



Progressive Conservative

POLICY HANDBOOK

1968 - General Election

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PROGRESSIVE CONSERVATIVE POLICY HANDBOOK
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Final Index

1. Quality of Canadian Life
 - a) Incomes and Opportunity
 - b) Health - Medicare
 - c) & d) Housing and Urban Development
 - e) Native Peoples
 - f) Pollution

2. Government and the people
 - a) The Constitution
 - b) Parliament
 - c) The bureaucracy
 - d) External Affairs and Defence

3. Canadian Growth
 - a) National Development
 - b) Western Agriculture
 - c) Eastern Agriculture
 - d) Fisheries
 - e) Economy and Taxation

1. QUALITY OF CANADIAN LIFE

(a) Incomes and Opportunities

The Progressive Conservative Party believes that every citizen should have a reasonable standard of living, including adequate food, clothing and shelter, education to the level of ability and the best medical care that science can provide.

We believe that it is the duty of government to provide and maintain an economic environment wherein the individual can attain these things for himself.

Whenever through circumstances beyond his control, disability, sickness, age or economic conditions, he is unable to do so, the state must provide.

Robert Stanfield has committed the Progressive Conservative Party to the goals of a decent life and equal opportunity for all Canadians. It is simply not acceptable, in this affluent age, for children in Canada to be raised in a virtual prison of poverty, where they are exposed to bad health and bad habits and where they have neither an incentive to learn nor a real chance to live.

And it is simply not acceptable for Canadians who are old or severely handicapped or chronically ill to live on a pittance that buys less every day.

The Liberal government established a special secretariat for the War on Poverty. It has now disappeared into obscurity and has effectively lost its impact and identity.

The poverty aspects of the Manpower Program were cut back virtually before they began. This is the record of a careless, thoughtless government. Ministers who were committed to eliminating poverty instead eliminated the attack on poverty. When they were forced to cut back expenditures, they first cut the appropriations to the poor.

A Progressive Conservative government will establish a Guaranteed Annual Income for all those Canadians who cannot earn for themselves and who live today below the poverty line. This is our firm objective although it cannot be accomplished overnight.

It will involve a complete rationalization of our present fragmented system of social payments, and a reduction of frustrating paperwork for the aged and the handicapped.

We will ensure that programmes are administered in a humane and compassionate manner that neither diminishes the dignity of the individual nor erects artificial barriers to his enjoyment of an adequate income.

For those who are physically able to earn their living but are handicapped by a lack of training in modern skills, we will institute effective consultation and cooperation with the provinces to step up our manpower training and retraining programs and make them more effective. We will also consult with the provinces on manpower mobility programs and increase the effort to bring industry to areas of surplus labour, and surplus labour to areas of labour shortage.

(b) Health

The Health Industry - the provision of health services is the fourth or fifth largest industry in Canada, involving expenditures of more than \$4,000 million per year, and employing some 300,000 people. About three-quarters of the cost is met from the public purse.

Hospital Services - 105,094 beds are located in 865 Public General Hospitals throughout Canada, and 26,127 beds are to be found in 238 other hospitals, such as Veterans' Hospitals, tuberculosis and mental hospitals operated by Governments. These institutions employ an estimated 240,200 persons full-time and 32,240 part-time. About 99 per cent of the population participate in provincially operated hospital insurance plans, all of which provide for standard ward care, and some of which provide for additional benefits. Through the Hospital Insurance and Diagnostic Services Act, the Government of Canada meets about half of the costs, estimated at \$1.3 billion in 1966. This Act came into force in 1958, when the required majority of Provinces representing a majority of the population signified their intention to participate.

Medical Services - there are about 24,000 medical doctors in Canada, of whom about 17,600 are in practice. The doctor to population ratio is about 1: 858. An estimated 74 per cent of the population participate in pre-paid medical service insurance programs. In British Columbia, Alberta and Ontario, Provincial Governments have provided through official and private voluntary plans, to meet the needs of those who cannot secure their own medical services insurance, by reason of age, state of health or inability to pay the premium. A universal compulsory medical services insurance program exists in Saskatchewan. In these four provinces, more than 90 per cent of the population participate in medical services insurance programs. Voluntary programs only in other provinces cover 51%.

Health Facilities - the nation's principal health facilities are its hospitals, and its related institutions for the training of medical and allied personnel. The shortage of hospital accommodation, felt most acutely during the 1950's and early 1960's, has been substantially overcome. About 90 per cent of the cost of the construction of these facilities is met from the public purse.

There are sixteen medical schools, four of which are so new as not to have graduated any students. There are 205 schools of nursing, all but a handful of which are operated by general hospitals; and eleven schools of physical and occupational therapy, each allied with a University. Usually based upon hospitals, there

are many schools for medical technologists, such as radiological technologists. Many other medical technologists and technicians enter the employ of health facilities as a result of training in substantially unrelated schools, such as home economics and social work. Canada has few schools for the training of a number of the medically recognized health professions, such as chiropody, audiology and speech therapy.

The Health Resources Fund - When the Prime Minister of Canada told the Federal-Provincial conference of July 1965 that he was determined to proceed with a plan for universal compulsory medical services insurance, he coupled with this the announcement of a Federal \$500,000,000 Health Resources Fund, to help meet the need for physical and other resources as expressed by several of the Premiers. Provincial Governments are committed to expenditure of more than \$1,000 million for the capital plant of medical, dental and nursing schools, and their allied teaching hospitals. Less than half of this will be met through the Health Resources Fund.

Some Comparisons with other Countries - with a doctor-population ratio of 1:858, Canada stands only 20th in the world, this ratio being bettered in countries such as U.S., USSR, Australia and New Zealand, and nearly all European Countries. Its ratio of 7 hospital beds to 1,000 population ranks about 3rd in the world. Although life expectancy is approximately 6th highest in the world, maternal and infant mortality rates in Canada are not nearly as satisfactory and rank approximately 16th, after countries such as U.S., USSR., U.K. and most European countries.

