

Opinion

Acton arena should have been approved

Last week's decision by Halton Hills Budget Committee not to recommend approval for a new Acton arena this year makes no sense and I only hope when the issue goes before Town council next month for final consideration the recommendation is overturned.

The Budget Committee balked at including the arena proposal in the 1991 capital budget because its \$4 million price tag, of which the Town would be obligated to cover \$3.2 million, is too high. The province would provide the remaining funds. According to the capital budget staff report, the Town would be required to borrow the \$3.2 million. That means Halton Hills residents would see their 1992 or 1993 tax rate increased by 7.3 per cent over what the

increase would have been if the arena had been rejected. When the increase took effect would depend on when construction happened.

Right about now you are probably saying to yourself it's Ben Dummett instead of the local councillors who is being nonsensical. "If he expects us to swallow what could conceivably be a 1992 tax rate increase in the teens, he's out of his mind."

Before jumping to any rash conclusions, it must be realized inclusion of the arena in this year's capital budget only means the Town Recreation and Parks Director Tom Shepard is permitted to apply to the province for funding in 1991. The Town would only be obligated to front money once the province committed its



Ben's Banter
by
Ben Dummett

funding and that would happen a year from now, says Mr. Shepard.

Assuming this scenario was allowed to unfold then in the interim, council could direct staff

to seek out alternative means other than borrowing money to fund the arena's cost. The less money the Town borrows to fund the arena the less effect the arena's approval will have on people's tax rate. The Acton councillors suggest the sale of Town land could be an alternative method of financing.

A lot of councillors opposing the arena's approval for this year do so because they don't want to commit the next council to an expense it may not support. A municipal election is scheduled for November.

I would agree with this point if the next council was obligated to support the arena on the basis of it being approved in the 1991 capital budget. However, any council has the right to reject a

capital project. Some might argue the council would be morally obligated.

If the new Town council rejected the construction of the arena once the provincial funding was in place next year and the province was forced to take back its money, the province may frown on providing funds for the project at some later date some say.

However, according to NDP North-Halton MPP Noel Duignan, the province would never carry out this action.

By not approving the arena for this year council would unnecessarily delay the arena especially since it can always be rejected in the future if the project's cost can't be met without taxpayers paying a heavy price.

History of taxation gives reason for concern

TORONTO - Now that the federal government has dinged us with a goods and services tax, what other revenue-raising raids might be staged on taxpayers?

That theme recently occupied a gaggle of experts who gathered in Toronto to brainstorm about tax possibilities into the next century. As you might expect, they mulled over a wide range of scary options.

In making their guesses, the tax prophets who attended a Canadian Tax Foundation conference looked first at the emerging economic, social and political structure before concluding in most cases that more study is needed.

They talked about tax relief, penalties and incentives. They pondered the political appeal of a "green" tax, and whether it would be aimed specifically at protecting the environment or used as a general revenue raiser.

They discussed the increasing importance of payroll taxes - such as unemployment insurance and pension premiums - now the third-largest source of govern-

ment funds, after income and sales taxes.

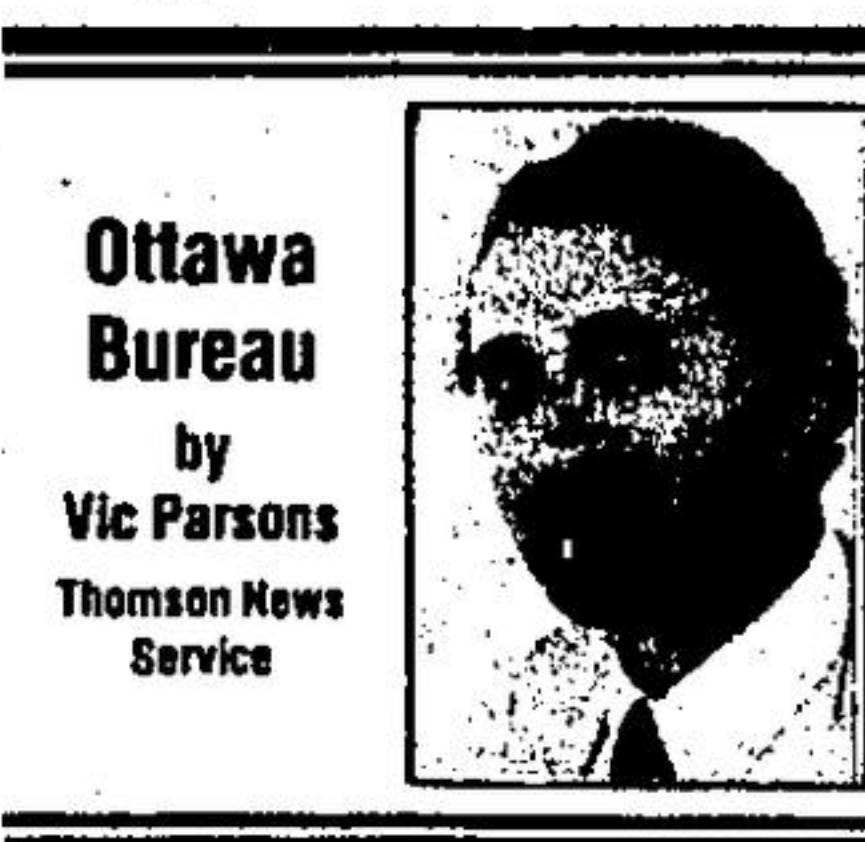
(Latest Finance Department figures show UI premiums total nearly \$8.5 billion in the first eight months of the current fiscal year, more than 10 per cent of all taxes paid. Benefits paid out were \$8.3 billion.)

