

Borrowing Authority Act

or to further our education. Certainly we do this in anticipation of our potential. I submit that the potential in Canada is being developed in many sectors. For example, our offshore fishing rights have been extended to the 200-mile limit. This has provided stability to the industry in British Columbia and the Atlantic provinces, and has created jobs and opportunities which have brought increased sources of income to those particular areas. I am delighted another area of wealth and prosperity is being developed in the Atlantic provinces. I am referring here to the energy discovered off Newfoundland and Sable Island. I hope these new areas of prosperity will enhance the life styles of Canadians living in those regions, and that the need for central government transfer payments will diminish. As these needs diminish, and as these new sources of energy bring new wealth to this region, the need for energy equalization payments will no longer exist.

Bill C-30 provides borrowing authority of \$12 billion for the year 1980-81. A few moments ago I referred to the fact that most of us at one time or another have borrowed funds in order to utilize our potential and realize our dreams. If we do not have this borrowing authority, must we cut back on the aid to our senior citizens? No, we must not place additional hardships on our senior citizens, the people who worked so long and hard to build this great nation. Should we cut back on energy transfer payments to the Atlantic provinces until their own resources come on stream? No, we must ensure that these Canadians have a continuation of their standard of living and not a deterioration of that lifestyle. Should we cut back on our joint funding programs? No, but we should carefully re-examine the method of transfer to ensure, for example, that all Canadians have access to hospitals and medical care, not to mention equal opportunities for secondary education.

I believe the government has shown responsibility over the last several years by curtailing growth of the public service in 1977-78, and reducing the size since that time. The net reduction for 1980-81 will be 5,840 person-years compared with the previous year. As Canadians we should be proud of our record over the last several years. While our per capita debt increased during the recent years of high energy costs, the federal per capita debt at the national level increased by less than half that of the province of Ontario during the same period. I am proud to point out that we have a lower per capita debt than our neighbours to the south. For example, the U.S. per capita debt is about \$3,500 per person, while our Canadian debt is about \$2,500 per person.

● (2040)

When we compare the base of our potential with that of other nations, it is obvious that Canada has a great future, a future that is the envy of the industrialized world. Bill C-30 seeks borrowing authority of \$12 billion for the fiscal year 1980-81. This bill also seeks explicit authorization for the government to borrow in foreign currencies as well as in Canadian dollars. The government's projected budget and non-budgetary cash requirements for the fiscal year 1980-81 amount to \$11,730 million. This amount excludes requirements for foreign exchange transactions.

In addition to these forecast cash requirements, there is always the need for a substantial margin of borrowing authority to provide for contingencies. For example, there are major uncertainties arising from foreign exchange transactions, since either a major weakening or a major strengthening of the exchange rate would have an impact upon the borrowing requirements of the government. If the Canadian dollar were to be strong, then the government would have to raise more Canadian dollars to borrow foreign exchange. On the other hand, the Canadian dollar could be weakened. Under those circumstances, the government would then be faced with the need to borrow foreign currencies.

This margin of borrowing authority is being provided by unused borrowing authority obtained prior to November, 1979, which is not subject to automatic cancellation at the end of the fiscal year. This unused borrowing authority, which is available for use at any time and which shall be carried forward, amounted to approximately \$2.9 billion at the beginning of the fiscal year 1980-81. All unused borrowing authority obtained under the Borrowing Authority Act, 1979-80, was cancelled or lapsed on March 31, 1980. That refers to the borrowing authority granted by the House at the request of the former minister of finance.

Consequently to date, in fiscal 1980-81, new moneys raised have been charged to the \$2.9 billion of unused borrowing authority obtained earlier and carried forward. However, these unused borrowing powers are rapidly being used up, and the government requires new borrowing authority to enable it to continue with the 1980-81 debt program. The borrowing authority of \$12 billion now being requested, along with the remaining portion of the unused borrowing powers obtained in prior years and still available, should be sufficient to complete the borrowing program this fiscal year as well as to provide a margin for contingencies.

All outstanding and unused borrowing authority provided by this new act for fiscal 1980-81, in respect of which no action has been taken by the governor in council pursuant to section 37 of the Financial Administration Act, will be cancelled on March 31, 1980.

In closing, Mr. Speaker, the passage of Bill C-30 is required for the current fiscal year of 1980-81 to ensure the continuation of the programs so essential to the well-being of our citizens, and to ensure the continuing realization of our potential as a great and united Canada.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, this is the third opportunity I have had to participate in a debate on a request by the government for the borrowing of some billions of dollars. It is a subject which is particularly close to my heart because, as the hon. member for Edmonton North (Mr. Paproski), who is sitting close to me now but was not so close in those days, will remember, that was the subject of my maiden speech in October, 1978.

One year later, the hon. member for St. John's West (Mr. Crosbie), who was for a brief period the minister of finance, brought down a request for some \$7 billion, and I had an