

I also have a question regarding the number of hours of daylight in Whitehorse and the high Arctic, from the beginning of September until about the middle of April. Many communities in the north, such as Resolute Bay and Pond Inlet, have no daylight for eight months of the year. You were discussing the cost of fuel and electricity. Could you discuss the effects of that?

I see my colleagues across the floor from places like Toronto. We do not live in an area like Toronto; we live in the high Arctic. Could you compare the effects of the problems I have just mentioned between here and the Arctic?

Senator Lucier: Thank you, senator. I appreciate the questions from Senator Adams because he, better than anyone else—even better than I—understands the problems that are faced by the people up north. It is hard to believe that those who draw up legislation would not take into account what Senator Adams has just described, that is, that there are areas where it never gets to be daylight for long periods of time. And then to stick a tax on electricity! How can you draw up a bill that puts a tax on electricity and then say that it is the same whether you live in Windsor where—

Senator Stewart: It's known as a level playing field!

Senator Lucier: —you get sixteen hours of daylight, or whether you live in the high Arctic where you get none and you obviously have to use six times as much electricity.

Senator Perrault: Only a Tory could come up with an idea like that!

Senator Lucier: With all due respect to the people who draw up the legislation, surely they are not always going to catch these things, but once we catch it here, how should we deal with it? What are we here for if it is not to deal with exactly that situation? What is the role of the Senate if it is not to inject some fairness once we find out where the unfairness is taking place?

As far as the freight cost that Senator Adams was asking about, that is what I was trying to discuss in the earlier part of my remarks. When you live in an area of Canada where it costs more to get supplies and costs more to do business, then your products are going to cost more. However, is that a reason for putting a higher tax on them? I would have thought it would be a reason to put a lower tax, or at least the same tax, on them and deal with the problem in some other way. How can you justify saying to somebody, "Gee, you live up there and it costs you a lot of money to live up there, but we are going to raise your taxes and we will be able to get more money out of you than people in the south"? Is that what being a Canadian is all about?

Senator Perrault: That is what being a Tory is all about!

Senator Lucier: I do not think that that is what being a Canadian is all about. Senator Adams will be saying more about freight and about other parts of the legislation as we go along, but I appreciate his questions on this particular section.

Hon. Sidney L. Buckwold: I have a question. Could you give us any figures, not just on the cost of the heating and

[Senator Adams.]

electricity and the length of the heating period, but on the general income status of the people who are affected? How many people are there in the Northwest Territories?

Senator Lucier: Sixty thousand.

Senator Buckwold: Could you give us some breakdown of their general income levels? I presume they would be very low in view of the fact that most of them are native and Inuit people with low incomes, but who require heating just as much as those who earn substantial incomes. Perhaps you could give us an incidence of the burden of that tax on the general population, keeping in mind that the tax credits are exactly the same in Toronto or in Inuvik.

• (2100)

Senator Lucier: Senator Buckwold, I cannot give you specific figures. However, the number one industry in the Yukon is mining. Senator Austin would have better figures on this than I do, but probably 40 per cent of the mining economy in the Yukon is from one mine. Since the number one industry is mining, if a person is employed in that mining town, he or she does earn a pretty good wage. However, the second industry in the Yukon is tourism. Dawson City lives on tourism. From October to June there are not many tourists around. It is very difficult for those people to earn a living during those months. Many people have to collect unemployment insurance over the winter. Even the ones who are employed very often earn a lower wage.

The tax credits are the same everywhere. Generally the cost of food and living is much higher, and that is accepted. People in the Yukon want to live there. They know it costs more to buy a head of lettuce in Whitehorse than it does in Vancouver, and it costs more in Dawson than it does in Whitehorse. The people accept that and are not asking for any favours on that basis. However, they are saying, "Don't make the situation worse than it is by taxation". Taxation should have the opposite effect. Taxation should not be implemented in such a manner that it is more expensive for the people who are making the least amount of money, and at the time of the year when they are making the least amount of money. The same month that the extra costs for heat and electricity kick in is when high unemployment takes place. The highest expenses come for people in Dawson City when they are least likely to be working, and already have enough things going against them.

Honourable senators, I want to say one more time that the people of the north are not cry-babies. They are not asking for anything extra. They are asking for fairness. I have discussed this with them on several occasions. I have been on open-line shows up there and all they are asking for is fairness. If you can find a way to make this tax fairer, you would be doing them a great favour.

Hon Willie Adams: Senator Buckwold, you were the chairman of the Senate committee studying the GST. School teachers and civil servants working in the north pay approximately 25 per cent of their salary on accommodation. Although the average salary is \$40,000 to \$50,000 a year, at