



A time for
Change

*An Agenda of Respect
for All Canadians*

The Plan



CANADIAN
ALLIANCE

A Time For Change:

An Agenda of Respect for All Canadians

We live in exciting times, times of transition.

And new times require new leadership.

New leadership that respects all Canadians,

and reflects their values. New leadership

that will ensure a better standard of living

for ourselves and our children by cutting

taxes and reducing debt. New leadership

that will work for a better quality of life by

assuring quality health care and safer

communities. Stockwell Day and the

Canadian Alliance offer the new vision

we need in these changing times.

Won't you join with us to seek a new

and better Canada?

New Leadership For a New Century

As we enter a new century, we face new challenges and opportunities. All around us, we see new technologies transforming our economy and our lives. As Canadians, we cannot afford to be complacent about the future – we need new vision and new leadership to ensure a higher standard of living and a better quality of life for ourselves and our children. We need a new vision of government that respects all Canadians, and reflects their values in making decisions.

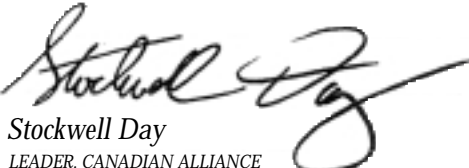
Sadly, the current government isn't providing the vision and leadership that we need. Our personal income tax levels are the highest among the world's largest economies (the G-7). We are falling behind the United States and other countries in real incomes and productivity. Our children and grandchildren face a mountain of debt that the government is moving too slowly to reduce. Many Canadians face long waits for medical treatment, thanks to federal cuts to health care which have not yet been replaced. Our homes and communities are not as safe as they should be, thanks to a weakened criminal justice system. And government just doesn't seem to listen to the concerns of ordinary Canadians.

*The Canadian Alliance has the vision and leadership to address these challenges and build a better, more modern Canada for the twenty-first century. **We will cut taxes for all Canadians, especially for lower and middle income families. We will provide stable long-term funding for health care and ensure modern health care services are available to all Canadians regardless of their financial situation. We will implement a concrete, legally binding plan to pay down the national debt which is mortgaging our children's future.** We will*

take firm action on crime and return real justice to our justice system. We will respect the will of Canadians and make government more accountable to the people. And we will help make Canada's communities safer, healthier, and more liveable.

This new vision for the twenty-first century can be ours, if we want it. We can achieve a rising standard of living and a higher quality of life in safe, healthy communities. Please read our plan, and join with us to seek a newer and better Canada.




Stockwell Day
LEADER, CANADIAN ALLIANCE



Cutting government waste

Over the years, government has drifted away from its most important priority: to reflect the values of Canadians.

The Canadian Alliance is listening to Canadians; our plan reflects the values and concerns of people across the country, and our priorities are your priorities. That's why we will reduce taxes and leave more money in the hands of Canadians. That's why we will provide stable, long-term funding for health care. And that's why we will put in place a concrete plan to pay down our national debt, so future generations can enjoy lasting prosperity.

To pay for better health care, debt reduction, and tax relief, we will reallocate government spending away from wasteful areas and towards the priorities of Canadians.

Government is taking more than it needs

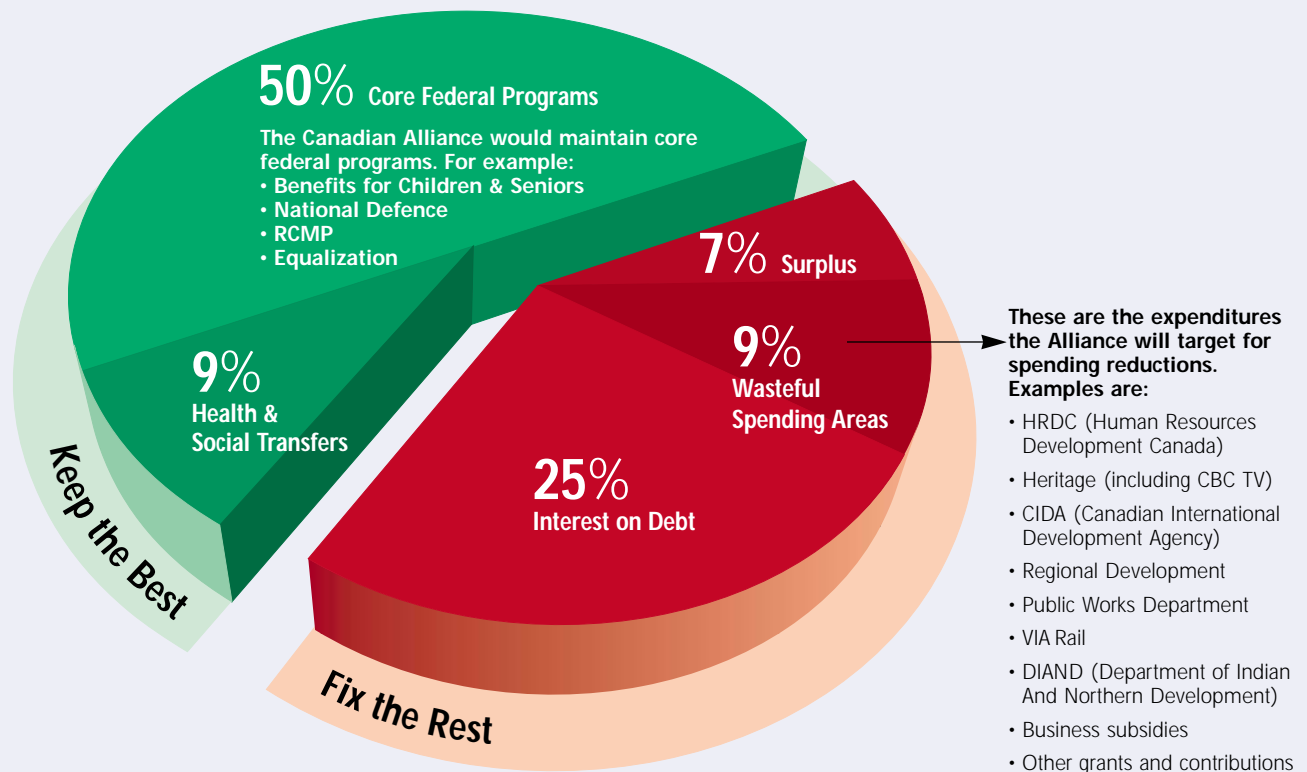
Canada no longer has a deficit – however, the deficit was not reduced through better federal management, but by raising taxes (and cutting funding for health care). Because of these tax increases, Canadians are taxed far more than is necessary to pay for the services they want.

The federal government has an oversized surplus because it takes in more money than it needs each year. The real question is, where should this extra money go?

