

THE RIGHT DIRECTION



Freedom Party of Ontario's

2007

Election Platform



This document can be read online at:
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The Right Direction

Freedom Party of Ontario's 2007 Election Platform

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He who rules by *moral* force is like the pole star, which remains in place while all the lesser stars do homage to it.

- Confucius

Conscience is our magnetic compass, reason our chart.

- Joseph Cook

Cowardice asks the question, "Is it safe?"

Expediency asks the question, "Is it politic?"

Vanity asks the question, "Is it popular?"

But, conscience asks the question, "Is it *right*?"

And there comes a time when one must take a position that is neither safe, nor politic, nor popular, but one must take it because one's conscience tells one that it is *right*.

- Martin Luther King Jr.

When you're the *victim* of the behavior, it's black and white; when you're the *perpetrator*, there are a million shades of gray.

- Laura Schlessinger

The right thing to do never requires any subterfuge, it is always simple and direct.

- Calvin Coolidge



A message from

Paul McKeever

Leader, Freedom Party of Ontario

Our early release of this platform - a full two years prior to the next provincial election - serves several purposes. It provides a standard by which to judge the other parties' election platforms; it gives you time to investigate Freedom Party's proposals further; it demonstrates our confidence that this election platform will withstand criticism. Although no other party has yet released an election platform for Ontario's 2007 election, I believe I can already say with confidence that the proposals set out in this platform are different from, and better than, any you might eventually see coming from the Progressive Conservatives, the Liberals, or the NDP: three parties trying desperately to get elected without upsetting their union and corporate funders.

That said, a political party's *values*, not its election promises, are your surest guide to the sort of government each party would form. It is at that level - the level of values - that Freedom Party is most clearly distinguishable from the Liberals, the Progressive Conservatives, the NDP and other political parties.

There are those who say that there is no such thing as right and wrong; that what is right for one person might be wrong for another; that everything is relative and subjective; that nothing is black and white; that everything is shades of gray. Tellingly, they feel absolutely certain that they are right.

Such people are easily recognized in the political world. They propose that feelings should trump reason; that emotional whims should prevail over what reason tells us is ethical; that justice is "too judgmental" and "unfair"; that democracy is just another word for majority rule; that freedom means not having to take responsibility for one's own life and happiness. They are the first to demand that nobody judge them, and that nobody be judged. Indeed, their wish to do wrong without being held to account is the very reason why they pretend that there is no such thing as right and wrong.

Not everyone shares that dishonest and self-serving view of how society should be. There are those of us

who believe that rationality is the essence of civility. We believe that right and wrong is black and white, and that there is only one word for a compromise between right and wrong: corruption. We do not fear judgment because we do not wish to do injustice to anyone. We advocate democracy for what it truly is: a system in which government must be judged by the same ethical code as the governed because it is *comprised* of the governed, and acts on no other authority; a system in which government cannot make unjust laws, even when a majority wants it to do so. We advocate freedom because we acknowledge and accept personal responsibility for our own lives and happiness, and because we know it is ethically wrong and unjust for us to be forcibly deprived of our lives, our liberty or our property.

We are as the white tiger, whose stripes make no corrupt compromise between right and wrong. Freedom is our unmoving pole star and point of reference. We seek government that navigates a course to a more rational, good, and just society using not the whimsical winds of public opinion, but a compass that points government in the right direction.

Freedom Party is a uniquely principled organization formed for and by equally principled individuals, like you. It is an organization whose members demand a government that defends civilization: a society distinguished by its optimistic, peaceful and hope-filled pursuit of happiness rather than a jungle plagued by a pessimistic, nasty fear of a worsened life. To proudly support Freedom Party is to tell the world, unequivocally, that you hold rationality, ethics, justice, democracy and freedom as values upon which you will make no compromise.

