

Oral Questions

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, this Prime Minister and this government have made race relations our most important initiative and priority. We demand full and equal participation and full access for each one of our citizens.

We have brought forward increased funding for race relations, increased funding for community support and we are developing initiatives to deal with the very concerns that the member is addressing. From coast to coast we are going to be very pro-active in helping all Canadians develop full and equal opportunities.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, my question is to the Minister of Finance.

The Minister of Finance will be aware now, without a doubt, that there are more and more people questioning the basic credibility and the assumptions underlying his entire budget.

• (1140)

We know that the projections were all done before the end of January. Since that time interest rates in the country have gone up by one percentage point. There is pressure now for higher interest rates in Japan and western Europe.

I want to know now whether or not the minister will admit that many of the numbers in his budget are wrong, that his projections are wrong, that the deficit is going to be well over \$30 billion in the next fiscal year, and that the interest rates will not come down to 11 per cent? Will he admit that those projections are wrong? Will he tell the Canadian people what is really going to happen in the next year.

Hon. Michael Wilson (Minister of Finance): Madam Speaker, there is a little *déjà vu* in this question. It seems to me that in 1984, 1985 and 1986, at practically every budget, every time we have brought out projections with a very limited number of exceptions, hon. members have said that this is going to cost 50,000 jobs, 100,000 jobs, or 200,000 jobs, and that the sky is going to fall as a result of this budget.

A study was done in January that supports this. The projections that have been made by the Department of Finance officials have been very close to the mark and closer to the mark, I might say, than has been the case

with the consensus of private sector forecasters that we monitor.

I can give the hon. member further information and reasons why I think that our projections are accurate. I think these are reasonable projections. They are not out of line with the private sector forecasters.

When we stand in the House after the next budget, I will probably be saying exactly the same thing to the same member of Parliament.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, last year the Minister of Finance predicted 10 per cent interest rates for this year. Some accuracy in terms of his projections!

I believe the figures he has given us in the budget are totally unrealistic. It is sheer incompetence on behalf of the Minister of Finance.

In light of what is happening now in Europe and Japan I wonder if the Minister of Finance, unless he is dreaming in Technicolor, can tell us how he is planning to bring down interest rates to a 1990 average of 11 per cent when today we are starting at over 13 per cent.

Can he explain that to the House? If he cannot, can he admit that he is wrong, that the deficit will be indeed over \$30 billion, that interest rates will be much higher than 11 per cent, that the unemployment rate will be higher than he is predicting and that the growth rate will be slower?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, the hon. member said that projections were way out of line last year. Let me remind him that we were projecting a 12.0 per cent level of interest rates for the fiscal year 1989-1990. It will come in at 12.2 per cent, only .2 of 1 per cent out. That is not a bad projection.

The hon. member says that the projections are a way out of line. Our number is 11.1 per cent. The private sector is 11.0 per cent. I do not see where this is a way out of line relative to what the people in the private sector are saying themselves.

The hon. member asks how we are going to get interest rates down. I have told him many times how we are going to get interest rates down. We are going to work very hard to get inflation out of the system. As we get inflation out of the system, then we will be able to get