

*Oral Questions*

My question is for the finance minister. Why should Canadians entrust social program reform a second time to a process and a minister who have done nothing but fail them in the past?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member, once again with the hope of trying to obtain some kind of rhetorical response, does not know what she is talking about. I regret it because we are dealing with very serious matters.

As the budget clearly outlined yesterday, we have clear plans and initiatives on social reform. There will be major legislation this fall on unemployment insurance. We established a new human resources investment fund in yesterday's budget that will give us the flexibility to begin initiating now many of the reforms that were proposed.

We have already begun reorganizing the Department of Human Resources Development to begin to decentralize its delivery in a very different way so that we can begin to end duplication and overlap. We have initiated a new transfer program that will again eliminate duplication and overlap with the provinces.

It seems to me that is an awfully good start at social reform, much better than anything the Reform Party has offered.

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, I did not realize the minister expected the Reform Party to do his job for him.

Speaking of serious matters, the minister knows that every dollar borrowed today means two dollars in cuts tomorrow. Worried Canadians are asking: "What will this do to our social programs?" What answer does the finance minister have to give them?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, it is very clear. The major difference between the Reform Party and ourselves is our deep belief in the social fabric of the country.

• (1440)

There are those in the House who simply feel that cutting is an accounting trick, balancing the books and not balancing the needs of a nation. That is not the view of the government.

The government is cutting the deficit, not because we think people should be without but because we want to preserve social programs and the legacy of the Liberal Party.

[*Translation*]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, after making cuts to unemployment insurance of \$5.5 billion over

three years in his first budget—and the unemployed have not yet fully felt the effect of these cuts—the Minister of Finance is not letting up, cutting an additional 10 per cent from the unemployment insurance budget for next year.

Does the finance minister realize that these additional cuts he has announced for unemployment insurance will deprive the unemployed of at least \$700 million more in 1996–97?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member should first look closely at what was in the budget papers and at the kinds of initiatives we have talked about in reforming unemployment insurance.

The reform of unemployment insurance is a way of trying to change a system to help people get back to work, to take away many of the disincentives in the system, and to give people real resources to get good training, good counselling and good programs. To do that we can use the money from the savings we are about to introduce as part of the legislation.

The hon. member is totally wrong. The fact of the matter is that we want to convert unemployment insurance into an employment insurance fund to give people new hope, new jobs and new opportunities. That is what the reform is all about.

[*Translation*]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, while the Human Resources Development Committee was travelling, we were told repeatedly that it was not merely a question of training but of jobs, real jobs. And yet this budget contains nothing about employment.

How does the finance minister dare demand an additional sacrifice from the unemployed, to the tune of at least \$700 million, when he has imposed a temporary tax of \$100 million over two years on banks and financial institutions although we know that the Royal Bank alone recorded profits of \$1.2 billion last year?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, as the minister just said, the best way to create jobs in Canada is to move away from passive support toward active assistance to give workers the tools they need.

The best way to achieve this is to reduce unemployment insurance premiums so that small and medium size businesses can afford to hire new employees. Thirdly, the best way to achieve this is to keep economic recovery rolling. We created 433,000 jobs last year, and this year, we will match that number.