

Sorting out the big numbers in government

There are more numbers in Ottawa's annual public accounts than you'll ever want to know, but, once in a while, some nuggets emerge that can give Canadians a clear vision of where we're heading.

The public accounts get less attention than most of the other financial documents issued by Parliament. That's odd, in a way, because they say precisely where the government collected and spent your money in the fiscal year ending the previous March 31.

They reflect reality. And that puts them at another level than the estimates, which are sometimes-fanciful guesses of where money will be spent; the budget, which declares how money will be raised; and the auditor-general's report, which says how it should have been spent.

The recently issued accounts include a neat summary of revenues and expenditures. And the figures are pretty revealing.

Critics of Brian Mulroney's Conservative government have argued the Tories made a big tax grab on personal income in their first term of office. The numbers prove them right.

At April 1, 1984, a few months

before Mulroney came to power, personal income tax totalled some \$27 billion, about 46 per cent of all federal taxes in the previous year. In the year ending last March 31, they topped \$45 billion—49.7 per cent of tax revenues.

BIG INCREASE

In four Tory years, personal income taxes rose by more than 67 per cent. Between March 31, 1987 and March 31, 1988, they climbed by a whopping 19 per cent.

Moreover, the federal sales tax, which is passed along to consumers, has nearly doubled since 1984 to become 14 per cent of the total Ottawa collection.

A relatively small item, but one that's very noticeable, is the excise tax on gasoline. That one has quintupled since 1984 when it brought \$386 million into the federal coffers. In the year ending last March, it extracted \$2.3 billion from motorists.

Meanwhile, what's been happenin on the corporate income tax front. Since 1984, corporate tax payments have risen 49 per cent, and in the last year, they climbed 10 per cent. But, in contrast to personal and sales tax, their share of federal tax payments has declined.



Ottawa

Vic Parsons

Are there reasons other than the general stiffing of average taxpayers that might account for the huge rise in personal income tax collections. After all, more people are working, which means they'll be paying tax. There has been inflation. Wages and salaries have gone up.

True, on all counts. But the increases come nowhere near to matching the 67 per cent rise in personal taxes. The number of employed is up by 13 per cent since 1984. Inflation measured by consumer prices has risen 18 to 19 per cent. Average industrial wages are up between 10 and 12 per cent.

EARLY NUMBERS
So, the public accounts represent reality to the end of last March. But, since then, the first phase of tax reform has been introduced.

What do the finance department's preliminary numbers for this year show.

Phase One of tax reform, which dealt with personal income tax, went into effect July 1. Most Canadians, the Tories said, would pay less tax. Less money would be collected from personal taxes and more from sales and corporate taxes.

The early figures, to the end of October, don't bear that out.

Between April and June, Ottawa's collections from personal income tax rose by 10.7 per cent over the same period in the previous year. Between July and October, the percentage increase has been 11.1 per cent.

What about on the business side. In the April-to-June period, corporate income taxes fell by 4.8 per

cent. Since July 1, they've declined even faster at a rate of 13.4 per cent.

It's true these numbers are preliminary and many taxpayers will receive tax refunds early in 1989. On the other hand, these are year-over-year comparisons and not much seems to have changed in spite of reform. To be sure, we'll have to wait until next year.

The federal debt, recently estimated by Auditor General Ken Dye as close to \$325 billion, is a worrisome concern. But it's ironic that big business organizations such as the Chamber of Commerce and the Canadian Manufacturers' Association called this week for more effort in Ottawa to slash deficits and trim social spending.

When it comes to their declining share of tax payments, they are remarkably quiet.

A heart-stopping call in the night

"Drive carefully" you hear people say when you hit the winter roads, armed with your metal machine, seatbelts, and a desire to drive defensively. But beyond the cliché is a warning deeper than the dozens of clichés we rhyme off each day with regularity.

Witness exhibit A: a mangled car, perhaps containing what should be a driver, but in a shape police find barely discernible at times. This is more than a car accident. This is someone's brother or sister, husband or wife, schoolmate or co-worker...

But this is someone robbed of life, or robbed of life as they once knew it.

Paul Franks, the Georgetown man on the cover of the Dec. 21 edition of the Herald lost use of his body following a single-car collision in Fergus. Last year he uttered his first word since the accident. He is soon scheduled to return to Georgetown after spending nine months in an American hospital.

And 20-year-old Neil Diaz remains in serious condition at Sunnyside Hospital after a recent single-vehicle accident. The driver of the car in which he was a



Kell's Korner

Donna Keil
Herald Staff

passenger, has been charged with impaired driving following a lengthy police investigation.

Halton's 22nd death occurred last week in Milton when a woman, whose Mustang slid on an ice patch on Britannia Road, died in hospital as a result of her injuries. Police say she was driving to work the morning of the accident.

But nothing drives home the impact of a collision like the dreaded phone call. The one that wakes you up at 3 a.m. to tell you someone you know was in a car accident. The mere sound of the word "accident" can cause chills that rush straight to your heart.

Undeniably, traffic fatalities are gruesome. And police say that although RIDE brings down the volume of drunk drivers who make the road hazardous for all of us, it hasn't cut the number of alcohol-

related fatalities. Half of the Region's 22 traffic fatalities in the last year were caused by impaired driving.

But if you're a regular reader of local newspapers you know weather conditions are a major factor. Snow and ice-covered roads can make it impossible to control a skidding car. But there are precautions. A close examination of the road ahead will often help locate an unsuspected patch of ice.

Looking at the local newspapers and television and listening to the radio, accidents get a lot of air play. The gruesome details are painstakingly recorded for relay to the public.

SHOPPING SPREE WINNER!

The winner of the 1988 Shopping Spree is Marianne McMurdo of Georgetown. Pictured here presenting the \$780.00 worth of Gift Certificates from local businesses to Marianne is Herald Publisher, Dave Beattie.

SALE

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GOING OUT OF BUSINESS SALE

EVERYTHING MUST GO!

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