this fiscal year. Indeed it is significantly more than the government has shown in its budget for next fiscal year.

Borrowing Authority

If one is to examine the budget presented by the minister last October 28, hon. members will note on table 1 the amount required for borrowing. Hon. members will also note the deficit in the revenue and expenditures on a national accounts basis. The deficit for the year 1981-1982 set out in table 3 is \$10,060 million, and the note to that table indicates that it is an average amount. However, if we go back to the summary of transactions, we find that the amount the government will require, according to its budget figures, is no more than \$11 billion. On the one hand, the government is saying that it will have borrowing authority for \$16.9 billion, but on the other hand the government tells us in that fiscal year it will need only \$11 billion. The House is being asked to approve the borrowing of \$5.9 billion more than the government budgetary requirements indicate. This is an unconscionable request of this House of Commons. There is no way that responsible Members of Parliament, responsible as Parliament is to control the public purse, can in any conscience grant this request for the right to borrow money. I say, "No way". The government's figures do not add up. The government does not need that much money; there is no real requirement for it. The government is asking this House to approve \$5.9 billion in borrowing authority over the maximum amount the government could possibly need, that is, in accordance with its budget.

The government tells us its budgets are right and it is capable of managing people's affairs; that is what we hear. The minister was in Toronto the other day talking about his monetary and fiscal policy, his policy of gradualism and his policy of restraint. We know about this government's restraint attitude. It is so restrained that the government is asking us to give it \$5.9 billion more than it even wants in its budget! Is that restraint?

Let us look at some of the government's problems. It is only when we are responsible and pay attention to what is ongoing on a fiscal basis in this country that we, as Members of Parliament, earn our pay and earn the respect of the citizens of Canada. The problems of the government financing are simply horrendous.

Today, again, interest rates determined by the Bank of Canada stayed at 17.11 per cent. Some would ask, "Well, isn't it marvellous the government is able to keep interest rates at the same level of 17.11 per cent as it did last week?" But, the wire service report this afternoon, after the Bank of Canada's auction of treasury bills, indicated that the Bank of Canada so interfered with the bid on treasury bills this week that it was able to keep the 17.11 per cent rate from going to where it should have gone, that is, to 17.30 per cent. We will know exactly what happened at five o'clock this afternoon when the Bank of Canada report comes out, but it is clear from the information leaked so far that the Bank of Canada again cranked up the printing press, bought up treasury bills and increased the amount of government monetizing in order to keep the interest rate where, I ask hon. members? It kept it at 17.11 per cent, but that is the highest rate the Bank of Canada has ever had in its entire history. Is that managing?