



# THE BEACON



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Policy Begins Today*

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## **Part One: Dare to be Less: Lowering taxes on the road to recovery.**

AIMS seminal book *[The Road to Growth](#)* laid out a proven model for turning around struggling economies like those to be found here in Atlantic Canada: better, lower taxes and better, lower spending; spending focused on things that truly matter. Never has taking that road been more urgent than in these times of economic turmoil. Don't take our word for it; an all party select committee of the New Brunswick legislature has said the same thing. Its final report reflected much of what AIMS told committee members regarding the value of economic reform and the capacity of New Brunswick to re-orient for growth. More importantly, the 2009 New Brunswick budget unveiled a three year plan to lower taxes and control spending in that province. AIMS Executive Vice President Charles Cirtwill called it an investment in people. Follow the links below to a sampling of the research and material we have published on the tax reform policy.

- **[Come home to . . . New Brunswick – AIMS in the Globe & Mail](#)**
- **[NB will see your stimulus and raise you, tax relief](#)**
- **[A Fork in the Road . . . on the Road to Recovery?](#)**

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## **Part Two: Canadian Care: Coming soon to a republic near you**

AIMS President Brian Lee Crowley was one of the international health care policy experts invited to present to a health reform conference in Washington, DC hosted by the Galen Institute and the International Policy Network. Called Lessons from Abroad, the conference provided a forum to examine the international experience with publicly funded health care.

Crowley was able to use this opportunity to warn Americans that there are disadvantages to the Canadian model. In [Canadian Health Care: Coming soon to a republic near you](#), Crowley discusses those disadvantages and the current monopoly run business that is Canadian Health Care.

To read this commentary, [click here](#).

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### **Part Three: Merit pay for merit work: How good teachers can get paid for a job well done.**

US President Barack Obama has opened the debate once more on merit pay for teachers. It's a policy supported in AIMS paper on teachers' unions titled, [Getting the Fox out of the Schoolhouse: How the public can take back public education](#).

With the topic again making headlines, the news media turned to AIMS to provide insight. Executive Vice President Charles Cirtwill says merit pay works best where "success" and in particular "student success" is defined clearly and is actually attributable to the value added by the teacher.

In numerous broadcast interviews across the country, he explained that merit pay must be evidence based, open, transparent and clear; and it MUST control for context – the skills of the kids, the nature of the school, nature of the community. To read more, [click here](#).

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### **Part Four: Guest Commentaries: From surviving the recession to the myths of the Great Depression**

It would appear New Zealand's Sir Roger Douglas has returned to active politics just in time. In these times of economic turmoil his sage advice is worth the read. In [Ten Lessons for the Recession](#), based on remarks to his political party's annual conference in Auckland, New Zealand, Sir Roger lays out the steps that can lead New Zealand out of the recession. They are lessons easily transferred to other nations.

As Finance Minister in New Zealand's Labour Government from 1984 to 1988, Sir Roger was responsible for one of the most comprehensive restructuring programs ever attempted by a government anywhere. Most significantly, he overhauled the operating philosophy of government agencies and departments to make them run as competition oriented, bottom line business enterprises that are fully accountable for resources they receive from taxpayers.

Sir Roger retired from politics in 1990 and was AIMS guest for a series of meetings held across Atlantic Canada in 1995 and 1996 in Halifax, Saint John and St. John's.

Sir Roger founded a chapter of the Association of Consumers and Taxpayers in New Zealand in 1995 which became the political party, ACT New Zealand, in 1996. Sir Roger returned to the New Zealand Parliament as an ACT List MP in the General

Election of 2008.

To read this Commentary, [click here](#).

To read Sir Roger's comments from his AIMS' tour, [click here](#).

In [Great Myths of the Great Depression](#), Dr. Lawrence W. Reed writes, *"Many volumes have been written about the Great Depression of 1929-1941 and its impact on the lives of millions of Americans. Historians, economists and politicians have all combed the wreckage searching for the "black box" that will reveal the cause of the calamity. Sadly, all too many of them decide to abandon their search, finding it easier perhaps to circulate a host of false and harmful conclusions about the events of seven decades ago. Consequently, many people today continue to accept critiques of free-market capitalism that are unjustified and support government policies that are economically destructive."*

Dr. Reed uses the book as the basis of his address to the 2009 Austrian Scholars Conference in Auburn, AL. Follow [www.youtube.com/watch?v=15UHyHJXG9Y](http://www.youtube.com/watch?v=15UHyHJXG9Y) to view the 15 minute video of his remarks.

