

*Government Orders*

up and saying that they are going to vote in favour of this piece of nonsense.

I think that both represent an attempt to hoodwink the Canadian population with respect to this piece of legislation. More important, both seem to be supporting what is in effect a sugar coating of a very bad tax, the goods and services tax, which should be eliminated in this country, not used to exercise as some kind of pretence as a solution to the deficit.

The goods and services tax has been a disaster for people across this country. The vice-president of the Toronto-Dominion Bank, who is not exactly a socialist or a supporter of the New Democratic Party, has said: "The GST is an albatross around the neck of the Canadian economy".

The Canadian Federation of Independent Business, which again is not exactly a group which sends in thousands of dollars to the New Democratic Party, has said, and I quote from their study of cross-border shopping with respect to Quebec "The introduction of the GST, has meant that the Canadian tax system penalizes small firms much more heavily than it does larger firms".

We are talking about a tax which has pushed people outside of this country, increasingly and in damaging numbers for our economy, to make their purchases in the United States.

The Minister of National Revenue got up today to try to suggest that cross-border shopping was not something that was increasing as a result of the GST, because the numbers of trips had not increased as significantly this year as they had increased in previous years.

What he did not mention was how much money was being spent by people on these trips that are taking place. Using the figures provided by Statistics Canada for 1990 and comparing them with the figures for 1991, for the first six months of each year in each case, it will be found that the amount of money being spent by people making auto trips across the border has increased by 57 per cent. That tells me that the GST has done precisely what we predicted it would do. It has forced Canadians, especially in border communities, to look at their budget situation, which is especially serious for them in the middle of a recession. It has forced those people to make the

decision, because of the GST, to cross the border and to increase their shopping, as these figures show, by 57 per cent.

• (1730)

Now anybody could have predicted it. You cannot introduce a tax on retail purchases and retail services in Canada when no such tax exists in the United States and not expect people to react to the market differential that is created.

The government establishes a situation that it says it can defend because virtually every country in Europe has a GST. It is right. And virtually every country in Europe is beside another country in Europe which has a GST so there is no market differential that pushes people from one side to the other side of a border.

But if we create here in Canada an effective rate of taxation, as is the case in our community of Windsor, of 15 per cent for consumers on goods and services and the sales tax in Michigan is 4 per cent, you do not have to be a rocket scientist to recognize that people will cross the border in search of bargains.

The further proof of this is the retail outlets. Services in my community and in communities across this country close to the border have now started to advertise with new approaches. They have said to their customers: "We will pay the GST." They have advertised that in newspapers, on television and radio, and the consequence has been to attract customers back.

I meet the constituents that I represent coming back from shopping trips to the United States and they tell me: "Steven, we would like to be able to shop here in Canada, but we have got kids." The unemployment rate in the Windsor area is 13.9 per cent. These people have got to get their kids ready for school. There never used to be any tax on clothing in Canada, no retail sales tax of any kind in Ontario. Now, with the GST, there is such a tax so they go to the United States. They do so directly as a tax revolt against this government, as a tax revolt against an unfair tax, a tax which cannot be justified in economic logic, which cannot be justified in terms of any solution to the economy itself, which cannot be justified in terms of fairness because what we have seen happen under this government is a whole set of tax breaks to upper income people, to large corporations and a whole