

The Budget

[English]

There are two questions under family trusts. One is the question of income dispersed to beneficiaries which is going to be changed immediately. The other is the question of the capital tax. The 21-year rule is effective in 1999 which is the time it takes given the fact that the Conservative government eliminated the rule. There had to be a few years to allow for adjustment. On the income issue we will begin immediately; on the capital issue we begin.

[Translation]

On the other issue, the bank issue, we are raising a special tax on banks, which will bring in \$60 million just this year.

[English]

We think this is a great step forward. It will begin to deal with the banks on several issues we think they should be addressing immediately.

[Translation]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, the hon. member referred to the transfers to provinces and said that, in his opinion, provinces would not be really affected, considering the cuts involved. This raises the whole issue of national standards. What will happen to standards?

The budget makes several mentions to such standards, but they are not very clear. I wonder if the hon. member could give us his own view on that issue. In his speech, the Minister of Finance said, and I quote: "Provinces will now be able to design more innovative social programs— programs that respond to the needs of people today rather than to inflexible rules".

Thus, and that is a step in the right direction, the minister does confirm that, in the past, there were some inflexible rules. But the sentence which follows is the one for which I would appreciate an explanation. It reads: "However, flexibility does not mean a free-for-all". That sentence appears in italics in the budget speech. What does the minister mean when he says: "flexibility does not mean free-for-all"?

It means that the federal government will continue to exert some control. Yesterday, the Minister of Human Resources Development, who was participating in a radio show with me, said that before the government had no control over funds but that would now change because the federal government would define standards, in co-operation with the provinces.

• (1225)

We all know what joint standards mean. Therefore, I wonder if the hon. member could explain the statement to the effect that flexibility does not mean free-for-all.

[English]

Mr. Walker: Madam Speaker, I thank the member for his question. This area is both old and new in Canadian politics, that is to say, how do we transfer money to the provinces?

Essentially the federal government's strategy since the mid-1960s has been to have a program called the Canada assistance plan. It allows the provinces to access money freely if they fulfil certain federal conditions. In the 1977 EPF program, we said to the provinces that they would have block funding for post-secondary education and health as long as they conformed to the Canada Health Act.

In several discussions going back to the early 1980s the provinces have been asking for greater flexibility in the Canada assistance plan to enable them to design more innovative social programs. At the same time there is the feeling at the national level by many national interest groups that as one moves about the country support for post-secondary education is varied. The types of services available under the Canada assistance plan are varied.

We have said to let us go back to the first principles. Let us move toward a way in which we can give the provinces a wider range of flexibility through social transfers. At the same time, as a national government we have to make sure we are true to the principles we want as a Liberal government. Through the budget consultations which normally take place when the budget laws are introduced, we will have an opportunity to discuss it. I am sure the ministers of finance and social policy as well as the prime minister will want to talk about it.

Mrs. Jane Stewart (Brant, Lib.): Madam Speaker, I would like to congratulate the parliamentary secretary on his speech and tell him how much I enjoyed working with him on the Standing Committee on Finance.

He made reference to the fact that the work of the committee had a big impact on the minister and the results of his budget. I agree that I could see a direct reflection in the budget of the recommendations made by the committee and the details provided to us by individual Canadians. The committee provided an important venue for Canadians to participate in the debate on the budget which is so important to them.

Does the parliamentary secretary expect that the Minister of Finance will continue this participative process with the Canadian public? Will the minister ask the committee yet again to be involved in the process as we prepare for our next budget?

Mr. Walker: Madam Speaker, it is going to be a much more elaborate process next year, in a good sense of the word elaborate. We all learned something last year. I think we would like to start a little earlier.