As we approach the election of 2007, your proud support for Freedom Party is more important than ever. When you have finished reading this platform, I hope that you will lend it to others with your full and confident endorsement. Word of mouth, coming from those who demonstrate a belief in the honest and peaceful pursuit of happiness, is our greatest and most powerful tool for freedom. **Thank you.**

Toronto, October 4, 2005

SCRAP ONTARIO'S INCOME TAX

It might seem surprising, but several states in the U.S.A. – including Florida, Texas, Washington, and Nevada, to name just a few - do not tax income at all. What you might find even more surprising is that *Ontario* did not tax income until 1969. The Progressive Conservatives imposed income taxation to pay for the other change that they brought to Ontario that year: a government health insurance monopoly called OHIP.

There are many ways for a government to raise revenue. For numerous reasons, the taxation of income is among the worst.

An income tax functions as a punishment for doing good: a fine for working and earning. *Ontario's* income tax is even worse: in Ontario, when you earn more, you are required to pay a higher *percentage* of your earnings to the government. It is a tax that punishes you for increasing your productivity and growing the economy. That is not only wrong: it is also bad economics.

Income taxation undermines financial security. Unlike a tax that you pay only when you *spend* your money (e.g., a sales tax), the income tax must be paid when you *earn* your money. That prevents you from *saving* your money for a while before spending it. You lose your ability to *save* for rainy days or for large investments (like a university education). As a result, the income tax makes you more dependent upon government for help in leaner times.

The progressive rate structure of Ontario's income tax punishes you for obtaining a higher education and the higher-paying job that can come with it. For example a person who stays out of school and earns \$200,000.00 over ten years pays less tax on that income than a person who earns little while going to university for the first five years

and earns most of his/her \$200,000.00 over the following five years.

Income taxation can also destroy a business. Most businesses cannot be certain about how much money they will earn or spend until the year is over: their revenues are much less predictable than wages. Therefore, they cannot accurately predict how much income tax they will owe until the end of the year (this is particularly true of small businesses that lack the revenues to hire accountants). After a good year, a business can find itself instantly owing a whopping debt to government. Such a sudden debt can cripple a small business, especially if the following year's revenues are not so good. The government does not care: it demands immediate payment even if that payment causes the business to go under and the business' employees to enter the ranks of the unemployed.

Income taxes also harm Ontario's economy. These days, it is an unavoidable fact that jobs go where businesses can minimize their tax burdens. Ontario's high levels of taxation are contributing to the loss of Ontario jobs. Manufacturing and customer support services are moving to China and India. Sales positions are being replaced with web sites for online ordering. Many higher-paying white collar jobs are moving to lower-tax jurisdictions in the USA and Alberta.

Ontario's income tax is wrong, unduly punitive, and detrimental to the Ontario economy. The absence of income taxes in numerous other major North American jurisdictions proves that income taxation is not the only way to finance government. It is time for Ontario to take a step in the right direction, and to join the list of North America's lower-tax, higher-income jurisdictions. **A McKeever government will scrap the taxation of income in Ontario.**

"On October 1, 1968, Ontario joined the national Medicare program with its Ontario Health Insurance Program. To pay for it, Treasurer Charles MacNaughton revealed during his March 1969 budget address that the provincial government would implement its own personal income tax on top of the federal tax...Voters appeared to accept the tax increase as a necessary substitute for [private] medical insurance premiums."

- excerpt from John Ibbitson's "*Loyal No More*" (p. 96).



Florida

Ranked No. 2 in U.S. Hospital Quality

STATE INCOME TAX: ZERO*

*Florida is only one of seven U.S. states that do not tax income.

A McKeever government will
scrap Ontario's income tax.

Learn how: www.freedomparty.on.ca/incometax

LEGALIZE BETTER HEALTH CARE

On October 1, 1969, the Progressive Conservatives gave the government of Ontario a monopoly on health care insurance. It did so by passing a law making it illegal to buy or sell private health insurance for most medical services. Prior to the ban, everyone in Ontario was free to buy private health insurance, and to buy medical services. Most Ontarians who wanted private health insurance had it, and they were quite happy with it.

