

## Mainstream Canada

### A wolf in sheep's clothing

By Ann M. Smith

There have been very few good days lately for Finance Committee chairman Don Blenkarn. The beleaguered Tory MP has spent the last several months desperately trying to defend the seriously flawed 9 per cent Goods and Services Tax. Almost no one, it seems, is in favor of the federal government's proposal to impose two retail sales tax systems on the country's businesses and consumers.

So when Blenkarn's old buddy Roger Douglas, former New Zealand finance minister and architect of that country's goods and services tax, recently appeared before the committee, Blenkarn was visibly relieved. As expected, Douglas painted a very rosy picture of life in New Zealand, post-GST.

Throughout this campaign, the Tory government has repeatedly pointed to the so-called success experienced in New Zealand and, as the model for its own tax, assured Canadians that what's good for New Zealand is also good for Canada. This "all is well" message came through strongly during Douglas' appearance.

It should be pointed out, however, that Blenkarn's guest conveniently ignored to mention any of the negative aspects associated with the New Zealand experience.

Unemployment, for example, rose in New Zealand from 7.8 per cent in July, 1984 when Douglas' Labor party took office, to 14 per cent last March, almost two years after the implementation of the GST. The inflation rate rose from 11 per cent to 18 per cent almost overnight. In addition, emi-

gration figures also have many New Zealanders justifiably nervous, as a large chunk of its work force flees to Australia and elsewhere to find jobs. Poverty is another major concern: the official poverty level reached an unprecedented high of 18 per cent of the population in 1975. By mid-1987, however, that figure had nearly doubled to 30 per cent.

Based on such evidence, the GST experience in New Zealand has been largely negative and the impact can be seen, for example, on that country's abysmal economic growth. (Following a 4.2 per cent rate in 1984, the economy slowed to 0.2 per cent in 1987 and then further dropped to minus 1 per cent last year.)

Mr. Douglas' laudable evaluation of the Canadian GST is clearly off the mark. The federal government is attempting to mislead the Canadian public by not only perpetuating the New Zealand experience in a positive light, but by using it as a basis for comparison at all.

Any comparison between the two systems is irrelevant because New Zealand, unlike Canada, has a unitary system of government, with no provinces and no provincial governments. In other words, Canadians are facing an even more complicated, nightmarish, two-tiered tax structure. (Even Douglas conceded that, "if he were in Canada, he would support merging provincial sales taxes with the GST to reduce complications.")

In short, implementing the New Zealand model is like using a perforated spare to fix a flat tire.

# Pouliot pulls no punches criticizing government

*This is the full text of a letter recently sent to the Minister of Transport Benoit Bouchard, and Patrick Nowlan, Chairman of the House of Commons Transportation Committee by Lake Nipigon MPP Gilles Pouliot.*

Cutbacks in subsidies to VIA Rail is a betrayal of former commitments made by your government to the people of Canada and painfully clear evidence that you lack a sense of history and what is important to Canadians coast to coast.

Once has a feeling of deja vu when recalling that Canadian National and Canadian Pacific downgraded their passenger trains by failing to modernize their rolling stock and reducing the level of service to the point where the travelling public flocked to other transportation modes.

They reduced the service further driving more users off the rails and ultimately were relieved of all responsibility for passenger service by the creation of VIA Rail.

One wonders whether Mr. Lawless now with VIA Rail was hand picked for this emasculation of rail passenger service in Canada having been so successful in such an exercise while with Canadian National.

Amtrak in the U.S., the Japanese National Railway along with privately owned short lines in that country, the Eurorail system in Europe and Britain's 125 rail passenger service enjoy

increasing ridership because they provide an acceptable level of service.

They are not all money makers but they do add to the transportation mix that relieves congestion on their highways and airports and an alternative for those who do not drive.

The Canadian which operated from Montreal, Toronto to Vancouver over C.P. Rail lines was brought on stream in the 1950s and compared favorably with all passenger trains operating around the world at that time.

