

*Oral Questions*

with the U.S. government to the final phase of the Garrison diversion project, can the minister tell the House whether he has received official assurances that the project is unlikely to be completed?

**Hon. Mark MacGuigan (Secretary of State for External Affairs):** Madam Speaker, the assurances that we have received have not been as to whether the project will go ahead, but that the money which has been voted by Congress this year will not be spent on any aspect of it which will affect Canada injuriously.

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**ECONOMIC SUMMIT**

## LOCATION OF 1981 CONFERENCE

**Mr. J. M. Forrestall (Dartmouth-Halifax East):** Madam Speaker, I have a question for the Prime Minister. Canada will host the 1981 summit conference. He did not bother to address us when he came back from the last one. Can the Prime Minister indicate why only Montreal and Vancouver are being considered as a site for that conference? Will he give some consideration, as the previous government did, to recognizing that there are other parts of Canada, including Atlantic Canada? The city of Halifax would make an excellent site.

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, it is news to me that Montreal and Vancouver are being considered in any specific way. I believe that various sites are being looked at. Consultations will then have to take place with the other participants in the summit as to the type of locale we would want to propose.

**Mr. Forrestall:** Obviously the Prime Minister is not interested in the location of the summit. I would direct a more specific question to the Secretary of State for External Affairs. Is there a short list of locations for the economic summit? If so, will he give us an indication of what that list is? At the same time, will he tell us whether this government is prepared to recognize that Atlantic Canada exists by considering the city of Halifax, with all of its amenities, for the site of the 1981 summit?

**Hon. Mark MacGuigan (Secretary of State for External Affairs):** Madam Speaker, not only does this government recognize that Atlantic Canada exists, but the people of Atlantic Canada recognize that this government exists, as evidenced by the number of Liberal members here.

**Some hon. Members:** Hear, hear!

**Mr. MacGuigan:** There is not yet a short list. We are at a more preliminary stage. I understand that the provinces of Quebec and British Columbia have suggested to the federal government that they each would like to host the summit. Our consideration is not limited to those provinces; we are looking at the whole country.

**INCOME TAX ACT**

## GREATER DEGREE OF EQUITY AND FAIRNESS TO NORTHERN RESIDENTS

**Mr. F. Oberle (Prince George-Peace River):** Madam Speaker, my question is addressed to the Minister of Finance whom we welcome back to the House. We all join in wishing him a complete recovery.

**Some hon. Members:** Hear, hear!

**Mr. Oberle:** I wish to ask him a question with regard to a commitment made by the Prime Minister in the Speech from the Throne, namely to make certain fundamental changes to the Income Tax Act in conjunction with certain principles of equity and fairness. Is it the minister's intention, in the preparation of a budget and preparing the changes to the Income Tax Act, to take into account the discriminating aspects of the Income Tax Act as it applies to northern residents? Are there any changes that would establish a two or three tier tax system similar to that in Australia to help northerners achieve a greater degree of equity and fairness?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I would like to thank the hon. member for his words of welcome on my return to the House and to tell him that I find the House easier to bear when I am here rather than when I am away.

**Mr. Nowlan:** For us it is just the reverse.

**Mr. MacEachen:** I want to tell the hon. member that this very morning I had a discussion with the Minister of National Revenue on the subject of taxation of northern benefits. We both agreed that it was a matter that ought to be discussed before the preparation of a budget. I am glad to know the hon. member shares that opinion.

**Mr. Oberle:** Madam Speaker, my question relates to a more universal approach than simply compensation for federal public servants and an elite group of northerners who happen to work for large corporations. Will the government consider a more universal approach which takes into account a section of the Income Tax Act that requires the levy of income tax in accordance with one's ability to pay? In other words, is the government considering a more universal approach which would give certain concessions to northerners on a more universal basis, not just to an elite group of northerners?

**Mr. MacEachen:** Madam Speaker, if the hon. member means by a "universal approach" that we ought to take into account all the broad factors relating to income, then that is the intention of the government.