The government health insurance monopoly has made unions more politically powerful and well-financed. It has also given privately-owned health care providers guaranteed cash flow from the taxpayer-financed government trough. However, the monopoly has not served Ontario's *patients* and *taxpayers* well at all. Delays are inhumanely long and completely unjustifiable. Ontarians are forced to wait months, or even a year, just to obtain a scan to determine whether or not they are ill and in need of treatment. According to the Supreme Court of Canada, Canadians are suffering, getting worse, and even dying in government health care waiting lines as they wait for health care rations. To make matters worse, in 2004, the Liberal government of Ontario brought in legislation that made it illegal to spend your own money on health care services that are covered by OHIP. In effect, fines are imposed on any individual or company that tries to sell you better, faster health care. The unions are happy with the legislation, but are you?

The Liberal, Progressive Conservative and NDP parties say that it is *morally wrong* for you to get faster or better treatment by spending your own earnings. They imply that if the poor are going to suffer or die, it is *morally right* that everyone suffer or die to the same extent.

Freedom Party takes the opposite view. It is not right for the government to prolong your suffering and subject you to delays that may put your life at risk. It is not right for the government to prevent you from spending your own money on your own health. It is cruel and wrong!

A McKeever government will *legalize faster, better health care*:

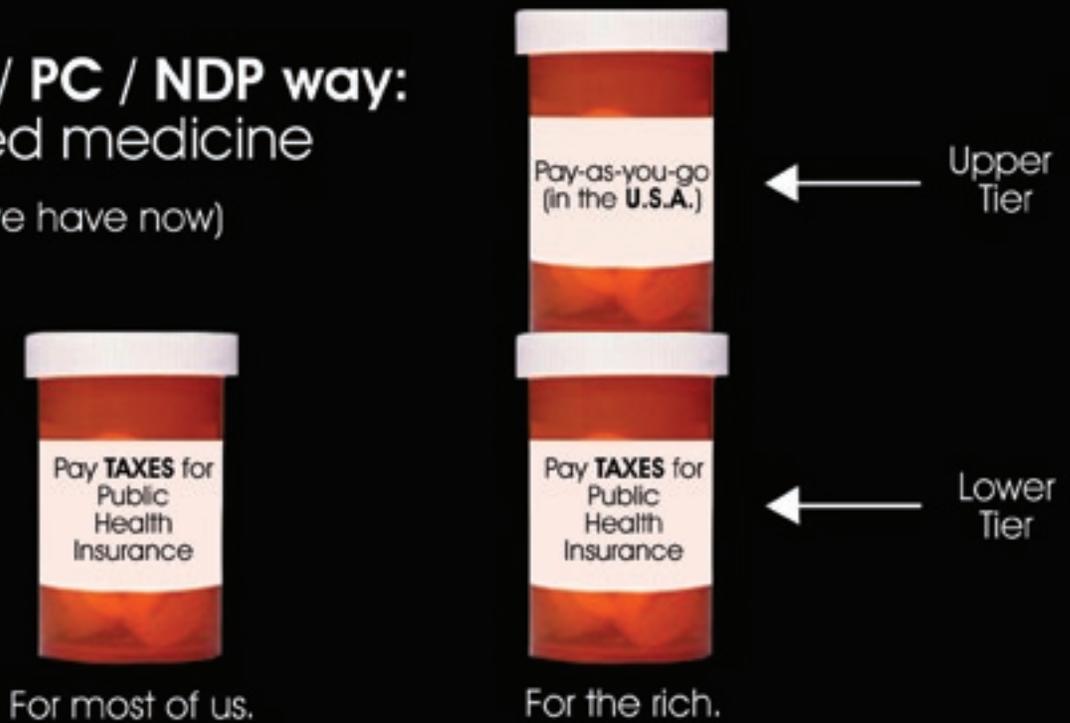
1. It will be perfectly legal for you to buy health care insurance from a private insurer, if you want to do so. Private health insurance premiums and deductibles will be controlled by competition among insurers who are trying to win your business: *competition* will force insurers to give you better health care at a lower price than their competitors.
2. In full compliance with the *Canada Health Act*, the government will continue to offer non-profit public health insurance that is publicly-administered, comprehensive in its coverage, available on uniform terms and conditions, portable, and accessible. Just like now, you will have an undeniable right to pay into and to be covered by public insurance. Public health insurance premiums will be controlled by *controlling the prices* of health services provided to publicly-insured patients.
3. You will not be required to buy private or public health insurance. If it is your preference, you will be free to pay-as-you-go, instead.
4. A McKeever government will end the current practice of dividing physicians and other medical professionals into public and private systems. A physician will be free to serve publicly-insured patients, privately-insured patients, and pay-as-you-go patients.
5. It will be perfectly legal to open a non-profit or for-profit health care facility (e.g., clinics that specialize in diagnostic measures, such as MRI and CT scans; nursing or paramedical facilities that can carry out simple procedures at low cost). Those facilities will lighten the load in Ontario's hospital waiting rooms. Wait times will shorten.

