

now being flattened by Eldorado Nuclear Limited. This morning the Solicitor General (Mr. Kaplan) told me that they had given some thought to opening up a penal colony in Uranium City. That was one of the options for a city which at one time was thriving and vibrant.

If I speak with some emotion about the treatment which has been afforded and about the lack of attention given the people of Uranium City who are proud, hard-working, contributing members of society, you will pardon me, Mr. Speaker. I think it is fair to ask for a better response than the one I received, the no response of the Government which indicated that somehow someone in the Senate had some responsibility for the matter. They were not prepared to give an undertaking for immediate action to reopen this file or to give some fair and equitable treatment to people who, by virtue of a heartless and deceptive decision by Eldorado Nuclear Limited, have suffered a very serious wrench in their lives and have lost their life savings.

In conclusion, the people of Uranium City had been led to believe that they were employees of that Crown corporation and that the mine would flourish for a period of possibly 10, 15, or 25 years. A matter of a few months before the announcement was made, approximately two years ago, I spoke with the former mayor of Uranium City. She indicated that she had been assured by the officials of Eldorado Nuclear Limited that the mine in fact had a long potential and would be carrying on in that community for 15 or 20 years. She now resides in the City of Saskatoon with her husband. It is indicative of the situation with which many people in Uranium City are faced. I simply ask the Parliamentary Secretary to give me the assurance tonight that some action will be taken on the part of the federal Government to pay some reasonable compensation as was requested and recommended by the task force.

● (1815)

**Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue):** Mr. Speaker, in reply to the Hon. Member for Saskatoon West (Mr. Hnatyshyn), I would like to outline for the House some of the aid which has been provided to the people of Uranium City. First I would like to point out that he is wrong in his suggestion that the 1981 announcement of the Beaverlodge mine closing was heartless and deceptive. Eldorado Nuclear Limited, a federal Crown corporation, announced in December, 1981 that it would close the mine in June, 1982, giving a full seven months' notice to its employees and to the community, I suggest that few employees or officials of any town received that much notice of an industrial or mine closing.

I reject the suggestion of the Hon. Member that the federal Government shut down Uranium City. The town was formed by the Province of Saskatchewan in 1953 as the service centre for 12 mines operating in the area. The town is still in existence and is within the jurisdiction of the provincial government. The federal Government has not, nor could it, shut down Uranium City.

### *Adjournment Debate*

Let me deal for a few moments with the assistance that has been provided to the people of Uranium City. I should note that the Hon. Member makes a distinction between the people of the town and the employees of Eldorado. However, the Eldorado workers and their families made up approximately 80 per cent of the town's population.

The assistance that has been provided includes the following: Eldorado paid its workers some \$6 million in early retirement benefits and severance pay, which included four weeks for the first full year of service and two weeks' pay for each additional year. Workers and their families received more than \$2 million in relocation assistance from Eldorado and the federal Government. The federal Government initiated its job-search program. Eldorado continued to pay 87 per cent of the town's total municipal taxes for a year after the closing. The company wrote off \$700,000 in Uranium City debentures. Eldorado provided a grant of \$500,000 to assist non-Eldorado residents of Uranium City to re-establish themselves in other communities. This program, which was administered by an independent committee in the town, aided 102 families.

The assistance provided to the people of Uranium City goes far beyond what was legally required. Faced with the inevitable decision that the mine was no longer economical and had to close, every effort was made by the company and the Government to ensure that the decision was carried out in a fair and equitable manner.

### NATIONAL REVENUE—NORTHERN BENEFITS—CLASSIFICATION OF TAXPAYERS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, my presentation tonight deals with the subject of northern taxation. It is a subject that we on this side consider to be very important. We certainly do not treat it in the light and flippant manner that gentlemen opposite do.

To set the stage, I will briefly review the problem. Costs of living in the north can be anywhere between 30 per cent and 130 per cent higher than in southern Canada. The dollar in effect is worth 70 cents, 50 cents and in certain locations even less. Therefore, compensation by way of wages, salaries and other benefits has to be greater than in the south if northerners are to have the same standard of living. Unfortunately, because of the progressive nature of the Canadian income tax system, this results in northerners paying a higher rate of income tax than do southern Canadians.

Over a period of years, a system was developed in the north that gave people certain benefits, particularly housing allowances and vacation travel allowances. Until 1978, these were generally not taxed, although, according to the strict interpretation of the Income Tax Act, they should have been. It was in that year that the Liberal Government of the day first tried to nail northerners on these so-called benefits that really only helped to make their standard of living roughly similar to that of southern Canadians. A public outrage resulted in the 1980 remission order. I think that is the year the first remission order was passed by the Governor in Council. There certainly