

Adjournment Debate

northern residents' tax deduction. This question arises from my dissatisfaction with the response given to me by the Hon. Minister of Finance (Mr. Wilson) on March 4.

In his response to repeated questions concerning the tax deduction eligibility criteria for the northern residents' tax allowance, the Minister of Finance has only said that there will be a commission established and, frankly, that is not an answer that I or my constituents can be satisfied with.

As a result of regulations which have been introduced, the situation in my own riding—and I use it as an example, of course, because it is nearest and dearest to my heart—is that it has become absolutely checkerboarded by the application of 14 pages of regulations that were passed, apparently without any analysis having been done as to the relationship between the text of the regulations and the reality of the divisions created when those regulations were superimposed upon the map of northwestern Ontario. For example, there is a certain road in the Town of Fort Frances, and the people who live on one side of this road qualify for the northern residents' tax allowance while the people who live on the other side of this road and are within the town boundary do not qualify.

The point that I want to expand on more for the benefit of the Minister and the Parliamentary Secretary is that this leads to a distortion of the economics of the whole area. Even if the Government felt that it could set aside the issue of fairness and equity between people living on one side of the street and people living on the other side of the street, it surely could not set aside the question of the economic effects on the Town of Fort Frances of this situation.

Essentially, a family in the highest tax bracket will be offered a premium of something in the order of \$50 per week to move out of Fort Frances into one of the neighbouring eligible townships. In the case I already mentioned, that family would sell its house on one side of the road and move to a house on the other side of the road where they would be \$50-per-week better off by way of the tax allowance because of the way in which these regulations were written and the way in which they have been applied without any reference to the geographic, socio-economic or resource realities of northwestern Ontario.

• (1735)

I have another couple of reasons why a definite reply is required. I think we had a fairly good reply from the Minister but I would like to hear from the Government about retroactivity. If it is decided that communities should qualify, will it be retroactive to the start of the northern resident tax allowance? Another thing which caused me dissatisfaction was that the Hon. Minister said the commission to review the application of the allowance would be set up soon. My constituents would certainly want to know when. It is now over a month since the Minister said it would be "soon".

This issue has brought people together in my riding more than any other issue, certainly while I have been their representative. Many people have written more than one letter on this issue to me and the Minister. Very often we are talking about handwritten or typed original letters. Something over 2,000 people in the riding have signed petitions to the effect that they feel all northerners should be treated equally. Many have written outlining the particular peculiarities which have occurred in their own area. For instance, Mr. Murray Kelso of Fort Frances, in his second letter to me on this topic, and I know there will be more if the Minister does not respond, talks about a small town, a Mine Centre 35 miles east of Fort Frances which is not listed to receive the deduction.

A few miles further east is an even smaller community, Creilly which is on the list. A few miles further east of there is another very small community, Flanders, which is not on the list. There seems to be not only no rhyme nor reason in the imposition of this 14-page text on the realities of geography and economics, there also appears to have been errors made in the interpretation of the 14 pages of regulations.

The bottom line is, as my correspondent says: "I don't mind paying taxes but why as a pensioner should I pay much more than a working man in the paper mill who has the good fortune to select a residence west of the community of Fort Frances?"

The people in my riding would like to hear from the Parliamentary Secretary a commitment to fairness, an idea when the question will be decided, and some indication that the Minister is prepared to meet with municipal leaders who have requested a meeting with him on this question.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, this Government is committed to implement a fair and logical tax system in the case of people living in northern and isolated communities. Our eligibility criteria in that respect are basically the same as those which applied to the old remission orders and are in line with Treasury Board instructions concerning federal civil service eligibility for this benefit.

In addition to being readily identified with the concept of isolation, these criteria are based on such factors as population, remoteness from major urban centres, access to roads, as well as climatic and geographical conditions. They make it possible to determine whether a community can fund its own health, education, entertainment and retail sale facilities, or whether local residents must cover great distances to have access to them.

It has been suggested that all Tier 3 regions as defined by the Department of Regional Industrial Expansion be eligible for isolated community benefits. This is unacceptable because a number of major Canadian centres would then become eligible—including one with 100,000 residents. Most of the criteria applicable to the tier system are based on employment