

Borrowing Authority Act

This borrowing bill seeks authority to borrow \$12 billion for the fiscal year 1980-81. It also seeks authority to borrow in foreign currencies. We have asked about that also and have received a number of answers.

On May 27 when the minister spoke on the second reading of this bill, in a reference to clause 2 he said, as reported at page 1478 of *Hansard*:

This clause, the one to which I referred, will serve to confirm the authority of the government to borrow and repay loans in currencies other than Canadian dollars.

That indicates to me that this government wishes to borrow in foreign currency. When we put the question in committee, however, we were told that it did not, that it was only for the exchange fund.

I should like now to make reference to the mini budget brought in by the Minister of Finance, Mr. Speaker. This is not where this borrowing is coming from. When he brought in his mini budget on April 21 the minister told us that revenues this year will be approximately \$45 billion, up from \$40 billion, for an increase of 12.5 per cent. He told us that total expenditures will be \$60.4 billion, up from \$53.1 billion, an increase in excess of 13 per cent.

Why is the government spending more money than it is taking in, Mr. Speaker? Why must it borrow? Is it due to the heavy service cost of debt? At the present time 20 cents of every tax dollar goes to service the debt. I do not know why we cannot pay as we go along. Is it because of the increased oil consumption or oil import compensation which now stands at \$3.5 or \$4 billion, an increase from \$1.5 billion a year ago? And we do not yet know what the cost will be because we do not have an oil agreement.

The deficit which the minister discussed and which is related to this borrowing bill has increased from \$11.4 billion last year to \$14.2 billion this year. The minister said recently in this House that the deficit could even be higher, so he is not sure about it any longer.

Does the government really have to borrow \$12 billion? Let us look at the facts, Mr. Speaker. As of April 1, 1980, approximately \$2.9 billion was available in unused borrowings. According to the staff of the Department of Finance there was approximately \$90 million left by July 1. This means that in the three months from April to July the government spent approximately \$1 billion per month, or \$33 million per day. That is more than they took in.

Why will the government not produce a budget, Mr. Speaker? They are spending 25 per cent more than they are taking in. Surely the public is entitled to see a budget, and surely this House should be able to examine that budget. We are now being told there may be a budget in the fall. But when is the fall? In Resolute Bay it is in August; are we going to get a budget in August? In Victoria, they do not have fall; they only have spring and summer. Ask anybody from Victoria about that.

We do not know when this budget will be brought in, Mr. Speaker. We have asked about it repeatedly but all we are told

is that there may be a budget in the fall. We asked for a commitment on a date, but we did not get one.

Mr. Kaplan: When did you give the opposition a commitment?

Mr. Wright: No minister will give a commitment. All they will say is "maybe" or that they will try. Is it because they want to spend all the money first?

Mr. Kaplan: How did you handle it?

Mr. Wright: At the finance committee meeting the departmental staff went over some aspects of the borrowing by this government, and I should like to review them briefly. We were told that the public is prepared to accept up to \$1.5 billion borrowing by the government at any one time. We were also told that they feel justified in coming to the market approximately eight times per year. That does not give them any leeway, Mr. Speaker. It adds up to \$12 billion, a nice round figure.

Why is the Minister of Finance holding back? Is he afraid to bring in a budget at this time because revenues will drop? He told us that we will have zero growth this year, but some economists are predicting a 4 per cent decline in growth and we know what that will do to revenues. He has already said expenditures may be higher than he forecast. That is why he does not want to produce a budget and is saying "maybe" we will have one in the fall. Well, maybe we will not. Maybe the government will just spend the money and again ask for more borrowing power.

What is the government going to do with the money, Mr. Speaker? We cannot find out from them. The government has been accused of pork-barrelling. Is that where the money is going? Is it going on such things as shifting a uranium plant? Is it possible that it is going to pay the costs of moving offices to Charlottetown for Liberal supporters? It is possible it is going to pay the expenses for members of the government who are twinned with Alberta, to travel back and forth on government business? I do not know. The minister will not answer these questions. Maybe that is what it is for. We would be more than happy to see hon. members out there, but not on government business. They do not represent that area.

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Is the Minister of Finance holding up the budget because there is no oil agreement with Alberta? He has alluded to that, but that is no reason. The problem lies not with the Minister of Finance in this case, but with the minister of energy. The minister of energy will not conclude an agreement. The hon. member for Vegreville (Mr. Mazankowski) talked about this problem, and he mentioned how Alberta has paid out or forgone large amounts of funds over the years.

I would like now to refer hon. members to another part of Canada in the early 1900s. I am speaking of the maritimes. At that time maritimers were well off. It is not just Alberta now. Back in the 1900s the maritimes had large amounts of hay which were exported. The maritimes also had coal and ships,