

The Budget

The Deputy Speaker: Order! I recognize the hon. Minister of Human Resources Development.

• (1540)

[English]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, in response to the hon. member who said that there were all these cuts taking place in the budget and so on, I would remind him that there is a need in any budget to balance the objectives. One of the most important is to make sure that the fiscal stability of the country is held in a position which is respected by international finance.

I would like to cite a very important authority on this matter. I quote from a page of *Hansard* of May 4, 1989.

We never see any recognition of the fact that we have throughout the country a responsibility for public finances and that those finances must be absolutely sound if we are to maintain social programs.

In other words, says the speaker, our responsibility is not just to Canadians living today who are having trouble but also to future generations. He goes on to talk about the need to handle the debt and deficit problems. The authority I cite is the—

[Translation]

The authority I just quoted is the hon. leader of the Bloc Québécois, when he was a member of the Conservative government. He has changed his position since he left the Mulroney government to become leader of the Bloc Québécois.

[English]

The Deputy Speaker: Many members would like to speak. Is the minister finished?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I understand. I would just like to simply have the amount of time that the hon. member took in posing the question. I think he missed it. I do not think he was in the House. I just want to point out to him that under the direct job creation measures proposed in the budget, not just the general economic climate ones, we are talking about 180,000 new jobs being created as a result. That seems to me to be a pretty good start.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, I was interested in the minister's comments about selective attention. Basically I think what he was saying was tunnel vision. He was referring to his aim to achieve jobs for Canadians. He referred to the Reform aim or our concentration on the deficit as the be all and end all.

However, in answer to the questions posed to the Minister of Finance less than an hour ago, after finally admitting that his eventual goal should be the achievement of a balanced budget, he volunteered the information, "and that would allow us to

reduce taxes". By reducing taxes you enable business to expand and to generate jobs. These are long-term jobs.

If I may quote the hon. minister, he has invested \$6 billion, \$2 billion from the federal government, \$2 billion from the provincial government and \$2 billion from the municipal government, all from the same taxpayer and this is going to create 60,000 jobs, I think he said, with various off-shuttles. But these are short-term jobs and they are bought with borrowed money.

I think the answer to the problem of Canada is to get our fiscal situation right and to generate long term jobs so that we own our future rather than owing it to somebody else.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, there may be no argument about the question of getting the fiscal situation in order and bringing down the deficit. It is a question of how you want to do it. The Reform Party says the only way to do it is to cut all kinds of expenditures which would throw tens of thousands of Canadians out of work. That is what they are talking about. They are saying we did not go far enough. We have members here who are saying that we went too far.

They are saying that the kind of Draconian measures proposed by the Reform Party would have the unemployment rate in this country going up to 13 per cent, 14 per cent, 15 per cent. We are saying that the only way to ultimately bring down the deficit is to get Canadians back to work, get them back creating revenue for their families. Get them off unemployment insurance. Get them back paying taxes. The responsibility of the government is to provide the stimulus to do that, to create a climate in which government can give a signal, a message to the private sector that the hard days are over and that they should get back and create work.

In my speech I asked: What is one of the important signals? By reducing unemployment insurance premiums from a projected statutory rate of \$3.30, it brings it down to \$3 which for every company of 100 employees puts \$30,000 back in the pocket of the employer; it puts \$80 to \$100 back in the pocket of the employee. That employee can go out and buy a kitchen table or his kid's shoes. That is how we are going to create deficit reduction, not by the cut and slash program—

• (1545)

[Translation]

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I listened with attention to the very aggressive speech by the Minister of Human Resources Development. He launched several attacks on the Bloc Québécois. He occasionally uses progressive terms to outline conservative, sometimes right-wing policies.

Instead of tackling unemployment, the budget goes after the unemployed themselves. The Bloc Québécois worries about the most disadvantaged in our society: unemployed workers and welfare recipients. I come from the union movement, Mr. Speaker, and we are not alone in our fight against the minister's budget and his cuts to unemployment insurance. I had feedback from three Quebec unions, namely the FTQ, the CEQ and the CNTU. I also heard from the Canadian Labour Congress. Over two million Canadians are very concerned about the govern-