

Political Forum Ottawa Report

Canada could be on verge of tax revolt

Do you pay too much in taxes? Stupid question. Most people feel their tax burden is excessive, and growing larger. Worse, they feel there's no well-defined goal for all this money - it just sort of sinks into a black, bottomless hole called "Government."

Sometimes we forget how much cash it takes to have health care and education and roads. But most of us don't mind paying a fair share - if we could only know what that was.

Right now, it just doesn't feel right. And that is why we could be on the verge of a tax revolt. And if it comes, it could be a healthy, positive and necessary event for politicians at all levels.

Oh, there are rumblings. Frank Gue down in Burlington is stirring the pot, forming a chapter of the Taxpayers Coalition. And up in Caledon, people like Peter Prodoehl and Helen Gordon are busy organizing. In the middle are many more who are sick of seeing taxes go up at all levels of government.

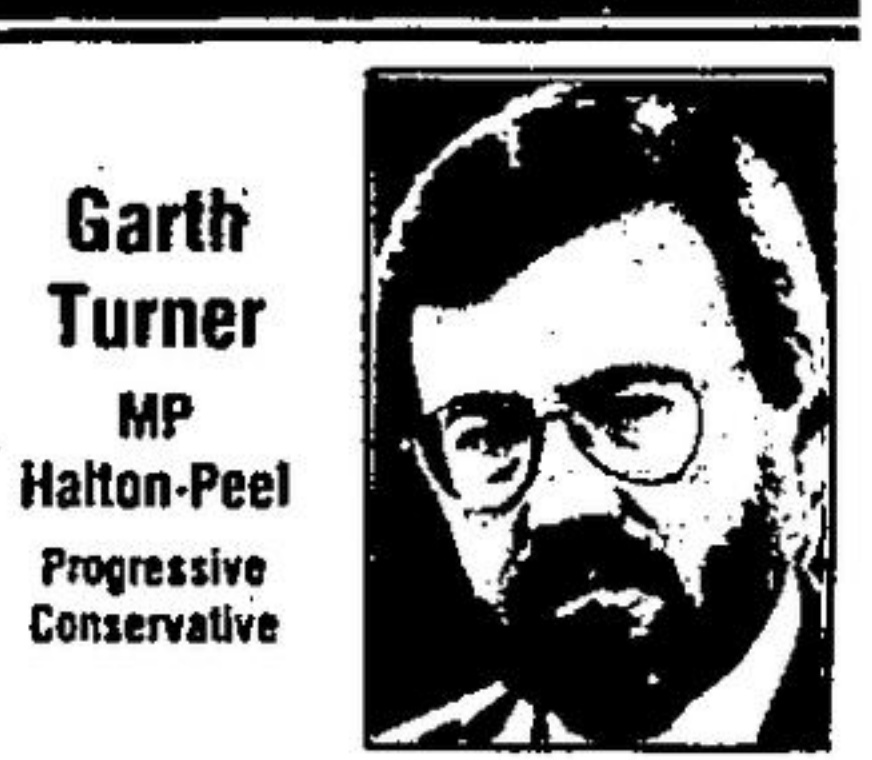
Yes, the GST is part of that - along with property taxes, income taxes, provincial sales taxes, excise taxes, capital gains

taxes, land transfer taxes, business taxes, income surtaxes and all the taxes that hide under other names - like duties and user fees, levies and assessments.

Too many taxes, in a country where we have enough governments and politicians to support a population of, say, 150 million people. And we are just 26 million.

I read last week about a man in Milton who refuses to pay an unreasonable increase on his property tax. I see that Mississauga City council is asking for public input on how it can trim spending. And I studied a real tax revolt in Kent County, where a small town was nailed by businesses refusing to hand over large additional sums.

As you may have read, I recently gave Finance Minister Michael Wilson a report on all this, making conclusions and recommendations. The conclusion was that governments spend too much money. At the federal level, it's mostly to pay interest on the debt and to account for inflation-proofing government payments. At the provincial and municipal level it's to cover



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homeowners pay the price for a policy they may not have asked for.