These are five steps in the right direction. They put your interests first: faster, better health care.

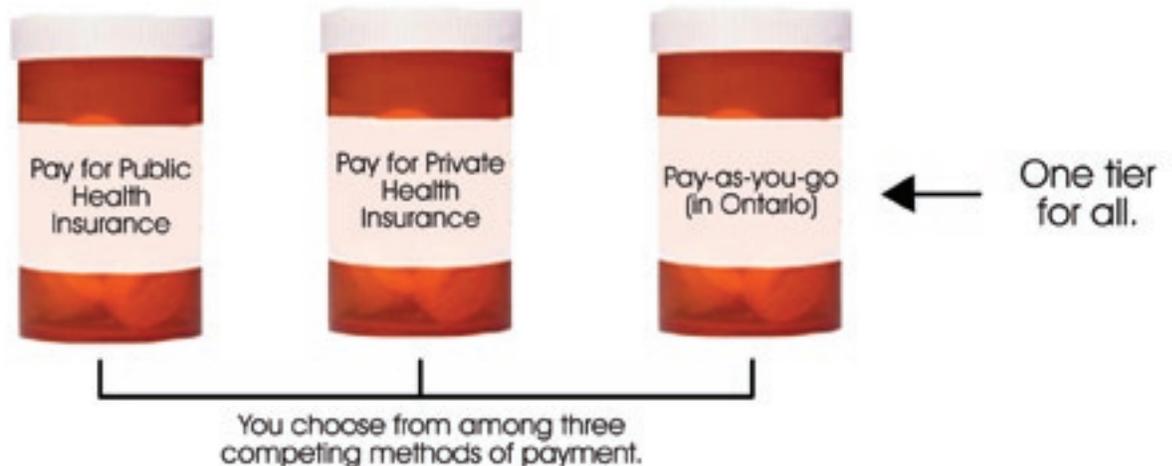
PAYING FOR HEALTHCARE: THE FACTS

The Liberal / PC / NDP way: Two-tiered medicine

(what we have now)



The Freedom Party Way: Three ways to pay, one health care system



A McKeever government will give you the power to get better, faster health care in Ontario.

For more information, visit: www.freedomparty.on.ca/healthcare

IMPROVE EDUCATION

Currently in Ontario, you are free to send your child to a school that is owned and operated by the Ontario government (a “public” school) or to one that is not owned and operated by the government (a “private” school). Public and private schools can differ. For example, public and private schools may have different teaching methods or may offer different class sizes. They may teach or emphasize different subjects. They may differ in the way that they instill values, and in the values that they instill. Public and private schools may have different approaches to dealing with violence or drugs. They may differ in terms of the pace at which they expect their students to learn.

However, in reality, the choice between public and private schools is largely illusory. By imposing high taxation, the government forces you to pay tuition to public schools even if your child does not attend one. This is a “double tuition penalty”, because you are required to pay one tuition (in the form of taxes) for public education, and another if you enrol your child in a private school. In effect, the double-tuition penalty causes *educational segregation*: private schools for the very well off, and public schools for everyone else. Only the very wealthy can afford to pay two tuitions per child without undergoing financial hardship.

