

*Oral Questions*

[English]

**Hon. Paul Dick (Minister of Supply and Services):** Mr. Speaker, I can assure the hon. member that the Ministry of Supply and Services regularly checks the security of the computers. He should also be assured that it is only very low level intelligence that is in any of those computers because it is kept in our own secure places rather than contracting it out.

[Translation]

**Mr. Mark Assad (Gatineau—La Lièvre):** Having read the Auditor General's report, Mr. Speaker, I just cannot believe the Minister's reply. It's a fact, there was carelessness. When are you going to correct this situation in order to safeguard the confidentiality of computer information involving with thousands of Canadians? Is the Auditor General's report completely wrong?

[English]

**Hon. Paul Dick (Minister of Supply and Services):** Mr. Speaker, all of the extremely important information which we have is kept on our own computers. The material that is contracted out is of a lower level of security. I want to tell the hon. member that every area that is contracted out to is regularly inspected for security and this has been the case for the last five years.

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## TRADE

**Mr. Jerry Pickard (Essex—Kent):** Mr. Speaker, my question was to the Minister of Finance but since he is not here I will direct it to the junior Minister of Finance.

The reason Canadians from border communities are shopping in the United States is a matter of cost. The GST will add to that problem by removing a 13.5 per cent tax on manufactured goods and replacing it with a 7 per cent tax, a 6.5 per cent tax benefit to cross border shoppers.

Does the minister realize what that cost is in terms of Canadian business? Will the minister save hundreds of border community businesses and get rid of the GST?

**Hon. Gilles Loïselle (President of the Treasury Board and Minister of State (Finance)):** Mr. Speaker, there are always border problems in a country like Canada which has such an extensive border between the two countries.

The GST will improve the situation of Canadian businesses and their competition with the United States. He himself admits it will improve their competition capacity with the Americans.

**Mr. Jerry Pickard (Essex—Kent):** Mr. Speaker, the junior minister should be aware that \$2 billion—

**Some hon. members:** Order.

**Mr. Speaker:** I think that we should exercise proper and polite reference to each other. I know the hon. member would want to agree with me on that.

**Mr. Pickard:** Mr. Speaker, I am sorry. I was following the Minister of Finance's lead to our critic.

**Mr. Speaker:** Perhaps the hon. member can set a great example for everybody.

**Mr. Pickard:** Mr. Speaker, the minister should be aware that \$2 billion will leave Canada to the U.S. in business. In Windsor and Essex county, \$1.5 million per week goes into U.S. business. This is no small leak, it is a major flood and a loss of tremendous dollars to merchants at the border. Now that the minister knows the impact and how the GST will devastate border towns, will he remove the GST?

• (1450)

**Hon. Otto Jelinek (Minister of National Revenue):** Mr. Speaker, the hon. member just does not seem to be making any sense. If he had done his research he would know that the rates will be reduced on Canadian manufactured products from 13.5 per cent to 7 per cent. He should know that it is going to make the product cheaper to the consumer. The savings will then be passed on to the consumer.

He would also know that the GST will create \$9 billion of new economic activity and make Canadian businesses and manufacturers more competitive. He would also know that there are many other reasons why Canadians shop in the United States at this time. It is not because of our high dollar.