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NWT Exemption From Goods And Services Tax

MR. RAMSAY: Thank you, Madam Speaker. Out of the \$37 billion the federal government collects from the goods and services tax across the country, it is estimated the Northwest Territories pays about .002 percent of that. That amounts to about \$60 million -- \$60 million that would certainly go a lot further here in the Northwest Territories than it does in Ottawa.

Madam Speaker, in order to keep the hard earned dollars of territorial residents in the northern economy, I think the federal government should exempt us from paying the goods and services tax.

The goods and services tax is rumoured to cost about as much to administer as it is to collect. The Liberal government in 1993 even promised to abolish this tax, but here we are 12 years later still paying our hard earned money in support of this tax.

Madam Speaker, we have a very high cost of living and minimal services in many of our communities, so we have a hard time attracting and retaining a qualified workforce. The doctors are leaving the territory faster than we can ever hope to recruit them. Mines like Diavik say they can't find qualified staff because no one wants to move up here. Our own government is having an extremely difficult time in staffing our pipeline office in Hay River. Exempting the Northwest Territories from paying the GST would begin to help us level the playing field.

I think we should explore joining forces with both Nunavut and the Yukon territory, who may also wish to seek exemption from the GST. The population of all three northern territories, Madam Speaker, is roughly 85,000 -- about the same size as a city like Red Deer, Alberta. It would not impact the federal government's bottom line if they took a serious look at exempting the three northern territories.

The high cost of shipping products to the North already raises the prices in taxes in our stores. The price of shipped goods is even more expensive because the GST applies to shipping as well as the cost of goods. What happens is our residents pay the GST several times over. The Yukon government has even looked at eliminating the goods and services tax on heating fuels and electricity in recognition of the colder climate faced north of 60. It says that eliminating the

GST on fuel would put \$200 back into each and every Yukon household and, therefore, back into the Yukon economy.

Madam Speaker, the federal government considers basic groceries, music lessons and even false teeth important enough to be exempt from the GST. Well I believe that we need some kind of competitive edge, some incentive to attract and retain a skilled workforce. The Northern Strategy has to recognize the fact that northern Canada is a very expensive place to live. We have to try to find a way to give northern Canadians a break.

If the federal government's true intention is three strong northern territories, northern development, sovereignty and social growth and development, then a very good start would be to have the federal government exempt the three northern territories from paying GST. Thank you, Madam Speaker.

---Applause