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Part One: Killing the Golden Goose: Equalization from one of those footing the bill.

David MacKinnon does not mince words when he talks about Canada's system of subsidies, transfers and equalization.

In a speech to the Empire Club in Toronto, MacKinnon, AIMS Senior Fellow in Fairness in Confederation; the Ontario Perspective, said, "The system of regional subsidies we have put in place hurts everybody and, by itself, could prevent Canada from competing in the world of the twenty first century."

The speech was MacKinnon's first as AIMS Senior Fellow and he wasted no time in telling the Empire Club audience that those who are paying the bill are actually receiving fewer services. He provided some examples:

"Accessibility of government programs in recipient jurisdictions, even acknowledging demographic and geographical differences, is better than in Ontario and Alberta, whose taxpayers pay so much of the freight. As an example, in 2005:

- *Ontario had 2.8 hospital beds per thousand and Alberta 3.30. Manitoba had 3.82 and Newfoundland and Labrador had 4.35;*
- *Newfoundland and Manitoba had 10.7 and 9.6 nurses per thousand respectively. Alberta had 8 and Ontario 7.1.*
- *The student-teacher ratio in elementary and secondary schools are 13.6 for Newfoundland and 14.5 in Manitoba. For Ontario and Alberta, the figures are 16.6 and 16.9.*
- *Ontario has only half the number of judges, in relation to population, as Newfoundland and has by far the fewest of all provinces;*
- *Total public sector employment per 1000 population in Ontario is 81, Alberta, 83.*

Quebec, 92, Newfoundland is 105, and Manitoba, 117.

- *The Ontario government has the fewest resources available for public services, in relation to population, of all Canadian provinces.*

The numbers don't tell the story in human terms. The old and the very young in Ontario will find greater challenges in accessing hospitals and teachers than most Canadians in other provinces."

To read about MacKinnon's appointment, [click here](#).

To read a Commentary based on MacKinnon's speech to the Empire Club, [click here](#).

MacKinnon's comments caught the attention of national columnist Neil Reynolds who used it as the basis for [this column](#) in The Globe and Mail.

Part Two: Population change: It's not just by the numbers

The New Brunswick government announced its plan to boost its population by 100,000 people over the next two decades. It's the latest policy reaction to Atlantic Canada's looming population crunch, and came within weeks of the publication of AIMS' Commentary [Crunch Time: Population change will challenge Atlantic Canada's future](#) prepared by Director of Research Ian Munro.

Munro says it's not just about boosting numbers, and in this news story about the NB policy explains that any plan to increase population should also address the changing demographics.

To read the news story, [click here](#).

To read *Crunch Time: Population change will challenge Atlantic Canada's future*, [click here](#).

A decade ago AIMS was among the first voices in Atlantic Canada to raise the alarm with regard to shifting demographic patterns and a looming labour shortage. To read the original paper, *Population Change in Atlantic Canada: Looking at the Past, Thinking about the Future*, [click here](#).

Part Three: Looking beyond property tax: New revenue sources for municipalities.

No one likes paying taxes, but like death, they're a certainty. What we can do, however, is try to ensure that our taxation system is fair to all taxpayers and promotes economic growth.

With that goal in mind, Dr. Harry Kitchen, Professor Emeritus in the Department of Economics at Trent University, prepared this paper with recommendations for improvements to the tax structure in Halifax Regional Municipality (HRM). [Spend & Tax: Improving efficiency and accountability of taxation in HRM](#) analyzes a number of tax options and recommends several changes to the way in which HRM raises revenue. Kitchen suggests that municipalities be permitted to implement new *types* of taxes; however, he adds that allowing a city to diversify its taxing tools should **not** be misconstrued as a call for higher taxes.

To read the complete paper, [click here](#).

To read the media release, [click here](#).

In discussing his paper on CBC Radio, Kitchen explained, "One of the problems in Canada is that provincial governments are very, very hesitant to give municipalities any flexibility." To read

more from the story, [click here](#).

Part Four: Powering up the NB forest industry: Government subsidies not the answer.

The high Canadian dollar and high energy costs are two reasons given for the problems facing New Brunswick's forest industry. There's also the US housing slump and global competition. When industry leaders suggested government step in to subsidize energy costs to make the local product more competitive, reporters turned to AIMS for comment.

Director of Research Ian Munro explained in this newspaper article that subsidizing energy costs to one industry is not in the best interest of anyone.

To read the complete article, [click here](#).

Part Five: Following the money: Government needs to know where it is spending health care dollars before it can fix the funding problem.

Government needs to understand what is happening within the Canadian public health care system, before it hopes to solve the problems of the system. In this story in the New Brunswick Telegraph-Journal, and picked up by The Canadian Press, AIMS acting President Charles Cirtwill explains how that can be done.

He says the provincial government has to spend money to save money. Cirtwill suggests more resources need to be dedicated to understanding and fixing the funding problems plaguing public health care as part of its overhaul of the system.

However, he admits it may be difficult to find the political will to spend potentially millions of dollars researching and analyzing the way health care is paid for in the province, when opponents say that the money should be spent directly on care.

To read the complete story, [click here](#).

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