The double tuition penalty also harms the quality of public education. If a public school allows violence to escalate, you cannot stop paying it. If a public school allows drug use to overtake the school and threaten your child’s future, you are powerless to stop paying the school. If a public school operates with no text books and a miniscule photocopy budget, the school will continue to operate, even if nobody is learning much. A public school can avoid teaching facts altogether, or fail to teach your child how to learn: no matter what the public school teaches, and no matter what it fails to teach, you pay. The public education system has no real incentive to improve: it gets paid and stays in business *no matter how poorly it educates your child*.

At present, there is only one exception to the double-tuition penalty in Ontario: if you choose to send your child to a Catholic separate school, the tuition that you pay through your taxes is directed to the separate school system instead of to the public system. However, Freedom Party takes the view that no person should have to pay the double-tuition penalty, no matter which school she chooses for her child.

There is a saying that he/she who has the gold makes the rules: the power to stop paying a school that fails to teach your child well is the power to ensure that your child gets a good education. **A McKeever government will give you that power by:**

- 1. Introducing a direct-pay system.** Instead of paying taxes to the government for your child’s education, you will pay directly to the public or private school you choose for your child, and only to that school. Schools will have to please you to keep your business. Financial assistance will be available for those in demonstrable need.
- 2. Offering voluntary yearly testing of your child.** As a parent, it is difficult to know whether your child’s public or private school is teaching your child well. By testing your child yearly, you will be able to ensure that your child is learning what he/she needs to know at each stage along the way to obtaining an Ontario secondary school graduation diploma.
- 3. Publishing, annually, a report of each school’s average test score on the yearly test.** You will be able to compare your child’s performance on the voluntary annual test to the average test score of children who attend each of Ontario’s public and private schools.

These are three steps in the right direction. They put your interests, and your child’s future, first.

“We have clearly stated our intention to work with the provincial government and school boards to build a more effective education system but the efforts and needs of our members must be respected...I believe that: - our members come first;...”

- Emily Noble, President, Elementary Teachers’ Federation of Ontario

CHOICE IN EDUCATION ?

The Liberal / PC / NDP way:
choice only for the rich.



For most of us.



For the rich.

The Freedom Party way: choice for all.



Pick One

Instead of paying taxes for education, you pay tuition directly to the public or private school that you choose for your child.

A McKeever government will give you the power to choose a better education for your child.

For more information, visit: www.freedomparty.on.ca/education

IMPROVE THE SUPPLY OF ELECTRICITY

Ontario is facing an electricity crisis caused by decades of Progressive Conservative, Liberal, and NDP meddling in the electricity sector of Ontario's economy. To win votes and avoid being kicked out of office, all three parties have made politically-motivated investment decisions and have "fixed" the price of electricity at a price lower than the cost of generating and delivering it. When in government, they have all borrowed billions of dollars to make up for the short-fall. By "fixing" prices, all three parties have scared away private investment in power generation stations: companies that build and operate power generation plants are afraid that, after investing billions of dollars, the Progressive Conservatives, Liberals or NDP will force prices so low that they will not be able to get a return on their investment. By their own cowardice and self-serving vote buying efforts, the Progressive Conservatives, Liberals and NDP parties have left Ontario in a perilous situation:

- we are now paying interest on tens of billions of dollars in debt.
- our power generation facilities are old and wearing out at a time when Ontario's electricity needs are increasing. Having frightened-off private investment in power generation by imposing wrong-headed price regulations, the Progressive Conservatives and Liberals have resorted to a system of electricity *rationing*, especially during hot summer days (rationing currently takes the form of intentional brown-outs and intentional rotating black-outs).
- many of the towers and wires that transmit electricity across the Ontario countryside

are worn out. Some are pre-World War One structures. They are desperately in need of replacement because they could collapse at any time and pose a risk to the entire system.