A Medical Services Insurance Act - due to come into force on July 1, 1968, it provides that Canada will pay participating provinces one-half of the national per capita cost of medical services insurance (general practitioners and specialists services), provided inter alia, that provincial schemes meet tests of universality (compulsion), and are operated by agencies of the Provincial Government. The per capita costs were estimated to be \$34 annually in 1965. The cost in Ontario was estimated to be \$40 per capita. An equalization factor is thus built into this legislation. No provision is made for any minimum of provincial participation before the legislation becomes operative. Eight provincial Governments have stated that they will not participate, or will not participate on July 1, 1968. Only Saskatchewan and British Columbia have indicated they will probably participate on July 1, 1968. The Premier of Saskatchewan has said he does not believe the scheme to be economically sound at this time. The Premier of British Columbia has said that he is uncertain the measure will survive after the choice of a new Liberal Leader.

Research and the Need for Medical Manpower - not mentioned in the British North America Act, constitutional doctrine and logic have made this the responsibility of the Government of Canada. During 1967, Parliament voted \$20 million for the Medical Research Council, and about \$5 million for medical research to be carried out by other agencies, yielding a research expenditure of \$1.25 per capita. The agencies of the Federal Government in the United States paid \$7.05 per capita last year.

Canadian medical schools graduate some 800 doctors a year. Having considered the relevant factors, such as net migration, the Royal Commission on Health Services estimated that the annual number of graduates must be doubled by 1975 if the approximate 1:800 doctor-population ratio is to be maintained. It follows that the number of medical teachers also has to be doubled from about 1200 to 2400, but in a shorter space of time. At present, Canada produces only about 70 medical teachers a year, and the annual deficit of about 150 must be recouped by the recruitment of teachers from foreign countries particularly from Canadian expatriates in the United States. Adequate provision for research is the nexus which attracts teacher-scientists. Provincial Governments, committed to \$1,000 million capital expenditure for medical schools and related facilities, fear these will be empty shells unless Canada furnishes enough research money annually to enable us to compete for teachers in the North American market.

Hospital Construction and other Health Grants - Canada has proposed withdrawal of its program of conditional grants to the provinces in these fields, and seems to wish to withdraw from the Hospital Insurance and Diagnostic Services Act.

Medicare - Medicare is simply a scheme for the payment of doctors' bills. The scheme will not in itself ensure the provision and distribution of medical services of a high standard. Most of the proponents of compulsory medicare have been deceived on this point, and, as persons of goodwill, are prepared to contemplate with some equanimity the massive expenditure and upheaval it would cause, simply because they mistakenly believe it would ensure better health for themselves and their neighbours. The example of Wingham, Ontario is a striking illustration of the folly of this notion. It is a town of about 4,000, serving a rural community of about 10,000. It had four doctors. Two of them have moved to London, Ontario, and two are over seventy years of age and are planning to withdraw from practice as soon as possible. What can Medicare do to ensure a supply of good doctors for the people of this town and its environs?

The Progressive Conservative Party is fully committed to a Medicare scheme. However, the present government's "take it or leave it" attitude toward the provinces has resulted in a situation where citizens of eight of the ten provinces will be contributing tax monies to a program from which they receive no benefit. Over 70% of Canada's population will be deprived of the benefits of Medicare under the present federal plan.

A Progressive Conservative Government would follow the Constitution and call a Federal-Provincial conference, not to lay down ultimatums, but to ask the provincial authorities to agree on a consensus program that would bring medicare to those who need it throughout the country on a basis that the provinces could afford.

(c) Housing

One of the most critical areas where Canada has fallen behind under the Liberal Government is Housing. The Economic Council of Canada in its 1967 report underlined the seriousness of the situation. They predict that Canada's housing

requirements will be 200,000 per year in 1970. During five years of liberal administration the average annual number of housing starts has been 157,000. To meet the demand estimated by the Economic Council we will have to average 194,000 starts annually over the next three years.

The effects of the Liberals' inadequate housing program are numerous. People, particularly in big cities, cannot find suitable housing that they can afford. This in turn leads to children being brought up in crowded, unsatisfactory conditions. Because of the shortage, rents and price of houses have risen rapidly. There has been severe unemployment in the construction industry.

The reasons for this situation are not hard to find. The central failure has been on the political level in Ottawa, on the level of the Cabinet. The Ministers who bear the main responsibility to make the federal system work have failed to make it work effectively. They have lost the confidence of the provinces and of the private sector. They have strained the confidence and damaged the morale of the public service. And they have let the impressions grow that Ottawa cannot cope with the urgent pressures that inflation and unemployment and the housing shortage impose upon thousands of individual Canadians.

The high interest rates of today ---over 9% for first mortgages, up to 15% or more for second mortgages -- essentially reflect the conviction of lenders that for whatever reasons, the Government of Canada is not willing to maintain the full value of the Canadian dollar here in Canada. Therefore, the lenders demand high interest rates to compensate for the risk of inflation.

It is true that interest rates in Canada are influenced by the level of interest rates in other countries, especially in the United States. But inflation, as measured by increases in nation-wide Consumer Price Indexes in the United States and Canada, has proceeded at a significantly faster pace in Canada than in the United States since 1963. The Liberals do not have the excuse that Canada was involved in a costly war.

To reduce the level of interest rates for housing and for other borrowing in Canada, a new government must regain confidence of the public that it will seriously try to maintain the full value of our dollar.

The Liberal government has used the housing industry as a tool in fiscal policy rather than maintaining a program to meet the desire of Canadians for a better quality of life.

It is typical of the Liberal attitude to housing that responsibility for the housing program has now been given to Paul Hellyer who already has one of the largest and most complicated departments in government---Transport. It can easily be seen that housing is a low priority with the present government.

A Progressive Conservative government will undertake in co-operation with the provinces and municipalities, a new national direction in housing and urban development. This involves better planning and organization, but it also involves

money. So, the program outlined below is not one that can be completely implemented as soon as we take office. It is predicated, first of all on restoring growth and confidence in the Canadian economy. We must get Canada moving forward again so that we can generate the necessary funds for the housing program.

New Department

The consolidation of the other departments will allow a Progressive Conservative Government to create a Department of Housing and Urban Development with a Minister who will coordinate all federal activity in the urban planning area. He will meet with the provinces and through them with the municipalities to more clearly define the role of each level of government in achieving Canada's total housing objectives. Housing requirements vary in kind, and quality in the different regions of Canada. Therefore our approach to Federal-Provincial cooperation will be a flexible one. It will not be our purpose to tell the provinces what they should do, but rather to make the federal effort fit in to the particular requirements of each province and region.

Task Force

One thing that is lacking in our housing and urban planning program is sufficient data on our urban areas. We have figures on gross national product, growth rate and so on for Canada as a whole but not sufficient information on the same things for the cities of Vancouver, Toronto, Montreal, etc. We will establish a task force composed of government experts from the federal level, provincial government officials whose cooperation we will seek, and people from the housing industry and universities to develop the necessary background information and statistics that are required for a comprehensive urban planning approach.

Industrial Methods in Housing Construction

One of the high priority projects given to the task force will be to recommend methods of increasing the amount of mass production techniques used in the housing industry. To encourage an increased use of technical know-how and preassembly of components in the housing field, we will accelerate research and development being done in the entire area of construction.

Land Bank

We will establish a revolving land bank fund initially of a hundred million dollars to purchase land in those areas where research indicates our cities will expand. One of the factors in the high cost of housing today is land speculation on the outskirts of our cities. Not much can be done about land that is now in the hands of the speculators. But if this problem is not to grow and become more serious the government will have to step in and keep land prices within reach of our people. Another function of a land bank fund will be to make financial assistance available on a long-term loan basis for the servicing of land.

Sales Tax

A Progressive Conservative Government will immediately remove the 11% sales tax on building materials. If it is necessary to replace the revenue lost in whole or in part, this will be done with taxation in other areas that are less damaging to our social progress. But this is a bad tax. Its social effects in creating a shortage in housing and fostering unemployment in the construction industry are too serious to let it continue. It is estimated that removal of this tax will reduce the cost of the average new house by at least \$500 dollars.

Housing for people with Lower Incomes

The rate at which housing is being provided for people on lower incomes must be speeded up. One method a Progressive Conservative Government would use would be to encourage proper authorities, such as municipalities, to take over some existing older housing, to renovate and modernize it and offer it to people at subsidized rents in the same manner as is now done for new low income housing. This should, on a temporary basis, speed up the process of getting people out of sub-standard, unsanitary conditions and into acceptable housing. Particularly in those areas where slum clearance and rebuilding programs, while necessary, will take a considerable period of time to complete. The need is there now, and steps should be taken at once to meet it.

Limited Dividend Housing

Since 1964 limited dividend housing has been inactive. The reason is that the allowable dividend of 5% is well below current interest rates and no investors can be found who will accept this rate. A Progressive Conservative Government would amend the regulations to permit a dividend of 8% and thus encourage people to put up funds and provide rental housing for low income groups and especially for the aged, students and other similar groups.

Condominium Housing

We must make housing available to those who fall between the lower annual income bracket at which subsidized housing is available and those whose income is \$8,000 and above and who can possibly today afford to buy houses. A Progressive Conservative Government would make C.M.H.C. mortgage loans available to owners of the units in condominium buildings such as duplexes, triplexes, and multiple unit buildings. The condominium principle which allows people to own rather than rent units in a multiple occupancy building, permits a lower cost per unit for land and services and can provide satisfactory accommodation at lower costs than detached single family houses. If the legal problems of cooperative ownership of such buildings can be solved at the provincial level, and mortgage money is made available, this should provide homes on an ownership basis for large numbers of people who are now unable to afford them.

(e) Native Peoples

One of the greatest blots on Canada's reputation for fairness and equity is the condition of the Indians, Metis and Eskimos who are the descendants of the original inhabitants of this land. It is a problem that should touch the conscience of all Canadians. A few statistics will give the dimension of the problem. In 1966, 40% of Canadian Indians were living on relief. Nearly half of all Indian families earn less than a thousand dollars per year. In 1966 fully 75% earned less than two thousand per year. Indians are hospitalized twice as often as other Canadians. Their mortality rate is higher. Among pre-school children the mortality rate is eight times the national average, among adults -- three and a half times the national average.

With these facts before them, the Liberal government decided to save 20,000 dollars per year by reducing health services to Indian and Eskimo people. While we believe that the government should cut down on unnecessary expenditures, this cut was not only cynical and cruel but wasteful of human resources.

People are also a national resource. The Canadian Indian people today number 250,000. The Metis number another 250,000. Half a million human beings, a human resource that remains neglected and feels unwanted.

A Progressive Conservative government would move speedily to get at the roots of this problem. We would undertake an immediate re-assessment and re-organization of the Indian Affairs Branch, to revitalize its functions and to replace a spirit of caretaking with a progressive spirit of compassion and development.

A Progressive Conservative government would appoint a task force to conduct an immediate examination of the community development program which the government has all but abandoned. This task force would lay the groundwork through discussions with Indian communities, provincial authorities, etc., for a new Indian development program.

We would promote a continuing series of discussions between federal and provincial ministers and Indian representatives aimed at a wider use of the full range of services and developmental programs which could be made available with the co-operation of the provinces.

A Progressive Conservative government would expand the program designed to recognize, encourage and develop Indian cultural expression. To do so we would modify the existing educational services and establish an Indian college. We would recommend that departments of Indian culture and research be instituted at selected Canadian universities. All of these would tend to elevate and encourage the aspirations of the Indian people.

We must find a more effective means to ensure that the resources of both federal and provincial governments are made available to the Native Peoples.

(f) Pollution

At the present time, the problem of pollution in Canada is complicated by the numerous inter-governmental and intra-governmental agencies who are involved in trying to find a solution. Although it might appear logical to consolidate the various organizations involved in anti-pollution measures into one master agency, the magnitude and diversity of the matter naturally resists any major consolidation.

The Progressive Conservative Party believes that a federal commission, called the Canada Abatement Commission, which would report to Parliament through the Minister of Energy, Mines and Resources should be established. As a result, federal, municipal and industrial efforts would be co-ordinated in an organized manner.

The objectives of such an agency are:

- (a) Development of national pollution abatement code in co-operation with the provinces.
- (b) The furthering of research programs, such that are undertaken by the National Research Council and responsibility for collecting information on pollution control measures and the design, construction and operation of waste treatment facilities.
- (c) Acting as co-ordinator of pollution control in international waters arising from Canada-United States agreements and as an advisory capacity to the International Joint Commission.
- (d) Acting in an advisory capacity, concerning pollution control of inter-provincial waters.
- (e) Co-ordination of pollution control in all federal departments and agencies in which pollution is being dealt with.
- (f) Acting as the federal agent in all dealings with the provinces on pollution matters.
- (g) Provision of technical and financial assistance to industry in the conduct of waste treatment centres.
- (h) Providing financial assistance by way of grant and loan to any public body, commission authority or municipality in Canada which is engaged in anti-pollution works. Assistance to public bodies should be direct after verification that the project is consistent with the provincial program and priorities.
- (i) Initiation of pilot projects with provincial co-operation.

