

Oral Questions

How many more Canadians must lose their homes, their jobs, their farms and their businesses under this government's devastating economic mismanagement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when the hon. member leads with his chin in this way, we have to bring out some of the facts relating to the last few years of the Liberal administration.

In 1982-83, the projection of the deficit was \$10.5 billion. It was revised in June to \$19.6 billion. It was revised again in October to \$23.6 billion and the final outcome was \$27.8 billion, a full \$17.3 billion over estimate. That was equivalent to 20 per cent of total spending at that time.

What my colleague and I have been saying on many occasions is that it is important for us to manage far, far better than that, and we are, because the \$1.5 billion increase in the deficit this year is equivalent to less than 1 per cent of total spending.

The reason it is important to maintain this good spending record is to ensure that we maintain the confidence of the markets. I see members opposite are laughing. They are willing to compare their record where it was \$17.3 billion or 20 per cent over the total spending. That was the amount of the error. I know what they are laughing at. They are laughing at the record of the administration when the Leader of the Opposition was the President of the Treasury Board.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister of Finance. No region has paid more for his government's misguided, high interest rate and high dollar policies than Atlantic Canada. We have paid through lost exports and lost jobs. We have lost our trains. We have lost CFB Summerside. Now, for \$150 a plate, the minister tells the last 175 Tories in New Brunswick that we must pay \$21 million more in cuts to ACOA to get lower interest rates and a lower deficit.

Why will the Minister of Finance not wake up to the fact that it is his interest rate policy that is causing the deficit and stop punishing Atlantic Canada for his own fiscal incompetence?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the point I was making in response to a question I was asked in New Brunswick last week was the same point that I just made to the hon. member's colleague, that we have to manage our expenditures well

here. We have to manage our deficit position well. If we can get our deficit down, we will be able to get interest rates down, and that is the primary objective of the initiatives that were announced on Friday by my colleague, the President of the Treasury Board.

All Canadians, including those in Atlantic Canada, will enjoy the benefits of lower interest rates if we are able to get the deficit down. There is simply a shifting of expenditures on ACOA from one year to others. There is no loss of those moneys. They will be spent in Atlantic Canada. It is just a question of different timing and the result will be part of a broader effort to keep our deficit under control.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, after that answer, I would suggest that those Tories ask for their money back.

[*Translation*]

Mr. Speaker, my supplementary is directed to the minister responsible for the implementation of the Atlantic Canada Opportunities Agency Act. The minister knows that the Atlantic region is already in a recession, that we have the highest unemployment rates in Canada and that the GST will hit us harder than anyone else in Canada, except perhaps in the North. He knows this is the worst time to cut regional development programs. Why, as the minister responsible for ACOA, did he accept these cutbacks?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I can understand the concern of my hon. friend opposite. Surely he must have paid attention to the reply of the Minister of Finance which summed up the situation accurately. ACOA has not lost its capacity to deal with economic and regional development. We have absorbed a cut, as well we should, to help with other contributions in reduction on our O and M, operations and management. Our capacity to respond to the mandate that ACOA has in Atlantic Canada has not been affected.

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• (1440)

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance.