

Adjournment Debate

I believe this is a very commendable effort that contradicts the data provided by the hon. member for Trinity—Spadina.

[English]

CROSS-BORDER SHOPPING

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, in my question to the Minister of National Revenue on September 18 I tried to inform the minister about the impact cross-border shopping is having on Canadian border communities and on Canada's over-all economy.

The number of Canadians who shop in the U.S. is staggering. In the first nine months of this year 45.4 million same day trips were made to the U.S. This represents a 15 per cent increase over the same period last year.

While statistics for the month of September indicated a reduction in these trips, most observers attribute the decline to slowdowns at border points brought about by the Public Service strike. Nonetheless the numbers are high and so is the economic damage.

Cross-border shopping has reached a state where billions of dollars are being lost and Canada's over-all economy is feeling the impact.

Local businesses and municipal governments in border communities across Canada have taken a number of initiatives to reduce cross-border shopping. As an example, in my riding of Stormont—Dundas a retailer in the village of Winchester asks his customers to retain their sales receipts so that they can obtain discounts on future purchases. In the city of Cornwall a local grocery store offers very competitive prices on milk and bread. These two items are used as drawing cards by neighbouring U.S. grocery stores to attract Canadian food shoppers.

The Cornwall Chamber of Commerce business council has also created a customer service excellence awards campaign and a fair exchange program. The customer service award focuses on improving the calibre of service to customers. The fair exchange program assures U.S.

customers that they will receive a fair currency exchange rate when they shop in Cornwall.

The council has also conducted a survey to examine consumer purchasing patterns. It looks at the perceptions Canadian consumers have on shopping in Canadian stores, the prices being charged and the reasons why they shop in the U.S.

Local governments, in conjunction with business, labour and consumer groups are not giving in to cross-border shopping. They are trying to do something about the problem and I commend them on their efforts.

However I believe the federal government must assume its responsibility to do its share. The government should implement effective programs to curb the consumer migration south. I believe the government should undertake an immediate public education campaign to inform Canadians of the damage cross-border shopping is having on our country.

The government must take full advantage of its membership on the national task force on cross-border shopping to work with border communities, business, labour and consumer groups to devise a comprehensive strategy that will achieve results. The groups and individuals I have mentioned cannot do it all by themselves. The federal government must show leadership and take the necessary measures needed to combat cross-border shopping.

Some view cross-border shopping as a form of tax revolt by Canadians fed up with the goods and services tax. As well, in border communities the lure of cheaper gas due to lower U.S. taxes on gasoline brings Canadians across the border.

In my riding there is also the compounded problem of considerably cheaper gasoline being available on the New York side of the Akwesasne Indian reserve. I might add that we are speaking about \$1 U.S. per U.S. gallon.

My colleague, the member for Sarnia—Lambton, has put forward a proposal suggesting a border community gasoline tax benefit. I urge the government to give this proposal serious consideration.