

The Budget—Right Hon. J. N. Turner

life or that it is impossible to maintain a standard of living because the cash flow available to the average Canadian has been absolutely crippled under the two Budgets taken together.

Yes, the public debt is important, but the numbers given and ordained for the Budget—and the figure arrived at was \$29.8 billion or \$29.5 billion, depending upon which part of the Minister's document one reads—were not determined by the Minister. Those numbers were determined by Wall Street. They were determined by the international market. They were determined by his business friends here, in the United States and abroad who had lost confidence in the Prime Minister and the Government.

My colleagues and I put questions to the Minister of Finance (Mr. Wilson) when the dollar started to fall three or four weeks ago. We asked the following questions: What will the Minister do? What is the Minister's policy? What is the Government's policy? Is it to sustain the dollar at the expense of interest rates, or is it to allow the dollar to follow market forces? The Minister would not tell us, and day after day the confusion on the markets compounded. It was not a bunch of speculators in Chicago; it was people across the country and around the world who could not determine the direction of the Government. The Minister was finally forced to say in response to one of my questions about a week or so before the Budget: "Hold on, wait for the Budget. Everything is going to be all right. We will stabilize the dollar when the Budget is brought down".

This was a Budget determined by outside, external forces. It is the first time in the history of the country that a Minister of Finance has been forced to tailor the economic structure and to fashion the fiscal stance of the country by forces over which he had no control. The Government delivered a Budget to Canadians which was not prepared for Canadians; it was supposed to please foreign masters.

Despite the tough talk of the Minister of Finance and the Prime Minister, despite the two Budgets which attacked lower and middle-income Canadians, the Government really cannot show that it has reduced the deficit at all. The Canadian Press, in a story published today in many Canadian newspapers, showed what I tried to demonstrate in the House on several occasions. The deficit inherited by the Government was \$32 billion. The deficit is now 29.5 billion. We rather doubt those figures because we do not believe the assumptions upon which the revenues and expenditures are projected. It was \$32 billion 18 months ago and it is \$29.5 billion now. That is not much of a record, that is not much of an achievement, but, as I said, the numbers were determined by forces outside the Minister's control. This is not a Budget for Main Street, Canada; this is a Budget for Wall Street, U.S.A.

The Minister has undertaken an unprecedented selling job around the world. I can remember the days when the Minister of Finance would rise in the House, table his Budget, table the ways and means motions and basically allow for the Budget to speak for itself. We have become more public relations oriented since those days. I suppose I started the practice of the morning breakfast after the Budget with the financial corre-

spondents and then the lunch with members of the Press Gallery, but I did not feel I had to traipse across the country to sell the Budget. My God, I did not have to send my Deputy Minister to Los Angeles, to Chicago or to New York. The Minister will probably be sending his Deputy Minister first class, with a bunch of officials, to Europe next week to see what they can do to calm down the markets.

Mr. Gustafson: You didn't dare.

Mr. Turner (Vancouver Quadra): I heard the interjection of the Hon. Member opposite. We did not have to worry about a dollar hovering on the brink of 69-70 cents. We had a dollar at \$1.02, \$1.03 and \$1.04, and nobody told us what type of Budget to bring down.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As I said in the House yesterday, the Minister is on a string, being manipulated; a puppet, a marionette—

[*Translation*]

—a puppet, Mr. Speaker, a puppet of the international markets. This is not a Budget for Canadians. This is a Budget to please international finance and international business. And even international business is not satisfied. Since the Budget, the dollar has fallen again, and the Minister has failed to gain the confidence of the markets. Businessmen look at the figures and they feel that the Minister's figures and projections are not valid.

[*English*]

They looked at the numbers carefully in Toronto, Vancouver, Montreal and Edmonton; they looked at the numbers in New York; they looked at the numbers in London, England and they found that the numbers were not realistic. For example, the world price for oil was projected to be \$22.50 U.S. per barrel this year, and the price this morning is under \$12 U.S. per barrel. Maybe the Minister has some inside information from Shiek Yamani or from Saudi Arabia about which we know nothing. My colleagues tried to elicit information from the Minister of Finance this afternoon and from his colleague, the Minister of Energy, Mines and Resources (Miss Carney). The difference between \$12 U.S. and \$22.50 U.S. per barrel in terms of revenue projections is over \$1 billion. On that assumption alone the Budget is out by \$1 billion.

The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) pointed out very carefully this afternoon in Question Period that it would be bad enough if the Minister's projections were merely wrong, but the Minister's own document disagrees with itself. On page 20 of *Towards A Sustained Expansion: Canada's Economic Prospects 1986-1991* released with the Budget, the Saudi Arabian price for light crude oil is given for calendar year 1986 as \$23.88 U.S. If we turn ahead three pages in the same document, we see that the price will be \$22.50 U.S. over the remainder of 1986. The Minister has repeatedly stated in the House that the \$22.50 projection is for fiscal 1986-87 which has not yet started.