

Adjournment Debate

was a public outrage. I remember that the Minister of Indian Affairs and Northern Development (Mr. Munro) was met at the airport and every place he went at that time by people carrying pickets when he tried to go back on the election promises that had been made earlier that year.

● (1820)

Earlier this year, the Minister of Finance (Mr. Lalonde) came up with a plan to phase out this remission order over a period of four years. That would have resulted in an additional tax of about \$2,500 per annum to someone with a reasonable salary, a miner or somebody working for territorial or municipal government. If that were to be made up to the employee by the employer at a marginal tax rate of 50 per cent, that would put a tax burden on the employer of \$5,000 per year. That is certainly not the way to create jobs in the north or anywhere else, Mr. Speaker.

Again there was a public outcry. Employers, employees, unions and members of political Parties, particularly the Progressive Conservative Party, spoke out forcefully. As a result of this, the Minister of Finance was obliged to back down, and on December 9 he issued a communiqué extending the present remission order. Unfortunately, Sir, it only amounts to a stay of execution but I suppose we must be thankful for small mercies.

This move is really just an election ploy. I only have to read the communiqué to discover that. This is presumably a government press release and not a Party press release but in it, the Minister expressed special thanks to his colleague, the Minister of Indian Affairs and Northern Development, for his contribution, and he, Sir, did nothing. He expressed thanks to certain of his Liberal parliamentary colleagues such as the Hon. Member for Nunatsiak (Mr. Itinuar) who did even less, the Hon. Member for Manicouagan (Mr. Maltais) who did do a little bit and the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) who was, when he was Minister of National Revenue, in a position to do something but did not.

Yesterday, the Hon. Member for Yukon (Mr. Nielsen) asked the Minister whether or not this order was extended only until the time of the next election. There was no reaction from that Minister but the Minister of Finance sat in his seat smiling. He knows full well that they have no intention of carrying this order past the time of the next election.

I asked two questions yesterday. First, I asked why the Department is nailing employees of small companies. Certain plans that have been established by smaller employers do not correspond to the strict technical details of the remission order. People from the Department of National Revenue have been looking into this and if they can find one "i" that is not dotted or one "t" that is not crossed, they have been nailing the employees of those small corporations instead of giving them the benefit of the doubt and interpreting the remission order in the spirit in which I would like to see it interpreted. They have gone by the strict technicalities and reassessed people sometimes two or three years back and sent them bills for consider-

able amounts of taxes that they consider to be owing. That is not a fair way to deal with this issue.

My second question dealt with the formation under yesterday's announcement of classes of taxpayers, such as those who had plans in effect before November 13, 1981; those who have plans that were brought into effect after that date, and those with no plans at all. I received no answer to my question. The Minister of National Revenue (Mr. Bussi eres) did not even try to answer that question. I think it is wrong, unfair and inequitable to create certain different classes of taxpayers in this way.

I should point out that when I received this press release, I phoned the contact person who was listed at the back and asked if I could have a copy of the remission order or a new remission order to see how this would be enforced. That person knew practically nothing about it. I suspect that this is something that was done by the Minister for political reasons without any consultation with his departmental officials.

● (1825)

I continue to call for a permanent solution to the problem of northern taxation. We must amend the Income Tax Act; we should not have year to year remission orders that can disappear at any time. I should like to see the Oberle report and the Bird report of the Government of the Northwest Territories implemented.

I was very pleased when just a week ago in Whitehorse the new Leader of the Opposition (Mr. Mulroney) stated that it was the intention of the Progressive Conservative Party to fully address this issue during its first budget in its first term of office.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it might be helpful to remind Hon. Members that the Income Tax Act requires that the value of non-salary benefits defined in a very general sense be added to taxable income just as if they were salary. To quote in part, it says one has to include in income the value of "board, lodging and other benefits of any kind whatever", and then goes on to make certain specific exceptions to this very sweeping rule, none of which are germane to the issue at hand.

Many employers throughout the country provide non-salary benefits of a wide variety, some trifling in amount, some very significant. Among the most significant non-salary benefits are those paid by certain employers to their employees located in the more remote regions of Canada. Though these benefits are clearly taxable under the law, it was found by Revenue Canada that they were often not being reported by employers and that, therefore, the legally required tax was often not being paid.

However, the Government has recognized that it would create some difficulty for employees in the North who have