

Opinions

Turner's GST committee resignation baffling

Halton-Peel MP Garth Turner said he resigned as the chairman of the Federal Government's committee (set up to determine which companies will pass on their savings from the Goods and Services Tax, (GST), to the consumer) in his fight to protect what he refers to as the 'forgotten middle class'.

Upon hearing this piece of news I was more than a little surprised. Since the majority of Canadians operate within a limited budget, it follows they would appreciate anyone who is trying to protect them from having to dig into their pockets more than necessary.

During this summer's Halton Hills Chamber of Commerce

Deficit Reduction Barbecue, Finance Minister Michael Wilson pointed to Mr. Turner and his committee as the way to ensure the GST, once implemented Jan. 1, 1990, would be passed on to the consumer in the form of savings.

Except for this committee and its mandate of having companies go on record as saying what they will do with any GST savings, there was no other means the Federal Government had in place to ensure this would happen, said Mr. Wilson at the time.

I asked Mr. Turner last week if he was not abandoning the very people he is claiming to protect. He replied by saying he would



Ben's Banter
By Ben Dummett

continue to lobby Mr. Wilson and the government to have them think the way he's thinking. But when it

comes to the benefits of the GST as a fairer tax all the way around, Mr. Turner and the rest of the government have been on the same wave length. Many a time I've heard Mr. Turner go to the wall for the government in defense of the GST.

Mr. Turner said as chairman he spent most of his time presiding over meetings, listening to MPs from all three parties battle each other. Now he's free to pursue his own agenda as expressed to him by his constituents. I have difficulty with this line of reasoning.

Regardless of what issue Mr. Turner now takes up in the name of the middle class, results, if any, will only come about after long

hours spent meeting with his fellow MPs to convince them his ideas are right. It's not as if the government follows when Mr. Turner speaks.

It's more likely the government is less likely to listen to anything Mr. Turner now has to say. Mr. Turner says he wants to represent the middle class yet he abandoned the government program initiated to protect the middle class. Why should his colleagues trust him?

I'm not saying the other concerns of Mr. Turner, such as the government taking a greater interest in waste management aren't admirable, but it's better to see one issue through and then move on to the next.

Timing of Bourassa's vacation questionable

By STEWART MacLEOD
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OTTAWA - It's not that Quebec Premier Robert Bourassa doesn't deserve a vacation. In fact, he's probably in desperate need of a week or two in the sun.

But there are occasions when it's simply not appropriate to take holidays. And, frankly, it's difficult to imagine a less appropriate time than right now for the premier to be off relaxing somewhere in the United States.

Yes, with modern communications, Mr. Bourassa can undoubtedly run things just as effectively from the sunny south as he can from his Quebec City bunker. He's said to be in constant touch with his ministers, getting frequent updates on what's happening with the Mohawk crisis.

But, efficiency aside, there are times when political leaders should stay home. There's also the question of perception - how a holiday is

viewed by those thousands of people desperately waiting for the crisis to end.

There has probably not been another occasion in Canada when we've heard so many critical questions about leadership - or lack of it. And while much of it has been directed at Prime Minister Brian Mulroney and his summer of relative silence, there have been similar concerns about Quebec City.

DRAWN OUT

The Mohawk crisis has now dragged on for nearly two full months. Things are becoming more tense; there have recently been some nasty confrontations and more are threatened.

It wouldn't take much for the situation to turn ugly, really ugly. There could easily be more loss of life. Everyone agrees that the stand-off requires the utmost delicacy.

The military forces at Oka are under the control of Premier



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Bourassa. He is, for the purposes of ending the current crisis, the commander-in-chief.

And, while commanders-in-chief no doubt require vacations like everyone else, they don't usually take them when events are reaching a potential flash point. People could easily get the idea that the premier doesn't consider the crisis important enough to

disrupt his holidays.

It would be different if the federal government had a full grip on the situation, but there has been little evidence of leadership from Ottawa over the last few months. Apart from paying tribute to the cool professionalism of the Canadian Armed Forces, Mr. Mulroney has been saying little about Oka.

Members of other political parties, while all calling for a peaceful conclusion, also seem to be rather short on ideas. Indian Affairs Minister Tom Siddon certainly hasn't distinguished himself.

STAY CLOSE

Mr. Bourassa's deputy minister, Lise Bacon, says nothing has changed with the premier away, that he remains in constant contact with officials and with the army. "You know the premier," she says, "he's been on the phone controlling the situation from Miami or wherever he is."

