

Raising income tax no alternative to the GST

Oakville symphony returns to JET



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Taxes. I don't know about you, but I'm as sick of talking about them as I am of constantly watching them go up. During the whole, two-year-long debate on the GST, we have wrestled with the problem of the fairest, least-painful way of financing Canada.

Most people during that debate have pointed out that they think the feds spend too damn much money anyway, and that's one reason taxes are high. Well, they get no argument from me there, and I was pleased with spending cuts announced in December, and again in the recent budget.

As I've been saying, if we're going to carve down the deficit, then spending cuts alone won't do it. And if we don't hack the deficit, you can count on high taxes and high interest rates and lousy economic conditions for a long, long time.

But is the GST the right way to go?

Obviously not everybody agrees. One of them is a university professor called Neil Brooks, and a few days ago he came out with a report saying that all we have to do is nudge up income tax rates a tad and all our cares will fade away. Actually, there was a lot more to the report, but that's the impression most people were left with.

I noted with interest that the Georgetown and Acton newspapers, for example, heard about Neil Brooks and then asked why a GST, which looks "flawed and destructive," was needed. If the Brooks report makes so much sense, then that's a good question to ask?

Well, I got a copy and I read it. I even had a chance to talk to Mr. Brooks as we debated taxes for a

few minutes on national TV. And, as usual, I found that things were not exactly as they first appeared to be.

The alternative-to-the-GST plan would see personal taxes rise by \$10.5 billion, as the existing federal manufacturers' tax is replaced by higher income taxes. Then there'd be \$2.3 billion more in taxes on booze, smokes and gas.

Brooks would also balance the books by increasing corporate taxes by a further \$2 billion, which is not a small amount.

Now, taking more than \$12 billion out of the pockets of consumers - directly by paycheque deductions - is not exactly a small increase. Consumer prices would fall to the extent that the savings from eliminating the old tax were passed on. But wouldn't we be courting recession with a hit that big to individual purchasing power?

At least under the GST proposal, income taxes would remain the same, while the price of some things dropped (car, appliances) while the price of others rose (services, for example).

What other problems might there be with the Brooks report?

For one, there is no system of tax credits to help make lower-income people better off. Wilson's GST credit plans to send cheques to these folks four times a year, starting this coming December.

For another, there's the natural disincentive of far-higher income taxes. People walk away with their paycheques already gouged and chewed, so thinking about higher rates can also get you questioning the wisdom of, say, working overtime. At least with the GST, you

get a choice - you can buy a mink coat and pay lots of tax, or buy a cloth one and pay less. The GST hits the big spenders, not the savers or the hard workers.

Then there's that corporate tax hike of \$2 billion. The whole idea of the GST is to remove a tax burden which makes our products more expensive and less competitive out there in the world. Lord knows that with a \$30 billion deficit, we need to sell all the stuff we can, bringing new cash to Canada. Won't a new \$2 billion tax on businesses wipe that hope out?

Finally, let's never forget the lessons of the past.

One of those lessons came in 1982 when the economy turned bad and we had a recession. A lot of people lost their jobs, and stopped paying income tax. At the same time, demands on the government purse went up as more folks claimed unemployment payments. And, almost overnight, the deficit just abounded. In many ways, we're still suffering now from events then.

So when Brooks says he has an alternative to the GST and it's based only on income taxes, I start to worry. The economy can't stay good forever. A downturn will naturally come. And when it does, we'd be cooked again if we relied so heavily on just income taxes.

So, all is not exactly as it appears. We need tax reform, not more of the same. I'd personally rather have a higher spending tax if I could get lower income taxes. I'd like to have more money in my paycheque, and then decide how I was going to get taxed through my spending. The Brooks alternative would have Big Brother making all the choices for you.

I think the professor should go back to the books. And I have yet to hear a GST alternative.

Classical music fans will soon be treated again to the sounds of the Oakville Symphony Orchestra and guest soprano Joanne Kolomyjec. The concert is Sunday, March 25 at 8 p.m. in the John Elliott Theatre.

During the romantic evening, the Oakville Symphony will perform Tchaikovsky's brilliant Fifth Symphony and accompany Ms. Kolomyjec in favorite arias and excerpts from The Merry Widow and Offenbach's Tales of Hoffman. Refreshments will be served afterward in the gallery.

The Oakville Symphony is a talented group of community musicians dedicated to musical excellence. Over the past 20 years it has grown into a thriving organization boasting over 60 playing

members. This is the group's second visit to the John Elliott Theatre.

Joanne Kolomyjec, guest artist, is one of Canada's most sought-after singers. She has entertained with all of Canada's major symphonies and future engagements will find her with the National Ballet, National Arts Centre and Canadian Opera Company. Ms. Kolomyjec has received numerous awards and grants from both the Canada Council and Ontario Arts Council.

This not-to-be-missed concert is sponsored by the University Women's Club of Georgetown. Tickets are \$12.50 in advance, \$15 at the door and are available at Young's Pharmacy, Main Street, Georgetown - or call 877-5662 or 877-3755.

Free film is 'inspirational'

For those looking for an evening of inspirational entertainment, the film "Fanny Crosby" will be of interest to you. Fanny Crosby, a blind woman of the past century, tasted tragedy in her personal and work life. Still she was able to find the courage to write the songs that inspire us today. Fanny Crosby wrote songs such as "Blessed Assurance." The film will be presented on Friday, March 16 at Bethel Christian Reformed Church, starting at 7:30 p.m. The film will be presented by the Acton Chapter of the Toronto District Christian High School. No admission will be charged, although a freewill offering will be appreciated to defray costs. For information call John at 853-3090.

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