

Federal Sales Tax

Mr. Boudria: If he is a farmer, he should know better than to make the ridiculous statements he has been making in the House.

People living in rural areas phone long distance regularly. Even the Hon. Member opposite who is heckling should know that it is sometimes long distance to phone to the nearest village. If a handicapped person who lives in St. Isidore de Prescott has to phone a doctor in Rockland, Hawkesbury or any other community, he has to pay a long distance charge because that is the way it is. There is no choice in the matter. I am sure you know that, Mr. Speaker. It is too bad some Hon. Members opposite do not. I will speak a little slower so that they will understand.

[*Translation*]

Mr. Speaker, I want my friend the Hon. Member for Nepean—Carleton to know that I wish him every success with his motion, but I must say that at the very moment when he moved this motion in the House, his colleague the Minister of Finance (Mr. Wilson) had himself taken a big step backward, and imposed a heavier tax burden on those who are least able to pay, I mean the disadvantaged, the handicapped and all Canadians residing in rural areas. In my opinion, it is because of this ill-advised tax on communications which was introduced last week and should be withdrawn.

Having said that, Mr. Speaker, I want to say again that I support the motion moved by my friend the Hon. Member for Nepean—Carleton. I know that if the Minister of Finance does not understand anything, at least the Hon. Member for Nepean—Carleton understands that a taxation measure should be fair and honest. It is quite unfortunate that his colleague the Minister of Finance does not seem to understand anything, while the Hon. Member for Nepean—Carleton understands everything so well. I wish him every success with his motion and I dare hope that the House will adopt it and especially that the Minister of Finance will listen to him.

[*English*]

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I am pleased to be able to join in debate in private Members' hour and to speak in favour of the motion put forward by my colleague, the Hon. Member for Nepean—Carleton (Mr. Tupper), to the effect that the House should consider the advisability of introducing a measure to provide for the reduction of the federal sales tax for disabled persons.

If I understand correctly the thrust of the motion, it has been proposed because my colleague has a long-standing interest, as many Hon. Members do, in the welfare of the handicapped and disabled. He is seeking to secure the removal of federal sales tax on certain aids to the disabled and handicapped which, to my surprise, indeed do bear sales tax.

I have noticed that over the past several years the Government has taken a number of initiatives for the disabled, particularly from a taxation point of view. The disability deduction has been increased to the point where \$2,610 in the

last taxation year was the amount that was allowed to the handicapped in computing taxable income.

The May 1985 Budget enlarged and extended this deduction. In effect, it widened the definition of handicapped under the Income Tax Act to include individuals with severe cardio-respiratory failure, mental retardation, profound bilateral deafness and a range of other severe disabilities. Indeed, that deduction was increased by \$250 in the 1986 taxation year. Those changes raised the number of persons who would qualify for a disability deduction to about 185,000, an increase of some 60,000 over previous years.

I would certainly like to concur in the direction the Government has taken. I notice also that very recently the Department of Finance and the Minister released a communiqué indicating that certain new devices would qualify as tax deductible medical expenses. Five recently developed devices designed to assist individuals with physical disabilities and other medical impairments now qualify for the medical expense deduction under the Income Tax Act.

Those items that will qualify as eligible medical expenses that will be deductible when total medical expenses exceed 3 per cent of net income in a year are conversion kits to modify family vans to permit persons confined to wheelchairs to gain independent access to vehicles and to drive them, synthetic speech systems, Braille printers and large-print devices that enable persons with severe sight impairment to utilize personal computers; electronic speech synthesizers that enable non-speaking individuals to speak using a portable keyboard; television closed-caption decoder for the deaf which deciphers special television transmissions and shows on television screens a script of the program; and monitors attached to babies identified as being prone to Sudden Infant Death Syndrome, commonly known as crib death, which sound an alarm when babies stop breathing.

It is my understanding that these measures are being taken to ensure that people who require these devices are treated fairly and equitably. Quite frankly, I was not aware of the fact that sales tax applied to any or all such items. If it does, I am certainly in complete agreement with my colleague from Nepean—Carleton that devices of this nature or similar ones which assist the disabled and handicapped should certainly be free of sales tax. I think we should move in that direction.

I believe it is important, however, that we view the matter in the context of the over-all tax reform White Paper which was released just last week. In phase two of that reform, the sales tax will be examined in great detail. Regardless of which of the three choices is made after consultation with all Canadians, it is apparent that decisions will have to be taken on the application of the tax. Will it apply to all goods, services and devices of this nature or will there be certain exemptions?

It is the opinion of some and, I believe, of Finance Department officials that for a sales tax to be as equitable, fair and reasonable as possible, it should apply to virtually all goods and services within the economy. Having a base as wide as that