

Supplementary Borrowing Authority

Mr. Beaudoin: A last question, Mr. Chairman. Talking about issuing the last bond issue, what do the expressions long term and short term mean?

Mr. Macdonald (Rosedale): Mr. Chairman, long term issues were for 20 years and short term ones three years.

[English]

Mr. Nystrom: Mr. Chairman, I have a couple of questions for the minister. Do I have the correct understanding that the Canada savings bonds issue that has been closed will not be reopened during the remainder of this fiscal year?

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. The issue was closed at the earliest possible date, which was November 14. As you know, we said the issue would be open until that date. It would have been unfair to some people who had made plans if we had closed it earlier. We did have an overrun for that reason. We will have a fresh savings bond issue at the same time next year.

Mr. Nystrom: Can the minister give us an idea of the mix of the borrowings? I refer to treasury bills. I notice the figure is \$150 million. Would the minister be more specific about the sources from which the government hopes to borrow? Perhaps I missed something the minister said earlier, and if so perhaps he would enlighten me on that as well.

Mr. Macdonald (Rosedale): I cannot be very specific about the mix. I think it would depend on the flow of interest rates at the time. It is intended there would be a division between the treasury bills and long-term money. As I mentioned in reply to the hon. member for Richmond, there would have to be a refunding of outstanding obligations to February 1. It is very likely there would be new money issued in relation to that. As to the actual balance to be achieved between treasury bills and longer term obligations, that will be very much dictated by the state of the market as it proceeds through the remaining quarter.

Mr. Nystrom: I have one or two last questions, Mr. Chairman. Could the minister comment on the question I raised about the possibility of scrapping some programs on which money may not have been spent, and cutting back on some programs in the last three months of this fiscal year that would coincide with the Prime Minister's announcement later this week about spending cuts? I do not know what is coming, and obviously he cannot tell us what is coming, but is there any possibility of saving some money there?

Mr. Macdonald (Rosedale): There might be some minor reductions in the balance of the year. I think I would have to say there is not a great prospect of cutting existing programs at the present time without at the same time incurring substantial liabilities. For example, the laying off of a substantial number of employees at short notice, that is to say on two weeks' notice just before Christmas, is not a policy we would like to follow. Therefore, since much of this expenditure will be in the form of wages and salaries it will be difficult to terminate this employment without some advance notice in fairness to all employees. I think the conclusion of my colleague, the President of the

[Mr. Macdonald (Rosedale).]

Treasury Board, is that while there are some opportunities here of a minor character, there are no major cuts which effectively would be made in the period of the 1975-76 year.

Mr. Nystrom: I have one final question. I assume the money borrowed will be used for. I know he is talking about spending it for public works and general purposes. Can he be any more specific this afternoon concerning where that money might be spent? Will it be in operating costs, or are there any particular projects that still need some financial commitment for which he does not have the money?

• (1650)

Mr. Macdonald (Rosedale): Mr. Chairman, I cannot be specific. I would have to go to the paymaster general to determine what obligations he expects to have in the balance of the year.

[Translation]

Mr. Beaudoin: Mr. Chairman, I only want to ask a final question.

The minister just said in the House that there would have to be a refunding of the bonds which will come to maturity on March 1. Could he indicate what is the average rate the government is paying on those bonds which will come to maturity on March 1?

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member mentioned March 1, but maybe he wanted to say February 1?

Mr. Beaudoin: As I said earlier, I meant March 1.

Mr. Macdonald (Rosedale): I think it is February 1... one moment please—

This issue must be paid on February 1 at a rate of 9¼ per cent.

[English]

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner (London East)): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for New Westminster (Mr. Leggatt)—Environmental Affairs—Request for clarification of statements on emission standards applicable to Syncrude; the hon. member for Churchill (Mr. Smith)—Transport—Arrangements for