

[Texte]

We have been through a period when the borrowing requirements of the provinces, for instance, has grown from about \$1 billion to something in excess of \$1.5 billion. Sometimes this includes the various agencies or guaranteed issues of the provinces, sometimes it does not. On top of that there are municipal requirements which run \$400 to \$500 millions a year. Here again, we have no reason to think any decline is in prospect from the statements of Treasurers and the various officials at the various government levels. We have some reason to think that if we can safely presume that government spending is going to continue to rise and that the White Paper proposals would give the federal government almost all the increased revenues derived from here that the provinces and municipalities are going to perforce have to borrow more or increase their taxation programs on top of the federal government proposed increases. We therefore think that some relief should be given to them that would facilitate their financing. Does that answer your question, sir?

Mr. Burton: I think that is getting at the point I was interested in. In summing up, it is going to increase greatly the demands of the provinces and the agencies thereof.

Do you think that the increase in demand for bonds will keep pace, be ahead of, or will not be quite up to the level of the pace of increase in the growth of the economy as such?

Mr. Dinnick: Under the ground rules that we will be playing, if the White Paper is turned completely into legislation, it will become quite unattractive to buy bonds versus the ownership of equities. You could take the example of a man who had a very large investment income, which may not be one that is received with too great sympathy here or anywhere else, and put it into bonds. He keeps a great deal less than if he puts it into equities under the integration scheme. As a result, particularly as it takes away from those who might tend to save it and gives it to those who might tend to spend it, we see less money available and more of it being channelled into equities, and because there would be less money available for bonds and because also there would be less incentives to foreigners, in our opinion, to send their money in we would foresee greater difficulty in everybody raising pure debt issues from the municipalities right through to the federal government and the provinces.

Mr. Burton: Now you are referring to finance borrowings by the province. I was referring more to the demand by the provinces.

[Interprétation]

des provinces sont parfois passés d'un milliard de dollars à quelque chose comme 1 milliard et demi. Parfois, il y a des obligations garanties par le gouvernement provincial, et d'autres fois non. Les gouvernements municipaux font aussi des emprunts allant de \$400 à \$500 millions par année. A en juger par ce que nous disaient les trésoriers et les représentants, nous ne pensons pas qu'il y aura une diminution. Nous avons des raisons de croire que si nous pouvons supposer que les dépenses de l'État vont continuer à augmenter et que les propositions du Livre blanc donneraient au gouvernement fédéral la plupart des augmentations de revenus dont il est question, les provinces et les municipalités devront emprunter davantage ou augmenter leurs impôts à l'exemple du fédéral. Donc, il faudrait leur donner une certaine facilité de financement. Cela répond à votre question?

M. Burton: Oui, vous avez bien répondu à la question. Bref, les provinces et les organismes provinciaux exigeront davantage.

Pensez-vous que l'augmentation de la demande d'obligations suivra, se maintiendra ou n'atteindra pas tout à fait l'augmentation...

M. Dinnick: Si le Livre blanc est adopté, il ne sera pas intéressant d'acheter des obligations. Prenons l'exemple de celui qui a un revenu important, peut-être est-ce quelqu'un qu'on n'accueille pas avec une grande sympathie ici ou ailleurs, ce type a donc un gros revenu qu'il transforme en obligations, il peut en faire du capital social grâce au cadre de l'intégration, et empêché qu'il soit gelé. Si on donne ça aux gens, comme il y aura moins d'argent pour les obligations, que cela encouragera moins les étrangers, nous pensons que tout le monde aura plus de difficulté à obtenir de l'argent qu'il s'agisse du gouvernement municipal, provincial ou fédéral.

M. Burton: Vous parlez des prêts de financements de provinces. Je pensais plutôt aux demandes provinciales.