

**Hon. Duff Roblin (Leader of the Government):** Honourable senators—

**Some Hon. Senators:** Hear, hear.

**Senator Roblin:** I am always more comfortable when applause comes at the end of a speech. While it might be comforting at the beginning, one hopes that it is deserved at the end.

We have listened, as one might have expected, to a very forceful and intriguing advocate in the person of the honourable gentleman who has just spoken, one who has filled the office of Minister of Finance and who is, therefore, more aware than most of the obstacles that a minister of finance faces and the difficulties he has in forecasting the future or in even deciding what the people will stand for at one particular moment in time.

While he has been eloquent in expressing to us his satisfaction that the government has made what he considers to be the first step in changing its fiscal policy with respect to the matter of old age pensions, I say to him that he is one who ought to know, because in his own career, particularly in the last budget that he was responsible for, he not only made the first step in retreating from his budget but the other 39 steps, bringing him right back to where he started from. So, he understands.

**Some Hon. Senators:** Hear, hear.

**Senator Roblin:** I want to be clear about that. It is easy for me to say this and to criticize the honourable gentleman. But I have some reason to know how difficult it is to be right in financial matters and how difficult it is to prepare a budget that people will applaud. It is almost impossible. He knows that very well; I know it well; and other people in this house are well acquainted with that fact, too.

He knows, for example, the problems inherent in forecasting. He has just given us a very lengthy analysis of the forecasts contained in the budget of my honourable friend, the Minister of Finance. He has told us something about forecasts. Well, if there is anyone in this house who should know the perils of forecasting, it is the honourable gentleman who has just spoken.

**Some Hon. Senators:** Hear, hear.

**Senator Roblin:** I think that the figures given by the Minister of Finance are excessively conservative with respect to what will happen in the years to come insofar as he has been bold enough—and I emphasize that word—to make any estimate as to what the future will bring. Excessively conservative. I expect it to be much better. My honourable friend was not excessively conservative in predicting what was in store for the period ahead when he was in office. As I have already told this chamber, in his budget of October 1980, he predicted a deficit for three or four years at about \$12 billion, when in fact it turned out to be \$32 billion.

**Some Hon. Senators:** Shame!

**Senator Roblin:** And he didn't do any better than that the second time he introduced a budget. On November 2, 1981, he predicted a deficit in 1985-86 of \$10 billion, when, had not

something been done about it by the present government, it would have been \$38 billion.

So, you can see the perils of trying to forecast in the field of finance.

I am not saying this as a matter of criticism. How could he have known? Obviously, he couldn't have known. He had no idea. But he had to forecast, and he bravely did. But the consequences, the actual results that were apparent from those forecasts, were obviously unsatisfactory.

I have a hope—perhaps it is stronger than a hope—that the forecasts he has been quoting with respect to the present Minister of Finance will not be quite so unsatisfactory as his own record would indicate. But I do not want this thing to become an *ad personam* debate, because that never gets anybody anywhere; and I do not want anyone in this house to think that I am pointing a finger of accusation at my honourable friend because he was once Minister of Finance and made some mistakes. That is the lot of ministers of finance. And I am not saying that the present Minister of Finance is any different. He is going to make mistakes. He has made mistakes. We have admitted it today. So, let's be clear and let's be frank about that. I am only saying that one cannot build a sound policy on the kinds of arguments that my honourable friend has presented at some length to this house.

**Some Hon. Senators:** Hear, hear.

**Senator Roblin:** One cannot build a sound policy on the basis of his arguments, and I am prepared to indicate why I think that is so. The main thrust of this budget is a combination. One of the principal factors is the question of the deficit: What to do about it?

As I said in the chamber the other day, why are we worried about the deficit? What is the reason the deficit is such a millstone around our necks, as some would have us believe? Why does the present Minister of Finance concern himself with the deficit, if all he had to do was to carry on the policies of my honourable friend and see it grow in an unlimited and uncontrollable fashion? What's the matter with a deficit?

One simple thing: the price of it. The price of the deficit is the interest that we pay. We paid 11 cents on the dollar to cover the interest bill from the tax money taken in from the people of this country in 1974. And what is it today? It is 34 cents on the dollar. Three times what it was in 1974.

Had we not had that threefold advance in the cost of the deficit per dollar taken in, what could we have done for the old age pensioners? Quite a lot. What could we have done for the employment stimulation that my honourable friend talks about? Quite a lot.

But that is not the case that we are facing. The case we are facing is one where we have an interest cost which must be brought under control.

Is there a member of this chamber who denies that statement? Can the honourable gentleman who has just spoken get up and tell me that I am wrong and that we have no obligation and no concern to bring the interest cost per dollar of taxes taken from our people down from the level of 34 cents, when