

The Budget—Hon. John N. Turner

tional economic crisis which beset us last August. The Smithsonian agreement of last December did much to dispel that uncertainty. Other factors contributed, particularly the expansionist measures introduced by my predecessor, now the Minister of National Defence. The mood of the country is one of growing confidence. I believe this confidence is well founded. I do not express this belief in any idle way, unmindful of some very real problems. We must continue to press for lower levels of unemployment. Price increases must be kept in check. But there is no question that the economy is advancing and gaining strength. Confidence is contagious and I believe it is spreading.

[Translation]

Mr. Speaker, the government this year will expand its program of summer employment for young people. We are dealing here with a challenging problem. In recent years, there has been a great upsurge in the number of students who pour out of school in the late spring to seek interesting and well-paying jobs. This year there are about 1,400,000 students of 16 years and over who will become potential job-seekers or look to the community for interesting and meaningful summer activity. This is almost three times the number only ten years ago. Most of these young people will be absorbed in productive jobs in the expanding private sector of the economy. For a second year, however, a diverse range of programs in the federal opportunities for youth plan, aided by a number of similar provincial programs, will help to fill gaps in the supply of jobs this summer.

I should draw attention, also, to the significant improvements which the government has now proposed to the manpower training program. These amendments will extend its flexibility and efficiency. In that connection, the experimental program of on-the-job training introduced last fall was enthusiastically received, and the government has provided a total of \$50 million for this purpose. I fully anticipate that on-the-job training will become a permanent and increasingly effective part of our overall manpower training policy.

[English]

Let me turn now to a brief review of some important, current developments in federal-provincial fiscal relations. The most significant of these, of course, has been the recent enactment by parliament of the new Federal-Provincial Fiscal Arrangements Act. The passage of Bill C-8 brought to fruition a long and intensive period of consultations with the provinces.

We have now extended in time and content the framework within which the federal and provincial governments jointly share the personal income tax field on a co-operative basis. Taken together with previous announcements by Quebec and other provinces, the recent budget announcement by the Ontario government that it will bring into conformity its corporation income tax on essential fundamentals with the reformed federal act, also assures continued tax co-ordination across Canada.

Most important of all, however, we have renewed the equalization arrangements which are so vital to national unity in Canada. In recent weeks, I have been speaking on

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this critical issue on several occasions, stressing that national unity is not just a question of language, important as that undoubtedly is.

National unity has a great deal to do with equality of opportunity—equality of opportunity for Canadians, no matter where they happen to be born or where they happen to live in our country. Equality of opportunity, in turn, means equalizing the ability of all the provinces to provide a national standard of services to Canadians. Our style of unity contemplates diversity and not uniformity. We are together as a united community of people in a unified, but not unitary, state. This is not to say that we want to pursue an inward-looking or narrow nationalism. Rather, as Canadians, we want to maintain and strengthen our sense of unity, our identity and our independence. With that goes the need to achieve a desirable regional balance across this beautiful land, to deepen the sense of belonging to a community and a nation, and to enhance the opportunities for meaningful participation in the collective decisions which affect our daily lives.

Equality of opportunity means a common standard of services to Canadians everywhere. National unity means sharing money and resources and this is the burden of our fiscal arrangements legislation. This is why the fiscal relations between Ottawa and the provinces are the cornerstone of confederation. It doesn't do anything for our country to try to do fine calculations of gains and losses, of who pays more and who receives more, because national unity cannot be calculated on a balance sheet.

Although equalization transfers are paid to provincial governments, it is obvious that their benefit is directed primarily toward the lower-income people in the receiving provinces. Without this sharing of national wealth, millions of Canadians would be deprived of the health, education, welfare and development services which are as much a part of income in a civilized society as the cash to buy three square meals a day. Equalization, taken together with shared-cost programs, provides much of the underpinning for social equity across the country.

Look at what parliament has done in the past few years to improve the lives of Canadians: medicare; increased supplementary pensions for the aged; the elimination of one million lower-income Canadians from the income tax rolls; the proposed fundamental reform and major increases in family allowances; the huge increase in federal contributions for education and student loans; a doubling of financial assistance for our native people; the broadening of unemployment insurance.

I should like now to speak briefly of certain features of our economic situation from a wider perspective.

Canada has a very fast-growing labour force, both because of the age structure of our population and because more and more women want to work outside the home. The population and the work force are concentrating in urban areas. That is where most people want to be, that is where they want to work and that is where jobs must be provided for them.

In an urban society people provide fewer and fewer services for themselves and they therefore demand more services in the market. Over the past quarter-century and more our service industries have grown substantially. By