Federal taxes will never go down until the deficit does. And the deficit won't go down unless there are more tax increases or spending cuts. And if there are more tax increases, there will be a tax revolt.

Ditto for more taxes from the province or the local governments. And that will be a good thing - because a revolt will help force politicians to spend less, even when it means cutting services and taking the heat for doing so.

Since my goals for the past two years have been to see less government, lower spending, an end to the growth in debt and (especially) the hope of lower taxes, I have no problem with what Frank and Peter or Helen are doing. In fact, I'll help them.

As for Wilson, he has my report recommending he declare a debt emergency, freeze spending, link the GST with deficit reduction, cut payments to the over-spending provinces, combine local, provincial and federal taxes, set debt targets to achieve, have MPs fund their own pensions; make a balanced budget a Constitutional must - and damn the torpedoes.

I sense he is listening - after all, he's the one who asked me to look into this tax revolt stuff.

But I'll lay in a few pitchforks and torches, just in case.

I have to be in Ottawa next Monday night, so please note the Palgrave Town Hall meeting is changed to Friday, March 1 - at 7:30 p.m. in the Community Centre. To those who got notice of a meeting on Feb. 18, well, just use the back of it for a grocery list.

NDP position on auto insurance

By NOEL DUIGNAN
Halton North MPP
New Democratic Party

This week I would like to discuss an issue that affects almost every constituent in Halton North. I would like to outline our government's position on auto insurance.

According to a recent news article, the Insurance Bureau of Canada has released statistics which show auto insurers made a net underwriting income of \$154 million in the province during the third quarter of 1990. The companies saw their profits soar under the Liberal no-fault plan which became law last summer.

Our approach to auto insurance is guided by the same principles that guide our approach to other issues: what is in the best interests of the people of Ontario? We believe that drivers are entitled to affordable insurance coverage with fair compensation for injured victims.

As you know, auto insurance has been a concern for some time. In the mid-1980s, auto insurance premiums were increasing dramatically - sometimes by 30 to 35 per cent in a single year.

Toward the end of 1989, the Liberal government introduced Bill 68 outlining its threshold no-fault automobile insurance plan. As we all remember, the Bill was subject to strong opposition from a wide area of public opinion and to much vigorous debate from the NDP members. Despite the protest, the former government did not listen. Bill 68 was passed and came into effect on June 22/90.

Our position on auto insurance has always been clear. We have historically advocated public auto insurance ... a driver-owned, non-profit, insurance system ... a plan that would provide coverage at a reasonable price ... a system that would guarantee fair compensation for innocent victims.

British Columbia, Manitoba, Saskatchewan and Quebec are models we are studying.

Motorists are required by law to have auto insurance in order to drive. When the law compels people to buy insurance, the government must ensure that it is available fairly and at a reasonable price. The insurance companies have not met this responsibility.

Public auto insurance will have lower costs:

- public auto insurance will likely eliminate the need for re-insurance. The government is better placed to do the pooling of risk than the existing system of many companies with low market shares.

- public auto insurance will substantially reduce the need for the process of risk selection and underwriting. This activity involves gathering information on a potential risk to determine whether to accept or reject the risk. The public plan will insure all drivers licensed to operate a motor vehicle.

- public auto insurance will also eliminate the need for and the costs of the facility association where in recent years the private insurers were unfairly placing many drivers.

- public auto insurance will reduce commission expenses.

- public auto insurance will substantially reduce the costs of investing funds, the costs of maintaining many computer systems.

- public auto insurance will substantially reduce or eliminate the advertising costs and the expense of the inter-company paper shuffle, the administrative effort in settling a claim involving more than one insurer.

- public auto insurance will substantially reduce the costs of the Ontario Insurance Commission which now regulates the approximately 150 auto insurers in the province.

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