

though it seems to be more than it needs on the basis of the minister's forecast of requirements. It may be giving itself a cushion of several billion dollars in borrowing authority so that in the coming months it may borrow abroad if it desires to maintain the dollar at current levels, if there is new pressure against it on the foreign exchange markets because of this government's mismanagement of the country's affairs, or even to force it upward above current levels. After all, the Minister of Finance said at one time in the last Parliament that he thought the dollar should be at 90 cents U.S. In short, to achieve either or both these purposes, the government could carry out some additional borrowing up to the amount of the \$3.5 billion cushion. It could do this without going to Parliament for approval of another supplementary borrowing authority.

Rather than using what appears to be a device to enable it to borrow to finance the activities of government if revenues fall because of economic growth being lower than predicted for the balance of the fiscal year, the government should move more quickly than it intends to present a budget. It should be a budget that contains measures of a focused and specific nature to help our economy become more productive and efficient and to deal with our deficit in current account.

While the government may argue it does not have a lot of room for manoeuvre—it has just given us a new explanation of its stimulative deficit, just the opposite of what it said before and during the election—I believe it does have some room in a budget for measures of the kind I have suggested, measures which would at least blunt and contain the adverse effects on the economy of the slow-down, the recession which is likely to be, unfortunately, already under way.

But there is another serious flaw in the way the Conservatives are proceeding with this first financial measure they have called for debate in this new Parliament. They are seeking this \$7 billion in borrowing authority in Bill C-10 without first presenting their own budget to Parliament. We do not have from the Conservatives a statement to this House, in the form of a budget, on what they expect the revenues and expenditures of this new government to be, and what will be the resulting deficit and cash requirements to be financed by borrowing for the balance of this fiscal year.

The minister might say that it is not necessary for the House to have his budget statement before it makes a decision on Bill C-10 because the previous Liberal government presented a budget for 1979-80 last November and the Conservatives—he is suggesting this—are bringing it back to the House and asking that it be adopted. However, I say that is not good enough; that is not the whole story. The Conservatives are not saying they are going to leave everything unchanged in the areas of fiscal policy, of government spending and programs and of economic policy generally, from what they were when they took office some five months ago.

The Minister of Finance has already said that he is going to present a new budget some time before the end of this calendar year. He has hinted it will be presented this coming November. The new government has made clear this first budget will

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reflect its own approach to government spending and priorities of government activity generally. The Conservatives have said that the new budget will be used to confirm and implement changes in direction from what was in place when they took office five months ago.

Mind you, Mr. Speaker, the Conservatives obviously did not find too much wrong with the economic policies put in place by the previous Liberal government, because they left them unchanged for almost half a year. They could have called Parliament and presented their own budget months ago. They did not do so. In this way, they gave an endorsement to these Liberal policies—an endorsement which those people who might have been impressed by Conservative criticisms of the policies before and during the election likely found surprising, to say the least. So much for the validity of those Conservative criticisms.

However, I am sure that the measures of the previous government's economic policy in the new Conservative budget expected next month will not, once announced, be kept in suspended animation; they will not be in a deep freeze till April 1, 1980, when the new fiscal year begins. They will, I am sure, come into effect on budget night or at the beginning of the next calendar year, January 1, 1980. In fact, some may even apply retroactively to the current 1979 calendar year.

One measure, which is really a budget measure, the Conservative mortgage and property tax credit scheme, had already been announced by the minister before Parliament met. When he made his announcement, he said he was doing so in order that it would apply to the current calendar year. We now understand it to be the subject of a separate bill to be introduced even before the budget itself. This mortgage and property tax credit scheme, as the minister has admitted, will add more than \$500 million to the Conservative government's deficit. The Minister of Finance has admitted this but he has not been willing to take the people of Canada into his confidence and tell them how the revenue loss created by this new plan will be made up.

In spite of claiming to be a leader in a new crusade for open government, he would not tell and still will not tell the Canadian people what taxes would be raised or what useful government services would be cut to pay for that tax credit plan. So I think that I can adopt the words of the President of the Treasury Board (Mr. Stevens), another claimant to the right to wear the virtuous cloak of open government, when he was talking about Bill C-7 on October 19, 1978. He said:

The minister chose not to explain why the bill included an authority to borrow \$10 billion in fiscal 1980. We know nothing about fiscal 1980. The House has been furnished with no figures. We do not know what the expenditure and revenue forecasts are, or what the budgetary deficit will be for that year.

That was the President of the Treasury Board speaking in a somewhat different incarnation. Referring to the then minister of finance, he went on:

Why should we be asked to hand him blindly an authority to borrow \$10 billion during that year?

Surely these sentiments remain valid today if they were valid last fall.