Dr. Reed is president of the Foundation for Economic Education ([www.FEE.org](http://www.FEE.org)) and is the founding president and now President Emeritus of the Mackinac Center for Public Policy. The Austrian Scholars Conference is the international, interdisciplinary meeting of the Austrian School. Over three days, the conference offers 80 plus presentations on economics, history, philosophy, and the humanities, in addition to named lectures by the leaders in the field.

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## **Part Five: AIMS in the Headlines: From Shanghai to Saint John – tax savings to health spending**

**Forecast for Ottawa and Beijing: Light Frost** - In this article requested by CANCHAM magazine in Shanghai, AIMS President Brian Lee Crowley discusses the trading opportunities between Canada and China.

**Heavy bureaucracy** - New Brunswick's civil service is among the largest per capita in the country. AIMS Research Manager Bobby O'Keefe explains how that statistic may indicate over-management.

**High taxes costly for N.B.** - New Brunswickers' high income earners are taxed at a higher rate than those in other Canadian provinces. AIMS Executive Vice-President Charles Cirtwill explains how this may be one of the factors delaying growth in the province's economy.

**Another way to do business** - New Brunswick business development agency should look to Nova Scotia's agency for inspiration. AIMS Executive Vice-President Charles Cirtwill says government departments tend to go for short-term quick hit responses to community needs that often don't result in long-term sustainable economic opportunity. However, an arms-length agency, like the one in Nova Scotia, does a better job because it's most interested in a company's business plan.

**Government wage freeze questioned** - A two year freeze on public sector wages is

part of the latest New Brunswick budget. AIMS Research Manager Bobby O'Keefe suggests wage freezes are not a great economic tool. However, public sector workers in that province will still see an increase in wages, because the government is also lowering income taxes.

**Toward some good ol' common sense** - Alec Bruce a columnist for the Times & Transcript based his weekly column on the new tax program the New Brunswick government just announced. He says he agrees with AIMS Executive Vice President Charles Cirtwill that this was a great step forward for the province.

**Market Studies Institute Calls Budget Way to Self Sufficiency** - AIMS Executive Vice President Charles Cirtwill was featured in an interview on CHSJ radio in Saint John, New Brunswick discussing the provincial budget. He calls it a positive step on the road to self-sufficiency.

**N.B. cuts taxes, runs deficit to spur economy** - The New Brunswick Liberal government has a plan for self-sufficiency by 2026. Its 2009 budget that includes a plan to lower taxes is a step in the right direction according to AIMS Executive Vice President Charles Cirtwill.

**Across-the-board tax cuts 'good news' for N.B. economy, say critics** - New Brunswick's new plan to lower taxes over the next four years has everyone talking. AIMS Executive Vice-President Charles Cirtwill says the province has made itself far more competitive in the economy.

**Long-awaited tax reforms unveiled** - The New Brunswick plan to lower taxes is the big star of New Brunswick's provincial budget. In this story in the Telegraph-Journal, AIMS Executive Vice-President Charles Cirtwill explains that the plan is a positive step for boosting investment and job creation.

**Gateway Money to Flow** - The federal government is spending \$2.1 billion in the Atlantic Gateway fund that cabinet minister Peter MacKay says will help the area become a major international trading post. AIMS Executive Vice-President Charles Cirtwill explains without a strategy in place the money could be wasted.

**Is the civil service too large?** - New Brunswick's budget is expected to have some unwelcome news for its civil service - job cuts. In this pre-budget news story, AIMS Research manager Bobby O'Keefe shows that New Brunswick has one of the highest number of civil servants per capita in the country.

**Should government pensions change?** - The economic crisis is wrecking havoc with most pension plans, including those for government employees. In this news story AIMS Executive Vice President Charles Cirtwill encourages governments to review their generous pension plans and the practice of using tax dollars to cover any shortfall.

**Double-dipping should be a no-no for government, union and watchdogs say** - AIMS Executive Vice President Charles Cirtwill speaks out against government departments that buy-out civil servants with early retirement packages only to re-hire them back as expensive consultants. His criticism is mimicked by the public sector union.

**Taxpayers urged to question deficit** - As New Brunswick prepares to table its budget, residents are being warned to expect a deficit of \$800 million. AIMS Executive Vice-President Charles Cirtwill says New Brunswick tax-payers should be concerned and asking some tough questions.

**Experts to N.B.: get spending under control** - In the lead up to the New Brunswick budget, which is forecast to include a \$800-million deficit, AIMS Executive Vice President Charles Cirtwill suggests that too often government is blaming the poor economy for the deficit without thought of limiting spending.

**Cost and Consequences of Government Health-Care Decision Making** - As the United States again debates the merits of publicly funded health care, AIMS President Brian Lee Crowley cautions not to repeat the mistakes of the Canadian health care system. His remarks to an international conference on health reform in Washington, D.C. are highlighted in this blog posting.

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