

Oral Questions

the figures of the Minister of Finance, thus affecting his credibility with respect to revenues and particularly the deficit. Here is my question, Mr. Speaker: How can the Minister of Finance explain that, on pages 27 and 28 of his Budget documents, he expects a real investment growth of 7 per cent, that is plus inflation, 11 per cent, whereas Statistics Canada figures released this morning show that the growth in business investments is forecast at only 2.5 per cent in current dollars? How does he explain this decline from 11 to 2.5 per cent in only a few days?

• (1420)

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would just ask the Hon. Member to think back to about a year ago. Investment intentions were about four percentage points below what the actual result will be. Right now the Conference Board is saying that business confidence is 20 percentage points higher than it was last year. That tells me that business investment activity will be at a record high this year.

[Translation]

INQUIRY WHY STATISTICS CANADA FIGURES WERE NOT USED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if the Minister of Finance has no confidence in Statistics Canada figures, he should abolish the agency. Otherwise, why did he not take into account this survey made among 25,000 businesses which indicate that their investment will grow by only 2.5 per cent in current dollars? Why did he not use those figures which come from a Government agency?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the answer I gave to the first question is the answer I would give to the second question. Judgment is required.

Mr. Garneau: You are right and StatsCan is wrong.

Mr. Wilson (Etobicoke Centre): The StatsCan numbers are from a narrow survey of investment intentions. Last year the same survey underestimated the growth in the economy and I think it is going to happen again.

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FINANCE

INCREASE IN EXCHANGE RESERVES—SIZE OF GOVERNMENT BORROWINGS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. The average family, knowing that they are going to pay some \$1,300 in increased taxes as a result of the present Budget, the previous Budget, and the budget statement in the fall of 1984, are fed up. We learned this morning that because of the Government's incompetence the Minister had to borrow \$2.5 billion last

month. That was the largest amount borrowed in a month, in the history of this country. Can the Minister tell the average Canadian how much it will cost him or her for this increased borrowing by the Government of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows we discussed the \$1,300 figure yesterday. I pointed out in three precise areas where his figures were all wet, as they normally are. We will probably talk about that again later today.

As far as the use of exchange reserves is concerned, let me draw to his attention that drawing down reserves in U.S. dollars to buy Canadian dollars just shifts the money from our U.S. dollar account to our Canadian dollar account where it will be used to finance Government purchases of goods and services in Canada. There is no loss of money so far as the Canadian taxpayer is concerned.

Mr. Broadbent: Mr. Speaker, I will deal with the Minister's challenge to the figures later when I speak in debate.

Mr. Hnatyshyn: Don't empty the House, Ed.

Mr. Broadbent: I would simply point out that he blamed Marc Lalonde for the 1 per cent federal sales tax increase. I say to him that he had an option. He did not have to impose that tax. However, I will deal with it later.

Mr. Hnatyshyn: Make up your own lines.

COST TO TAXPAYERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister made a decision to build up our reserves by borrowing \$2.5 billion in Europe, Japan, and elsewhere. Is he now saying that that borrowing will not cost us a cent?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, funds have to be borrowed to finance a deficit which, fortunately, is going down under this Government but which was built up in previous years to record high levels. Those deficits have to be financed. They can be financed by borrowing U.S. dollars, or yen, as was the case. They are then converted into Canadian dollars which are used to finance the purchase of goods and services by the Government of Canada. There is just a shift of those resources from one account to another, and no loss of money.

EXCHANGE VALUE OF DOLLAR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, again the Minister did not answer the question. There is a shifting of funds from one account to another but when the Government of Canada, like the people of Canada or anywhere else, borrows money, it has to be paid for, and the people of Canada understand that.

Some Hon. Members: Right!

Mr. Epp (Provencher): That is right. Finally!