

Oral Questions

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know that the position of the New Democratic Party has always been to tax Canadians into submission. What is important—

Some hon. members: Fair taxes.

Mr. Mazankowski: Well, that has been their policy and we have seen evidence of that in the last three budgets that have been brought down by the socialist governments. They believe in tax, tax, tax and to heck with the economic impact.

The hon. member has to be aware that any tax regime has to be competitive with the global situation. We have been trying to bring about through tax reform a tax regime that would allow us to compete more effectively and to provide incentives for the private sector to invest and to spend, and to create new jobs and new job activity.

It is within that context that we have approached the whole issue of tax reform.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I ask the Minister of Finance why it is okay to tax the middle class to death, as this government has done through its changes in tax reform, the icing on the cake being the GST. Yet the minister gets up and weeps these big crocodile tears. He does not want to tax the Bronfmans to death. He does not want to tax all these other large wealthy families in Canada that benefit from these trust laws.

I say to the minister he cannot have it both ways. He cannot ask Canadians to take him seriously about the deficit and refuse to do something about this kind of wealth.

Will the minister commit today to not extend this Liberal tax exemption for the wealthy and make that money available either for deficit reduction or for the renewal of Canada's municipal infrastructure rather than just giving this billion dollar gift to some of Canada's wealthiest families?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know that the position of the New Democratic Party would be to do away with the capital gains exemption. That would be a further burden on small business, a further burden on farmers, kill all incentives to generate wealth, kill all incentives to generate new jobs.

I can give the hon. member this assurance. As long as I am finance minister, I will attempt to put in place a tax regime that will be competitive and reflective of the reality of the global marketplace.

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YOUTH

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the minister of employment.

Over a year ago the government received a report on the shortcomings of the Canada student loans programs which it had commissioned. The report stated that cost allowances for students have not been updated since 1984 and that the allowances fall significantly short in most categories.

Given the fact that so few students will find work this summer, what is the government prepared to do in advance of the next school year to address the double crisis of student unemployment and inadequate student funding.

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, there is no question that a number of deficiencies in that particular program have been raised. I believe the hon. member opposite has raised some of them.

We have been moving very aggressively to come to grips with the issue. The program is a shared program between the provinces and the federal government. It is also under the administration of the banks.

We have reached agreement with the provinces with a view to first of all increase the weekly loan limit to reflect the increases in costs since 1984. We have also talked about the possibility of removing the 3 per cent administration fee to give the students a greater opportunity.

We started negotiations with the banks about two weeks ago to see how we could put in place a new regime that would make the system more efficient.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, the minister's response is unacceptable. I think it is an insult to the over 300,000 students who would like to return to school but cannot find work this summer.

My question is for the minister of employment. The minister of employment must understand by now, given the figures released today, that we are dealing with a national crisis in relation to young people in this country. What is this government going to do before this House