

The privatization will compete with every other company trying to tap the equity market.

He continued:

They probably won't be able to get a good price for the shares.

**Hon. Michael Wilson (Minister of Finance):** Madam Speaker, about a billion dollars worth of equity issues were done in the month of January alone.

The Minister of State of Privatization and Regulatory Affairs has said that the sale of the shares of Petro-Canada will take place over a period of time, depending on market circumstances, depending on the attractiveness of the market to the company and to ourselves and of selling into that market.

I would say to the hon. member that his numbers are out of whack. I believe the book value is \$4.3 billion and not the \$4.5 billion to \$5 billion that he is using. I would also say to him that I am glad he is sitting on that side of the House and not on this side when he is deciding what the shares of Petro-Canada are worth.

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### THE ECONOMY

**Mr. Jim Peterson (Willowdale):** Madam Speaker, on May 23, 1985, the Minister of Finance unveiled the first of his two five-year plans for reducing the deficit. At that time he promised us that by this year our deficit would be \$18 billion. It is \$30.5 billion, a 69 per cent error in his projections.

The minister cannot blame previous governments. After all, he had the figures when he made this promise.

Second, he cannot blame the economy. In his own words it has been "extraordinary".

Will the minister at last admit that the deficit is a direct result of his own fiscal mismanagement over the past five years?

**Hon. Michael Wilson (Minister of Finance):** Madam Speaker, that sort of provocative statement sends me reeling. I am not sure how to handle it.

**Some hon. members:** Oh, oh!

### Oral Questions

**Mr. Wilson (Etobicoke Centre):** I believe that the hon. member is not taking account of \$10 billion in accounting changes, but we will let that one just slide by because those numbers he does not understand.

Let me point out to him what I said in the budget on Tuesday evening. Eighty per cent of the debt that we have incurred, in other words 80 per cent of the budget deficits that this government has incurred since 1984, relate to the interest compounded on the deficit that we inherited in 1984.

**Mr. Simmons:** Not true.

**Mr. Wilson (Etobicoke Centre):** We have brought all the other costs of government from an operating deficit of \$16 billion to an operating surplus of \$9 billion. So we have made considerable progress. As we get that operating surplus up even higher that it will cut into the interest costs we are going to get the over-all deficit under control and it will be—

**The Acting Speaker (Mrs. Champagne):** The hon. member for Willowdale.

**Mr. Jim Peterson (Willowdale):** Madam Speaker, the minister obviously forgot about those facts. They were out there when he gave us his first five-year plan.

Let us look at the minister's second five-year plan to reduce the deficit that was introduced last Tuesday. He promised us that within five years time our deficit was going to be down to \$10 billion. He could not do it in the first five years even though we had an extraordinary economy. Now the minister is telling us he can do it, even though his own policies are driving this country into recession.

The Canadian Manufacturers' Association does not believe the minister. The Canadian Chamber of Commerce does not believe him.

**The Acting Speaker (Mrs. Champagne):** Is there a question please?

**Mr. Peterson:** Madam Speaker, my question is very simple. In light of the fact that even the minister's good friends at the Business Council on National Issues do not believe the minister, does he himself believe his own figures, because nobody else does?

**Hon. Michael Wilson (Minister of Finance):** Madam Speaker, the simple answer to that is yes I do. I very strongly believe in those figures.