

Senator Roblin has pointed to unemployment, but the Minister of Finance stated that unemployment levels were unacceptably high at that time and that they would remain unacceptably high to this date. The unemployment level is doing a little better than he forecast at that time. It is now one- or two-tenths of a percentage point better than forecast.

Of course, there are indicators one can look to, such as housing starts, real GNE, motor vehicle sales, and so forth. The results of a survey of senior business executives show investment intentions. All those indicators are doing somewhat better than forecast. Canada's current account surplus has reached record levels, levels even higher than the optimistic levels forecast by the Minister of Finance.

In response to the preamble to Senator Roblin's question, I must say that I fail to understand the logic used in reaching the conclusion that the economic indicators are so far out of line that they now need to be re-examined, perhaps readjusted and, indeed, restated.

**Senator Roblin:** Honourable senators, I have no interest in trying to belittle any positive results that we observe in the economy today. If we see any, that has to be a cause for satisfaction. If we complain that the forecasts are not sufficiently buoyant to meet the needs of the country, that is something else again. I think that is the point the minister has failed to deal with.

The real gross national product forecasts by the minister—and it is the forecasts we find bothersome—are substantially higher than either the Conference Board of Canada or the Economic Council of Canada are willing to grant. It seems to me that that leaves a wide area of doubt and uncertainty, so much so that we cannot afford to take a stand-pat attitude and say that things are going all right and if we leave them alone they will work out.

That is the clear warning that has been given to us by these impartial, credible outside authorities. They say that the minister's forecasts are too optimistic. They warn us that the probabilities are that things will not turn out to be as promising as the minister hopes.

Whether you take the gross national product, the rate of inflation, or the most important of all, in my opinion, the rate of unemployment, both the Economic Council of Canada and the Conference Board of Canada have raised a clear warning flag that those indicators are liable to fail to perform in the way that the Minister of Finance hopes they will. It seems to me to be ill-advised to rather blithely—I suppose that is not a good word—to rather stubbornly insist that things are all right and these things do not matter.

I am saying to the government that it would be a good thing for them to review their economic policy with a view to dealing with these unsatisfactory forecasts, which are substantially less promising for the country than the ones the Minister of Finance has given us.

● (1410)

**Senator Olson:** Honourable senators, I am not going to be drawn into a discussion that challenges the opinions reached

by the Conference Board of Canada or the Economic Council of Canada. The original preamble was that the minister's forecasts in his budget speech were very far from what has actually happened and forecasting, at the best of times, is risky. I think it is fair to say that the performance of the economy, measured by several of the most important indicators, is very close, in fact, closer than usual, from some forecasts made by governments in the past year or two, or several years. There are several indicators showing the Canadian economy has performed somewhat better. I have said that already.

What I think is important is that, however he tries, Senator Roblin cannot get us to say that the unemployment level is satisfactory and that, therefore, it does not matter. It does matter a great deal that it is at the level it is, and the Minister of Finance never said, to my knowledge, that it is acceptable at that level. That was the reason for his fiscal stance and the fiscal framework he announced at that time, which was going to pump additional billions of dollars into the economy, which, of course, shows up in the deficit. It is not a question of whether or not it is satisfactory. I believe it was a very sincere and objective analysis.

I do not expect Senator Roblin to agree with me, but in looking at those numbers and making comparisons between past forecasts and what actually happened six months later, the forecasts and the actual are probably closer than any I have seen in recent years. There may be good reasons for that because it often happens when such a thing as inflation is declining and is stable. There are some surprisingly good results in terms of, for example, our balance of payments and housing starts. For a while, at least in the third quarter, there was an unexpected upswing in consumer spending. That is very hard to forecast, but it is welcome.

The basic reason for Senator Roblin's asking the question as to whether or not we are going to have a statement on the economy is that the performance is significantly different from the forecasts. In my view, that is simply not the case. It is much closer to the forecasts than any budget forecasts I have seen for many years.

**Senator Roblin:** I am not going to debate with my honourable friend about progress that has been made, because we are in favour of that and we are pleased with it. What my honourable friend is still dodging is the fact that the warning signals that have been given to us by non-governmental authorities indicate that there is trouble ahead. When you get a clear warning that there is trouble ahead, you should do something about it. What bothers me is the attitude of the minister. He is as bad as the Minister of Finance, and I quote—

**Senator Olson:** Or as good.

**Senator Roblin:** Well, it depends on which side of your mouth you are talking out of, doesn't it?

**Senator Olson:** Only out of the front.