"We'll take a close look at all wasteful spending, make cuts, then redirect this money to tax cuts, health transfers and debt repayment".

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WHERE YOUR TAX DOLLARS GO



The Canadian Alliance will keep the best and fix the rest

Stockwell Day and the Canadian Alliance will always remember that each and every one of the \$170 billion that the federal government collects each year belongs to Canadians. Politicians must treat that money as if it comes from their own pockets.

Therefore, as much of the surplus as possible should be returned to hard working Canadian taxpayers. Most of the rest must be set aside to reduce the national debt, to remove the burden of future taxation from our children and grandchildren.

Keep the best

But there are vital areas where the government must continue to spend. We need to support programs such as health care, education, and benefits for children and seniors. We need to protect Canadians' lives and property through our armed forces and the RCMP. We need to invest in roads and other infrastructure so that our economy can grow and prosper.

Canadians expect their federal government to respect these vital priorities. Spending in these areas must be maintained and in some cases even increased.

Fix the rest

The Canadian Alliance believes that every dollar contributed by Canadian taxpayers should be treated with respect, not wasted or spent on programs of questionable value. Here are just a few of the non-priority spending areas we will change.



"It's time to listen to Canadians. They are saying that government should be anchored by the values of honesty, responsibility, respect, and prudence. Everything government does, everything government says, should be built on these basic Canadian values."

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Money down the drain

Every day, the Liberal government approves programs that simply waste taxpayers' money. These few random examples are just the tip of the iceberg:

- \$127,000 to make "Bubbles Galore" a pornographic film funded by the taxpayer
- \$98,000 grant from Canadian Heritage to print "500 Best Blonde Jokes"

A time for Change

Stockwell Day's plan to re-direct savings from wasteful spending towards:

- meaningful tax cuts of \$2,426 per year for an average family of 4
- full restoration of health transfers to the 1995 level of \$18.7 billion, and stable, guaranteed health funding in the future
- a legislated, politician-proof debt reduction plan that starts with \$6 billion a year, then increases as we can afford it



(more money down the drain)

- \$407,673 to fund the production of a theatrical “Tale of Fantasy” – where else but in the Prime Minister’s own riding?
- \$4,100 for “a communication device to interact with rotting grapefruits”
- \$20 million per year for the Canada Information Office, a mysterious federal propaganda agency
- Liberal cancellation of EH-101 helicopter contract cost taxpayers \$1 billion
- \$60 million to cancel the Pearson Airport contract

Imagine what could have been done with this money in a hospital facing bed closures and waiting lists.

Millions of dollars squandered

Last year government auditors investigated how the government spent a billion dollars under the Human Resources Development department’s Transitional Jobs Fund. Here is what they found:

- 97% of files showed no evidence that anyone had checked to see if the recipient already owed money to the HRDC
- 80% of files reviewed showed no evidence of financial monitoring
- 87% of project files showed no evidence of supervision

Bottom line: the Liberal government bungled a billion dollars of taxpayers’ money

Much of this waste was caused by political interference from the government. And the Prime Minister himself led the way. A full 36% of donors to the Prime Minister’s 1997

personal election fund received government grants, contributions or contracts.

- Canadian taxpayers shelled out millions of dollars in the Prime Minister’s riding. Taxpayers paid for, among other things, an unnecessary armoury, a brewery, a half a dozen hotels, an elaborate fountain, and even a multi-million dollar theme park at your expense.



“We’ll take a close look at all wasteful spending, make cuts, then redirect this money to tax cuts, health transfers and debt repayment”.

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- Human Resources Minister Jane Stewart claimed that a government grant helped create 156 jobs in her riding. In fact, the grant simply paid an existing company to move down the road – into the Minister’s own riding. She took the credit, you paid the bill.
- \$1.2 million of taxpayers’ money was poured into a private sports complex owned by a prominent

Liberal in a cabinet minister’s riding. Less than 2 years later, the centre closed its doors. The local mayor said he wished the money had been spent on a much needed chronic health care facility.

Despite evidence of massive waste and political favouritism, the Prime Minister has announced he wants to launch even more programs of this kind. In fact, \$110 million from the old Canada Jobs Fund was recently recycled into the four Regional Development Agencies – where it can be spent in secrecy without fear of disclosure under the Access to Information Act.

A Canadian Alliance government will bring an end to boondoggle spending. And we’ll make sure that federal government spending reflects the values and priorities of Canadians – not the interests of politicians.

Ending corporate welfare

Canada’s businesses, big and small, create jobs and drive our economic prosperity. But when government gets directly involved by handing out subsidies or special favours, political interests rather than economic common sense usually prevails.

Many of these subsidies are shielded from public scrutiny by confidentiality rules that make it impossible to know if loans have been repaid, if the interest rate was competitive, or if taxpayers received value for their money.

A Canadian Alliance government will end “corporate welfare” subsidies because it’s simply not the place of government to pick and choose which businesses will have an advantage over others. We will eliminate Technology Partnerships Canada as well as many programs in other departments – such as the regional development agencies,

Industry Canada, and Human Resources Development – which often pay companies for jobs they would have created anyway. These subsidies are heavily influenced by politics and patronage. We will work aggressively with our trading partners to reduce all corporate export subsidies and to promote competition on a transparent, free-market basis.

Regional handouts just don't work – Our program will

Over the years Ottawa has created various programs to pump money into different regions of the country. Grants to high unemployment areas may sound like a good idea, but in practice, these regional handouts only hurt the very people they are supposed to help by stifling the growth of a healthy, job-creating economy.

A Canadian Alliance government would put an end to this alphabet soup of agencies like ACOA, CED-Q, FEDNOR, and WED. Instead, our tax reductions and investments in health care, education and infrastructure will stimulate more investment and opportunities for companies and entrepreneurs – and therefore create more and better long term jobs for workers. We will also maintain a strong equalization program to ensure that Canadians in all regions have access to vital services.

Reforming Employment Insurance

Unemployed workers sometimes need a hand up. Providing help is the Canadian way. However, the

government doesn't help people by paying them to remain in jobs that cannot provide a secure and dependable income. Yet this is exactly what the Employment Insurance program has done for many workers in economically disadvantaged regions.

A Canadian Alliance government will ensure a safety net for unemployed workers. Employment Insurance will remain an important way to provide temporary income support in case of unexpected job loss – a true insurance program, not a regional subsidy. We will encourage shorter and less frequent reliance on EI. Workers and employers who draw on the system less will pay lower premiums. Workers in similar circumstances will be treated the same way, regardless of where they live in Canada.

Let's get government out of the business of business

Too many crown corporations are still competing directly with private businesses in Canada, while government continues to own large stakes in private companies. Let's get government out of the business of

competing with the private sector or investing in private corporations.

