

Political Forum Ottawa Report

GST guarantee an important budget feature

A few days after I was elected in the fall of 1988, I had my first meeting with Finance Minister Michael Wilson. I ran a few ideas past him, but the central one was this - use the money from the GST to pay down the federal deficit.

At that time his advisors didn't think Wilson should do that - in the belief that most Canadians would not pay a tax to reduce the deficit because they didn't care about the deficit.

And that is why the GST was sold as being "revenue-neutral." In other words, the money it raised would equal the money the taxes it was replacing raised, plus enough to send credits to lower-income people.

But all this is now history. And I'm glad of it.

A week ago, Wilson stood in the House of Commons and said all of the money the GST raises will be used to reduce the deficit. This year (after replacing the money lost from the end of the old tax), we could see three or four billion

in GST cash applied directly to the deficit, largely because a chunk of the underground economy is expected to bubble to the surface. In order to get credits for the GST paid, businesses need to be part of the system. As the economy recovers, and the feds keep cutting expenses, the total revenues will rise a lot more.

The plan is that within 48 months, today's \$30.5 billion deficit becomes just \$6.5 billion. And the year after that, no deficit.

That means our debt will stop growing. The big Debt Clock which I'm helping to install in Ottawa on March 20 (you're invited to come and watch), will finally stop clicking. The deficit will be zero, and we will start on the task of actually paying down the debt itself - redeeming the bonds which people bought from the government.

Of course, I support this. Killing debt, so we can get to lower taxes, is the central reason I ran

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to be an MP. Now that the government is setting up a separate bank account to pay our debt charges, we have a guarantee that this tax money won't go into a big, black hole in Ottawa and be used for increased spending before the next election.

This is also a guarantee that the next time the Halton Hills Chamber of Commerce gives me a cheque to reduce the deficit, it will end up in the right spot. Before this, there was no

guarantee the money would actually go to the deficit. Ditto with the cheque the Bolton Lions Club gave me the other day, also for deficit-reduction.

The GST guarantee is one of two very important elements in the budget - actually, radical stuff which a lot of people thought a finance minister would never do.

Wilson will also be bringing in a new law which will legislate spending limits. That's right - politicians won't be able to spend beyond a certain level unless they're willing to cut the same amount of money elsewhere.

Under the legislated spending limits, the budget makes this clear statement: "Spending limits will provide the assurance that higher taxes, including the GST, will not be used to finance higher-than-projected or new spending programs." That means, no higher taxes to cover higher spending - a guarantee for taxpayers.

And in addition to these two

main themes, there are other measures to hold the limit on federal spending and try to have other levels of government do the same, like:

- A 3% cap on the wages of civil servants, leading to a possible elimination of 6,000 more public jobs.

- Hundreds of millions of dollars cut from grants to special interest groups.

- A 10% cut in the number of executives in the government service.

- Spending cuts of \$15 billion over the next five years.
- Transfer payments to the provinces limited.

- And Wilson is calling for a partnership of all levels of government, to deal with the rising costs of governments, and attack "overlap and duplication."

I think this is going in the right direction. Not fast enough yet, but we're definitely rolling. And all you remember about the day after was three cents - more a smoke, right?

Queen's Park Report

Ontario waste reduction action plan discussed

Ontario Waste Reduction Action Plan

As an advocate for environmental issues, I welcome the opportunity this week to discuss the Ontario Waste Reduction Action Plan announced by Environment Minister Ruth Grier on February 21, 1991.

As you know, the disposal of solid waste has become one of our most pressing problems, not only in Halton Region but throughout the province. There are 1,400 landfill sites in Ontario. About 100 of these sites are expected to reach capacity by 1993 and another 150 sites are expected to reach their capacity between 1993 and 2003. Meanwhile, Ontario's residents and industries produce about 10 million metric tonnes of municipal solid waste in total per year.

In her statement to the Legislature in November, Mrs. Grier indicated the direction of

the new government. "The first thing we must do is get our 3R priorities straight - reduce, then reuse and, finally recycle." The first R of waste management is to simply reduce the quantity of waste produced. Some examples include consumers avoiding the purchase of disposable and over-packaged goods, and industries changing production processes to generate fewer unusable by-products. The next R is to reuse, or to use an item again in its original form for the same or a different purpose. Some examples include refillable bottles, cloth diapers, and rechargeable batteries. Voluntary and private sector organizations also accept used goods for restoration and resale. The third R is recycling or the extraction of waste materials to meet a market demand through such systems as source separation (for example, Blue Box programs), community composting, and the processing of mixed waste to recover useful materials.

In her remarks last month to a



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gathering of southeastern municipal representatives, the Environment Minister indicated that waste reduction and recycling programs would be mandatory for all but the smallest businesses, industries, municipalities, and institutions. She also said that she was considering province-wide bans on such materials as corrugated cardboard, wood and drywall, brick and block, newsprint and yard waste at all disposal sites. The Minister noted the ambitious

steps taken by Halton in this direction.

The Action Plan is intended to ensure that we divert from disposal, at the very least, 25 per cent of our waste by 1992 and 50 percent by the year 2000. It calls for developing and implementing the following measures:

- strong regulatory measures to reduce at source the flow of valuable resources now going to landfill

- the financial and technical systems needed to divert these materials from landfill and into productive use and reuses

- healthy markets for materials recovered through source separation programs

- public education programs that will give all members of Ontario society the information they need to make responsible choices to reduce waste.

The Environment Minister called the plan "a cornerstone in

the building of a new conservator society for the years ahead." New regulations will require major retail malls, construction and demolition sites, office complexes, hospitality services, industries, and most Ontario municipalities to do waste audits and to develop waste reduction action plans to ensure they effectively meet the government's waste reduction objectives.

Municipalities involved in recycling will also be expected to provide community composting for leaf and yard waste starting next year. She predicted an expansion of current blue box programs to include old corrugated cardboard, telephone books, magazines, boxboard and mixed rigid plastic containers. The Ministry's share of funding of municipal backyard composting programs will be increased from one-half to two-thirds of eligible costs and provincial assistance for other measures will be reviewed.

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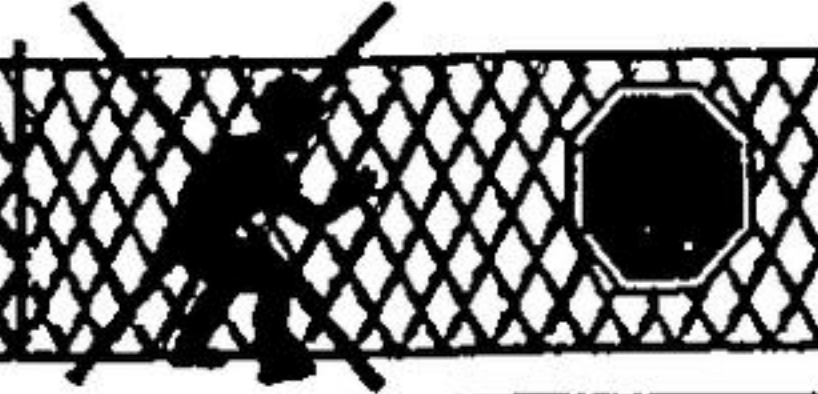
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