

more than 135,000 jobs between now and 1981. Those are not my figures, those are the figures of the Minister of Finance.

So what is the setting? We have had this government in office for six months now and the setting is one of a slowdown in the Canadian economy and a slowdown in the U.S. economy for which this government is not responsible, but where does the responsibility begin to try to offset in this country, by economic tools at their disposal, the effects of unemployment in Canada or of the U.S. recession? We have rising interest rates for which they now must take responsibility, we have slow growth, which is projected in the Minister of Finance's projections for the next five years, we have the U.S. recession on the horizon and, as a matter of fact, as the minister knows, cuts in his job-creation program since he came to office. That is the setting.

We must look at that setting first of all in connection with the promises that the minister's party made before coming to office, because they made a number of substantial promises. They had miracle solutions to the problems of the Canadian economy in the spring, but those budding promises in the spring have turned to the deadwood of winter even before the snow began to fall in this country.

What were they telling us in the months of April and May? They told us that unemployment could be reduced by 5.5 per cent in 1985. That is far from being the type of projection that the Minister of Finance tabled in the House the other evening during the course of his budget speech. In reality we are looking at 8.3 per cent unemployment by 1981. They spoke of creating 1.5 million jobs by 1985, but according to the Minister of Finance's predictions, they will be destroying 135,000 jobs before 1981. They spoke of a growth of 5 per cent in CNP by 1985, but now they are talking about zero growth in the economy for the second time in a number of years. They are talking about zero growth in a country like ours, with the potential we have in terms of human resources, in terms of natural resources, and in terms of our strategic position in the world community. They also spoke of a number of other initiatives.

They told us they would be reducing taxes by \$2.5 billion. We all know that through the very regressive, unfair way of bringing in revenue to the coffers of the Government of Canada, they have decided to tax the people who needed the money most in these times of high inflation, people who own automobiles which consume gasoline and people who are working and who have to pay unemployment insurance premiums.

They will get about \$2.8 billion out of the pockets of the Canadian car owner, about \$800 million out of the pockets of employers and employees who are paying unemployment insurance premiums, and they have decided to push that user-pay concept to its extreme limit by telling people that in the future as soon as unemployed people obtain jobs, they will have to pay for all the services provided by employment agencies under the jurisdiction of the minister. The minister did not speak about that tonight. He put out a press release yesterday. I for one believe this is a scandalous situation where the Government of Canada is telling people that services will

no longer be provided for them, that their cost is to be covered with money which accrues to individual workers and employees in this country.

When we add up those two or three figures, we see the government will be taking \$3.5 billion out of the economy.

Some hon. Members: Shame!

Mr. Fox: Let us look at those projections in the budget brought down by the minister the other night. He spoke to us about increases in the unemployment rate which would go from 7.5 per cent this year to 8.3 per cent in 1980, and remain at 8.3 per cent in 1981. What does that mean in terms of people, because I think in this House we lose sight of the number of people who are actually involved in this type of process? At an average unemployment rate of 7.5 per cent, we are talking not in terms of percentage points but rather of some 850,000 Canadians who are seeking employment and cannot find it.

What did the government promise to do for Canadians in the years to come? The minister talks about the role of the private sector, but what will the government do to enhance the private sector, to let it expand so as to create the jobs that the minister talks about? The minister's colleague, the Minister of Finance, speaks of the rate of unemployment rising from 7.5 per cent to 8.3 per cent, which means it will rise from 850,000 unemployed this year to 963,000 unemployed Canadians in 1980, and to 986,000 by 1981.

An hon. Member: Unacceptable.

Mr. Fox: That is if the minister's projections are correct. They are succeeding in doing this at a time when the growth rate in the labour force is declining, that is, at a time when the growth rate is declining the over-all economic policies of this government are leading to an increase from 850,000 unemployed Canadians to 986,000, according to their own figures, in the short period of two years.

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What are they promising in terms of inflation? Now they talk in terms of a rate from 11 per cent to 11.4 per cent by 1981. Indeed this is a novel way of looking at job creation in this country.

An hon. Member: We will have to change that.

Mr. Fox: My colleague is quite right. We do have to change that. When I look at some of the things the Minister of Finance said, and when I read his budget speech, I realize that he had a few positive things to say about the Canadian economy. He said that job creation has been impressive. He is not talking about his job creation. He is talking about the job creation by his predecessors in that portfolio. He said the following:

Job creation has also been impressive. About 440,000 more people were employed in October, 1979, than in October, 1978.