

Opinion

A triple whammy for tourism

By MICHAEL WYCKS

The recession, cross-border shopping, the seven per cent Goods and Services Tax - this triple whammy has played on favorites in its assault on all sectors of the Canadian economy. The once healthy tourism industry, for example, has been a prime target as Canadians are venturing to the United States in record numbers, spending their money and vacations south of the 49th parallel.

On the other hand, because of taxing reasons, Americans aren't as eager to shop for gas, clothing and food here, which hurts as Yankee dollars have always been a huge source of revenue for Canada's tourist industry.

Not anymore. Tourism is down almost 10 per cent from last year and tourism operators are watching their business drop to levels not seen since the 1981-82 recession. And cross-border shopping continues to exact a heavy toll on thousands of small businesses across the country.

So what can be done?

Well, not much if you put your trust into the hands of Federal Minister of Small Business and Tourism, Tom Hockin, and his Minister of Revenue colleague, Otto Jelinek. Together, Jelinek and Hockin form the brains behind the federal government's attack on the precipitous drop in tourism and the soaring level of cross-border shopping.

On occasion, Jelinek has been seen popping up in towns and cities across the country holding meetings with civic mayors and provincial politicians in an effort to come up with solutions to this "made in Canada" tax revolt. He has managed to keep a straight face while saying the "GST is not a factor in people's decision to shop in the U.S." Whether he believes what he says, the latest poll by Angus Reid shows almost half of respondents shop south of the border specifically to avoid paying the GST.

Jelinek's measures - fast-track lanes, heavier fines for smuggling, and the yet-to-be launched (in Ontario) federal-provincial sales tax collection arrangement - have merely bandaged the hemorrhage and the shoppers' stampede continues unabated (5.2 million one-day shoppers in May of this year, a 19.6 per cent jump over April).

For his part, Hockin has tried to address the drop in tourism and the American antagonism towards excess taxation with GST rebates for travellers to Canada. He has called the GST rebate "one of the most generous in the world."

Unfortunately, its generosity doesn't extend to items and services used most when vacationing - restaurant meals, gasoline, drinks, room service. Ironically, the rebates are provided only after the person(s) have returned home; Canadian tax dollars end up being spent outside of Canada by non-Canadians.

Hockin also saw fit to commission a survey of Americans' views of Canada as a travel destination. The findings showed our neighbors from the south consider Canada at least 20 per cent more expensive than a holiday in the U.S.

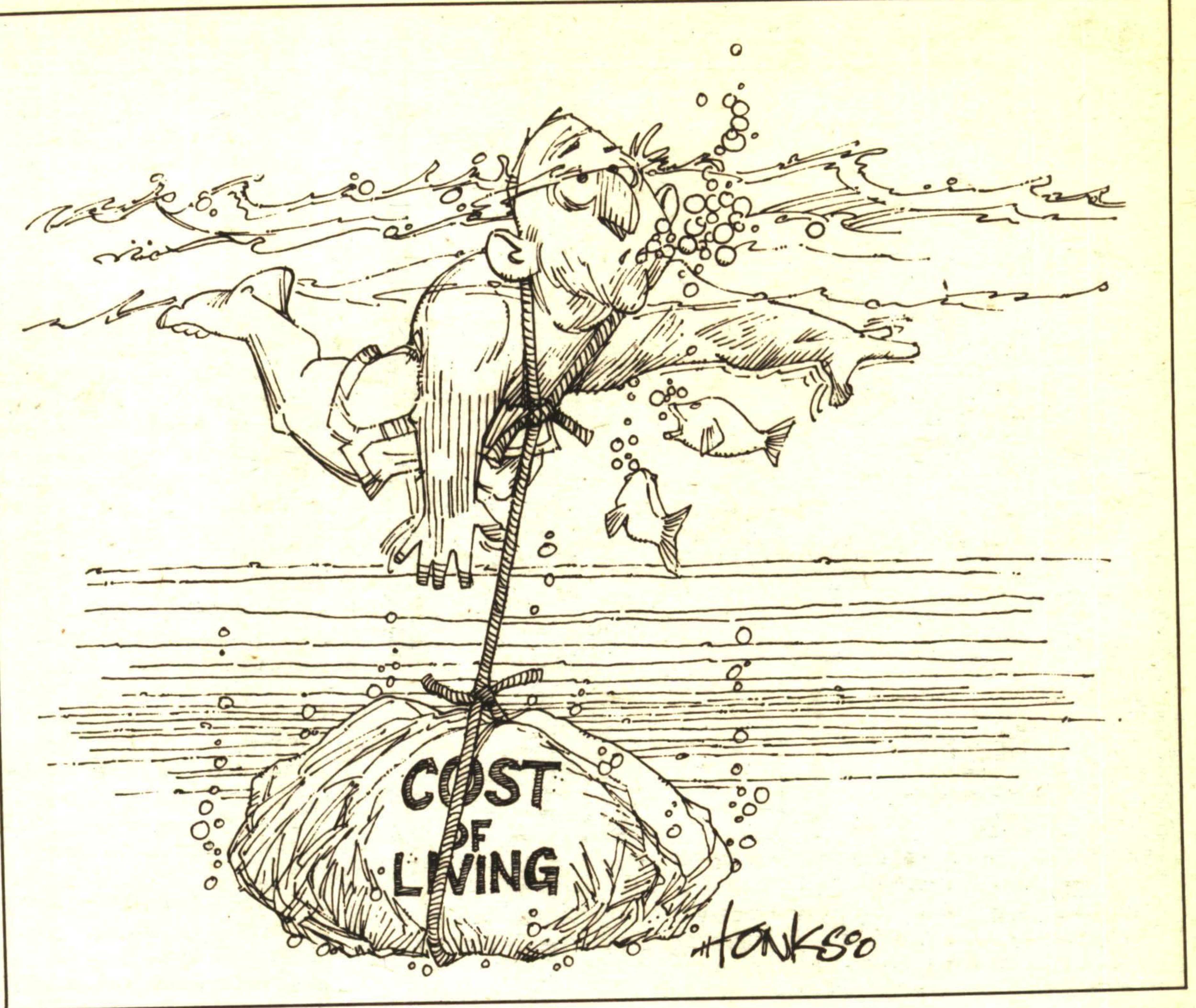
What Hockin and Jelinek have stubbornly refused to acknowledge, is that businesses along with consumers are carrying heavy tax burdens which play into the hands of lower taxed U.S. firms. Until all levels of government admit that high taxes are a large part of the problem, the other so-called solutions are only public relations initiatives. *CFIB*

