

spread misconceptions of untrustworthiness and all this type of nonsense. They sit there day after day and yell liar and never justify it at all. What a phony bunch over there!

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### TAX REFORM

#### NATIONAL SALES TAX—EXEMPTION OF GROCERIES AND PRESCRIPTION DRUGS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is for the Minister of Finance. On November 16 the Minister said in the House that the proposed national sales tax should not apply to basic groceries, prescription drugs, and certain medical devices.

Is the Minister prepared to state unequivocally in the House today that these goods will not be taxed?

**Hon. Michael Wilson (Minister of Finance):** Yes, Mr. Speaker.

#### POSITION OF SCHOOL BOARDS AND MUNICIPALITIES

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I have a supplementary question for the same Minister. Also in the same speech the Minister said that municipalities, hospitals, school boards, colleges, and universities should not pay more tax under the proposed national sales tax.

Again I ask the Minister if he is prepared to give the same commitment to the House that municipalities and the agencies which he listed will not pay more sales tax under his new national sales tax proposal?

**Hon. Michael Wilson (Minister of Finance):** Yes, Mr. Speaker, I make the same commitment. I think that what this does is take two matters which were somewhat contentious off the table which had been deflecting the attention of people from the true merits of the reform of the sales tax system that the Hon. Member's Party is in support of, as is the New Democratic Party.

I hope that now we will be able to get on with reasonable debate on a sales tax which will be fair, which will be supportive of our export industries, which will put Canadian companies on the same basis as importers, which will result in a substantial refundable sales tax credit to lower-income Canadians, and which will result in the reduction of some taxes for middle-income earners as well.

### Oral Questions

#### WELFARE

#### ASSISTANCE FOR HUNGRY IN ALBERTA AND BRITISH COLUMBIA

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the thousands of Canadians who are hungry year round across the country.

I refer the Minister to a recent letter that he sent to me in which he said that he would continue to encourage provincial colleagues to provide adequate levels of assistance to meet basic needs.

In view of this commitment, and as a special Christmas present, will he personally encourage the Alberta Minister to be more forgiving toward hungry people who use food banks? Will he also encourage the B.C. Minister of Social Services to support breakfast programs for hungry children and 1988? I am sure there are many things in other provinces which should be supported as well.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I think all of us have been saying in the House for some time that the best way to eradicate or reduce poverty in the country is for people to have opportunities through jobs and the independence and dignity which come from jobs. Consequently, one million jobs have been developed and created in Canada in the last three years. More important, possibly in terms of the Hon. member's question, 520,000 Canadians are now not below the low income cut-off line as they were previous to the Government coming into office. The trend was going the other way, and we have been able to reverse it in the last three years. That is very important in terms of poverty.

In terms of child care, the increasing growth of poverty and children in poverty is especially in families with one parent. That is the reason for the program on child care and the manner in which it was designed.

In terms of welfare rates, I do not think that poverty should be designed or devoted to the kind of narrow partisanship to which she referred when she said Alberta and British Columbia. She could have said Manitoba and its two-tier system.

I would say that, if the provinces increase their benefits, the Government of Canada through the Canada Assistance Plan has always paid its 50 per cent share and will continue to do so.

**Ms. Mitchell:** Mr. Speaker, this is not a partisan issue. The simple facts that one in six children in Canada is growing up in poverty, and we all have an obligation to do something about it.