Expanding government's role in electricity generation and transmission is not the solution: allowing politicians to run Ontario's electricity system is what got Ontario into this mess in the first place. It is time to take some steps in the right direction, for a change. **A McKeever government will improve the supply of reliable, affordable electricity:**

1. We will end the Progressive Conservative/ Liberal/NDP system of price-fixing so that individuals will pay for the electricity they consume, and only for the electricity that they consume;
2. We will improve the supply of electricity by offering generation companies contractually-entrenched protection from direct or indirect price-fixing;
3. We will ensure Ontario's transmission system (i.e., the system of towers and wires) is maintained, replaced and expanded in an *economically sound* way; and
4. We will remove regulatory roadblocks to facilitate off-grid and on-grid power generation (e.g., wind turbines, solar cells, net-metering, etc.) by home-owners, business owners, and other consumers.

These are four steps in the right direction. They put your interests first: an improved supply of reliable, affordable electricity.

"Significant portions of the transmission and distribution infrastructure in the province have reached an advanced state of disrepair. Some portions of the existing system appear to present a danger to public safety. There is now a significant risk of prolonged customer blackouts in the event of severe weather."

- *Excerpt from "Waiting for the Storm", March 2005, Energy Probe*

"After decades of government control, marked by occasional blackouts, soaring power costs, massive mismanagement and the accumulation of tens of billions in unrepayable debt, Canada's largest monopoly electricity system is gearing up for a new era – of more government control and greater government intervention! What a relief that must be to citizens of Ontario!"

- *Terence Corcoran, Financial Post, Dec. 6, 2003*

ELECTRICITY



The Liberal / PC / NDP way:
more discomfort.



The Freedom Party way:
more power.

A McKeever government will improve Ontario's supply of reliable, affordable electricity.

For more information, visit: www.freedomparty.on.ca/electricity

RESTORE FAIR AUTO INSURANCE

Ontario's auto insurance system is a mess.

In 1989, the Liberals brought in the "no-fault" system. Under no-fault, a driver who is not at fault for an accident is penalized for the damage caused by the at-fault driver. For example, if you leave your car properly parked in a parking lot and go shopping, you are considered partially at-fault if someone carelessly hits your car. And, if you make a claim, there is an increased likelihood that your premiums will be increased.

Even worse: under the no-fault system, an injured person receives less compensation than she would have were she allowed simply to sue the at-fault driver. For example between 1990 and 1994 (the first four years of no-fault), *benefits* under no-fault were *reduced by 47.7%* on average.

Although drivers are getting less compensation, they are not paying less: instead, insurers are reaping higher profits. In the first year of no-fault alone, cuts to benefits gave the insurance industry an increase in profits of \$750,000,000.00. Cutting benefits did not result in a significant decrease in premiums.

The government currently forces auto insurance policies to have certain benefit coverages (i.e., "Statutory Accident Benefits"). The Statutory Accident Benefits scheme has not only tied the hands of drivers and insurers, but has also opened the door to well co-ordinated and organized insurance fraud, which has resulted in higher insurance premiums. Speak to any automobile insurance adjuster, and she will tell you about the regularity with which four strangers somehow end up in a car that mysteriously impacts at low speed with a dumpster. You will find, also, that these strangers also end up going to the same paralegal, and to the same array of clinics. The whole fraud gets paid for under the statutory accident benefits scheme that leaves fraudulent claims under-scrutinized. To make up for the fraud, you pay higher premiums.

Recent Progressive Conservative, Liberal, and NDP governments have insisted upon a politically-tainted *price-manipulation and pre-approval*

system. That system has been used to require insurers to over-charge lower-risk drivers so that higher-risk drivers can be under-charged. That subsidy is not only unfair, it is just plain wrong.

In a proper system of auto insurance, top-priority is given to keeping you happy by giving you more complete compensation with lower premiums. Yet, for decades, the Liberals, the Progressive Conservatives, and the NDP have each put the interests of insurance corporations ahead of the interests of Ontario drivers.

