

## REFORM PARTY OF ONTARIO'S "PURPLE BOOK"

November 2009

### RURAL REFORM

#### **Our Values:**

6. We believe that Ontarians are overtaxed and that our tax system must be simplified, reorganized, and taxes reduced.
9. We believe that all three levels of government in Canada must have unique and non-overlapping responsibilities.
11. We believe that Ontario's population, her growth, and her economy must be sustainable in regards to our environment.
12. We believe that both rural (including northern) and urban Ontario are necessary partners for a bright Ontario future.
13. We believe that a well-educated population translates into a high standard of living.
17. We believe that modern & well-planned infrastructure is needed to ensure the safety and prosperity of our citizens.

#### **Economic Reform is needed in Ontario:**

Ontario's economy has always been the economic engine of Canada, and as the province with the largest and most diversified economy, this is as it should be. However, certain factors have been eroding Ontario's leading role in the Canadian economy. These factors include a drop in productivity, high labour costs, high payroll taxes, high corporate taxes, a rise in the value of the Canadian Dollar, and the introduction of further free trade agreements with other countries.

Ontario's economy must also be regarded as a collection of regional economies: the GTA, other urban areas, rural Ontario, and Northern Ontario. What is good in some is not always good in the others. For example, immigration has been a positive force in our economy, but since two-thirds of immigrants settle in the Toronto area, other urban, rural, and northern communities miss the benefits of new labour and the spinoff effects such immigrants bring with them to their newly-adopted communities. In some parts of rural Ontario, unemployment is quite low as entry-level workers and the 18-35 year old demographic is for the most part absent (it has shifted to larger centres). Falling birth rates and an ageing population will lead to the need for higher taxes to support our seniors. We all know that taxes kill jobs. Minimum wage increases of recent years have been too large and caused further unnecessary job loss.

#### **To that end, we propose the following remedies:**

1. Reduce overall taxes on corporations, initially from 10% to 8%, a drop of 20%.
2. Encourage through such tax reductions businesses to each hire 1% more employees.
3. Through such tax reductions encourage the investment of business taxes into product/service research & development, especially in products of the future.
4. Strengthen Ontario's efforts to assist exporters to develop new markets and increase market share overseas.
5. Encourage a dialogue with organized labour to reduce the cost of such labour and thus improve Ontario's price advantage.
6. By taking over employment insurance and pension programmes in Ontario, we will be able to reduce payroll taxes for business, further improving their competitive position.
7. Bring in measures aimed at increasing worker productivity.
8. Through new immigration and settlement programme (tied to our Rural and Northern Revitalization Plan) boost rural labour forces and local economic activity.
9. Introduce measures to attract and retain the 18-35 year old population in rural and northern communities.
10. Introduce measures to increase the participation of the rapidly growing young aboriginal population in our economy.
11. Introduce measures to encourage families to have at least 3 children
12. Launch a "Buy Ontarian" programme to encourage Ontarians to shop local and buy "Made In Ontario" goods & services.
13. Freeze the minimum wage at the 2009 level.