- A Canadian Alliance government would sell the 20% federal stake in Petro-Canada – at current prices worth about \$1.7 billion. We think Canadians would rather pay down the federal debt than own an oil company.
- The Federal Transport Minister has admitted there are numerous companies interested in operating passenger rail in Canada. Yet the Liberals continue to subsidize VIA, even though it doesn't serve much of the country. We will privatize VIA Rail to ensure greater choice for Canadian travellers.
- CBC: In a thousand channel, digitalized satellite universe, where traditional media are merging with the internet to revolutionize communications, we need to revitalize the role of the CBC. A Canadian Alliance government will allow CBC television and internet services to raise private capital while ensuring majority Canadian ownership and retaining a public CBC radio (including Radio Canada International).

An Alliance government will re-direct non-priority spending into health funding, tax relief and debt repayment. In this way, Canadians can enjoy the lasting prosperity they deserve.

Leading the way in wealth and job creation...

Stockwell Day believes that Canada can achieve the world's highest standard of living and best quality of life. With our skilled and educated workforce, vast wealth of natural resources, and innovative companies and entrepreneurs, we have the capacity to lead the way in wealth creation and new jobs.

But in recent years, other countries have been pulling ahead of Canada. In a survey of the 25 wealthiest OECD countries, Canada's growth in standard of living was ranked 24th over the past decade (1988-98). Ireland, which ranked first, has moved from having half of Canada's per capita income to almost the same income level in a mere ten years. Our major trading partner, the United

States, increased its productivity twice as fast as Canada between 1996 and 1998.

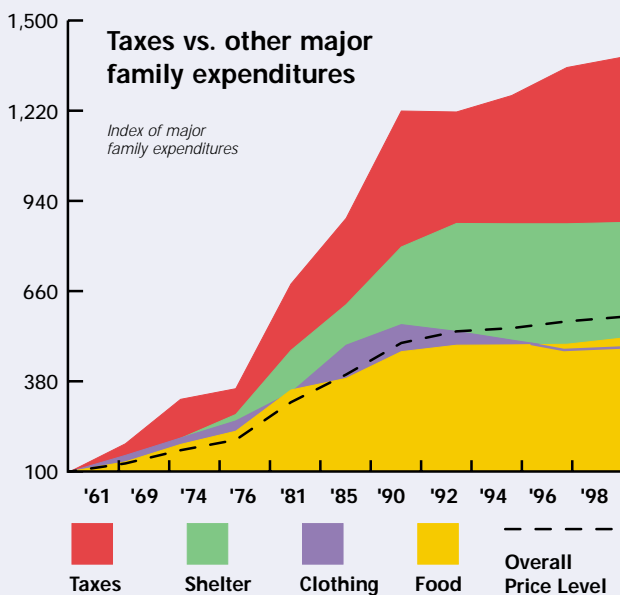
This is not good enough, and with Stockwell Day as Prime Minister, Canada will do better.

"I believe that Canada can be a competitive leader in the global economy of the future.

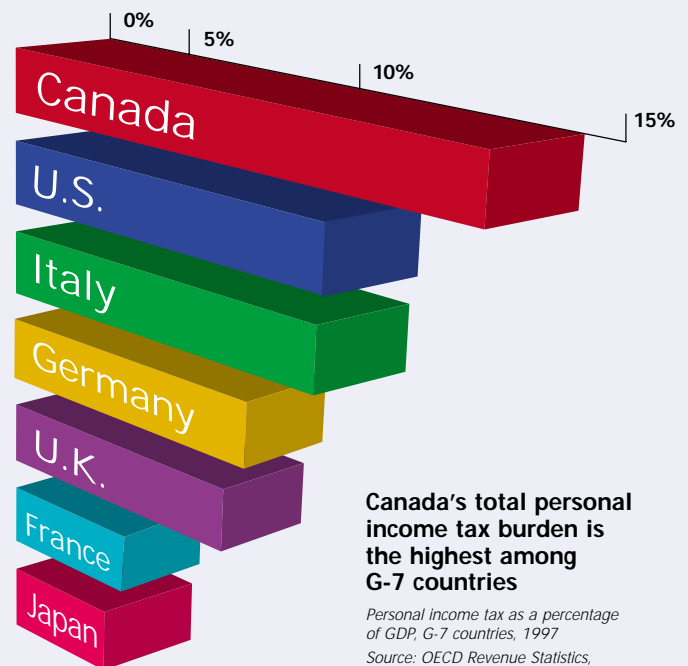
I believe that Canadians can enjoy a higher standard of living and a better quality of life. But to get there, we must blaze a trail of tax relief and debt reduction. I've done it before, and I'm ready to do it again."

STOCKWELL DAY

... but high taxes keep us from getting ahead



Source: Fraser Institute, Tax Facts 11. Expenditure of the average Canadian family on total taxes, shelter, clothing and food are compared to the overall increase in prices.



Canada's total personal income tax burden is the highest among G-7 countries

Personal income tax as a percentage of GDP, G-7 countries, 1997
Source: OECD Revenue Statistics, 1965 - 1998

Cutting high taxes that hold us back

The crushing federal tax burden

Every Canadian feels the burden of high taxes. Families have less money to spend. Businesses struggle to expand or even to stay afloat. High taxes are an incredible hardship for ordinary Canadians trying to make ends meet, and prevent Canadians from reaching our full economic potential.

By paying lower taxes you can achieve your full potential

Can't seem to get ahead? It seems no matter how hard we work, we just can't seem to get ahead. When we work overtime our take home pay doesn't seem to change much. Why? Much of it goes to the government in taxes. There's just no incentive to work harder, in an effort to improve your quality of life.

Time to get back on track

Canada can be a world leader in wealth creation. We have the talent, energy and resources necessary to succeed. We're only missing one piece of the puzzle: a federal government that fosters growth and opportunity, so businesses can expand, develop, and become true competitors in the global economy. And so families can make their own choices with confidence, and prosper doing so.

Meaningful tax relief for you and your family

Stockwell Day's Fair Tax Plan puts the long-term prosperity of Canadians first. It will increase the disposable income for all Canadian taxpayers, no

matter how much they make. We will end the discrimination in the tax system against families where one spouse stays home, and give all parents more choice. We will remove 1.4 million of the lowest income taxpayers from the tax roll. And we will encourage investment and savings for retirement.

What will these changes mean for Canadians? Every family of four will be able to earn their first \$26,000 completely tax free – almost twice the current level of just over \$13,000. Our plan means an average of \$2,620 in tax relief for every working Canadian.

Tax relief is about helping all Canadians, and building a stronger economy and stronger country for the future.