This proposal does not discount or impede the urgent need for a more clearly defined water policy in Canada, the need for consolidation of responsibility for water resources in the federal government, nor the fact that provincial governments all have legislation to enforce pollution control measures. It is designed to provide an immediate base from which all pollution control in Canada can operate and become effective.

11. GOVERNMENT AND THE PEOPLE

(a) The Constitution

The vast majority of Canadians are agreed that after one hundred years of experience, we should review our constitutional arrangements to see how they can be improved and made to better meet the aspirations of all Canadians and the requirements of a modern federal state.

The Progressive Conservative Party was pleased with the progress that had been made in bringing about mutual understanding and in starting a dialogue in an atmosphere of understanding by the Confederation of Tomorrow Conference convened by Prime Minister Robarts of Ontario, and by the federal-provincial conference of February, 1968.

We were pleased that a continuing committee of Prime Ministers and Premiers had been established. We were also pleased that this committee had placed before it the question of constitutional equality for the French and English languages being provided so that French-speaking Canadians all across Canada be entitled, where practicable, to education in their own language, to the use of the French language in the Legislatures, in the courts, in the same manner that these rights are enjoyed by the English-speaking residents of Quebec.

We had hoped that the committee would proceed to consider these and other matters with all convenient speed.

However, we deplore the fact that the necessary atmosphere of mutual trust and progress has now been totally destroyed by the leader of the Liberal Party for partisan political ends. The patient work of Mr. Robarts and Mr. Pearson has been reduced to a shambles.

A Progressive Conservative Government would place a high priority on restoring an atmosphere of trust in which the continuing committee of Prime Ministers and Premiers could continue their work. We would hope that this work would eventually lead to a constitutional conference.

Such a conference should examine each area of governmental responsibility to determine in the interest of the individual citizen which level of government should exercise authority. This having been done, the sources of the revenue should be apportioned in line with these responsibilities.

The guidelines for such a conference should be:

- That Canada is, and should be, one country.
- That Canada is, and should be, a federal state.
- Canada is composed of the original inhabitants of this land and the two founding peoples with historic rights to maintain their language and culture, who have been joined and continue to be joined by people from many lands who have a right to play a full part in Canadian life.

- That the constitution should be such as to permit and encourage a full and harmonious growth and development in equality of all Canadians.

The objectives of the conference should be:

A constitution which is a Canadian document capable of amendment only in Canada.

That a Bill of Rights should be entrenched in the constitution.

The sole objective of a Progressive Conservative Government in the constitutional area would be a strong united Canada where all citizens, regardless of their background, would have an equal opportunity to play a full role in the building of Canada and in return have the right to pursue their legitimate aspirations in freedom and dignity.

(b) Parliament

A great deal of work had been done by an all-party committee of the last House to bring about parliamentary reform and modernization. We were on the brink of success in this area. However, because of the summary dissolution, the proposals for reform before the House were scuttled. House of Commons procedure is back where it was many years ago. We must begin again.

This is another reason for the growing cynicism of many Canadians towards Parliament. This feeling contains a great deal of truth.

Today, governing our great nation has become a difficult and complex task -- placing great demands upon the government process and its individuals. Nevertheless, our legislative process has not yet been fashioned into a modern and effective system.

There can be no question that the present government must accept responsibility for holding back any real progress to bring parliamentary procedures into line with the needs and challenges of today and tomorrow.

The Progressive Conservative Party will accept the responsibility of stimulating popular confidence in the national parliament. As a government, we will initiate measures to streamline procedure for the creation and improvement of an efficient legislative process. Serious consideration will be given to a program of political internship under which young political scientists, journalists, lawyers and others will come to Ottawa to work with Members of Parliament and Committee staffs. This plan will help members to speak and decide intelligently on matters before the House.

At the same time, the committee system must be reformed to ensure that all issues of importance are given careful consideration. Parliamentary committees should be constituted for the duration of each parliament so that there will be continuity and an opportunity for members to become conversant and experienced in their fields.

These proposals will not only expedite proceedings, but they will also guard the basic principles of parliamentary democracy.

We have observed, with concern, that government is growing ever stronger, and government is more and more coming to mean the office of the Prime Minister. To combat this cult of the individual, we must find ways and means to apply counter-balancing forces to check the startling expansion of executive power.

The Progressive Conservative Government will take steps to strengthen the legislative arm of government. We will revitalize the House of Commons, since only when the true principles of a parliamentary democracy are adhered to, will the Canadian people have trust and confidence in their representatives.

(c) Bureaucracy

One of the causes of rapidly mounting government expenditures which last year alone increased by over 13% has been the multiplication of government departments and bureaus. The Department of Industry is an outstanding example. Its divisions duplicate in almost every case those already existing in the Department of Trade and Commerce. Moreover, within existing departments there has been a rapid growth in new subsections.

The last Conservative Government appointed the Glassco Commission which made sweeping recommendations for consolidation within the government service. It pointed out that a great deal of money could be saved by more efficient methods and the elimination of duplication. A great many of the recommendations have not been implemented. Each year the Auditor General points out numerous cases of waste and inefficiency. There does not seem to have been much concern for thrift in dealing with the taxpayer's money.

A Progressive Conservative Government will institute an immediate program to complete the implementation of the Glassco Commission Report. We will act on the recommendations of the Auditor General. A thorough review in reorganization of government departments will be undertaken with a view to consolidating those that are redundant and reallocating divisions within departments so as to increase the efficiency of the government service.

(d) External Affairs and Defence

Canada's Foreign Policy has not changed in principle since the immediate post-war years. The Progressive Conservative Party believes that the time has come for a complete review in the light of changed world circumstances. Among the many things that have happened since our basic policy was adopted twenty years ago is the

emergence of China as a nuclear power; the growing antagonism between China and Russia and the new softer line being adopted in Moscow, and in the Eastern European countries. Then too, there is the emergence of the many so-called third force countries of Africa and Asia whose development problems and whose presence at the United Nations have given world affairs a new dimension. Canada's need to look for trading partners other than our traditional ones, particularly in view of the eventual entry of Great Britain into the European Common Market, is another reason for a comprehensive review of our relations with other countries.