GST deadline extended

The federal government is extending the deadline for GST tax credits to small businesses through the end of 1991, which means such enterprises could get a break amounting to anywhere between \$300 and \$1,000.

The credit is to help defray start-up costs incurred in administering the GST, according to a release from federal revenue minister Otto Jelinek, the Oakville-Milton MP.

Jelinek said he extended the period of eligibility because many small businesses haven't taken advantage of the credit. The businesses were originally supposed to apply for the credit in the first quarter.



NDP initiatives are 'accomplishments'

I hope that you've been enjoying the summer. Those of you who plan on going camping for your vacation will now be able to take advantage of the recycling programs underway in over 70 provincial parks including nearby Bronte Creek. Recycling was first implemented at Presqu'ile Provincial Park in 1989 and has expanded to wherever there are local markets for recyclable materials.

If you're no longer thinking about summer but about the upcoming school year, you may be interested in hearing about another type of education - adult literacy programs. Education Minister Marion Boyd recently announced funding for a wide range of programs throughout the province. The Halton Adult Learning Network and the North Halton Literacy Guild were among the 184 organizations that received financial assistance to continue their efforts to help our adult residents obtain these necessary skills.

As I mentioned in my last report, various standing committees of the legislative assembly have been scheduled to meet during the summer. One of the committees I sit on - General Government - has been holding hearings this week to hear presentations about the closure of various land registry offices. And we hope to finish up some important legislation during the upcoming session of the legislature which begins in September.

Some of you have asked about the status of the Wage

Queen's Park Report

By NOEL DUGNAN
Halton North MPP



Protection Fund (Bill 70), for example, which received second reading in June before the recess. Bill 74, regarding a system of advocacy to protect the rights of vulnerable adults, also proceeded as far as second reading. In fact, the spring session produced a number of accomplishments. Although we've had to cope with the worst recession since the Second World War, our government has preserved our health care and education systems and worked toward reducing the impact of the economic situation upon you and your neighbors.

Some of the initiatives of the past session include:

- eliminating or reducing Ontario income tax for an additional 120,000 low-income Ontarians and moderate tax increases for those earning over \$84,000 a year;
- establishment of the Fair Tax Commission to review the tax system with a view of making it fairer;
- a budget that fights the recession by maintaining or creating 70,000 jobs;
- a commitment not to "piggy-back" the Ontario sales tax on top of the federal GST - a

savings of \$470 million to you this year alone;

- funding increases, greater than the rate of inflation, for hospitals, school boards, colleges and universities, and municipalities to prevent decline in service;

- \$40 million for income stabilization for grain, oilseed and horticulture producers and \$50 million in interest rate relief for farmers;

- a commitment for the construction of 10,000 new non-profit and co-op housing units creating 20,000 jobs in the hard-hit construction industry;

- a new family support program (Bill 17) to bring fairness to mothers and kids entitled to support payments from delinquent ex-spouses;

- a new, fairer and more open process of making government appointments to agencies, boards and commissions.

We also managed to achieve a six-year agreement with physicians that, for the first time, will reduce and control the annual growth of health care spending and provide for joint government-physician management of our province's health care system. And we have tried to sort out the outdated and patchwork legislation associated with the various health care professions.

In April, I wrote about the introduction of the Regulated Health Professions Act and companion legislation (Bills 44-64) and mentioned to you that public hearings would be

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