

hospital or school to remind people that we are part of a national government. We are part of a country where the whole is bigger than the sum of its parts. I know that we used to have a federal presence requirement when we transferred funds to the provinces. I am wondering if we should perhaps revisit that.

The rest of this bill is basically the maintenance of a formula that has been going on for many years. At a time like this when we are suffering from deep economic pain and money is short, obviously all of the provinces require more funds to maintain these national standards. We have to be practical here and realize that the government is dealing with a limited amount of resources and not be blind to the dilemma that the government has in terms of transferring to the provinces. The government should also be aware that because of this litany of cutbacks or the cap on the Canada Assistance Plan, et cetera, that even though it is transferring money to the provinces, there is still a lot of pain because of the lien on welfare funds and the general shortage due to the economic turndown. We really are going to have to work all of this through together.

All in all, I think that I have covered most of what I want to say here. I want to repeat what I said earlier to the member from Chambly, that I think the national government has a responsibility to communicate very clearly and precisely the amount of moneys being transferred to all provinces in this country, especially through equalization. It is through that awareness that our chances of staying together are going to be a lot better.

**Mrs. Dorothy Dobbie (Winnipeg South):** Mr. Speaker, I would like to ask the member a very brief question. I heard him mention earlier that there was no difference between a single tax and a flat tax. I would like him to explain that to us, please.

**Mr. Mills:** Mr. Speaker, normally a flat tax system does not take into account those people in our society who are disadvantaged. It could be single mothers, families with children, charitable organizations or small businesses. Under the single tax we have made sure that there are very progressive tax credits to look after those people in our society and smaller corporations, whereas under a flat tax it is basically one rate with no credits.

### S. O. 31

**Mr. George S. Baker (Gander—Grand Falls):** Mr. Speaker, I have a question along the same line as the question that was put by the hon. member. In view of what the minister interjected when the hon. member mentioned the GST, let me ask the hon. member this question.

What would his tax system do for this growing number of people in our society who according to Statistics Canada make over \$250,000 a year, report it on their income tax and do not pay one penny of income tax? A lot of them claim the child tax credit which is designed for low and modest income people. What would his tax system do to correct what this government has been doing for these people?

**Mr. Mills:** Mr. Speaker, I thank my colleague from Gander—Grand Falls. As he and most members in this House know so well, we have a tax act today with close to 15,000 legal loopholes or tax preferences. Many of them are antiquated and no longer meet the objective that they were originally designed to meet. Under our single tax system, all of those tax preferences would be flushed out and everybody would be in the loop.

**The Acting Speaker (Mr. Paproski):** It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

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## STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

### SOCIAL WORK

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, last week, for the second year, the Canadian Association of Social Workers observed National Social Work Week. Social work is a profession with a long tradition of dedication to improving the welfare of Canadians, especially those with special needs. These days, social workers are employed by family service organizations, hospitals, schools and child protection services. Some work directly with individuals, families, groups and communities; others do social action or research, plan social policies and develop social programs.

The 12,500 members of the Canadian Association of Social Workers should be recognized for their contribution to improving our society.