

was tabled in the House of Commons on April 7, 1982, seven months and one day ago, but so far there has been no response to this report from the Minister. When will he implement the recommendations contained in the Penner Report?

**Hon. John C. Munro (Minister of Indian Affairs and Northern Development):** Madam Speaker, since that time there has been an urgent request from northerners for the Government to forgo a good deal of expenditures through the tax system, and to extend northern benefits. At considerable cost, and to the entire satisfaction of all northerners, that is exactly what the Government did. That is a high expenditure item and, as you know, other items in the Penner Report also involve millions of dollars. They have to be considered in terms of their over-all cost, in view of our financial situation. This is especially so in view of the fact that the Official Opposition keeps talking about our horrendous deficit. Their position should be consistent, also.

More specifically, the Penner Report is being considered within the Department by the Energy Task Force in which territorial officials are involved. I hope to put that before my Cabinet colleagues for consideration some time prior to the end of the year.

**Mr. Nickerson:** Madam Speaker, you ask a question on the Northern Canada Power Commission and get an answer pertaining to the remission order on northern taxation. But I thank the Minister for that information anyway.

#### COMMISSION DEBT

**Mr. Dave Nickerson (Western Arctic):** The Minister will know that about one-third of the power cost in the Yukon and Northwest Territories is due to the amortization of about \$200 million in debt that has built up over a period of years. Much of this debt is due to previous mismanagement. One of the recommendations of the Penner Report was to liquidate this debt. Will the Minister take to Cabinet the recommendation that that outstanding debt be liquidated so that power costs can be brought down by some 30 per cent?

**Hon. John C. Munro (Minister of Indian Affairs and Northern Development):** Obviously, Madam Speaker, that is one of the key elements of the Penner recommendations, so we would have to give consideration to it. The Hon. Member should keep in mind that it is an additional expenditure at the time when, as Minister, I am trying to find money for many additional expenditures, whether it be for Cyprus-Anvil in the Yukon, or infrastructure throughout the Territories. It means a loss of \$17 or \$18 million in interest payments per year to the Government. That is what we have to look at, and certainly we will be looking at that very thing.

#### Oral Questions

#### FINANCE

#### IMPACT OF MARINE FUEL TAX

**Mr. J. M. Forrestall (Dartmouth-Halifax East):** Madam Speaker, I have a question for the Minister of Finance, and I am pleased that the Minister of Transport is also in his seat.

In light of the charges made yesterday and today by Admiral Timbrell, president of Dominion Marine Association, with respect to the economic impact of the discriminatory marine fuel tax, will the Minister take an early opportunity to meet with the President of DMA and his officials for the purpose of discussing in detail the economic impact and effect of this continuation of a discriminatory tax?

**Hon. Marc Lalonde (Minister of Finance):** First of all, Madam Speaker, I should like to challenge the assertion made by the Hon. Member that the tax is discriminatory; it is not discriminatory at all. It is the same tax that is applied to Canadians and American lake ships when they are engaged in international trade. Both are required to pay the international price for the oil they use for their transportation. This tax has no discriminatory element at all.

As far as the suggestion made by the Hon. Member I receive representations on the subject is concerned, I have indicated in the House before that I am open to representations on any particular subject having to do with taxation. If Dominion Marine Association has representations to make, it can make them to me. I will be happy to look at the representations.

**Mr. Forrestall:** Madam Speaker, the Minister invites comments. Of course he will be aware that this fuel tax with respect to international aviation flights has not only been removed but that rebates have been made to that industry, while they have not been made to the marine industry.

#### REQUEST THAT GOVERNMENT REVIEW TAX

**Mr. J. M. Forrestall (Dartmouth-Halifax East):** Madam Speaker, I put the question to the Minister again and ask whether he is prepared even to entertain the possibility of a review of this matter. It has cost not only the Great Lakes Seaway, but the St. Lawrence system, a significant amount of money this year and, as well, has probably cost hundreds and hundreds of Canadian seamen their jobs.

**Hon. Marc Lalonde (Minister of Finance):** First of all, Madam Speaker, I should like to remind the Hon. Member that since February the tax on aviation fuel has been transformed to a new form of taxation. That tax applies to all aircraft flying on international flights.

Second, there is no competition for the transportation of wheat, iron ore, or coal between aircraft and ships. I have not heard from the airline industry that there was any problem of unfair competition in that regard.

Third, I fail to see how the tax could have caused the loss of jobs when, in effect, it applies in exactly the same way to