Politics is compromise

Not everything the government does is right. Not everything that any government does is right. Politics is compromise. If you don't compromise, you don't govern. Just watch Bob Rae to see what I mean.

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I have compromised over the last two years, and next week just before the House of Commons resumes sitting - I will tell you. how, and why, I intend changing for the next two years. Life in politics is evolution. I am growing

Last week I said this column would be about the GST, including its warts. I said early on that I would not try and sell you on this tax, but I would instead provide the facts and let you make up your own mind.

The GST replaces three existing invisible taxes, all at higher rates, so the price of some things will go down. But it also taxes things which are not taxed now, and those prices will go up. In general, prices of goods - cars, building materials, computers - should be lower. The price of services - legal fees, dry cleaning, electricity - will be higher.

Overall, prices will rise. By how much is the wild card The goverments says 1.25% because it believes all the existing federal sales tax which we pay will be removed. That assumes all business people now paying those taxes will drop their prices to reflect the elimination of them.

Big labour says this is unrealistic. Unions like CUPE say only a portion of the existing taxes will go, and overall prices will rise

The truth? Probably somewhere in the middle. I have certainly heard "businesses tell me they'll stay competitive by passing. through the savings to consumers." But I've also talked to people who see this as an opportunity to increase their margins.

Obviously, if the GST is too inflationary, we have a big problem. Nobody - especially the feds - will benefit from that. The big goal here is to reduce the deficit, and inflation, along with high interest rates, will make it worse.





Another problem is the fact we're going to have two retail sales taxes in Ontario. Consumers will have to pay the GST and the provincial sales tax. Businesses will have to collect two taxes on two different sets of items. This is dumb and wasteful. If I were still a newspaper columnist I'd dump all over this duplication. As a government MP, I'm still dumping.

People in Quebec will only have one sales tax to pay, and businesses there will only have one to collect. That will save millions of dollars, and eliminate 500 civil servants. Quebec has decided to blend its sales tax with the GST. Two other provinces have also now started discussing a combined tax with the feds. Do you suppose Bob Rae can be persuaded to do the same?

I can support the idea of taxing spending, rather than relying on income taxes. In fact, I'd like to see a GST and lower income taxes. Better still, I'd reform income taxes to make them simple and work towards a single-rate flat tax. Not as Toronto MP Dennis Mills has proposed it, however. That variation relies on much higher

taxes on business people something we don't need in a weakening economy.

And, in the same vein of tax fairness, I'd put the GST on everything in the economy. Exemptions only lead to a situation where people are not treated equally. And by taxing everything you could have the best possible

Hey, while we're reforming taxes, how about doing some stuff for middle class people? Like creating a Family Tax Return which recognizes stay-at-home parents. And tax deductions for volunteers. And a Family Care Credit which lets you write off expenses when elderly parents, for example, live with you. And why not work on a way that RRSPs can be used to make buying a home more affordable?

If the GST shows that Ottawa is willing to really reform taxes - and take all the poliitical heat that brings -- then why stop there? We've got to work for more efficiency in government, and less waste. And let's make sure as we go along here that there's room to fine-tune the tax. If some parts of it don't work, then they should be changed.

By the way, Michael Wilson is getting a copy of this.

Town Hall Meetings: I'll be available the next couple of days in the south end of the riding, if you want to attend an open public meeting.

Thursday, Sept. 13 at the Brant Hills Community Centre, Burlington, 7:30 p.m. (Brant Ave. south of Hwy. 5).

Friday, Sept. 14 in the Lions Hall at Campbellville, 7:30 p.m. (Guelph Line, south of 401).

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POOL CLOSURES

Both the Acton and Georgetown Pools will be closed for annual maintenance Sept. 4 - 16th.



LOST AND FOUND

The Halton Hills Recreation and Parks Department has many reminders of its Summer Youth Programs...if your child is missing a pair of sneakers, a towel, a gym bag, a pair of sweatpants, a tupperware container or any other article that he/she took to camp this year, do not hesitate to call us at 873-2600 ext. 267. Our lost and found pile is impressive! We will keep these articles until Friday, Sept. 14.



T-SHIRT MAGIC

The latest craze for kids is designing and painting their own clothes. Sign up soon with the Halton Hills Recreation and Parks Department and learn how to paint T-shirts with artwork and graphics unique to you. Call 873-2600 ext. 268.

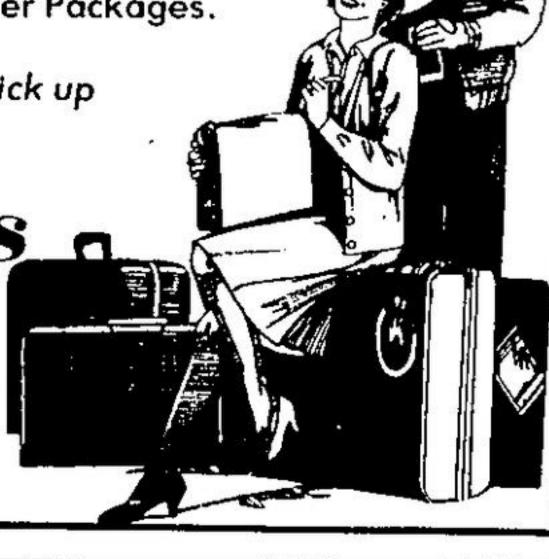


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