Increase the Basic Personal Exemption

We plan to increase the Basic Personal Exemption from \$7,231 to \$10,000 – that's the base amount of income that you can earn before you must pay tax. While this will help all taxpayers, those who earn the least will feel the greatest relief.

Treat all families equally

Many families choose to have one spouse stay at home. We feel that work within the home is real work, and the tax system should treat earning and non-earning spouses equally.

That's why we plan to increase the Spousal Exemption amount from \$6,140 to \$10,000. This will allow families with stay-at-home spouses to

A time for Change

Stockwell Day's Fair Tax Plan

- more money in your pocket through meaningful tax relief by moving towards a single 17% rate for everyone
- meaningful tax cuts of \$2,426 per year for an average family of 4 for about a 32% savings
- give all families more choice through fair tax treatment
- increase exemptions and introduce a child tax deduction so that a family of four will pay zero tax on the first \$26,000 of income
- lower payroll taxes, to create more jobs
- lower taxes on your investment gains
- increase the RRSP contribution ceiling to \$16,500
- lower taxes on high tech businesses to 21% and on small businesses to 10%



earn the same tax-free amount as families with two incomes, ending discriminatory government tax policies.



Under the Canadian Alliance Fair Tax Plan you will get a \$3,000 per child tax deduction.

Help all families with the cost of raising children

The current tax system offers a tax deduction for child care expenses only if they are incurred outside of the home. We feel the tax system shouldn't discriminate between parents who pay for outside care, parents who choose to stay at home with their own children, or parents who have their children cared for by a grandparent or other relative.

Stockwell Day's Fair Tax Plan will benefit all families by introducing a \$3,000 per year, per child tax deduction to recognize both the cost and the value of raising children. Every parent of a child under 16 will receive this tax deduction. No receipts. No questions asked. We'll retain the child care expense deduction so parents who work will still be able to claim an additional deduction for receipted expenses over \$3,000 to the current maximum of \$7,000.

All families want their children to receive a quality education. Most

parents choose to send their children to publicly funded schools, but some pay large amounts to choose other options for their children. A Canadian Alliance government will bring forward tax reform measures to allow parents in this situation to keep more of their income to provide for their children's education, while respecting provincial jurisdiction.

More money in your pocket

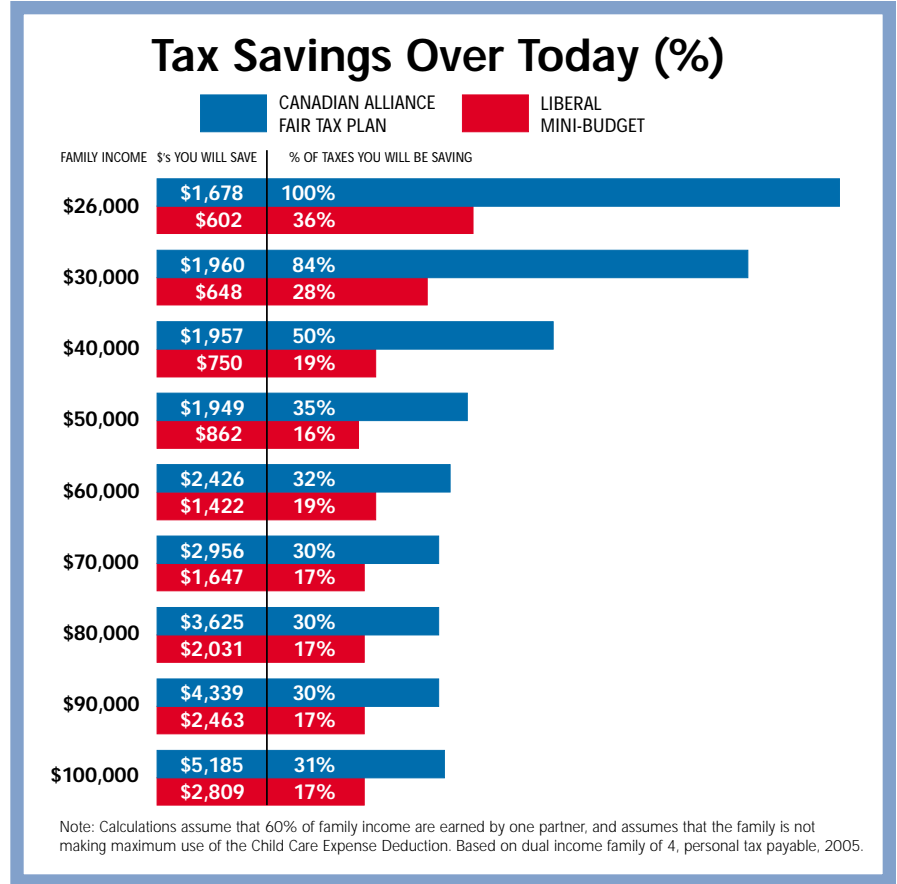
Canada has the highest personal income tax burden, as well as the most steeply increasing personal income tax rates, among the world's most industrialized countries (the G-7).

Under a Canadian Alliance government, we will move towards a single rate of tax on income earned above the generous personal, spousal, and child exemptions. And

the current 5% surtax will be scrapped. As a start, in our first term in office, we will move from three rates to two – a basic rate of 17% and 25% on income above \$100,000.

Eliminating the middle rate and increasing the upper threshold will mean that people can choose to take a promotion or work overtime without fear of being bumped into a higher tax bracket. You will no longer be penalized for working harder to get ahead.

Tax Freedom Day
 US = May 3, 2000
 Canada = June 30, 2000
That's the day at which a taxpayer stops working to pay the government and starts working for himself/herself.



Relief from high gas prices

Energy prices have soared to thirty year highs, driving up the price of gas, diesel, and heating oil. But high taxes continue to hurt Canadians each time they fill up their tank. Consumers pay as much for taxes as they do for oil on each litre of gas. A Canadian Alliance government will eliminate "tax on tax" by cutting the GST on top of other federal and provincial fuel taxes, and will eliminate the "temporary" 1.5 cent increase in federal excise tax. This will mean savings of at least 3 cents per litre – and more if the provinces match this commitment. We'll also cut the federal excise tax on diesel fuel by 50% to help Canadians, including farmers and truckers, cope with high fuel costs.

Ending the brain drain

It is becoming harder and harder to keep talented young people, or those with special skills like engineering, nursing, or computer programming, in Canada. The tax gap with the United States and our other trading partners has simply become too wide.

- A disproportionate share of Canadian university graduates moving to the United States are concentrated in health, engineering, mathematics and physical and biological sciences (54% in 1995)
- 78% of Canadian computer science and engineering graduates are ready to move to the United States

We think the whole country benefits if more skilled workers and entrepreneurs are using their talents to build Canada's economy, and not another country's. Tax cuts to encourage skilled workers and entrepreneurs will keep more of our talented young people at home.

