

the HERALD

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Fair taxes?

If Halton Region goes ahead with the study on Region-wide market value assessment, many of our politicians will likely have to do some soul-searching once the recommendations come before council.

Wherever it's discussed, market value assessment inevitably causes controversy.

The big test will be whether politicians can consider themselves in the context of the Region of Halton, or whether they'll simply fight on the basis that market value assessment is or isn't good for their own municipalities.

It's a problem that hasn't been solved since the initiation of regional government in 1974.

Last year the "average" taxpayer in Halton paid \$537 for regional services. That's expected to jump to about \$578 this year - an increase of just under 10 per cent.

Because older houses throughout the Region are now assessed at values in varying years, houses that are roughly equal in value today are actually subject to differing levels of taxation.

On the surface that seems unfair.

While the average tax increase in Halton last year was only seven per cent, Milton residents were taxed at a level of 10 per cent, Milton Councillor Brad Clements points out.

It's a good point. Newer homes tend to be taxed more because their value was assessed more recently than older homes.

The rifts are already being established as evident in the comments of three of Halton's mayors on the topic. Burlington's Roly Bird said he would favor market value assessment, because "we're being fair every four years instead of every 40." The mayor was talking about the automatic four year assessment on the value of homes in Halton as proposed in market value assessment.

Oakville Mayor Ann Mulvale said such a system could cause a "split council" in her town. The elderly who live in older homes in Oakville could be heavily impacted by the new system, she argued.

And Halton Hills Mayor Russ Miller said: "Everybody should be paying an equal amount... it's much easier to understand and explain."

But he was non-committal when asked if he would support the scheme even if it meant Halton Hills residents must pay more taxes.

The study on market value assessment could take as long as two years in Halton. Although there is not yet any indication of the cost in Halton, a similar study in Metro Toronto recently proved to be expensive at \$98 million.

As long as it's not too expensive, it's important to find out if Halton's tax system is fair and if market value assessment would make it fairer. The study is needed in these times when taxes are coming under increasing public scrutiny.

But if it does take two years, market value assessment will likely become an election issue and you the voter - the taxpayer - will have the final say.

Just say no



Brian MacLeod
Editor's Notebook

I'm not very impressed by Humble Howard's stunt at a Toronto shopping centre. The CFNY deejay's cause is worthy but burying yourself for 48 hours in a shopping mall to show that drugs can kill isn't much more than a publicity stunt for the radio station.

We know drugs like cocaine and crack can kill. We know drinking and driving can kill. But we didn't have to pull off stunts like this to impress upon people that drinking and driving is no longer acceptable. We appealed to their sense of duty and their respect for life.

Being buried under a shopping mall hardly appeals to respect for life. It's more like an insult to the dead.

However, it's important that the message is kept alive, that drugs, especially the hard stuff, can kill.

The anti-drinking and driving campaign got to me, to my friends and to others who hand't thought that much of it in the past.

Humble Howard gets to me in quite a different way.

Liberals seek a fresh look

Derek Nelson

Queen's Park
Thomson News Service



For a government beset by scandal politics all spring like Premier David Peterson's Liberals, a fresh new look was an absolute must.

So, too, was an internal reorganization aimed at preventing the kinds of errors that led to months of negative media coverage.

With the series of civil service and political changes announced over the summer, both objectives appear to have been accomplished by Peterson.

The key staff appointment was the naming of Daniel Gagnier as chief-of-staff, a new post. It appears to combine elements of what used to be the two top (non-elected) political jobs in the administration, namely principal secretary and executive director.

Both of those are now abolished. Peterson's first principal secretary was Hershel Ezrin (the key Liberal strategist in the early days of the government), then Vince Borg, who, in an earlier incarnation, was close to Peterson as his executive assistant.

Borg now assumes responsibility

for pursuing the 1996 Olympics for Toronto.

The executive director title was held by Gordon Ashworth, who oversaw the patronage and other political aspects of governing. This spring, he became embroiled in the Patti Starr scandal through the receipt of an unpaid-for refrigerator and paint job and had to resign.

So, what does it all mean? According to the Globe and Mail, the changes were "confirming the prominence" of Borg while giving Gagnier "extensive power."

