

the present time accommodation consumes 25 per cent of their salary. Even a family with three or four members working and living in the same four-bedroom home still pay 25 per cent each of their salary. In some areas it costs \$3000 to \$4000 a month for that four-bedroom house. Some members of local communities do not receive a northern allowance. People from the south receive a northern allowance of somewhere between \$2000 to \$4000 a year. However, people who were born in the community do not receive a northern allowance.

Senator Buckwold: I am not sure if that was a statement or a question. However, we heard that from witnesses who appeared before the committee. One of the most moving witnesses who appeared before the committee came into Yellowknife from the far north. It was a very long distance for her to come, and I think it was her first time so far away from home. She outlined the very things Senator Adams mentioned. The burden is extraordinary because of the immense expenses. The extra 7 per cent will be added to those goods which sometimes cost more than twice as much as those same goods or materials in central Canada. The tax burden then becomes double because it is based on the price of the goods.

The maximum rebate for a family of four earning \$28,000 or \$29,000 a year will be \$580 a year to help pay for the extra cost of the goods and services tax. The figure is exactly the same in the north as it is in the south, although the tax incidence will be two or three times higher. This was one of the major complaints. I am only repeating some of the information, and I do not know if I have answered your question.

We all agree that there is an immense burden being put on northern people, and there will be further amendments involving the general position of those in the north, over and above the motion we have before us right now which relates to heating, because the problem goes much deeper than that in the north.

Hon. Charlie Watt: Honourable senators, I have two questions for Senator Lucier. In northern Quebec, electricity costs 48 cents a kilowatt hour. I understand that in the Northwest Territories electricity costs 34 cents a kilowatt hour. What is the rate per kilowatt hour in the Yukon.

Senator Lucier's topic was more directly related to the Northwest Territories and the Yukon. Those two areas are pretty highly subsidized by the central government by way of channelling money to the governments of the Northwest Territories and the Yukon. It is difficult to find knowledgeable and experienced educators who are willing to move to the north. Those people are highly subsidized by the government. At times it is difficult to find qualified teachers, and I am curious as to who will pay the 7 per cent? Will it be the Government of Canada indirectly? If not, will it be the individual teachers who will have to be paid higher salaries to attract them to the north? Will they be paid an extra 7 per cent? Will they have any more purchasing power, since the high cost of living is tremendous in those two areas, and also in northern Quebec and Labrador? What is your interpretation of this, Senator Lucier? Perhaps you can enlighten me on it.

Senator Lucier: Senator Watt, I thank you for the question. I do not have the precise figure for the cost of electricity per kilowatt hour in the Yukon. However, it is not as high as one would expect, since we generate most of our own electricity through hydro. There are three hydro developments in the Yukon. We are running short and reaching the point where we will have to come up with something else, but presently there is a pretty good hydro production in the Yukon.

It is difficult to compare the Yukon with the Northwest Territories or northern Quebec or Labrador, because those areas are spread out. The Yukon is fairly compact. It has some 26,000 or 28,000 people, and 18,000 live in Whitehorse. There are 2,000 here and there in different communities, but mostly they are centralized. The other thing is that there are many roads in the Yukon. In fact, Old Crow is the only community one has to fly to. In northern Quebec or the Northwest Territories it is the opposite. There are few communities that can be driven to; most of them have to be flown into.

Make no mistake, school teachers, professionals and all the people who go to those communities and keep the north operating are the very people that the government wants in the north, regardless of which government it is, because that is how sovereignty is displayed in the north. Sovereignty is not displayed by icebreakers or submarines under the ice, but by people. Whether directly or indirectly, teachers, professionals, doctors and miners who come to live and work in the north will have to pay this themselves one way or another. It may be that the Territorial governments will hire them and pay the bills originally, but it will come out of the pockets of the teachers and the workers, and that is where it is supposed to come from. It is designed so that it will be the people of the north who will pay those taxes, not the governments of the north. Quite frankly, unlike in some other places, the government of the north are the people of the north, so it will work its way right back down to the people who will have to pick up the tab.

Senator Watt: The purchasing power of welfare recipients and pensioners in the north is almost nil even before the GST. Could you elaborate, Senator Lucier, on what that means to you as a Yukoner and also from having a certain amount of experience with what is happening in the Northwest Territories? Do you foresee this government increasing pension cheques and welfare cheques in order that these people can sustain their purchasing power? I know for a fact that today, because of transportation costs and the high cost of living, their purchasing power is almost nil, and this at a time before the GST. How do you foresee this matter being dealt with?

• (2110)

Senator Lucier: I know what the honourable senator is saying. I have spent a number of years in Whitehorse, including eight years on city council. I know that seniors in the north cannot be moved, even with dynamite. They have spent their lives there and they do not intend to leave. They do not want to go to Jamaica for the winter months. It is very difficult for those people to survive under present circumstances. Frankly, I do not think, when the government drew up the GST, that it purposely said, "Let's draw up our policy and let the chips fall