This re-assessment should be made on several levels. First of all, at the level of government itself. Secondly, through a vastly increased use of the House of Commons Committee on External Affairs. And thirdly, through the encouragement of independent, non-government agencies comparable to the Institute of Strategic Studies in London. A review of our Foreign Policy by a Canadian equivalent of this organization could bring a fresh approach to our problem. Its views would of course be submitted to the House of Commons Committee.

There can be no question that Canada's influence in the world has decreased in recent years and a Conservative government would seek to restore Canada as a significant influence in international affairs.

The United Nations:

Canada should continue its support for the United Nations and its agencies, and strengthen the United Nations' capacity for peace-keeping and peace-making. Canada should assert a strong initiative to establish in the United Nations a committee with the following objectives:

- (a) The examination and assessment of the shortcomings of the Charter and structure of the United Nations.
- (b) The submission of recommendations to the General Assembly.

N.A.T.O.:

The Progressive Conservative Party does not believe that Canada can increase its prestige and influence with its allies by threatening to withdraw its forces unilaterally from Europe, as the Liberals recently proposed. We believe in the principle of collective security. This principle can only be followed if we consult with our allies before committing ourselves to changes.

A Progressive Conservative Government would therefore suggest to Canada's NATO partners a comprehensive review of the purpose of the organization in the light of the new Europe. First, we believe, consideration should be given to a new Atlantic alliance based on a broader concept and with greater emphasis on trade and economic cooperation. Secondly, the necessity for the maintenance of Canadian forces on European soil should be reconsidered. In today's circumstances, it may well make more sense to deploy Canada's NATO forces in this country with air transport

arrangements that permit them to respond to a threat either in the European area or, should it become necessary, in other parts of the world. Finally, the review should be directed to bringing about simultaneous decreases in the armed forces of both the NATO nations and the Warsaw Pact Group. We must aim at the eventual elimination of nuclear weapons in Europe.

N.O.R.A.D.:

The Liberal government's recent action in renewing the NORAD treaty for five years by Order-in-Council - without permitting any debate or explanation in the House of Commons or before the External Affairs Committee - is a prime example of arrogance and contempt for Parliament. In the ten years since this agreement was originated there have been great changes in the circumstances of continental defence. Canadians have a right to know whether their tax dollars are being well spent on the maintenance of Bomarc bases and CF-101 Voodoo aircraft. A Progressive Conservative government would bring the NORAD treaty before the External Affairs Committee of the House of Commons and negotiate any suggested changes with the United States.

The Commonwealth:

The Progressive Conservative Party believes in the value of the Commonwealth of Nations as an inter-racial forum which can do much to decrease tensions in the world. We would encourage the activities of the Commonwealth Secretariat, particularly in its attempt to find solutions to such problems as Nigeria and Rhodesia. We would increase our technical, scientific and industrial assistance to the under-developed nations of the Commonwealth.

Francophonie:

The Progressive Conservative Party believes that Canada, as a country whose population is one-third French-speaking can make a useful contribution to the development of the new countries of Africa and Asia whose language is French. The French culture in Canada can gain enormously from a continuous and growing contact and interchange with other French-speaking countries. We would therefore, enlarge and extend our relations with these countries on the diplomatic, cultural and trade levels. We would encourage co-operation between educational and cultural authorities in Canada and their counter-parts in other countries of the French world while safeguarding the federal government's sovereignty in the field of Foreign affairs.

Foreign Aid:

The Progressive Conservative Party believes that Canada has an obligation to share its material advantages, its scientific and industrial knowledge and its managerial skills with the new nations of the world.

One of the greatest dangers to the prospect for world peace lies in the enormous disparity between the standards of living in the developed and undeveloped parts of the world. As long as millions of people in the world live in conditions of want, political stability can never be established.

As the Canadian economy grows and expands we would aim to increase that portion of our gross national product devoted to these ends. We think that Canada's contribution in this area can be most effective if it is concentrated in a reasonably small number of areas where its impact can be great enough to be really useful and where we can develop long term relationships with other countries. Such an approach would also further the creation of new markets for Canadian products as the economies of the new countries grow in strength.

111. CANADIAN GROWTH

(a) National Development

Exploitation of natural resources has been long recognized as the key factor in Canadian prosperity but the Liberal government has failed utterly to fulfil federal responsibilities in this area. They have even been unable to follow up and capitalize on the great development programs launched by the Conservative government of 1957-63. The initiative has been lost. They have no co-ordinated plan, no program of development, no idea of where they're going or where they want to drag us to.

1. The Necessary Steps

We must not fall into the trap of thinking that all our raw materials must be fully processed at home. With today's international economy, we must specialize, choosing carefully from among our resources those which we are better off selling as raw materials, those which we can profitably process to semi-finished state, and those which we can handle right through to the manufactured stage both for domestic and world markets. The key to real success in balanced overall development of our resources is four-fold:

1. Substitution of a balanced plan, a comprehensive policy framework for all of Canada, for the Liberals' piece by piece approach that encourages quickie profits in some regions at the expense of much greater prosperity in the country as a whole.
2. Determining what we have in each resource area and assessing its worth.
3. Deciding how we can best use these resources, which to process in whole or in part and which to sell as raw materials on terms that give maximum advantage in stimulating our growth in trade and industry.
4. Offering package or trade-off deals to the Europeans, the Americans, the Japanese and everybody else who wants to deal with us. We can use their needs for some of our resources as a lever to crack open new markets, to bring new technology, or transportation, trading and investment gains to other sectors of our natural resources development program.

2. A Co-Ordinated Plan

The provinces have primary responsibility for natural resources inside their own regions but the federal government has primary responsibility for seeing that the provinces are given the opportunity to make the most favourable deal possible,

in terms of Canada as a whole. Co-ordination of Canada's trading, development, and taxation policies are essential and a Conservative government will see that this co-ordination is effected through a new, vital form of consultative federalism.

We must see that our mineral export policies boost our wheat sales where possible, that both jibe with our plans for water resource utilization, and with all of our natural resources which enter the world marketplace.

3. National Inventory

First, we must collect the thousands of scattered findings of our technical and scientific research people, and carry out thorough surveys where needed to complete our picture of Canada's resources, so that we have a complete inventory. We must know not only what we have in each field, but how much, what it's worth, and its relationship to other natural resources.

