

policies to 1990, but he wants to keep the economic consequences of his own policies in total secrecy. If he were ready to live up to the rhetoric of open government, he would make public those numbers. Having made those numbers public, if he felt that they did not take sufficient account of the confidence factor, he should then say how many jobs are going to be created by this subjective process.

● (1510)

I submit that there is a more profound reason why the Minister of Finance does not wish to give anything more than a useless, and in many respects questionable, forecast of what a frozen set of economic policies would have meant. He is far more fearful about the future and more helpless in the face of it than the government is ready to admit. The Minister of Finance has failed to make any prediction for unemployment under his government because he fears that even his forecast of the frozen *status quo* is too optimistic. Why is he waiting until spring to bring in his first budget? There are important time and process factors in the preparation of a budget. That is not disputed. But I think there is a very important additional reason. The Minister of Finance realizes that the forecast for the Canadian economy in terms of jobs and employment under a Conservative government depends very heavily upon what happens to interest rates in the United States. That in turn depends to an important degree on the budget deficits of the United States. All of this is stated, and rightly so, in the minister's documents. In essence, the delay of a full budget until spring and the withholding of any economic forecast until then is related to the belief that the budgetary decisions had better await a clearer economic signal from the United States.

A close reading of his economic documents reveals that there is a good deal of anguish involved in this wait.

The minister was careful to point out the potential consequences if U.S. interest rates do not come down sharply in the period ahead. He said in his statement that he would be the first to acknowledge that there can be no guarantee that this would be the case, namely, that interest rates will come down. Mind you, the projection of the frozen scenario, if one might call it that, assumes that interest rates will average 6.5 per cent from 1986 to 1990. Any one of us can ask himself or herself whether it is realistic to expect interest rates to average that level by 1986, but those projections given in the economic statement depend upon that coming about. In his statement the minister said:

—that there can be no guarantee that this will be the case. And if interest rates do not fall, our economic and fiscal situation would be even worse.

There is no guarantee that they will not fall. His statement continues:

Growth would be lower and the unemployment rate could remain above 10 per cent for the balance of this decade. The federal deficit would continue to increase and could reach \$50 billion per year by the early 1990s.

Those are the words of the Minister of Finance in his statement to the House of Commons.

In the economic documents we have this spelled out in greater detail. The following is stated:

If, for example, interest rates were to remain at about current levels through 1985 and then decline slightly to about 10 per cent over the medium term, conventional analysis would suggest that real growth in 1985 would likely be under 2 per cent and could average about 1 per cent per year less over the remainder of the decade than is currently projected. The unemployment rate would not likely drop below 10 per cent at any time.

That paragraph ends by stating:

A severe recession would be a distinct possibility.

That is all in the documents that we have received from the government.

This frankness is laudable because economic policy must take account of the potential hazards of the future. But now we can see emerging from behind all the rhetoric of jobs, jobs and jobs a deep-seated doubt in the mind of the Minister of Finance that the Conservative government will be able to deal with unemployment in any significant way. For the moment he has engaged in a first round of cuts but these, we have been told, are just a prelude—a starting point—while he awaits economic signals, mainly from the United States.

If I may summarize this effort to penetrate the shroud covering the minister's statement, I think that this is where we are in terms of economic policy at the present time under the new minister and under the new government.

We have an economic statement which fails totally to forecast economic performance under Conservative policies. There is no effort at all.

We have a Minister of Finance who will not reveal the data which show the job losses that will result from his announced economic measures. There has been speculation as to the impact of the cuts on jobs. Is 20,000 the figure? I do not know, but the minister knows and he will not tell us.

We have an explicit warning from the Minister of Finance that the economic picture might fail to improve in the years ahead. The warning is very clearly there.

We have a policy of waiting until spring for the unveiling of the next phase in the hidden Tory agenda.

Finally, and most importantly, when you strip away the rhetoric about confidence and consultation, and when you get down to the guts, the minister cannot disguise an aching doubt about whether Conservative economic policies will ever be able to provide the jobs, jobs and jobs promised to the Canadian people in the election. That doubt is very much there.

● (1520)

Honourable senators, I have already referred to what I consider to be the re-writing of history in the Speech from the Throne. In its large section on foreign policy, the new government, the Mulroney government, has attempted to show that it will restore the tradition of constructive Canadian internationalism; that it will "restore a spirit of goodwill and true partnership between Canada and the United States;" and that