

*Oral Questions*

**Mr. Broadbent:** Yes.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order. Question, please.

● (1425)

**Mr. Broadbent:** I ask the Minister in a straightforward fashion again, considering that since the Budget has come down there has been nothing but negative pressure on the Canadian dollar, and considering that he probably guessed that in advance and he was building up his reserves, will he come clean with the people of Canada and tell them how much it will cost for the \$2.5 billion dollars that he borrowed last month, which is the largest increase in the reserves in one month ever in the history of Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the basic truth has finally come through to the Leader of the New Democratic Party. When we have a deficit we have to pay, and it costs money to borrow that money. That is a fundamental truth, and that is a fundamental reason why we are trying to get the deficit down.

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** How much?

**Mr. Wilson (Etobicoke Centre):** He says I did not answer the last question. I did answer the last question and I will explain it to him again, slowly.

**Mr. Broadbent:** Stick around for the debate.

**An Hon. Member:** It couldn't get much slower.

**Mr. Wilson (Etobicoke Centre):** Moneys are borrowed in either U.S. dollars, Deutschmarks, Swiss francs, or yen, or Canadian dollars, got that?

**Mr. Broadbent:** That's very good; one B, very good.

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**THE BUDGET****REQUEST FOR NEW PROJECTIONS**

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Minister has put the dollar on a life-support system because the Budget is wrong on oil prices, it is wrong on interest rates, and we learned this morning that it is also wrong on investment intentions. Will he agree, that being the case, that his growth number is wrong, his revenue numbers have to be wrong, his deficit projection has to be wrong? Will he bring us realistic projections based on the real world and not on the world as he would like it to be?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I guess the Liberal Party must know quite a bit about life-support systems.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** We have discussed these questions about estimates that are in the Budget, and projections. My hon. colleague from Mississauga South tried to get the question out yesterday, but it was quite clear from his question that the projections that we are using in this Budget are conservative projections. The 9.5 per cent level of interest rates I think is going to be proven to be right on the mark. I do point out to the Hon. Member that, as I indicated, the dollar has been strong these last couple of days.

**Mr. Speaker:** Order, please. This is getting too long.

**CRUDE OIL PRICE PROJECTION**

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I am going to have to go elsewhere for some answers. I want to go to the Minister of Energy, Mines and Resources for my supplementary question. She knows West Texas oil has slipped below \$12 a barrel. Would she rise in her place and tell us whether she has advised the Minister of Finance that his \$22.50 price is nuts, and that, in fact, oil prices are going to be much lower and his revenues may be reduced as much as \$1 billion?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have the Conference Board of Canada indicating that its projections of oil prices are not that far off our projections. I have talked to a number of oil companies which have also indicated their projections for the price of oil are not that far off ours.

**Mr. Riis:** Name them!

**Mr. Wilson (Etobicoke Centre):** As I indicated, the bottom line that he is referring to is the impact on the deficit. The impact on the deficit of lower oil prices is balanced by a healthier economy because of lower interest rates, lower inflation, better growth in the country, and better growth in our trading partners. The net effect and the bottom line are slightly positive to the federal Government.

**IMPACT OF TAX INCREASES**

**Mr. Ian Deans (Hamilton Mountain):** Mr. Speaker, my question is also for the Minister of Finance. The Minister refuses to deal with the cost to the Canadian public of the borrowing that has just taken place in the last month. He said that the \$1,305 figure is wrong. Will he produce for the House the figures showing the impact of not only the income tax increase but three sales taxes, three gasoline taxes, two alcohol and tobacco taxes, UI premium increases, and sundry other taxes and fee increases which have taken place since he took office in September of 1984?