What is he doing? He has bailed out with parachute half open on his way to Paris with his campaign manager, the Secretary of State for External Affairs (Mr. MacEachen), looking for a job as Secretary General of the OECD. The Prime Minister weeps because we do not support his quest. Of course we do not support his quest. Why should that record of incompetence and economic failure be foisted on the 24 nations which comprise the OECD? Why should we support the present Minister of Finance of Canada who now attempts to bail out, leaving 1.5 million unemployed people behind in Canada? Of course we do not support this nomination for that position, nor does the United States of America support it. Why not? It is because they know that the present Minister of Finance was a leader of the interventionism of the Government in the energy sector of this country. He along with the President of the Treasury Board was the ferocious guardian of FIRA from 1980 to 1983 which did so much damage here in Canada.

The Minister is headed for France to seek interest rate relief and a new job. How does he want to get interest rate relief? He wants to blame everything on the United States of America. That is his excuse.

In connection with this motion, we agree that there is no easy, overnight solution to bring down interest rates, but we are also of the opinion that the economy can be managed in a way which will allow us to have lower interest rates than we now have and which would allow us to have greater independence in interest rate policy. This will take time. The results of 10 years to 15 years of incompetence and economic mismanagement cannot be overcome in a day or a week or a month. Perhaps it will take six months or longer to reverse the woeful lack of confidence which now exists in the world and in Canada with respect to our economic management. It will take time to reassure Canadian and foreign investors that sensible government and sensible policies have returned.

In February, 1980, when the Prime Minister made that statement, the Canadian dollar was worth 87.30 cents in terms of the U.S. dollar, the prime interest rate was at 14 per cent and inflation was at 9.5 per cent, so that real interest rates were about 4.5 per cent. The Canadian interest rate was 1.5 per cent less than the U.S. interest rate. Today the Canadian prime interest rate is one-half of a percentage point less; it is 12 per cent compared with 12.5 per cent in the United States. However, today the Canadian dollar is worth roughly 77 cents in terms of the U.S. dollar. It has depreciated in value over those four years. I do not have the calculation of the percentage decrease, but it has decreased by over 10 cents in terms of U.S. funds. Our assets in Canada today are worth considerably less than they were in February, 1980, as a result of the economic maladministration of the Government.

In the interim we have had interest rates of 22.75 per cent in this country. The lowest interest rate we have had since this Government has been back in office for the last four and one-half years has been 11 per cent. It is now up to 12 per cent and will be going up again. The inflation rate is 4.7 per cent. Therefore, the real rate of interest is 7.3 per cent. That indicates the loss of confidence in this country and in this Government; the fact that the real interest rate today is 7.3 per cent whereas four years ago it was 4.5 per cent. There is no confidence.

• (1115)

Why is there no confidence in this Government by those who have money to invest or by anyone else? The figures show it. There were 360,000 unemployed in 1968, 4.5 per cent. The present Minister of Justice (Mr. MacGuigan) calls that full employment. We had that when the Liberals came to power in 1968. When the Government came back into power in 1980, there were 967,000 people unemployed, an unemployment rate of 7.5 per cent. How good that sounds now! In April, 1984 the unemployment rate was 11.4 per cent. The number officially unemployed was 1,468,000. That record will show why there is no confidence in this Government or its economic stewardship.

Let me give the figures for the deficits we have had over those same years. In the 11 years from 1972-73 to 1982-83, the Government's deficits totalled $100.7 billion. The deficit started at $999 million. It increased every year except the year in which we were in power for eight months. In 1979-80, the deficit decreased from $12.2 billion to $11.4 billion. It started back up in 1980-81, totalling $12.6 billion. In those 11 years total Government deficits were $100.7 billion. Last year it was $31.4 billion. This year it is estimated it will be $29.6 billion. The Minister says that the deficits for last year, this year and the next three years will total $142.2 billion. In five years they will exceed by one and one-half times what they were in the previous 11 years.

We are told by the Minister that in the next five years he will have to go to the public markets to borrow $114 billion to help meet these debts, of which $109.1 billion will be used to pay interest debt charges alone. That is why the Canadian dollar is floundering. That is why there is no confidence. That is why the dollar is under pressure. We will have to borrow $114 billion for last year, this year and the next three years, and of that, $109 billion will be to pay interest on the debt alone.

We now borrow huge sums just to pay the interest on the debt. That is why there is no confidence. That is why we are in such economic trouble. That is living proof that greater and greater deficits are not the solution to our employment problems. They are not the solution to economic growth. They are causing our unemployment, the failure in economic growth and the weakness of the dollar. Until these ever-increasing deficits are corrected, this country has no economic hope.

Let us look at the warning from the Bank of Canada on March 20, 1980. This is reported in *The Globe and Mail*. The Bank of Canada warned the federal Government that its large fiscal deficit is discouraging business investments and holding back productivity gains in Canada. I quote from the article:

> "The fiscal deficits absorbed savings that could otherwise be channelled by financial markets into financing the expansion of plant and equipment", the central bank said in its annual report.

In March, 1980 the deficit was $12.6 billion for that financial year, and that was the warning issued by the Bank of