

Supply

I expect budgetary revenues to increase by about 13 per cent in 1978-79. As the \$100 reduction for each taxpayer has mostly affected personal income tax revenues for 1977-78, these should increase fairly rapidly in 1978-79. The budgetary deficit should remain at approximately the 1977-78 level. However, our financial requirements, apart from exchange operations, will be substantially greater as we must pay approximately \$2.6 billion in accrued interests and bonuses payable on Canada savings bonds maturing on November 1, 1978. We expect that many Canadians will want to reinvest this money in more Canada savings bonds, and we certainly encourage them to do so. We therefore foresee that these bonds will this year satisfy a greater proportion of our needs than in the two past years.

As at the end of February our treasury totalled \$5.2 billion, a fairly high level; the borrowing authority asked for should allow the government to plan and efficiently carry out management of the public debt. The unused part of the existing borrowing rights, and the new \$5 billion authority requested will cover our domestic cash requirements in 1978-79, and will be used to draw on the \$1.5 billion U.S. credit opening and the \$750 million U.S. loan which is being negotiated.

Our borrowings in Canada are completed for the current fiscal year, except for the treasury bonds which will be offered in the last two adjudications for March. The government increased by about \$8.2 billion its outstanding internal debt. The new issues of negotiable shares and the increase in the number of treasury bonds, in net terms, amounted respectively to about \$3.5 billion and \$2.9 billion. The balance of the increase was provided by the Canada savings bonds, the outstanding debt derived from them having been increased by \$1.8 billion during the fiscal year.

We expect to meet in part our financial needs for 1978-79 through our treasury. The balance will be provided through current program providing for an increase in weekly adjudications of treasury bonds, new issues of negotiable bonds from time to time and the periodic campaign for Canada savings bonds in the fall.

[*English*]

That is the statement, Mr. Speaker, that I wanted to make this evening on the borrowing authority. It is for an additional \$5 billion.

I want to make one comment before closing because somebody said "shame". I would like him to explain to me how he would manage to borrow less and still cut taxes by an additional \$2 billion, as his party proposes. It makes absolutely no sense to say that his party would cut taxes an additional \$2 billion and at the same time say "shame" because there is too much borrowing in this country at the present time. The hon. member would be well advised to make up his mind about this.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, this is a sad day. This is a sad evening.

Some hon. Members: Oh, oh!

[Mr. Chrétien.]

Mr. Stevens: Mr. Speaker, was I recognized? This is a sad day. It is a sad evening for parliament and for the people of Canada. On October 20, the Minister of Finance (Mr. Chrétien), under the guise of a statement during the debate on that day, chose to give what he now says was a budget, without the benefit of parliament having the normal six day debating period it would have on a budget.

This evening, under the guise of making a statement with respect to the bill now before us, the minister has filled in some details as to what we may expect with regard to the revenue and spending position of this government for the coming fiscal year 1979, again, I would emphasize without giving this House the privilege it would have if the government had the courage to bring in a budget. We do not have the privilege to debate the minister's budgetary position.

Not only did the minister bring in his statement in the context that it was, but he has adamantly refused to allow the members of this House to ask questions with regard to that statement. He adamantly refuses to allow the House to go into committee of the whole so that we can have a meaningful review.

The point I wish to make is that there is a great deal unanswered in the minister's statement tonight. He has indicated that we may anticipate a cash requirement of \$11 billion for fiscal year 1979. However, he did not make it clear what cash requirement he was referring to. Was he referring to what is generally looked upon as the budgetary cash requirement? Was he referring to the cash requirement after foreign exchange dealings? Most important, the Minister of Finance should have made clear tonight whether the \$11 billion, which he is now admitting to be the government's cash requirement for fiscal 1979, includes the borrowings that the government intends to make regarding the Export Development Corporation, the CNR and various other Crown corporations.

Let me put this into perspective. We have a Minister of Finance who lacks the courage to bring in a proper budget, but who indicates we have a \$11 billion cash requirement without making it clear to this House that that does not include the cash requirements of such agencies as the Export Development Corporation, which will be going to the public for additional funds. We were told this was part of a larger plan to commit \$2 billion of possible future Canadian financing to be raised in the name of Canada. Add that to the \$11 billion which has been disclosed here tonight and we are up to \$13 billion which the minister is saying will be the fiscal requirement for 1979. Add, further, the borrowing planned by the CNR and other agencies and it becomes clear why the general public is expecting borrowing by Canada to the tune of \$14 billion.

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Let us put this into perspective. When the minister says tonight he foresees a financial need of \$11 billion, it means that 22 per cent of his spending will not be paid for out of revenue in the coming year. In other words, 22 per cent of everything that is being spent on behalf of the Canadian public