"In the light of the latest forecasts of massive surpluses, it becomes quite responsible for the Canadian Alliance to propose both major tax cuts and substantial debt reductions. With minor spending reductions, say of 5%, the debt could probably be paid off in several decades and the tax burden reduced to a fraction of its present crushing level."

JEAN-LUC MIGUÉ
President, Scientific Council,
Montreal Economic Institute

Cutting taxes that hurt job creation

High taxation, whether personal or corporate income taxes or payroll taxes, has a negative effect on job creation. The Canadian Alliance plan will reduce those taxes that are the biggest barriers to job creation – the Employment Insurance payroll tax, high capital gains tax, high corporate taxes on service industries, and small business taxes. This means that businesses will be able to create more jobs and reduce unemployment.

- LOWER PAYROLL TAXES

Payroll taxes are a direct tax on job creation. We want to make it easier, not harder, for businesses to hire new people and create new and better jobs. To this end, we will decrease the EI rate for the employee from \$2.40 to \$2.00 per \$100 earned – up to \$156 less in premiums per year – and reduce the rate for employers from \$3.36 to \$2.80 per \$100 earned. Our plan means everyone wins: employees will take home more money and businesses can hire more employees.

- CUT THE TAX ON INVESTING

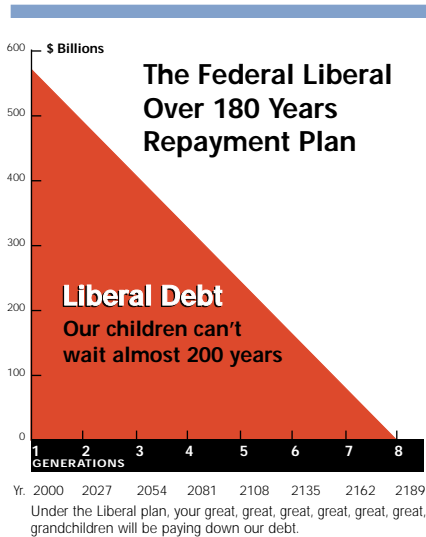
Companies need to raise money to hire new people, conduct research, expand and grow. By taking away the obstacles that restrict investment, we encourage our economy to prosper. The Liberals have imitated the Alliance plan to cut the inclusion rate on capital gains to 50%, but those capital gains will still be taxed at higher marginal rates. You will pay 14% less in capital gains taxes at the top marginal rates under the Alliance plan than under the Liberals.

- CUT THE TAXES ON HIGH TECH BUSINESSES

The tax system currently favours some companies over others. Manufacturers benefit from a special tax rate of 21%, while other companies – including many high technology businesses and service industries where the most jobs are being created – pay a higher 28% rate. The current system penalizes the new economy companies that are leading economic growth. A Canadian Alliance government will equalize these two rates at 21%, so that there will be a level playing field for all types of companies.

- CUT TAXES FOR SMALL BUSINESS

75% of all businesses in Canada have less than 5 employees. In the new century, these small businesses will continue to be the engine of our economy. By cutting the taxes they must pay, we will help existing small businesses grow and prosper and encourage new businesses to take the plunge. We will reduce the Small Business rate that companies pay on their first \$200,000 of income from 12% to 10% to help these firms succeed and grow.



A concrete plan to pay down the debt

Fixing our national debt is a top priority. Every year Ottawa spends nearly three times as much money on interest payments as it spends on health and education. Ottawa's debt means that every Canadian child born today carries a nearly \$18,000 load on his or her shoulders. The debt also hurts our dollar and our international competitiveness, since foreign investors avoid countries with large debt burdens.

Unfortunately the Liberals will only commit to a mere \$3 billion per year to pay down our \$565 billion debt. At that rate, it will take over 180 years before we are debt free. No Canadian family would plan on taking 200 years to pay off their mortgage. The government shouldn't either.

Canada needs a debt reduction strategy that is balanced and responsible. The Alliance will take a two-pronged approach:

1. Legislate the Debt Freedom Plan to reduce the debt at least twice as fast as the Liberals. The Plan will mandate a minimum \$6 billion annual payment. The payment is the very minimum and will be increased as the economy grows until the debt is gone.

Most important, this plan is politician-proof. No matter which party is elected in the future, no matter who the Finance Minister is, the government will be legally obligated to pay down the debt according to this plan.

2. Devote "extra" money to debt repayment. A Canadian Alliance government will act just like any prudent Canadian family. When we bring in more money than expected, we will put 75 per cent of this extra, unprojected surplus towards paying down our national mortgage – NOT into new spending. It's the best choice we can make to secure our children's future.

A similar plan introduced in Alberta led to the elimination of Alberta's net debt years ahead of schedule even while oil prices were at near record lows. With Alberta's former Finance Minister Stockwell Day as leader of the Canadian Alliance, we plan to turn this "Alberta advantage" into a "Canada advantage."

Every year Ottawa spends nearly three times as much money on interest payments as it spends on health and education.

Planning for a prosperous future: pensions and retirement savings

Canada faces a huge demographic challenge. As the baby boom – the largest generation in history –

approaches retirement, there will be fewer and fewer young workers to pay for increasing pension and health care costs. Yet Canadians are prevented from saving adequately for their own retirement because RRSP rules are too restrictive. And many younger Canadians have no confidence the Canada Pension Plan will be there for them.

In order to help Canadians save for their retirement we will:

- increase the RRSP / RPP contribution limit to 30% of income, from the current limit of 18%
- raise the allowable foreign content limit so that you have more choice in investing for your retirement
- increase pension portability so workers can move from one employer to another without risking their future pension

This means you will pay less on taxes today, putting more money in your pocket now, so you can afford to save more for retirement tomorrow.

We also need to take a long term look at retirement security. This is too important to be left to politicians alone, so a Canadian Alliance government will appoint a non-partisan commission on Retirement Security and Generational Fairness to develop a new plan for the future of pensions and old age security. We will maintain current federal retirement benefits – including Old Age Security, Guaranteed Income Supplement, and the Canada Pension Plan – so that all Canadians approaching retirement will enjoy the benefits they have been promised, while assuring young Canadians that a secure system will be in place for their retirement as well.

Building an innovative, competitive economy

The rapid growth of information technology and other high tech fields has changed the lives of people across Canada and around the world. But the global information economy does not stop for countries that are struggling to catch up. We must become leaders, or we will fall behind. Too many bright Canadian entrepreneurs have been forced to go to the United States to find capital for their ideas. Too many Canadian companies have been forced south or overseas by high Canadian taxes.

