

Supply

That means that nothing is created. On the one hand purchasing power is reduced, while on the other hand money is being distributed, and we are told that people will spend more and that jobs will be created. The minister does not understand the economy at all, because he is not creating anything. The results are almost non-existent.

● (1345)

Moreover, the minister says that he will create jobs while also increasing taxes and personal income tax by \$1.7 billion over the next three years. Over that same period, he will also increase taxes by \$1.8 billion for small businesses. And he thinks he will create jobs that way. He is completely wrong and he does not understand anything about the economy. If jobs are created in Canada, it will certainly not be because of the Liberal Party and its alleged vision on economic development and employment. If jobs are created, it will be thanks to the initiatives of individuals and certainly not because of this government's measures. Indeed, there is absolutely no vision in its way of doing things, which is to tax Canadians even more and then try to create jobs with an inadequate program. If you want to create jobs by investing one billion dollars and then take back \$800 million, not to mention the fact that Canada's gross domestic product is somewhere around \$700 billion, I can tell you that one billion will not make much of a difference.

Mr. Speaker, I would also like the minister, who is responsible for manpower training to tell us when he will fulfil a request which the Quebec government has been making for at least three or four years. When will he delegate manpower training to Quebec? In doing so, he would immediately save at least \$300 to \$400 million, while at the same time ensuring more effective manpower training in that province? All Quebecers, whether they belong to the business sector, the unions or the government, support this request. When will the minister do something about this?

Mr. Axworthy (Winnipeg-South-Centre): Mr. Speaker, first of all, I would like to say to the hon. member that I did address these issues directly and that I am surprised by all the contradictory statements he made. On the one hand he says that we have to bring down the taxes and rates, and on the other hand he says that we should not touch the unemployment insurance system. We have done that. We have reduced the UI premiums. That will stimulate employment and help small business to create jobs. Our policy has had another major impact on workers. It has increased by \$70 to \$80 the income each worker can spend on goods and services for his or her family, which is also good for small businesses. That is not too bad. Workers now

have more money in their pockets. At the same time, we provide stimulus for small businesses and for workers.

[English]

I am trying to tell the hon. member that his party is very confused. On the one hand members say not to touch UI. On the other hand they say to bring down the premiums. We have done that; we have brought down the premiums and the stimulus effect is there. However, to bring down the premiums we have to make sure that we can still pay for the deficit of the UI system which this year is \$6 billion. We have to bring down the deficit of \$6 billion. That is the reason we balance it out. In a way it ensures more benefits going to the poorest people, not less.

● (1350)

Unfortunately members opposite in their statements somehow forget the facts, which is too bad. I feel sorry they have this selective memory. It is not a good thing in a situation like this to be so selective in your memory. It gets you into trouble.

We have increased the benefits for the poorest in society. We have created a new linkage between work and benefits and we have given stimulus to private enterprise to create new jobs. It seems to me that is not so bad a proposition.

Mr. Ted White (North Vancouver): Mr. Speaker, the opposition motion deplores the lack of vision in the Liberal policies on job creation and I think the minister missed the point here.

The infrastructure program has no vision because it amounts to less than half a per cent of the gross domestic product. That is like a family of four winning \$200 in the Lotto 649 in a whole year.

Then the minister goes on to say that high unemployment affects every country. That is simply not true. Places with low taxes like Hong Kong and the Cayman Islands have more than 97 per cent of their people employed. There is a direct link between taxes and unemployment.

Countries with high tax loads have high unemployment. There is a terrible lack of vision from the government in failing to recognize that it is the high tax rates that are causing unemployment and that the problem can be cured by reducing government spending.

Will the minister acknowledge that high taxes are the cause of unemployment?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, one important revelation from this debate is that we now understand the employment strategy of the Reform Party. It is called the Cayman Islands employment strategy.