The Toronto Star, on the other hand, had Borg being "demoted" while Gagnier was the "big winner."

The Toronto Sun, which (probably rightly) considers these kinds of personnel changes of limited interest to its readers, ignored everything except that Borg had been appointed to "spearhead" Ontario's Olympic bid - the Olympics being the big thing in Sun country, much more important than who is playing musical chairs at Queen's Park.

In truth, the Star had it right. Although Borg retains the unspecified role of "senior advisor" to Peterson, it is quite clear that he's no longer in the top ranks.

With his departure, the last of the well-known names on the team that brought Peterson to power has gone by the wayside.

OTTAWA TINGE

The new broom has a decidedly Ottawa tinge to it.

Gagnier came to Queen's Park less than two years ago after several years in the federal

bureaucracy. He is just one of an immigrant wave from that city into the upper echelons of the Ontario civil service and political world.

Also in Peterson's office is Doug Kirkpatrick, a former aide to federal Liberal Leader John Turner. Kirkpatrick, who is now responsible for "operations and planning, including political liaison," could be considered to hold the most important post after Gagnier.

Part of the attraction of Ontario is that it is seen as a political world with money available to make things happen, unlike Ottawa, where the taps are dry. Unkinder critics also suggest people who pre-date the 1984 Ottawa change of government prefer working for a Liberal government to which they feel a kinship.

Not, mind you, that all the top posts in Ontario are occupied by federal expatriates.

The top (theoretically) non-political position in Ontario is cabinet secretary, sort of boss of the civil service side of the system.

Bob Carmen, who had served in that capacity since the Grits came to power in 1985, also left this summer. His replacement was Peter Barnes, who was an up-and-comer in the Tory days, too.

But Gagnier's post will be the heart of the new system, implying as it does even more centralized decision-making than the Liberals were already doing (and that was considerable).

This government now has an unmistakably Peterson stamp on it. If it goes wrong now, there's only one person he can blame for it.



Puzzled by inflation rates

Vic Parsons

Ottawa Bureau
Thomson News Service



If there ever was a classic instance of economic wizards staring at the same numbers and reaching vastly different conclusions, Canada's current inflation rate is it.

The most recent consumer-price figures, for July, tell us that inflation has risen 5.4 per cent in the past 12 months.

And the predictions of 13 top-rated economic forecasters, released last week by the Conference Board, average out at a 5.1-per-cent rise by the end of 1989, up from four per cent last year.

Depending on where you stand, today's inflation is either the country's most compelling economic

problem, or something not to be feared.

Fans of John Crow, the Bank of Canada's governor, applaud his tough-minded interest-rate program, which has pushed domestic rates about four percentage points higher than those in the United States. They urge him to hold the line.

Crow, as ever, views inflation as Public Enemy No. 1 and insists the high rates are needed to control it. They are also required, he would argue, to discourage employees from trying for larger pay hikes to offset losses due to inflation. That's because higher rates kill jobs and, in turn, tend to soften tough demands by workers.

Crow's supporters can safely argue, because there is no way of proving otherwise, that inflation would be a lot worse if interest rates were eased.

On the other side, critics complain that high interest rates are part of the problem, not the solution. They say inflation has continued to rise despite Crow's manipulation of the interest-rate levers.

OPponents CRITICAL

For some opponents, Crow is like

the fellow who made odd noises to keep rampaging elephants away. When someone pointed out there were no elephants for miles, his response was: "See, it works!"

There seems to be an increasing number of authorities of the view that the central bank has gone overboard with its tough interest policy.

Jim Frank, chief economist with the Conference Board, leaned that way in his remarks on the economic forecasts.

"We don't see the inflation situation easing despite the Bank of Canada's policy of using high interest rates to cool the economy and fight the inflation battle," Frank said. He added that recent federal and provincial tax increases are part of the problem, adding to inflation this year and next.

There's no question this is true. Higher taxes have been a prime contributor to consumer-price inflation since the plethora of federal and provincial spring budgets. Moreover, Canadians are being squeezed by both mounting taxes and larger interest payments on homes, cars and other purchases.