

apparently concerned about the deficit. In saying she opposes the two she is calling for a deficit of \$36.5 billion. I wonder if she could clarify for me whether she has any views on what would be the appropriate level of the deficit. Should it be \$36 billion or \$40 billion? Should we be spending more?

There was an implication in some of her criticisms, in calling for example on expanding the child care program and so on, that in fact she would like to see more spending. Presumably a \$40 billion or a \$45 billion deficit may be more appropriate to the aspirations she talks about.

As a new member of the Liberal caucus, does she feel confident enough to say what would be an appropriate level of deficit? Will she elucidate on when would be an appropriate time to start paying off that debt? She must surely realize that the children about whom she spoke at some point in time will have to pay off the debts we are now accumulating.

Ms. Clancy: I thank very much the Minister for his kind comments on my first speech. I would like to say that while it was certainly a great desire of mine up to and including the night of November 21 to be a member of the Government, sadly, that did not take place. While I would be happy to give the Minister some instruction on how to run the Government of Canada better, I am not sure that this is the correct forum in which to do it.

Indeed, there have been suggestions made over the years about how revenue can be generated as opposed to taxes being raised. There are manners in which this can be done. Far be it from me as a junior Member to advise a senior Minister in this fashion.

However, I would like to remind the Minister that the general debt has doubled. From Confederation to 1984 it came to one figure. That figure has doubled from 1984 to 1989. I think the Minister's suggestion that I think the deficit should be at \$40 billion can probably be better handled by those on his side of the House as they seem to be better at increasing debt in a shorter period of time.

I assure the Minister most definitely that come the time that he and I switch sides in this House—in other words, that we move to his side of the House and he moves to ours—that I will make my contributions on the way that government spending, taxation and revenue generating can be done, along with my colleagues, in a most pertinent and strategic manner. I can assure you, Mr. Speaker, that the people of Canada will at that time cry hallelujah.

The Budget—Ms. Clancy

Mr. Loiselle: Mr. Speaker, I would like to commend the Hon. Member for Halifax (Ms. Clancy) on her good contribution to the debate. I was very impressed with the warmth with which she spoke about the proud people of Nova Scotia, of her province and of her riding. She indicated to us how much she cares about them. I would like to tell her that we on this side of the House do care. She may not always agree with us, but we care a lot.

The greatest threat to the people to whom she was referring throughout her speech is precisely the size of our debt. It is a very real problem. It is not one that we have imagined. It is not a problem that we ran away from during the campaign, no matter what our friends say very frequently.

If you remember well, Mr. Speaker, toward the end of 1988 employment stopped increasing. The rate of interest was at about 10 per cent after the market collapse of the year before. We have a list of 20 different groups that have made studies of the situation. We in the Department of Finance were the most pessimistic. We said that we expected a lower rate of increase in our economy, and a lower increase in employment. We were convinced that inflationary pressure would go down. It did not. It very quickly created the problem with which we are faced. We do not run away from it. We are facing it in the best possible way, with the a very balanced Budget which is particularly attentive to the people with lower incomes. The Hon. Member will recognize that.

The Hon. Member spoke about regions. We are increasing our payments to the regions at a slower rate in certain cases but on the whole in a very considerable way. In the area of regional development over the last five years we have increased our programs by 50 per cent. Over the next five years they will be increased by 35 per cent. That is a large amount of money. We are trying to manage all these programs in a way that will guarantee that they can be delivered over the next years and not passed on to our children.

Basically, this is what we are doing. As far as the goods and sales tax reform is concerned, I would like to tell the Hon. Member that her region stands to profit more than most from that reform. The people of Nova Scotia are presently taxed through the federal sales tax in a most unjust way. Reforming it, making it more general and wider based, as well as with a lower rate, will improve the over-all situation of the economy across Canada, particularly in her province. On the whole, I do not think that