

Income Tax Act

government officials from Canberra. I do not know what his impression was, but he gave me to understand that he agreed it was a good idea. It is in my view, in any event. I think such a concession would have to be tied to the length of stay in the area. I do not think a person who lives in Vancouver and takes a job in the Yukon Territory or at Farrell Creek, say, for one week, then comes back to Vancouver should be eligible for the special tax rate. It could be tied to residence of half a year or some period that would make that person a bona fide resident of that area for the taxation year.

The minister is proposing that the tax rate for corporations in the manufacturing and processing industries be reduced to 40 per cent—at least that is what he was proposing last May; I do not know whether he is still proposing it.

Mr. Turner (Ottawa-Carleton): I am counting on your support on that.

Mr. Howard: I did not hear what the minister said.

An hon. Member: He is counting on your support.

Mr. Douglas: He is leaning on a broken reed.

Mr. Howard: I will tell the minister what I will do, Mr. Speaker, and I have learned how to say this from listening to cabinet ministers. Normally, I would not put it this way. If the minister will commit himself now to come into this House within the next couple of weeks—after Easter, even—with a bill which will recognize the need to have a lower tax rate for people living in northern areas, then I will commit myself to him that I will look at his proposal as to the 40 per cent.

Mr. Turner (Ottawa-Carleton): What a deal!

Mr. Howard: I will consider it.

Mr. Turner (Ottawa-Carleton): You will have to do better than that.

Mr. Howard: The minister laughs; he knows exactly what I mean because he uses that approach himself so often.

I do not want to be diverted too much from my original theme about the burden placed upon people in northern and rural areas through taxation. I want to relate that to the proposal for reducing corporation taxes to 40 per cent in the manufacturing and processing industries only. If the minister contends that the proposed reduction to 40 per cent for manufacturing industries is valid, and I do not think it is, then he is saying that he wants to give a special advantage to the urban areas again because that is where the predominant manufacturing and processing industries are. He shakes his head, but that is where they are.

Mr. Turner (Ottawa-Carleton): Look at the processing. I want to process these primary resources up in the north.

Mr. Howard: We know all about that. I will take the minister's word that he wants to do this in the northern areas. But if the principle is valid for corporations, and I do not think it is, then surely he would agree that it is

[Mr. Howard.]

valid to apply the same principle to human beings. Surely, he would apply it to people and agree to reduce their tax rate in those northern areas as well rather than just the tax rate of the so-called processing industry. We are not just talking about so-called manufacturing industries.

• (1500)

Mr. Turner (Ottawa-Carleton): The provision of jobs is what this is all about.

Mr. Howard: The minister talks about jobs. That is what he said on May 8 last year. His first words on that occasion were that the provision of jobs was his first priority. But he has yet to show me how fast write-offs for machinery can provide jobs. The more machines you employ, the fewer people you employ.

Mr. Turner (Ottawa-Carleton): In these days we are not introducing the cotton-gin.

Mr. Howard: The minister suggests that is not so. Obviously, he has information about the activities of the federal government. Computers were installed. They were to replace people. But now the government is employing more people than ever and is using the computers as well. This is the result of incompetence on the part of ministers; it is not the fault of the system itself.

What I am trying to get across, through you, Mr. Speaker, to the minister is that the tax rate applicable to the person who works at Keno Hill in the Yukon, or in the Queen Charlotte Islands in my riding, is exactly the same as that of the person who works in Ottawa, Montreal or Toronto. I say that such a tax system is inequitable because under it the advantage always goes to the person who lives in the larger centres close to existing facilities. It discriminates against the person who has children of university age and who may, therefore, have to move his family from The Pas, Flin Flon or the northern reaches of this nation to Vancouver, Toronto, Winnipeg or somewhere else where there are universities.

The system is discriminatory because from an aesthetic point of view the person concerned may prefer to live in the north where he has a good job with prospects of security and advancement. I know of such cases. A person may have to leave the community where these benefits are available to him, and live in a chicken coop in the city—the hon. member for Témiscamingue (Mr. Caouette) spoke about this—merely because the facilities are to be found in the city. We have argued the other way and said that facilities should be available in the northern areas. But they are not there now.

The only way to compensate for this situation is to introduce an equitable tax structure which recognizes that living costs for persons in rural areas or in the northern reaches of this land are higher than those of persons living in urban centres. This business of those who live in the north—although I do not live in the north, I do live in the mid-north of British Columbia—having to subsidize Canadians who live in other areas should cease and desist. The minister may not have a chance to bring in another budget, so he had better do this right now before he leaves his portfolio. Let him do it quickly. Why wait for spring, John; do it now!