No one in Mr. Bourassa's office would say exactly where he is, or

when he is due back.

However, he obviously decided on the trip in a hurry. His sudden and unexpected departure resulted in his cancelling a long-standing engagement with West German President Richard von Weizsaecker.

But spokespeople in the premier's office stoutly deny reports that he is unduly tired or suffering from any sort of burnout.

Considering all the criticism heaped on Mr. Mulroney for spending most of the summer hunkered down at his Harrington Lake cottage - emerging only occasionally to comment on various crises - you would think Mr. Bourassa would be acutely aware of how his absence would be viewed.

By now, the term "leadership vacuum" should be ringing in the ears of all our political leaders. Mr. Bourassa's vacation, regardless of need, can only serve to increase the clamor. Not a wise move.

Wilson's fiscal policy falls short of the goal

OTTAWA - Until Michael Wilson vessed up that he'll likely miss his deficit target this year, he might have qualified as the sadistic genius of Canadian politics.

So, we'll just have to stick with "sadistic" to describe the finance minister. His high-interest-rate policy has hurt Canadians without, apparently, achieving its goal of deficit reduction.

Wilson admitted this week his estimate in last February's budget for average interest rates, 11.1 per cent, was too low. He now thinks rates will be nearly 13 per cent for the year. That will sharply increase debt payments Ottawa has to make and reverse apparent progress made at the outset of the 1990-91 year.

If one had to judge Wilson's record on federal revenues and expenditures in the first four months of the fiscal year, starting April 1, Canada's top money manager would have seemed to be doing well.

From April through July, the latest available figures, the government squeezed 17 per cent more revenue out of Canadians than in the same period a year earlier.

Federal revenues were \$40.9 billion, up from \$34.8 billion last year. Program spending (which excludes interest payments on the national debt) was \$32.1 billion, up 6.5 per cent from \$30.1 billion a year ago. Payments on the debt hit \$14.3 billion, up from \$12.6 billion.

Adding all these things together, the four-month deficit was \$5.5 billion, down 30 per cent from \$7.9 billion a year ago.

In the first three months, the results were even bigger. Revenues had climbed 21 per cent and the deficit was down 41 per cent.



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from \$1.3 billion a year ago.

What was happening in the first few months on the fiscal year to make the outlook so positive before Wilson brought us to a screeching halt?

Finance officials say it's a mistake to read too much into the early results. "Three months do not a year make," a spokesman said when asked about the phenomenal first-quarter results. "And there's a lot of volatility in the first five months of the year."

It's a point made in the department's reports. "The monthly pattern of both revenues and expenditures are subject to a wide degree of year-over-year variations due to such factors as timing of tax refunds, payment of grants and contributions and purchases of capital assets," the latest report notes drily.

For example, the main contributor to swollen federal revenues so far this year, is a 25-per-cent jump in personal income tax collections. In the April-to-July period, these accounted for \$20.9 billion - just over half of the revenue total. That's \$4.3 billion more than at the same time last year.

Personal income tax payments were higher than expected in part because the economy in the first few months of the year was more resilient than expected. The strong

income levels of last year carried over into fiscal 1990-91.

DECLINING

But this should taper off in the coming months. The economy, Wilson now admits, is declining faster than predicted in the February budget. Jobless rates, after a long period of stability, are on the rise. Higher unemployment costs governments both through reduced revenues and larger benefit payouts.

Another factor accentuating revenue collection was the fact that a year ago, the tax take was smaller due to income-tax reform. In 1989, the April-to-June period was marked by a substantial payment of tax refunds to filers who had overpaid in the previous year. This depressed Ottawa's 1989-90 revenues by an estimated \$1

billion.

Finally, federal efforts to speed up payment by tax debtors this year resulted in hefty collections in June, which reduced July's revenues.

While personal taxes have risen sharply, corporate income tax has remained flat, compared with a year ago. But this is a surprise, because lower profits were ex-

pected to cut into the \$3.5 billion in corporate taxes collected so far this year. The inclusion of more companies and the new tax on large corporations, though not yet passed by the Senate, has helped offset the expected decline.

But it's clear from Wilson's remarks this week that the lower deficits of the first quarter of the year are only a passing phase.

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REVERSAL

July's figures signalled a reversal, however, when the deficit for that month climbed to \$1.8 billion