4. Package Development Policies

We must carefully work out our priorities with the provinces, and then develop both comprehensive and segmented policy proposals. We propose a new Co-ordinated Development Commission which assumes major responsibility for drafting guide-lines for negotiators and the exporting industries, to harmonize these policies with domestic development enterprises, both public and private, and to implement our priorities and international growth exchange arrangements. If necessary, a system of export permits might be evolved to ensure that all Canadians get the greatest possible advantage from development of the natural resources which belong to all of us.

5. Regional Resource Development

The co-ordinated resource development policies will be keyed to regional development programs for the Atlantic, Pacific, western, and central regions of the country. Special attention must be given especially to bringing the economy of the Atlantic provinces into balance with the rest of Canada.

A revised and greatly expanded Roads to Resources program will be undertaken. This would include not simply conventional transportation routes but careful study and implementation where possible of new technologies in development transportation such as hovercraft routes, commodity pipelines, and the like.

6. Taxation Policies

Our system of taxation must be one that encourages rather than penalizes sound investment in resource development. We must make it just as attractive for Canadians as it is for foreigners to invest in oil, gas, and mineral enterprises, and our laws need revising for this purpose. Amendments to the Insurance Act can also be made to broaden the class of securities in which our insurance companies may invest their funds.

Amendments must be made to our laws to end the situation which requires some Canadians to sell off their holdings in Canadian enterprises in order to pay estate and succession taxes. Incentives might also be offered to foreign corporations to incorporate their Canadian operations as Canadian entities and to list their shares on Canadian markets.

(b) Western Agriculture

Traditional Liberal neglect of Western Agriculture has brought back the spectre of huge wheat surpluses, low quotas, lack of cash to pay for farming operations, high interest rates and rapidly rising farm costs. In April of 1968 the Dominion Bureau of Statistics reported that stocks of wheat on farms and in storage positions amounted to 908,000,000 bushels, matched only in 1956 when the same Liberals had allowed a surplus of 904,000,000 bushels to accumulate. A drive to sell wheat, spearheaded by the Honourable Alvin Hamilton, resulted in lowering of that surplus to a normal carry-over of 481,000,000 bushels when the Progressive Conservative Government left office in 1963.

During the years of a Progressive Conservative Government, the consumer price index rose at a rate of $1\frac{1}{2}$ percent per year, while the index of farm costs rose at the rate of $1\frac{1}{2}$ percent per year. This compares to a rise in the consumer price index of 4 percent per year and a rise in the consumer index of farm costs of 7 percent during the years of Liberal Government.

Canada's share, under the International Wheat Agreement, has dropped from a high of 41.1 percent in 1963 to 27.5 percent in 1967; while the United States' share has risen from 23.3 percent in 1963 to 43.1 percent in 1967--clearly indicating that the Liberals have reverted to their old habits of indifference to the welfare of western agriculture. "If they want our wheat, let them come and get it."

All this happened during five years of Liberal government, despite the fact that markets and future prospects for markets were good when they assumed the reins of office in 1963 with promises, (as yet unfulfilled) of great things for the West.

A Progressive Conservative government believes that a strong and healthy agriculture is vital to the well-being of this Nation and that the government has a clear responsibility to ensure that a proportionate share of the national income be directed there to maintain a viable and productive food plant.

Wheat Policy -

The Progressive Conservative Party believes in the Wheat Board system of marketing wheat produced on the Prairies, but also believes that government policy should be directed towards assisting the Board in finding and maintaining markets.

1. The future prospects for wheat markets are good. Wheat sales will soon bring the price up close to the maximum under the International Grains Agreement (two dollars and thirty-five cents basis Fort William).

2. We will restore the Stabilization Agreement on Prices with the United States that prevented price wars from 1957 to 1963.
3. We will restore an aggressive sales policy using the technique of long term contracts and reciprocal trade encouragement to countries that wish to trade with us.
4. Five years of Liberal neglect have made it necessary to adopt policies that will protect the farmer against rapidly rising farm costs. As a short term measure, steps will be taken to institute a program of floor prices on wheat during the life of the present International Grains Agreement, based on the costs of things the farmer buys.
5. In co-operation with the Wheat Board, a new quota plan will be devised to ensure full delivery by efficient small farmers.
6. We will improve the present program of cash advances to help meet the present crisis by increasing the amounts per bushel to one dollar for wheat, thirty-five cents for oats, and fifty cents for barley and by increasing the total amounts available proportionate to farm size.
7. We will tailor our grain handling and grading system to meet current as well as anticipated customer demand.
8. Steps will be taken to implement a system of farm storage involving accelerated depreciation on multiple-use farm buildings, and in consultation with the Wheat Board, a system of farm storage payments which will ensure that deliveries will be made upon request by the Board.
9. A Progressive Conservative Government will ensure that grain growers will be able to maintain their competitive advantage by a vastly improved program of research. New high yielding varieties will help meet increased demand and lower per unit production costs.

Livestock Policy-

10. We will assist in a program of improved land utilization to encourage growth of Canada's livestock program as well as its participation in the total agricultural market available. This involves the Federal Government in water conservation projects, the development of pasture programs and the building of roads to open up bushland for pasture and settlement.

11. We will speed the development of a modern communications service for the farmer to provide him with full range of technical information necessary to conduct a successful farming enterprise.
12. In co-operation with the provinces, a program of national guidelines will be instituted to assist farmers in determining the direction their industry should be moving to fully utilize the land, financial and human resources that are available.
13. Use will be made of inland terminal elevators as delivery points for special grain storage purposes.
14.
 - a) Improvements in our rail and port facilities will be undertaken to accommodate an increased volume of grain and other products such as potash, moving into international markets from the Prairies.
 - b) We will encourage long term agreements between labour and management to ensure uninterrupted movement of grain out of Canadian ports.
 - c) We will foster further development of port facilities at Prince Rupert, Fraser River and Vancouver Island.
 - d) Greater use of the Port of Churchill will be made by extending the period during which insurance is available.
 - e) Improvement of productivity of St. Lawrence Ports, will be pushed.
15. There will be greater initiative and direction to the use of the A.R.D.A. program to improve the use of marginal land and in those areas where income levels require the attention of the government.
16. In co-operation with the provinces we will amend the Farm Credit legislation to ensure that young people wishing to become engaged in agriculture have an opportunity through an extended farm credit program.
17. We will amend the Crop Insurance Act, providing for insurance on livestock.
18. As in Eastern Canada, effective anti-dumping measures will be applied to ensure continued growth of a viable vegetable and fruit growing industry.

