

*Supply**[English]*

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I have just three very quick questions. The hon. member quotes the Economic Council of Canada and Judith Maxwell who also supports the GST and the free trade agreement, two things which the hon. member does not support. He is very selective in quoting one sentence from a recent report.

The hon. member spoke quite well on the question of training. Does the hon. member support the emphasis in our unemployment insurance legislation now stuck in the Senate, which tries to shift some resources from simply payments to training? Does he support that thrust? That is my first question.

The second question is about small business. The hon. member's party has said it wants every company in Canada taxed. I am asking the hon. member if a small business has losses, would he allow it to carry the losses forward in order to protect it against tax in the year when it does make profits? If he does not support that, it is tremendously bad news for the small business community, especially in Ontario under an NDP government.

Third, our Department of Industry, Science and Technology has made a shift somewhat similar in response to some of the criticisms the hon. member quoted in one of his references. He said that the departments of regional economic expansion in Canada in the last 20 years have not really done a very good job in dealing with unemployment. When we took over, the federal government was spending \$17 billion or \$18 billion on one kind of regional expansion program after another. We took a look at these programs and found that most of the programs were paying businesses to do what they probably would have done anyway. It was a tremendous waste of taxpayers' money. We have changed ISTC from a grant-giving type of department to one that gives strategic intelligence and advice and helps companies adapt to new technology. What does the hon. member think of that new change of strategy?

Mr. Nystrom: Mr. Speaker, first, the minister asked about Judith Maxwell's views on the GST and the free trade agreement. I did mention those two things, but I concentrated on unemployment because the motion before the House today deals with employment. It deals

with the unemployment problems we have in the country and the report by Judith Maxwell and the Economic Council is one that zeros in on unemployment and the structural problems we have. She has said that we need fundamental change. That is why I was talking about this today. I assume that is why the motion was proposed by my friend from the Liberal Party in Ontario. That is the response to that particular question as to why I concentrated on unemployment.

In terms of the specifics of the questions, the hon. member asked if I support the shift away from payments to the individuals to training. This is unemployment insurance money in the bill before the Senate. I do not support robbing Peter to pay Paul. It is a shift away from giving people adequate benefits or training.

What I am saying, and what the report and many other studies have stated, is that we should not penalize the unemployed, but, at the same time, we should be putting a lot more money into training. In other words, do not take it away from the unemployed and put it into training. Take it out of the general coffers of the Government of Canada. The private sector must put more money into training, which it does in the United States and Europe. That is what we are saying, and that is what Judith Maxwell is saying as well.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time is expired.

[Translation]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I want to take part in this debate to explain what we as a country should do to get ourselves out of the economic mess where this government has left us.

We are all aware of the serious economic problems dragging our country down the drain: 34 tax increases since 1984; an accumulated debt which has tripled since 1984; one third of our expenditures goes to pay the interests on that debt; and one of the lowest growth rates in the western world. The Minister of Finance does not want to admit it, Mr. Speaker, but we are in a recession.

The government will tell us it cannot be held responsible for that, but it is wrong. As my colleague from Etobicoke North told us, the fundamental error is that after the free trade agreement there were no adjustment measures to help employees and companies that stood to