

Federal Sales Tax

would then permit the lowest possible sales tax rate to be applied to items in order to generate the amount of revenue required as part of the comprehensive tax reform system.

If on the other hand we are to have exemptions within the system, that would have the effect of narrowing the base. The result of that would be that the rate of the sales tax would have to be increased because the higher rate of tax would apply to fewer products. That of course creates the kind of distortions and unfairness we have seen in our sales tax system in the past, something which tax reform is trying to get away from.

• (1850)

I would like to say that I find myself in complete agreement with the sentiment and thrust of the motion put forward by my hon. colleague. I might also compliment the Hon. Member for Regina West (Mr. Benjamin). His heart is in the right place on this matter. We have to look seriously at it. I believe if we are going to have any exemptions at all under the new sales tax, one of the first should be items of assistance to the disabled and handicapped. I want to compliment my colleague for bringing this matter to our attention.

As a member of the Standing Committee on Finance and Economic Affairs which will be involved in detailed hearings on all aspects of tax reform, I undertake that this matter will be raised in those hearings. If exemptions are to be allowed under a comprehensive sales tax, I will bear in mind what my colleague has said. It is a sensible and reasonable suggestion.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am pleased to take the floor this evening in this important debate which involves both the social situation and the financial situation.

Mr. Speaker, I should like to review briefly the main components of what we call the Canada Assistance Plan implemented pursuant to agreements concluded with the provinces and the territories. And, as of 15 days ago, we can say all the provinces of Canada, Quebec included. We are very proud, our federal Government now shares 50 per cent of expenditures incurred by all provinces and municipalities to provide the following through the Canada Assistance Plan:

—assistance to the needy;

—the plan helps provinces and municipalities provide social welfare services for the needy or others who would probably need them if they had no access to such services;

—in addition, Mr. Speaker, the plan offers work activity projects designed to improve the working skills of people who experience unusual difficulties to find or keep jobs or undergo training leading to employment.

This is now available in all ridings throughout Canada, including the beautiful constituency of LaSalle—Émard.

Mr. Rossi: Make the best of it, you are not going to be there much longer.

Mr. Lanthier: Notwithstanding the untimely jeers of the Opposition, we are still in good humour. Mr. Speaker, the Canada Assistance Plan offers help to the needy as follows:

—items to meet such basic needs as food, housing, clothing, heating fuel, public services, household equipment, and services for personal needs;

—in addition, the plan provides assistance to the needy to obtain items required for a trade or other employment: operating permits; tools and equipment; items required for the safety, well-being and rehabilitation of a needy person, for instance, necessary home upgrading and repairs, as well as essential items which the handicapped cannot do without;

—the plan also helps the needy obtain certain welfare services such as day care as authorized by an organization or at the request of an organization approved by a province;

—the plan helps the needy obtain care in special homes, for instance, senior citizens' homes, rest homes, child care institutions, and shelter homes for battered children and women.

Mr. Speaker, since April 1st, 1977, most of the federal costs related to long term care of adults in institutions are paid out of the Extended Health Care Services Program under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977.

I appreciate particularly the interest of the opposition for that question. All this to say that the Canada Assistance Plan provides help to needy persons and pays for costs, for example drugs and dental care, neither covered by the universal health care programs of the provinces, nor paid through general financing under the Fiscal Arrangements Act of 1977, between Canada and the provinces, which also provides for postsecondary education and health care.

Mr. Speaker, that same Canada Assistance Plan, still in force and unaffected by the white paper, helps needy persons to pay for children in foster homes. In Canada, what is meant by "needy person"? Under Canada Assistance Plan provisions, a person in need is defined as someone who, regardless of the cause of his needs, is deemed to be unable to provide adequately for himself and his dependants. Eligibility for social assistance is determined on the basis of a special needs and means test administered by the province. This tests takes into account the material needs of the applicant, as well as the income and resources he has to meet these same basic needs.

Mr. Speaker, a "person in need" is also defined in the Canada Assistance Plan as a child who is the ward of an authority responsible for his social welfare. A person in need in Canada can also include all children in foster homes.

Under the Canada Assistance Plan Agreement, each province has agreed not to require a period of residence in the province or in Canada as a condition of eligibility for assistance. The agreement also requires that each province shall provide, by law, for a procedure for appeals from decisions