

Income Tax Act

everybody must pay income tax on their northern living allowances."

Let us not forget that we are only talking about people working for large corporations, which can afford to pass the cost of all the benefits they are paying to their employees on to the consumer, since they are operating outside the sphere of the guidelines and the realities of the free enterprise system. Or we are talking about people who work for federal or provincial agencies. As a result, up went the cry of "No Way!"

Then we were into an election and the liberal minister, campaigning to the north, had to make a commitment that he would bring in some remission orders which would allow northern employees to earn those benefits free of income tax. Indeed, the remission order was issued just in time to convince those people who had faith in the former Liberal administration to restore their faith in the new Liberal administration. The remission order was issued and it was extended for a year.

At the present time the government has committees dealing with finance, revenue, and northern affairs studying what should be done in the future about these northern benefits. I am told by all the ministers that my report is receiving very serious and earnest consideration, particularly in light of the fact that it proposes a solution which has served quite efficiently, with equity and fairness, in Australia. With your permission, sir, I will read into the record a certain section of the Australian tax act which deals with this matter.

● (1540)

Section 79A of the Australian income tax act contains a map breaking down the tax zones of the country into zone A and zone B and, with regard to these zones, section 79A(1) reads:

For the purpose of granting to residents of the prescribed area an income tax concession in recognition of the disadvantages to which they are subject because of the uncongenial climatic conditions, isolation and high cost of living in Zone A and, to a lesser extent, in Zone B, in comparison with parts of Australia not included in the prescribed area, a taxpayer who is a resident of the prescribed area in the year of income is entitled, in his assessment in respect of income in that year of income, to a rebate of tax ascertained in accordance with this section.

In other words, if one lives in zone A where the cost of living is higher, one pays less income tax. Accordingly, the personal exemptions are higher and adjustments are made in accordance with the cost of living and the consumer price index. Given the fact that there are some discrepancies with respect to one's ability to pay their taxes, a country as rich in geography as Canada can do nothing else but follow the examples of Australia and Denmark.

There are even incentives for people in the Soviet Union who make a commitment to live in Siberia or the harsher climates of that country. I do not suggest that those incentives be compared with anything which we are discussing, but certainly the young Soviet who goes to university receives certain advantages if he or she makes a commitment to spend the first few years of their productive lives in parts of that country which are less congenial to live in than other parts of the country.

I realize that the bill before us includes a section which deals with remission orders, but it only deals with a small part

of the problem, namely, the employees of provincial governments, the federal government and of large multinational corporations which can afford to pay living allowances in order to entice employees to isolated areas. This government has a responsibility to all Canadians, not just to those who are protected by the federal government itself or by large unions.

The government should take as examples these other countries and remove this obvious discrepancy which plagues the people of the north. As I have said, I have assurances from all the ministers that this report will receive serious consideration. I was terribly disappointed that this bill did not include an indication, at least, that the government is planning its tax regime or its tax strategy into the twenty-first century to accommodate for these obvious discrepancies. Nevertheless, I am hopeful, and certainly it is an achievement that the report is even being studied in the first place because it is a private member's effort. I see that the Minister of Finance and the Minister of National Revenue are sitting together. They are probably plotting the strategy on which my proposals will be accepted.

Mr. Evans: It is the Minister of State for Finance. The Minister of National Revenue sits over here.

Mr. Oberle: Even the economic wizard who comes from the centre of the nation's capital is being aroused by the compelling argument which I am making on behalf of northerners.

Mr. Evans: The Minister of National Revenue sits over here. That is the Minister of State for Finance.

Mr. Oberle: I see. I am being lectured on the various titles of the ministers, none of whom have given any indication so far that they understand the reality of this country. I do not care who eventually brings in or proposes a bill to champion such a cause, whether it is the Minister of Finance, the Minister of National Revenue, or the Minister of State for Finance (Mr. Bussi eres). Until there are such provisions, we will face the feelings of alienation and even of separation of the people of the north who look upon themselves as colonial subjects oppressed by an insensitive colonial regime which is in no way interested in being equitable and fair to all its citizens, but, rather, more interested in catering to political realities and securing its political fortunes, which lie, of course, in the concrete jungles or the large cities of this country.

Instead of planning effectively toward northern development to realize the legitimate aspirations and concerns of the people who live there, the government seems to be planning for even larger cities in this country. It is strange as one travels through the more densely populated areas of Europe, as in Germany, for example, that there is not a city there which is as large as Toronto or Montreal, or as large as Winnipeg or Vancouver would like to be. There are 66 million people in Germany in an area as large as the constituency of Prince George-Peace River, which covers roughly one third of the province of British Columbia.

Why do we want to place all our people in these areas, which I call "breeding grounds for human misery" or have