

In the 50s, the Carter Commission on Taxation looked at the MST - and didn't like it.

John Turner, as Minister of Finance, put in place a Commission on Taxation which looked at the MST - and didn't like it.

They didn't like it because it's a hidden tax on Canadian exports. They didn't like it because it's a tax which subsidizes foreign industry trying to compete against Canadians in Canada. They didn't like it because it is a tax full of loopholes which cause you, and cause me to pay higher taxes elsewhere.

No one liked the tax - but until now no one has had the courage to change it.

Alberta is among the provinces hurt most by this existing sales tax we want to change. Let me give you three examples.

The first concerns our exports. Alberta exporters - of hightech products, of oil and gas, of canola - pay, on average, a one per cent federal sales tax on their exports abroad. They pay this tax for the purchase of products necessary to run their businesses:

- a wheat farmer in Peace River pays 13.5 per cent sales tax on his pick-up truck;
- Canadian Hunter, Alberta Natural Gas, Bow Valley Resources, Nova Corporation - indeed all oil and gas companies - pay a 13.5 per cent tax on the pipeline, fuel and smaller trucks they buy to get their gas to the market;
- Novatel - and every other Alberta hightech company - pays a 13.5 per cent tax on every computer, desk and filing cabinet they buy to make their business work.

The scandal here is that their competitors in Japan, in Europe and in the United States pay no such tax. In every other modern industrialized economy - 48 others to be exact - their governments have figured out that it is insane to punish their producers before they even get to the market.

This is not the end of it. The Manufacturers Sales Tax not only punishes our exporters seeking to sell abroad. It also rewards foreign companies seeking to sell in Canada. Let's look at Novatel again. Not only do they pay a 13.5 per cent tax on the cost of equipment necessary to run their business. They also pay a 13.5 per cent tax on the cost of marketing and distributing their goods.