

*Borrowing Authority Act*

Recently, the government had to face limitations in the implementation of its public debt program because the borrowing authority of \$2.9 billion that was available at the beginning of the fiscal year had nearly been all used up. That is why the government needs this additional borrowing authority to continue its treasury bills and negotiable bonds program. The borrowing authority will also have to be sufficient to face the Canada Savings Bonds program when sales reach their peak in November.

Normally, the major part of the sales of Canada Savings Bonds occurs in November while the following months are characterized by net redemptions of those bonds. In the last three years, for example, net sales of Canada Savings Bonds in November totaled on the average \$2.1 billion. During the first three months of the current fiscal year, the government raised \$2.3 billion of new money by issuing treasury bills and \$2.5 billion through the issuance of negotiable bonds. Obviously, to pursue our public debt program, a borrowing authority of \$4 billion at this time would not be enough to cover the requirements of the next four or five months.

The previously mentioned issuance of negotiable securities was made possible by redemptions of Canada Savings Bonds totalling some \$1.8 billion which actually increased the borrowing authority available to the government. More generally speaking, the proposed amendment would not have allowed the government to carry out a healthy public debt program and to implement it so as to benefit to the fullest from market opportunities.

When the hon. member for Broadview-Greenwood moved his amendment, he suggested that he would like to see—I am sorry, it was the hon. member for Mississauga South (Mr. Blenkarn), I believe, who moved an amendment in committee. I hope that the hon. member will excuse me, Mr. Speaker, since he was the one who moved the amendment and he received the support of the hon. member for Broadview-Greenwood when the vote was taken. I want to make this clear and to ask the hon. member to excuse me and thank him for having pointed out my mistake.

However, as I remember it, during the discussion—I believe that the hon. member for Mississauga South has a good memory and that he will be able to correct me once again if need be—the hon. member for Broadview-Greenwood had, for his part, indicated that he would like to see a more orderly system that would enable the government to introduce its borrowing program for the next fiscal year at the same time as its budget; in other words, we would have a budget and then the government would ask for the borrowing power required for the year following the tabling of the budget. I must say to the hon. member that I agree completely with this suggestion and that the government intends to follow this procedure in the future.

On the other hand, it is easy to understand our present situation. We are all aware of the successive elections, and I

would like to emphasize that if there is a budget next fall, it will deal to a greater extent with the next fiscal year, 1981-82. This will really be the case as concerns expenditures and revenues. Therefore, this fall, in view of the amendments made to this year's expenditures, the emphasis will be placed to a greater extent on the spending projects of the government for 1981-82 and the following years.

As for revenues, the tax changes will have only a very limited effect on this year's revenues. The first effects on one full year will therefore be felt next year. This will be the case particularly in view of the amendments to personal income tax concerning the holding back of payments, which normally do not go into effect before the next calendar year. It would therefore be appropriate to obtain the borrowing power for 1981-82 following a budget which might be brought down in the fall. The government is willing to consider this procedure if it can result in more orderly planning and consideration of these important financial matters. However, it would seem that any attempt to obtain another borrowing power for this fiscal year following a budget in the fall would give the impression of wasting the time of Parliament and could even represent certain risks for the financial management of the government, as I said earlier.

Consequently, the government opposed the proposal of the hon. member for Mississauga South and maintained its original decision to request this borrowing power of \$12 billion which covers the 1980-81 fiscal year.

I did say at the beginning of my comments, Mr. Speaker, that I did not want to abuse the time of the House. I know that other members would like to make some comments and I shall therefore be content with these few words to give other members the opportunity to speak in this debate and to allow the House to be as efficient as the standing committee has been and to conclude third reading of this bill very early today.

*[English]*

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, I thank the minister for his kind words regarding the amendment that was introduced on this bill in committee. I must say that I am glad the minister received something out of the committee meeting. On the other hand, we in the opposition received verbiage. We received no promises of a budget date. Indeed, the hon. member for York-Peel (Mr. Stevens) asked the Prime Minister (Mr. Trudeau) for a budget date today. He even suggested October 10, but the Prime Minister could not oblige in that connection.

In committee I asked the minister if he could introduce a budget by September 15. He threw up his hands. I asked him if he could do it by October 1 and he threw up his hands again. I asked him if he could do it by the end of October. He said that he did not know but he hoped so. He said, "In the fall". I want to say right now to the government and to the minister that most Canadians regard winter as coming when the snow flies. The budget had better be out before the snow flies, and I remind the minister that we are not talking of the snow flying