

long-term, net effect on consumer spending power is almost impossible to predict.

12. The Liberal Party cannot accept the government prediction that the tourism industry will prosper as a result of introducing the GST. Tourism is a very valuable contributor to our economy and an important tool of regional development. We simply cannot afford to see it suffer because of the GST.

13. Housing costs will be negatively impacted by the GST and will not be completely offset by credits issued to homebuilders. If the cost of constructing housing increases, so should the cost of renting housing. This will probably have the gravest impact on low income earners, those who can least afford it.

14. According to government, one of the major drawbacks of the FST is that it isn't visible to the consumer. The Liberal Party is far from satisfied that the GST will be any different. A number of witnesses, from small business interests to the Fraser Institute, said it would be very difficult to maintain the visibility of the GST in the long-term. Over time the GST may very well become incorporated into the pricing structure for retailers and become as invisible as the FST is now.

15. The Liberal Party cannot concur with the government's wish to pressure the Senate into passing Bill C-62, the GST legislation. The Senate of Canada has a constitutional role to fulfill and this includes listening to the concerns of citizens. With 80 per cent of Canadians opposed to the GST, these concerns are very real and deserve a fair hearing.

16. The GST Credit must be fully indexed to the inflation rate. As the National Council of Welfare said, the poorest people in our society are going to be the only ones who will see an automatic increase in the amount of GST they pay each year, regardless of its actual rate. This is totally unacceptable to the Liberal Party. Even opponents of Cost of Living Allowance Clauses must concede that low-income Canadians are not the cause of inflationary pressures.