(c) Eastern Agriculture

A Progressive Conservative Government will introduce a major, co-ordinated plan for development of eastern agriculture. Liberal indifference towards the eastern farmer for five years has worked to make him a poor cousin of his western counterpart. Low incomes, uncertainty as to price and markets, and a failure to act to reclaim sub-marginal land have destroyed incentives for many farmers and their sons. The average income per farm in eastern Canada is less than \$1,600. per year. There has not been enough done by the present administration to encourage young farmers to increase farm productivity and to form more economic production units.

The Liberal record has been one of promises - not performance. Take the promise of an expansive Mr. Pearson, who, when seeking election in 1963, promised a Minister of Agriculture for eastern Canada. Nothing has ever come of this promise.

A Progressive Conservative Government will work, however, to afford eastern farmers a strong voice within government.

Organization

A Progressive Conservative Government will establish a permanent bureau of Eastern Agriculture. The aim will be to ensure an adequate return for efficient farm operations. The family farm is still a cornerstone of eastern agriculture. But if agriculture in eastern Ontario, Quebec and the Atlantic provinces primarily, is to become viable, there must be improvements.

Feed Grain

Federal assistance for transport of feed grains to the east is still of vital importance to the future of beef, dairy, hog and poultry farming. But this is not a complete answer in itself. At present, by far the major portion of beef consumed in eastern Canada is imported. If eastern Canada is to better serve eastern consumers, it is imperative that there be federal assistance for forage and grain crops. A Progressive Conservative Government will provide such federal incentives as low interest rates for farmers wishing to extend their feed grain acreage. This would be possible under a revitalized ARDA program. And, to make this a better co-ordinated program, ARDA would be regionalized, enabling it to better deal with the particular provincial agriculture agencies.

Coupled with increased federal emphasis on feeder lots and community pasturage would be a program a Progressive Conservative Government would work out with the provinces to provide better fertilizer subsidies, and improve acidic soils and thereby gain in a better production per acre.

A Progressive Conservative government would also encourage co-ordination of farm organization presentations to government to make agriculture's voice more effective.

Dairy

Eastern dairy farmers have been adversely affected by non-marketable surpluses in recent years. Surpluses of butter, eggs, milk and skim milk powder have hurt the return to the farmer. Surpluses have occurred in industrial milk because there are too few plants in eastern Canada to handle dairy production.

A Progressive Conservative government would place particular priority on assisting industries which would utilize dairy products.

Surpluses

At present only three per cent (\$10,000,000 of \$300,000,000.) of the foreign aid programs is devoted to farm products. This figure should be increased by another two per cent at least, an increase which would also help guard against the individual farmer being hurt.

Another step to safeguard the eastern farmer would be the initiation of effective anti-dumping measures. This would have to be worked out both on a national and international scale (ie: Western honey in Eastern Canada; Mexican tomatoes in Eastern Canada), and such a program should be tied in with another international and national system of negotiations to establish voluntary quotas on agricultural products imports.

Farm Credit

A Progressive Conservative government would update farm credit by amending the Farm Improvement Loans Act and Farm Credit Loans Act to make both once more available to the agricultural industry. At present banks are uninterested in extending credit through the Farm Improvement Loans Act because of the low interest rate of five per cent. A Progressive Conservative government would work to extend the term of repayment from three to five years and increase the total amount available from \$14,000 to \$20,000. in return for a reasonable increase in interest rates. Such a program would be tied in with provincial farm improvement funds.

Crop Insurance

A Progressive Conservative government would extend crop insurance to cover livestock.

Tax Incentives

A Progressive Conservative government would undertake a study of the tax load farmers have to bear, with an eye to accelerated tax depreciation on farm storage facilities, and on additional production buildings and future land development.

Seasonal duties

A Progressive Conservative government would review and update the whole procedure of seasonal duties. The present federal and provincial and agricultural commodity methods of protecting markets by tariff, subsidy, quota, acreage control and license to produce are in many instances ineffective, due to being dated. A whole new approach is necessary on this key principle. A Progressive Conservative Government would establish agencies patterned after successful producer organizations such as the Western Wheat Board, B.C. Tree Fruits, etc., with a joint responsibility with producers for sales distribution and price.

Reorganization of Department

A Progressive Conservative Government would establish within the Department of Agriculture a Board with access to the facilities of all governmental agencies not only to provide current basic information, but to recommend speedily implemented courses of action to government whenever a farm commodity is referred to it as facing economic difficulties either from surplus production, lack of markets, or intrusion of manufactured substitutes. This would be immediately applicable to the dairy industry, food processing industry and vegetable industry.

(d) Fisheries

Our Nation has been blessed with many natural resources. Among them, our Canadian fisheries are of major importance, in their wealth and potential. The Progressive Conservative Party feels that the fishing industry must be given a high priority for, beyond a doubt, prosperous fisheries contribute to a healthy Canadian economy.

Canadian fishermen stand in real need of more modern and up-to-date research and technology. We cannot continue to rely solely on the will and spirit of our fishermen to struggle with well equipped foreign competitors. The Progressive Conservative Party will therefore accelerate our research and development program, designed to furnish the fishing industry with improved facilities and techniques.

Canadian fishing now faces a serious lack of skilled and trained personnel. Yet at the same time, in many fishing areas, unemployment rates are among the highest in Canada. The Progressive Conservative Party resents this wastage of human resources and proposes a revitalized program of on-the-job training. We will encourage the development of training facilities required by those fishermen who wish to upgrade their skills in the industry.

The Atlantic

1. In the Atlantic Coast area, priority must be given to the surplus of fish products which now exists. Indifference of the Liberal government has meant that our Maritime fishermen are now plagued with a surplus of 9-10 million pounds of salt cod-fish. The government has offered to purchase these products at the end of the season. This is no solution to the problem. Deterioration through months of storage and a lack of storage facilities for the new catch will result.

A Progressive Conservative Government will take immediate action to solve this problem by offering this surplus to the World Food Bank.

2. New markets must be found at an early date. A Progressive Conservative Government will, as soon as possible, convene a meeting of Canada's trade commissioners from abroad to mobilize their efforts to bring about an expansion of markets for these products.

3. The fresh and frozen ground fish fillet industry can be accelerated by increasing the domestic demand by an extensive consumer oriented promotional campaign. This campaign would be designed to increase individual consumption by approximately one-half pound per year and provide a market for an additional one hundred and ten million pounds of ground fish products in North America.

