

Supply

If the federal government has to cut back in certain cases, maybe the provinces have a very strong argument for more tax points and more flexibility in terms of taxation to meet their increased obligations in order to finance hospitals, schools and social programs. That is a concern that some of the provinces have.

A suggestion that I made in a private member's motion, and this is relevant to our discussion, is that it would be wise to have a fixed budget date in Canada so that the budget would be brought down the first half of February every year or on whatever date could be agreed upon so that the provinces would know what the federal government is planning on a regular basis. Now we have a system where they never know when there is going to be a federal budget. That makes it more difficult to plan. If the provinces do not know when there is going to be a federal budget it makes it very difficult for them to plan in terms of their school boards, hospital boards and municipalities.

• (1655)

I think we could bring some order into the system by a fixed budget date and also bring more order into the system by federal negotiations with the provinces to determine the proper fiscal arrangements.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, naturally I appreciate the opportunity to take part in this debate today because I believe it is important to say that the government is giving young Canadians an advantage by recognizing the priorities of the Canadian people.

One of the main priorities is to put in place a skill acquisition system that would be available to them throughout their lives. The message we hear from employers and communities is clear. People are going to need to continuously update their skills. The challenge will be to develop an education system capable of sustaining long-term training. Our young people deserve to be able to get an education that will set them on the course of continuous skill development. It is important for the provinces and territories and there is no doubt that it is a concern for youth. The federal government also has a major role to play.

The government has an impressive number of youth initiatives that it is pursuing with individuals, institutions and communities all across the country. At present, the government is dealing with youth unemployment and such major problems as the high drop-out rate we have in this country.

On several occasions this afternoon, speakers have mentioned that 30 per cent of our high school students quit before graduating. Of course, like any statistic, this figure covers a wide range of situations. Upon examination we can readily see that students from very remote areas and from low-income families are less likely to graduate from high school than others.

It is interesting to note that, in a study published last year, the Conference Board of Canada examined the effects of dropping out, taking those who quit school in 1989 as an example. Based on its economic models and reasonable premises the board calculated the personal and social costs of such a decision over the working life of the former students.

Pay is one of the aspects covered by the study. In their working lives drop-outs can expect to earn \$129,000 less each, in current dollars, than a high school graduate. For women, probably because their salaries are somewhat lower, it is a little less. The report says \$107,000.

As for the impact on the Canadian economy, the study estimates the cost of supporting the 1989 drop-outs for the rest of their lives at \$4 billion. The reality, according to the Conference Board report, is that the problems presently facing the education system threaten our standard of living, undermine our social safety nets and increase the burden on taxpayers. Neither our society nor the people concerned can afford such a loss.

This reality provides the basis for the federal stay-in-school initiative introduced in 1989-90, with a five-year budget of \$296.4 million. Progress has been made over the past four years, and we will maintain the initial funding of the project for the last year.

• (1700)

Across Canada, communities have made good use of this initiative. The remarkable thing about stay-in-school is that it enjoys non-partisan support. The last time the Minister of Employment and Immigration appeared before the Standing Committee on Labour, Employment and Immigration, the hon. member for