VIA is still operating that equipment which has been allowed to degenerate into a state of disrepair with half as many cars as it operated in its heyday.

There is ample evidence that VIA is refusing to book reservations even to those who call two months in advance.

On numerous occasions people have been told that there are no sleeping accommodations available making it necessary for long distance overnight travellers to sit in stuffy or drafty coaches. At other times because of a lack of rolling stock trains are overbooked making it necessary for passengers to stand in the aisles for several hours until someone with a seat has detrained.

Politicians or executives in corporate boardrooms never take the time or make the effort to travel on the Canadian from Toronto to Vancouver to see first hand the degree to which this service has been downgraded and allowed to become an unaccept-

able mode of travel.

VIA is consciously allowing this service to deteriorate and driving the travelling public to other carriers.

It will take a major investment in new equipment and a total change in philosophy to regain the ridership and patronage that passenger trains once enjoyed in this country.

It will have to be subsidized but so are all other forms of transportation in this country. The price tag for operating and maintaining airports, highways, urban transit and commuter systems runs into the billions of taxpayers' dollars each year, most of it in the heavily populated areas of Canada and at the expense of our rural population.

Stop these VIA Rail cutbacks until you have had the benefit of the report of Transportation Review Tribunal. Allow yourself more time to do a far reaching and in-depth study of all transportation modes along with the needs of rural Canadians, senior citizens and students.

A study of energy, efficiency, environment and pollution issues and traffic congestion will reveal that an efficient passenger train service has much to offer the travelling public and society as a whole.

Maintain existing VIA Rail services until Canadians have had a chance to make their contribution to a new and revitalized transportation policy.

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## Belair says gov't doesn't go far enough

Although he supports the creation of a Forestry Department, Reg Belair, MP for Cochrane-Superior and Co-critic for Forestry for the Official Opposition, considers the present draft act unsatisfactory in

that the government does not go far enough.

Belair says, "the proposed act does not give the minister sufficient power or control. Will the minister be able to address the problems cur-

rently facing the forest industry?"

He believes the Minister of Forestry will not be able to address fully the reforestation problem which would guarantee future employment.

He adds Bill C-29 makes no mention of unemployment in the forestry industry.

"Together with the Department of Employment and Immigration, the new department should set-up a new training program for workers who have been laid off as a result of mechanization and advanced technology. Unemployment in the logging sector of forestry increased in 1987, rising to 22 per cent. This is extremely high if you consider the national average was 8.9 per cent for the same year," said Belair.

Highlighting the fact that over the years, 12 per cent of forested land has not been adequately restocked, Belair noted this is increasing by 200,000 hectares, or almost 1 per cent, every year.

Belair notes natural resources are a provincial jurisdiction but says the federal government should also share in the responsibility for the forestry sector.

"I wholeheartedly encourage the Minister to pursue the idea of hiring inspectors to oversee and supervise forest management. For example, in Canada, there is approximately one inspector for every 450,000 hectares of forested land, whereas in the United States, there is one for every 15,000 hectares of forested land," noted Belair.

The forestry industry directly employs one in 10 Canadians. Forestry is Canada's leading export sector, accounting for an annual net trade surplus of approximately \$16 billion.

### HERITAGE NOTES



#### Black Bear



When fall comes to Pukaskwa National Park, this impressive creature sets out in search of a refuge for the winter.

Pukaskwa offers the black bear a wide choice of shelters: crevices, hollow trees, overturned stumps or simply the low branches of conifers. Once it has found its hiding place, the black bear makes a bed of branches and shrubs and set-

les in for hibernation — its internal temperature falls and its respiration slows. Thanks to its thick coat of fur and reserves of fat, it can survive the entire winter without freezing.

For further information about Pukaskwa National Park, write to the Canadian Parks Service, 111 Water St. E., Cornwall, Ontario K6H 6S3.