

The Budget—Mr. Grégoire

We noticed also that the Minister of Finance overlooked one of the important problems he will have to face. He talked about budgetary revenue but he did not mention his budgetary expenditures, on the last page of *Hansard* for Tuesday, March 29, because they would be for him a source of great difficulties. What I will say is not mentioned anywhere in the budget of the Minister of Finance. It is not shown at all in his calculations.

He forgot to tell us that on May 1, 1966, that is in a month from today, a loan of 325 million dollars will come to maturity.

Where will he get the money? There is no mention of it anywhere.

And that costs in interests, for this year alone, \$11,375,000. If only that was all for this year.

But no, another loan, in the amount of \$245,202,200, will fall due on September 1 and another one, in the amount of \$205 million, will also fall due on that date. Again in 1966, a \$23,320,000-loan will fall due on November 1. On December 15, three other loans will fall due: one, in the amount of \$175 million, another of \$125 million, and still another of \$150 million, making a grand total of \$1,248,522,900 in loans falling due in 1966.

The Minister of Finance did not say how he would go about paying back all that money. Will he tell us—and I would like him to answer this question—that Canada is not paying its debts? Will he borrow to pay that debt? He will have to borrow to pay back all the loans falling due this year.

But here is what will happen then. As those loans were made a long time ago, when interest rates were low: 3½, 3¾, 4, 4¼ and 4½ per cent, any new loans he makes will bear a higher interest rate of 5¼, 5½ or 6 per cent. There will be fees to pay brokers who will issue new securities to face the \$1,238 million debt falling due in 1966. And as we will see in next year's budget, if this amount has not been paid, interest rates will have gone up.

Could the Minister of Finance tell us where he will get the money to pay back those loans? Why did he not speak about this in his budget speech? Has he decided not to pay back Canada's debts? Has he decided to go bankrupt? This would be the time to do it—

Mr. Béchard: There is the Bank of Canada.

An hon. Member: No.

Mr. Grégoire: Has he decided to go bankrupt?

[*English*]

Mr. Sharp: May I assure the hon. gentleman that is not my intention, Mr. Speaker.

• (2:50 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, the Minister of Finance tells us that that is not his intention, but could he tell us where he will find the money to repay this amount of \$1,200 million? Can he tell us? Is he not able to answer? Is he not?

[*English*]

Mr. Sharp: If the hon. gentleman will permit me, Mr. Speaker, I might say that had he read my budget speech correctly he would have seen that we took all these matters into account in order to meet the needs of the government. Also, there was some intimation in the White Paper and elsewhere that we intend to repay these loans and otherwise keep the finances of this country in good shape and maintain confidence in Canada and in the currency.

[*Translation*]

Mr. Grégoire: A businessman who would give such an answer would no longer be considered as a businessman, because since confederation, the Canadian government has never paid off one cent of its debts without borrowing elsewhere.

So this year, next year and the following years, we shall have to borrow in order to repay debts incurred in 1867 and even before. This means, Mr. Speaker, that the money spent by Canada to buy red coats for its soldiers who defended our country against the United States in 1812, has been repaid 25 to 30 times over in interest and that more money is being borrowed to pay off the capital.

And he will tell me that this is the proper way to manage a country. We have paid 30 times over; they no longer exist, but we still owe that amount and we will borrow again to pay what we still owe.

And that, Mr. Speaker, is not all the borrowings. In 1967, another amount of \$867 million will become due. In 1968, debts in the amount of \$1,981 million will mature. Every year, the government will have to borrow anew to pay off its previous loans and each time it borrows, service charges have to be paid. It has to kowtow to finance in the