It is not government's job to rig the legal system so that insurance companies can earn higher profits than could be earned in a free insurance market. It is not the job of government to force low-risk drivers to help high-risk drivers pay for their auto insurance. **A McKeever government will make things right. We will bring you fair auto insurance by:**

1. Ending Ontario's failed 13 year experiment with "no-fault" auto insurance. You will no longer be on the hook for accidents that you did not cause. The "tort-based" system that Ontario had before no-fault was introduced will be restored.
2. Ending the Statutory Accident Benefits system. This will eliminate much of the fraud that costs all drivers in the form of higher premiums. By giving you and your insurer greater ability to determine the nature and scope of your benefits coverage, you will be able to buy the auto insurance that best addresses your own personal needs, wants, and budget.
3. Ending the Liberal / Progressive Conservative / NDP politicized, bureaucratized and expensive price manipulation and pre-approval system. Low-risk drivers will no longer be forced to subsidize the premiums of high-risk drivers.

These plans are three steps in the right direction. They put your interests first: the automobile insurance benefits that you want at the price you can afford.

AUTOMOBILE INSURANCE

The Liberal / PC / NDP way



The Freedom Party Way



A McKeever government will restore fair auto insurance premiums and better compensation.

For more information, visit: www.freedomparty.on.ca/autoinsurance

SCRAP PROPERTY TAXES

Have you earned money to purchase a home in Ontario? If so, you paid income-tax on those earnings before you used some of what was left to pay for the house. Yet, an Ontario home buyer who has paid off his mortgage is not the real owner of his house in any practical sense, even though his name is on the deed. The reason? If he does not continue to pay the property tax year after year, the government will evict him and sell the house. In other words, property taxes turn the government into the home owner's landlord, and they force the home-owner to pay rent (in the form of property taxes) to keep the house he has already paid for with after-tax dollars.

Stop to think about that for just a second: even after you have worked for years to pay off your mortgage, you are still required to pay the government for the rest of your life in order to keep living there. If you leave the house to someone when you pass away, that person has to keep paying the government - for the rest of his or her life - to keep the house.

Even worse, as the value of your house increases, you are likely to find your property tax payments getting bigger. And, even after you retire - or should you become unable to work - you will still have to come up with property tax money to rent your own house from the government in order to continue living in it.

Renters are affected too. If you are a renter you pay *double* rent, in a sense. Out of the money you give to the landlord each month, one part is kept by the landlord, and the rest is property tax that the landlord will hand over to the government. In reality, you are paying *two* landlords: the government and the person whose name is on the deed to the house that you rent. The bottom line: just like owners, renters pay property tax.

There are other problems with property taxes. For example, many of the municipal services that are paid for with local property taxes are used or consumed by people who do not live in the municipality and do not pay for the services: visitors, tourists, commuters etc.. Those who live

in the municipality end up subsidizing out-of-towners. It is simply not justifiable.

Property taxes are wrong. Nobody should have to fear that the government will evict them from the house that they have already bought and paid for with after-tax dollars. Those who use or benefit from the government services provided by a municipality should share the cost of those services whether or not they live in the municipality.

There are better, more ethical, and more economically sound ways to finance government than by imposing property taxes. Arguably, the best way is by taxing consumption. With a consumption tax, those who are of modest means - those who consume less - pay less tax. Consumption taxes also decrease the extent to which local residents pick up the tab for visitors, tourists and commuters, because visitors, tourists and commuters pay consumption taxes (e.g., a sales tax).

A McKeever government will:

1. scrap Ontario's taxation of property;
2. convert Ontario's PST into a broader-based value-added tax, and lower the PST rate as necessary to make the conversion revenue-neutral.
3. give to each and every Ontario municipality the discretion to add a municipal premium to the PST within its respective geographic borders. The province will collect each municipality's premium through already-existing provincial collection systems, and remit the revenues to the municipalities in which they were paid. To discourage abuse and ensure accountability, municipal and regional governments will be denied the power to undermine tax-rate competition between municipalities via legislative, contractual, or other methods.

