

Manufacturers chief says

GST should be 7 per cent

By DONNA KELL
the Herald

The federal Goods and Services Tax should be implemented in 1991 at seven per cent to allow Canadian goods to compete with imported goods, Canadian Manufacturers Association president Laurent Thibault says.

Mr. Thibault, a Georgetown resident, was guest speaker at the Halton Hills Chamber of Commerce dinner held at the North Halton Golf and Country Club Wednesday night.

The CMA president said Canada's manufacturers can't compete with imported goods in the present system where the manufacturer's tax is levied before goods are advertised and distributed.

The 13.5 per cent manufacturer's sales tax levied on about 40 per cent of manufactured goods pushes the price of domestic goods up "one-third" more than imported goods, Mr. Thibault said.

"For that reason, many imported goods actually bear a lower price than domestic goods.

"We would like to see this (goods and services) tax go through in a way that is acceptable," he said,

referring to Mississauga South MP Don Blenkarn's recommendation for a seven per cent GST rate.

Mr. Blenkarn is chairman of the House of Commons standing committee on finance and is filing a report with the federal parliament, recommending a seven per cent GST rate.

A cross-section of the Halton Hills business sector attending the chamber dinner agreed that the GST should be applied at seven per cent.

The Halton Hills Chamber of Commerce supports that rate, member Barry Dunlop said.

"I'm saying that the position the local chamber is taking is the correct one. The tax (rate) should be lower."

Halton North Liberak MPP Walt Elliot said after the chamber dinner a lower GST "could be considered as a package" by the provincial government.

The MPP said the GST is more "visible" than the hidden manufacturer's sales tax now in effect in Canada, but he said he cannot "justify double taxation."

"We are the only country who would have tax on tax collected," he said. With a nine-per-cent GST,

the tax an Ontario consumer would pay in the stores would be 17 per cent, Mr. Elliot said.

But the new tax system to be introduced in Canada in 1991 would hurt the retailer at seven or nine per cent, local Canadian Tire franchise owner and former Georgetown Chamber of Commerce president Murray Lawton said.

"Nobody's talked about the poor little retail community and how they're going to collect (the tax)." He said in his Guelph Street Canadian Tire store, he will pay \$60,000 for cash registers to handle the GST. "Somewhere along the line we retailers are going to have to find the money for that," he said.

The CMA president said there are negative points to the GST that he says will cause a two-per-cent increase in the inflation rate. This will trigger a chain reaction where unions will ask for increased employee wages, he said.

He said a 6.5 per cent GST would replace lost revenue from the present manufacturer's tax, but "one way or another you're going to have to make some very tough choices if you want to get that rate down."



101 units of blood

Robert Girwood, 52, donated blood for the 101st time at a blood donor clinic at Holy Cross Church this month. Volunteers Karen Burke (left) and Monica Blaszkowski were on hand to present Mr. Girwood with an award. (Herald photo)

Tax could 'wreak havoc'

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taxes resale houses," Mr. Turner said.

He acknowledged the nine per cent tax is "unpopular" and added he is sending out "hundreds of letters a week" discussing the tax.

Mr. Turner admitted that some extraordinary measures are needed to curb the national debt, which gathers an extra \$30 billion each year.

He sees the GST as a means of lowering the deficit. Measures such as a proposed tax credit to families with incomes of less than \$30,000 a year would likely be a

one-year move to sell the GST, said Mr. Turner.

Extra money gathered from the proposed GST - about \$6 billion the first year - would likely go to lowering the deficit in succeeding years, he said.

"The deficit's the problem and the GST is going to be the (partial) solution."

Cuts in government spending will also contribute to lowering the annual deficit, said Mr. Turner. He said he has submitted a proposal to cut \$400 million in federal government spending to Deputy Prime Minister Don Mazankowski but he has not yet received a response.

9% GST

Tax could close bowling alley

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"We can't charge Cadillac prices like you can for golfing and cycling."

The Acton Bowling Lanes, a smaller facility than Georgetown Bowl, would keep its six lanes open but business would suffer with the GST, manager Cathie Ahearn says.

"If they tax bowling some of the seniors may not be able to bowl." She said low-income people use bowling as their "social and recreational" activity.

Games in Acton cost \$1.85 for adults and bowling shoes rentals are 75 cents for adults.

Low income families "don't have a whole lot else to do," the Acton bowl manager said.

But more than something to do,

bowling is a tradition in Halton Hills, as it is in many towns, the bowling alleys' owners say.

"We have third and fourth generation families bowling now. They would be heartbroken if we had to close down the facility," Mrs. Radyk said.

Georgetown and Acton bowling alleys joined the Bowling Proprietors Society of Canada in lobbying the federal government to lower the GST. The BPAC appeared in front of the federal parliament on Friday.

Mrs. Radyk said her husband Bill and her brother Peter would consider staying open if the GST is approved by the federal government at a rate lower than nine per cent.

"I'd hate to have to close the

place down. We have bowlers that are 90 years old," Mrs. Radyk said.

"It's a place for people to meet and get together. If the price gets any higher, they're not going to be able to do that."

Two-car collision

A charge of failing to stop was laid following an accident at Market Street and Park Avenue in Georgetown at 12:30 p.m. Nov. 23. Police say a 1983 Plymouth, driven by a 63-year-old Georgetown man, was southbound on Market Street when it was struck by an eastbound 1987 Ford, driven by a 62-year-old Georgetown woman. Both cars received moderate damage.

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