The Pacific

The Western fishing industry must deal with several crucial problems.

1. Competitive markets have forced British Columbia fishermen into a second place position in the world salmon market. For example, in 1966 the Japanese were able to sell a single carton of salmon for \$20.00. Due to higher costs and less advanced techniques, British Columbia fishermen were forced to sell salmon at \$25.00 per carton. In order that the market can be regulated in an organized way, a branch of the Prices Support Board should be established on the West Coast. As a result, salmon could be sold at a fixed price during profit and loss years and the Canadian Fishermen would be able to compete for domestic and foreign markets.

2. There has been a rapid reduction of the salmon catch due to overfishing, principally by foreign vessels. Our government will accelerate the construction of artificial spawning beds. At present natural spawning areas yield an average of 8 to 17% survival from the eggs deposited. If the above measure was carried out, the survival rate of salmon eggs would increase to 75 or 80%.

3. The existing international twelve mile fishing limit follows the coastal indentation pattern. Mr. Pearson, in 1962, promised a twelve mile headland to headland limit. The Liberal government, once again, showed promise but not performance. The new federal government must make use of the Law of the Sea Conference, first initiated under the Diefenbaker administration, to press for a twelve mile headland to headland limit.

The Progressive Conservative Party recognized well the value to Canada of our fishing industry. We know that by applying capital to the resource and training to the individual we will be developing the industry, serving the region and building the nation.

(e) The Economy

Canadians are well aware that our economy is in difficulties. It is brought home to them forcibly by the high and ever rising cost of living, by growing unemployment, by high interest rates and tight money. Economists are agreed that any increase in the consumer-price index of more than 2% per year is dangerous. In 1966 and 1967 it was almost twice that rate. It is estimated that unemployment this year will reach the highest rate since 1963. In the first three months of 1968, it was a full percentage point higher than for similar periods last year. Part of the reason for this situation is the fact that the Federal Government has been increasing its expenditures at an alarming rate. In 1967, the economy grew by 6.8%, but when inflation is taken out the actual figure was only 2.8%, meanwhile federal government expenditures rose 13.7%. In 1967, the federal government had a deficit of four hundred and twenty-two million which involved a cash requirement of five hundred and thirty-one million dollars and led to an increase in the unmatured government debt of seven hundred and eleven million dollars. In the year just ended, the deficit rose to \$808 million. A massive federal government requirement in the money market has made it difficult for the provinces, municipalities and individuals to secure the credit they need. This in turn has led to the highest interest rates in Canada's history.

Canadian productivity has been growing at a slower rate than that of the United States our main competitor. If this continues, Canadian industries will be priced out of foreign markets and indeed may be priced out of our own Canadian markets.

These may seem like dull statistics but every Canadian is affected by them, when he buys his weekly groceries, when his rent goes up, when he tries to buy a house and finds that he cannot afford it at today's prices, when he has to make a loan and is forced to pay sky-high interest rates, and perhaps most of all when he is a pensioner or someone else living on a fixed income and the purchasing power of his dollar rapidly melts away.

The first priority of the government elected on June 25 must be to put our economic house in order. Everything else we in Canada want to do depends on this. Growth in our industries to provide new jobs requires capital at reasonable rates. The further development of our natural resources and the fostering of secondary industry within Canada needs capital at reasonable rates. The things we want to do to improve our health services and to eliminate poverty in Canada require a healthy growing economy to finance them. The Canadian people must decide whether those in charge when we got into this situation can be entrusted to get us out or whether Canadians should turn to new, more competent and more imaginative management.

A Progressive Conservative Government will be prepared to face up to this challenge, and we have a plan. First we must recognize that today, the federal government is responsible for only 40% of all government expenditures in Canada. The rest is provincial and municipal. It is obvious therefore, that economic planning must be done in cooperation with the provinces and through them with the municipalities.

A Progressive Conservative Government will establish a committee of finance ministers and provincial treasurers, with a permanent secretariat. It will be the responsibility of the secretariat to lay before the ministers annually the economic forecasts for all of Canada and for its separate regions. The ministers may then plan their expenditures for the coming year in a realistic way. The ministers must also establish priorities amongst the many desirable expenditures, some of them under provincial responsibility and some of them under federal, so that provinces do not find themselves prevented from going ahead with improvements in such fields as education because the federal government, without consultation, is promoting expensive programs in other areas which may be of lesser importance. What we need is an informed look at the whole of the Canadian economy and cooperation on the part of all governments in programs to reduce inflation and unemployment and plan for the future education, health and other needs of our people. Only if governments are proceeding in a logical fashion to correct the sources of inflation and unemployment can we succeed in restoring confidence in our economy.

To attack the problem of low productivity we will establish in cooperation with the provinces, productivity boards, industry by industry and region by region. These boards will be composed of representatives of the federal and provincial governments, of management and of labour and of representatives of the consumer. Their objective will be voluntary economic planning to ensure growing productivity and a high rate of employment.

Many of the recommendations of the Glassco Commission for greater economy and efficiency in the federal government remain neglected. One has only to look at the Auditor General's annual report to see the number of examples of waste and inefficiency. A Progressive Conservative Government will move immediately to implement the remaining recommendations of the Glassco Commission and to tighten the administration of the government as a whole.

Secondary Industry

Canada is about to experience a rate of growth in the labour force that is probably unequalled anywhere in the world. For this reason we need a rapid acceleration in the creation of new jobs. One of the best ways to go about this is to foster secondary manufacturing in this country. Too many of our raw materials are exported to be used in manufacturing in other parts of the world. We actually export jobs. There will always be a demand for our raw materials elsewhere, but we must continually increase the amount of manufacturing done on our resources within this country.

A Progressive Conservative Government would move to negotiate bilateral trading agreements especially with emerging nations and with one-product nations to produce new and expanded markets for our manufactured goods.

We would also negotiate bilaterally for the lowering of tariffs on certain classes of goods to gain for our industries access to new markets, particularly in the United States. As a corollary to this, the Canadian industries would be assisted until they had adjusted to the larger markets and the greater amount of competition.



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To develop our industry we need capital. Recently there has not only been a slowing down of American and other foreign capital coming into Canada, but there has been a flight of Canadian capital from this country to the United States that has grown massive in its proportions. This must be reversed and it can be done in two ways. Firstly, by restoring confidence in the Canadian economy through sound fiscal management and secondly, through offering greater incentives.