

Opinion

The fast track to bankruptcy

By TERRY O'SHAUGHNESSY

Canadian border retailers must be thinking that 1991 is the year the federal government decided to put them out of business once and for all.

On the first day of the new year, the much-maligned Goods and Services Tax (GST) came into effect and virtually demolished what remaining vestiges of consumer activity were left in the Canadian economy. A scant three months later a federal trial balloon was unveiled that, in effect, would make cross-border shopping that much easier for consumers within driving distance of the United States. And like a recurring bad dream, federal Revenue Minister Otto Jelinek figured in both scenarios.

In response to the problem of overly-congested border crossings, Jelinek's new pilot project (to be tested first in British Columbia) will allow travellers and/or shoppers to be processed more quickly and easily through Canadian customs. This so-called "fast lane" approach will allow registered individuals to pass through customs upon completion of a simple declaration form while any applicable duties and/or taxes will simply be charged to their credit card accounts. Jelinek is hopeful that the project will be a success and plans to expand the project to other border checkpoints throughout the country later this year. With the dramatic rise in the number of Canadians now driving south to do their shopping, Jelinek's new rules will no doubt please many. Retailers along the border, however, must be wondering what they have to do to survive.

According to Catherine Swift, vice president of research and chief economist for the Canadian Federation of Independent Business, the "fast lane" approach will only worsen an already bad situation.

"The number of Canadians shopping in the U.S. has soared during the past two years," Swift says, "and, as a result, our retailers are suffering through some very difficult times."

Swift adds that while cross-border shopping is not a new trend, "Canadian retailers are losing more business to their American counterparts than ever before."

CFIB research shows that single-day shopping trips to the U.S. jumped between 350 to 450 per cent in some border cities. Higher taxes and an artificially high Canadian dollar have contributed to driving up the cost of Canadian goods relative to American products. As for the role of the federal government, Swift says that it should be helping to stem the flow of dollars to the U.S. instead of encouraging a further epidemic.

For example, Swift would like to see the government begin to address many of its policies which, up until now, have virtually guaranteed Canada's uncompetitive status.

"The only solution to the current cross-border shopping crisis is to ensure that Canadian firms are given an environment which allows them to compete fairly with firms in the U.S. A good first step would be to further lower interest rates - especially given decreasing U.S. rates - in order to allow our dollar to fall to a more appropriate level."

"Moreover," she concludes, "this must be followed by major reforms to our crippling tax system by all levels of government to create a level playing field that will keep consumer dollars in this country."

CFIB Feature Service



Our Readers Write

Halton Hills United Way says thanks

Dear editor,

Dedicating this past week to the recognition of volunteers is especially appropriate for a community of Halton Hills where so many worthwhile activities are undertaken by local volunteers.

As president of United Way of Halton Hills, I realize that our worthwhile fundraising activities would not even get off the ground without the many people and organizations who donate their time. The Campaign Cabinet organizes the annual campaign, and the teams under the cabinet call on the industrial, government, education, commercial and residential sectors. The residential campaign is a massive effort involving over 750 canvassers, area captains, district co-ordinators and the residential chairperson. Our Board of Directors has been dedicated to making a better and more effective

United Way. The Citizen Review Panels insure that the community's dollars are wisely spent. Office volunteers help expand the capacity of our limited staff.

And finally, other organizations and businesses have helped on specific events, including the Georgetown Runners Club organizing the Egg Nog Jog with the Credit Valley Conservation Authority, Andrews' Scenic Acres setting up the Strawberry Festival and Dunlop Insurance supporting the Benefit Bonspiel.

To all these people and to all the people in Halton Hills who support the community's social service needs through The United Way, a heart-felt Thank You from the Board and staff.

Sincerely yours,
Stephen D. Williamson,
The United Way of Halton Hills

Artisans say it's been a good year

Dear editor,

On behalf of the Credit Valley Artisans I would like to say "thank you" to all of the people who took our courses and attended our fundraising events: Christmas Sale, Raffle and most recently our Garage Sale, over the past year.

A special thanks to the Independent for printing numerous articles covering our events.

The Credit Valley Artisans is a non-profit organization established to encourage, support and educate the citizens of Halton Hills in various arts and crafts. Our annual general meeting will be held on Wednesday, May 1 at 7:30 p.m. in the Cedarvale Cottage. All members are encouraged to attend.

Yours truly,
Mary Rowan, President,
Credit Valley Artisans

Halton Hills

WEEKEND

The Georgetown Independent and Acton Free Press

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