These three steps in the right direction will create a fairer system of municipal taxation for home-owners and renters alike.

PROPERTY TAX = RENT

The Liberal / PC / NDP way:

Everybody rents private property from the government.



The Freedom Party Way:

Nobody rents private property from the government.



A M^cKeever government will scrap property taxes.

For more information, visit: www.freedomparty.on.ca/propertytax

BUDGETTING BETTER HEALTH CARE AND EDUCATION

According to the 2005 provincial budget, the cost of just two government programs - public health insurance and public education - is expected to represent 54% of total provincial expenditures in 2005-2006: **44.9 billion** dollars. Because the purchase of public health insurance and public education is currently mandatory, that \$44.9B is collected by way of taxes. In fact, that \$44.9B is equal to approximately **78%** of total tax revenues.

With a McKeever government, the purchase of public health insurance (see page 3) and public education (see page 5) will no longer be mandatory: you will be able to choose private alternatives instead, if you want to do so. This will involve a welcome change in how you pay for those services. The government will stop taxing that \$44.9B out of Ontarians' earnings: that money will be left in Ontarians' pockets. The financial concerns of those in demonstrable need will be addressed with explicit and accountable financial assistance rather than by using education and health care as means for unaccountable redistribution of earnings. As a result of these changes, Ontarians will have the money they need to buy the health insurance and education that they truly want and actually use.

According to the 2005 Ontario budget, Ontario's various taxes are expected to generate the following revenues (in billions) in 2005-2006:

Personal Income Tax:	\$20.0
Corporations Tax:	\$9.2
Employer Health Tax:	\$4.0
Ontario Health Premium:	\$2.4
Income Tax Subtotal	\$35.6
Retail Sales Tax (PST):	\$15.5
Gasoline and Fuel Taxes:	\$3.0
Other Taxes:	\$3.5
Grand Total	\$57.6

The Personal Income Tax figure (\$20.0B) is a bit misleading. To prevent individuals from using incorporation as a way to shield personal income from taxation, the government taxes corporate

income: the *Corporations Tax* is just an indirect tax on the personal income of the shareholders. To avoid being accused of raising taxes after promising not to raise them, the Liberal government imposed the *Ontario Health Premium*, but it is really just a tax on personal income. The *Employer Health Tax* is an indirect way of taxing the personal income of both employees and business owners. Therefore, the total personal income tax in Ontario is not \$20B. Instead it is comprised of the *Personal Income Tax* (\$20.0B) plus the *Corporations Tax* (\$9.2B) plus the *Ontario Health Premium* (\$2.4B) plus the *Employer Health Tax* (\$4.0B): a total of **\$35.6B** in income taxes. A McKeever government will eliminate all four taxes because, combined, they represent Ontario's income tax regime.

If spending were reduced by \$44.9B (as an example based on the 2005-2006 estimates), tax reductions of only \$35.6B would still result in **\$9.3B** of over-taxation. That would be \$9.3B of earnings that Ontarians would need to have in their own pockets to pay for health care and education. It would not be enough just to eliminate \$35.6B in income taxes in Ontario: additional tax cuts would have to be made.

Those additional tax cuts would include the education portion of the property tax. Specifically, a McKeever government will scrap property taxation in Ontario and allow municipalities to recover lost revenues by taxing consumption (see page 11). However, because education will be paid directly instead of by the payment of taxes (see above and on page 5), municipalities will not need to replace the education tax portion of the property taxes currently imposed.

He/she who has the gold makes the rules. By leaving more money in your hands and giving you the power to choose who you pay for your health care and educational needs, health care insurers and education providers will make your satisfaction their top priority. As they compete with one another to win your business, better, less expensive health care and education will be the result.



"The Right Direction: Freedom Party of Ontario's 2007 Election Platform"
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White tiger photograph © Michael G. Kaplan

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Let's be Frank...



...some things are black and white.