The increasing trend toward an economy that is more service-oriented provided fodder for debate. The GST is clearly a move by the federal government to tap into a new Canada in which resources and manufactured products are not as proportionately important as they once were.

IMPORTANT SOURCE
One academic predicted what many Canadians suspect, that the GST will become increasingly significant as a revenue source for Ottawa as time wears on.

Still, such forecasts are, as one participant said, presumptuous. "How can one attempt a prediction of the future when the past belies any rational explanation?" asked Satya Poddar, a tax consultant with Ernst and Young.

One of the factors that makes



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predictions difficult is the public frame of mind about taxation. Despite apparent anger about the GST and other taxes, there seems to be a widespread willingness to accept tax measures that would help clean up the environment.

But would this acceptance of "green" taxes diminish if taxpayers knew the estimated costs?

Don Dewees, an economics and law professor at the University of Toronto, said "draconian" measures would be required if Canada is to reach its goal of a 20-per-cent cut in carbon dioxide

emissions by 2005. When economic growth is taken into account, the target means Canada would actually have to slash emissions by 46 per cent from the anticipated 2005 level.

If taxes alone are used to clamp down on the use of carbon-producing coal, natural gas and oil, the after-inflation prices of such fuels would have to double.

This would squeeze about \$20 billion in additional taxes each year from consumers, about half of that from motorists. A carbon tax of that magnitude could make the GST look popular by comparison, Dewees said.

TURN SOUTH
Moreover, if Canada had a big carbon tax and the United States did not, more consumers than ever would cross the border to shop for gas.

That's not all. If taxes were levied on sulfur oxide emissions, the revenue from that source could be more than \$2 billion. A charge of nitrogen oxide releases could raise another \$2.6 billion, about 58 per cent of which would be extracted from transportation

users.

Dewees suggests taxes collected from sulphur and nitrogen emissions would fall over time as producers acted to reduce their tax costs. With carbon, however, there is little feasible control technology, so lower fuel consumption or switching to other forms of fuel would be the solution.

How acceptable these kinds of taxes are to the people who pay the government's bills may depend upon how they are perceived.

Nancy Oleweiler, a Simon Fraser University economist, said if such taxes are successful in protecting the environment then, over time, the revenues from them should diminish.

But if government lust for the cash generated takes over, taxpayers might take a dimmer view of a so-called green tax that raises money for general purposes. Certainly, the history of taxation gives them reason for concern.

More on the tax future in my next column.

Soviet Union repression raises questions

Should the West be concerned about the trend towards increasingly visible repression in the Soviet Union?

Yes, with qualifications. Above all, it depends on priorities, on what is important in relations with the Soviet Union and what isn't.

And these come on a sliding scale.

For the Western world, the prime concern in regard to the Soviets always has been and always should be its military might and its expansionist tendencies.

Soviet conventional military superiority has always given it the potential for overrunning western Europe by surprise attack. Soviet strategic forces could also launch a nuclear first strike to destroy that "last bastion of imperialism," the United States. And Soviet imperial schemes have spread worldwide.

Yet, with the collapse of Soviet puppet regimes in eastern Europe and the pullback of many troops to Russia proper, the first of those concerns has been greatly eased. So, too, the level of Soviet meddling worldwide has declined.

CHEATING

Not that all Western security concerns have been answered, mind you, as witness the multitudinous ways the Soviet military has gone about cheating on the conventional forces arms control pact signed just last autumn.