Canada needs a strategy to compete in the global economy. But this strategy is not the old style industrial strategy of grants and subsidies and “picking winners,” but a strategy based on reducing taxes and creating a positive climate for business, while ensuring that Canada has a skilled workforce and modern infrastructure.

Education for our children’s future

Our children are Canada’s most important resource and they must have skills and knowledge to succeed in tomorrow’s high tech world. A Canadian Alliance government will reform the Canada Student Loans system and replace it with a new income contingent repayment loan program which will encourage more young Canadians to acquire and upgrade their skills.

A commitment to science and technology

A Canadian Alliance government will also “walk the talk” when it comes to putting government on-line. We will appoint a Senior Advisor on Technology with private sector technology experience to report directly to the

Prime Minister. We will ensure full and secure access to the Government of Canada on line. We will bring the best ideas in business, government, and universities together to facilitate the transition to the new economy and position Canada as a global leader.

Stockwell Day and the Canadian Alliance are committed to improving Canada’s capacity to perform basic science research. We will increase support to Canada’s research granting councils, and appoint a Chief Scientist of Canada to coordinate science activities in all government departments and ensure that science, not politics, prevails.

A modern infrastructure: open skies, open roads, open seas

One area where government investment can genuinely help economic growth is infrastructure investment. To compete internationally, Canada needs a modern integrated network of road, rail, air, and marine transportation. We need to rebuild Canada’s crumbling highway system, and especially develop trade corridors linking Canada with our NAFTA partners, the United States and Mexico. Atlantic Canada, for instance, sits on the doorstep of the 50 million person market in the north eastern United States, and it needs road, rail, port, and airport links to ensure better market access.

Canada’s airlines: promoting choice and competition

A modern, efficient system of air transportation is vital to Canadian

consumers and to our economic competitiveness as a country. But the Liberals have left Canadians with a quasi-monopoly in the airline industry. As a direct result, the number of seats available on many routes has dropped. Discounts are few. Service has declined. Check-in lines are longer. And in the event of a strike it is the Canadian public that’s held to ransom with no option to take their business elsewhere.

The government seems to prefer a regulated monopoly over free and open competition. We, on the other hand, do not believe that a regulated monopoly is in the interests of Canadian business or consumers. We will promote choice and competition in the airline industry so that Canadians will have more air travel options.

Interprovincial trade barriers

More trade means more jobs for workers, as well as more choice and lower prices for consumers. But many Canadian companies find, to their surprise, that it is often easier to do business with other countries than between Canadian provinces. Despite a 1995 agreement to remove internal trade barriers, lots of red tape and restrictions remain for people doing business between provinces. A Canadian Alliance government will use Ottawa’s constitutional power to regulate trade to reduce provincial trade restrictions so that all goods, services, investments and economic activity will be subject to the same rules across the country.

Fixing health care for all Canadians

Let's restore the national medicare vision

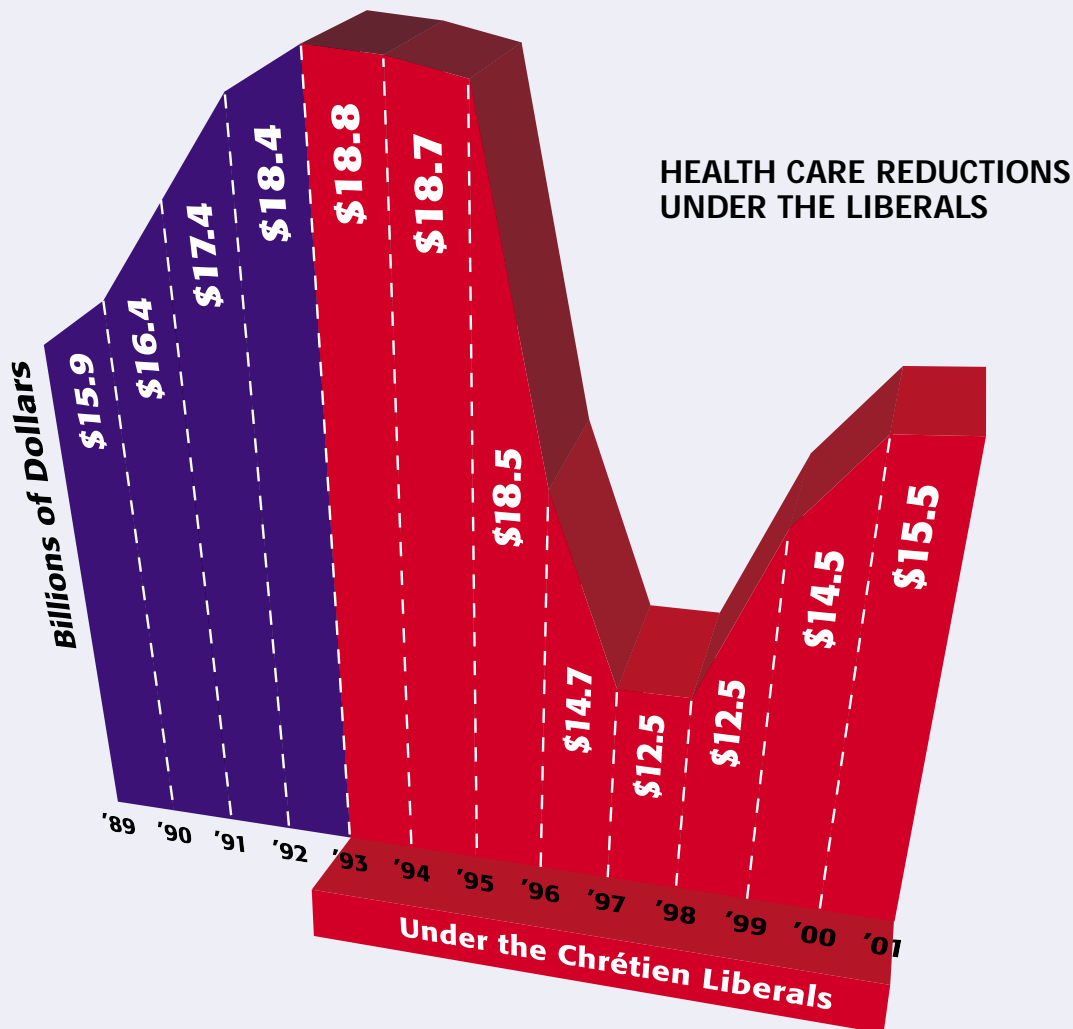
Our health care system is the program that matters most to most Canadians. Under the original vision of medicare all Canadians would have access to quality services for themselves and their families regardless of their financial circumstances.