They've reclassified whole divisions and air regiments as

"naval" and therefore exempt from the treaty. They've moved enormous amounts of equipment behind the Ural Mountains to avoid destroying it, and they simply deny the existence of hundreds of military installations the West knows exist.

But beyond such life-and-death matters where a mistake could be final, there lurks the more murky area of the West interfering in the Soviet Union's internal affairs.

Do we have the right? The answer has to be yes.

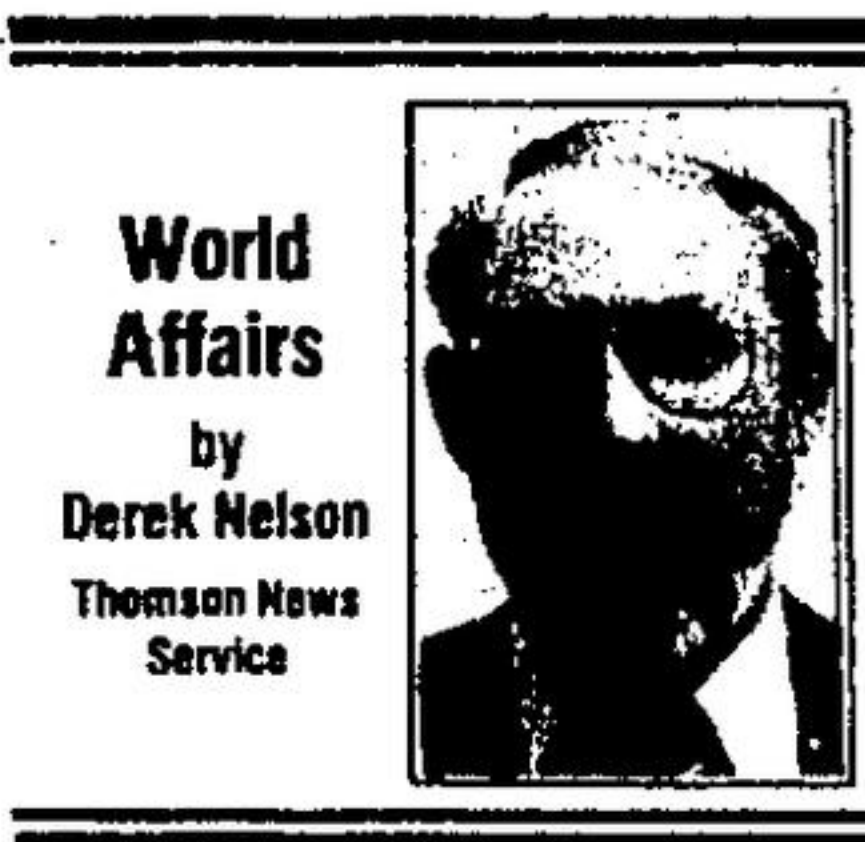
When the Soviet Union signed the Helsinki accords with the West in 1975, it committed itself to a certain standard of civilized behavior towards its own people.

For a Communist regime this was quite remarkable and, in fact, the accords have since served as a very useful tool for reminding the Soviets of their obligations to their own people.

There are limits, here, of course. Concern over repression should not supercede the priority we give international peace and stability.

On the other hand, we in the West do have a special obligation to the three Baltic states of Lithuania, Latvia and Estonia, which, when conquered by the Soviets in 1940 (as part of the Nazi/Communist deal to divide up eastern Europe), were subjected to rigors very similar to what Iraq has inflicted upon Kuwait.

Unlike other Soviet conquests, such as Armenia, central Asia or the Far East, the incorporation of



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by
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Thomson News Service

the Baltic states into the Soviet Union was never recognized by Canada and the U.S.

Paradoxically, it is good news that Soviet President Mikhail Gorbachev is pretending to know nothing about who is giving the orders in Lithuania.

PRIME GOAL

This allows the West to make the strongest remonstrances against the crackdown in the Baltic states without interfering with our prime goal: making the world a safer place to live through the relaxation of Great Power tension.

Even in that contrast, there is one deeply worrisome aspect to the crackdowns, far worse than the actual shootings, horrendous as they are. This is the suppression, one after another, of Baltic non-Communist media outlets.

The great triumph of Gorbachev's resolution was to bring free speech to the empire. If the Soviets are repudiating that, then they are repudiating everything

of consequence about glasnost. This is of major concern to the West, for an open society is one of the best guarantees that the

Soviets do not revert to rampaging across the face of the earth in pursuit of world empire in the name of Karl Marx.

Berry's World

Jim Berry
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