Stockwell Day and the Canadian Alliance share this vision. But it is increasingly under strain today, in large part because of federal cuts to health care funding. The Canadian Alliance will preserve the principles of medicare and modernize the system

to face the challenges of modern technology and an aging population.

"Since they took office, the Liberals have slashed spending on the Canada Health and Social Transfer, cutting a total of \$25 billion. The federal government now pays only 11 cents out of each health care dollar spent across the country."

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The Canadian Alliance will provide stable, guaranteed health care funding

Federal cuts to health care - the root of the health crisis

The national vision of health care is increasingly under threat – not from provinces that are trying to reform health care or allow innovation in the system, but from a federal government which has devastated health care funding. Between 1995 and 1998, the Liberals cut funding to the provinces for health care by 33%, while they cut their own programs by only 6%.

The Liberals slashed \$25 billion in spending from the Canada Health and Social Transfer – the funds the federal government gives to the provinces for health and social programs. The federal government now pays only 11 cents out of each health care dollar spent across the country.

Health care in critical condition

What have these cuts meant to health care in Canada? Across the board, by nearly every measure, health care has declined:

- 212,990 people were on surgery waiting lists in 1998 (22% more than in 1996)
- the average waiting time for treatment has increased 43% since 1993
- since 1993, the average wait to see a specialist increased by 62%

Where are all the doctors and nurses?

One place where brain drain could have critical consequences is in health care. In addition to high



“We need a new approach to health care, one that’s based on the solid values of reliability, flexibility, and accountability. The solution to the health care crisis doesn’t need to be complicated, it needs to be principled.”

STOCKWELL DAY

taxation, doctors and nurses are frustrated by a system that prevents them from giving patients the quality care they were trained to provide. Permanent waiting lists, hospital closures, obsolete equipment, delays in laboratory services and other chronic problems lead many health care professionals to head south – not necessarily to earn more money but often simply so they can serve their patients properly.

There’s a large problem attracting new people to the nursing profession. The numbers of nursing school

A time for Change

Stockwell Day’s plan for health

- maintain Canada’s Medicare vision and the five principles of the Canada Health Act
- replace federal-provincial confrontation with a more co-operative approach
- maintain funding commitments to health care with a built-in funding escalator
- improved funding will increase access to quality care for your family, when you need it
- guarantee in law long-term funding to the provinces so they can rebuild our health care system with confidence
- improve information reporting so you can see how your health care measures up
- work with the provinces to develop national standards of care
- ensure freedom of choice in natural health products

graduates has fallen in half since the 1970's, to 5,000 per year. The Canadian Nurses Association forecasts a shortage of 113,000 nurses by the year 2011.

Emergency rooms are in crisis

During a health crisis we go to an emergency room, yet it is here that we see the full extent of the crisis in health care. In many of our cities patients have been turned away from hospital emergency wards due to an acute shortage of emergency room doctors.

Is there a solution to this health care mess? We think there is a real, workable solution based on the priorities of Canadians.

Increased funding for health care

The federal and provincial governments recently reached an agreement that will eventually restore the Liberal cuts to health care. The Canadian Alliance fought hard for this and we think the agreement is a good first step, but more needs to be done to guarantee resources for health care in the long run.

In addition to this funding increase, a Canadian Alliance government will also negotiate a "funding escalator" so federal money for health care will increase as the economy grows.

Reliable, long-term funding to the provinces

Running a quality health care system means making important decisions with long term implications. It is vital that Provincial Ministries of Health know from year to year what they will have available to spend.



We will amend the Canada Health Act to ensure that both levels of government fulfill their responsibilities to protect health care in Canada.

The Canada Health Act does not impose any obligation on Ottawa to maintain funding levels.

The Canadian Alliance thinks this is wrong. We will amend the Canada Health Act to ensure that the federal government can't unilaterally cut health care funding again. We propose to entrench five year funding agreements – negotiated with the provinces – in the Canada Health Act.

Our plan will put patients first, improve access to the system, and make sure it's there for you, your children, and grandchildren.

Ensuring accountability for health care standards

How do we know if our health care system is improving if we don't have access to proper information? A Canadian Alliance government will negotiate improved information gathering and reporting between provinces so that citizens from coast to

coast can see how their health care measures up.

In the longer term, a Canadian Alliance government will work with the provinces to develop national standards that will ensure respect for the five principles of the Canada Health Act – accessibility, universality, comprehensiveness, portability, and public administration. As part of such a package of national standards, a Canadian Alliance government will be open to negotiating a transfer of tax points to the provinces to pay for health care, while increasing



equalization payments to provinces with smaller tax bases. This means that provincial resources to pay for health care would grow along with the economy, not at the whim of federal budgets.

Choice in natural health products

We all want to keep in good health, and millions of Canadians choose to use natural health products. A Canadian Alliance government will ensure they have freedom in choosing these products, and will introduce restrictions only on those that the government can clearly and scientifically demonstrate to be harmful.

Safer communities, stronger communities

While Canadians want a prosperous country, we know that the greatness of Canada is measured by more than just the balance sheet.

We are proud of the communities in which we live. We need to protect these communities and help them grow stronger in the future. Stockwell Day and the Canadian Alliance are committed to a government that works at the community level to keep our homes and streets safer and build a stronger Canadian society.

Stockwell Day and the Canadian Alliance will:

- Keep Canadians safe and ensure justice for victims

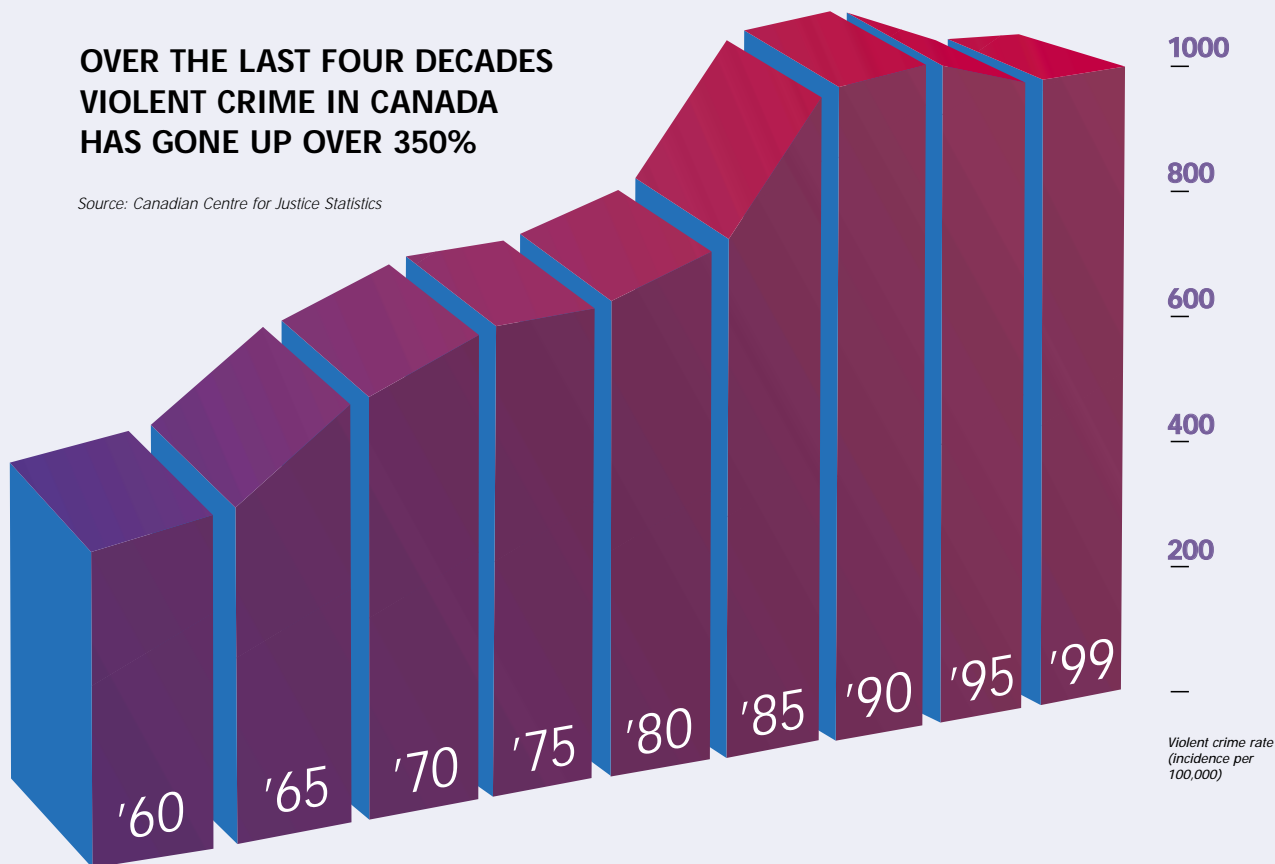
- Make government and federalism more democratic and responsive to the people
- Give families the respect and recognition they deserve
- Ensure that all Canadians are treated equally, regardless of race, sex, religion, or ethnic origin
- Be responsible stewards of our natural resources
- Play a leadership role on the international stage

"We must get tough on crime to provide a safe environment for the protection of our families."

STOCKWELL DAY

OVER THE LAST FOUR DECADES VIOLENT CRIME IN CANADA HAS GONE UP OVER 350%

Source: Canadian Centre for Justice Statistics



Our justice system has become unjust

Making our communities safe

The Canadian Alliance believes that all Canadians should feel safe and secure in their own homes and neighbourhoods. We believe that Canadians are tired of a justice system that often seems more concerned about the rights and needs of criminals than with the rights and needs of victims. We need clear consequences for crime and compassion for victims.

A Canadian Alliance government will restore balance and ensure accountability so that justice is seen to be done.

- TRUTH-IN-SENTENCING

Canadians are tired of a criminal justice system that says one thing, then does another. Some sentences may sound tough, but are undermined by introducing concurrent sentences, conditional sentences, suspended sentences, or parole after as little as one-sixth of sentence served. Canadians need to have confidence that our judicial system will keep criminals off our streets.

A Canadian Alliance government will crack down on career criminals through such measures as:

- eliminating conditional sentences for violent offenders
- requiring lifetime supervision for repeat violent or sexual offenders
- automatic dangerous offender status for a third violent or sexual offence

- consecutive rather than concurrent sentences for multiple violent offences



"All Canadians should be able to feel safe and secure in their own homes and neighbourhoods."

STOCKWELL DAY

- A NEW APPROACH TO YOUTH JUSTICE

Youth violent crime has doubled since the introduction of the Young Offenders Act.

We will focus our crime prevention efforts and resources at the front end of the system. Education for kids at risk is essential to reach young people before they end up trapped and hardened in the correctional system.

But the youth criminal justice system must separate out serious young criminals, while helping troubled youth to be rehabilitated and become contributing members of society.

A Canadian Alliance government would automatically send 16 and 17 year olds to adult court, as well as 14 and 15 year olds charged with the most serious crimes. We would end the secrecy around young offenders and allow for greater public accountability.

- PRISON REFORM

Every year hundreds of Canadians are victims of serious violent crimes committed by federal inmates on some form of conditional release. A small number of offenders are responsible for a disproportionately large number of offences. Yet the federal government treats repeat criminals in virtually the same fashion as first offenders.

A Canadian Alliance government will "correct" Corrections and parole in Canada by making parole and special facilities privileges to be earned rather than rights to be demanded. In particular, we'll restore a zero tolerance policy for illegal drugs in federal prisons. And we'll make transfer to minimum security institutions dependent on good behaviour and completion of rehabilitation programs.

“They are in a minimum-to-medium-security institution.

Who goes to the maximum-security institutions? If you’re not going to put convicted murderers in the maximum-security institutions, who goes there?”

Kim Hancox, widow of slain Toronto police officer Bill Hancox, commenting on how her husband’s killers were living together in Joliette institution, which features cottage-like residences.

(TORONTO STAR, MAY 16, 2000)

- RESPONSIBLE USE OF FIREARMS

We want to protect our communities from criminals, not punish law-abiding citizens. We will repeal the Liberal’s costly firearms law (C-68) that does nothing to enhance public safety. We will replace it with a practical firearms control system that is cost effective and respects the right of Canadians to own and use firearms responsibly.

- NATIONAL DRUG STRATEGY

We will work with the provinces to develop and implement a national drug strategy that works effectively on the street level. This will include mandatory prison terms for major or repeat traffickers. We will give police the tools they need to investigate organized crime, prosecute their members, and seize and sell the assets of gangs and other convicted

drug dealers. At the same time, we will also increase funding for rehabilitation and education, and treat addicts through immediate access to rehabilitation facilities.

“Canada, for wanted people, is the safer place to live. Here there is much lower risk of detention and prosecution than in the United States or Europe.”

Mafia boss Alfonso Caruana, in conversation recorded by police.
(NATIONAL POST, AUGUST 3, 2000)

- SECURE BORDERS

The first priority of any national government is to preserve the safety and security of its citizens. While we want Canada to be as open to the world as possible and facilitate cross-border trade through reducing red tape, we must ensure that our country does not become a sanctuary for criminal organizations or a target for “people smugglers.” This hurts legitimate refugees and immigrants, and threatens the safety of everyone.

A Canadian Alliance government will:

- enforce full control over all points of entry into Canada and restore the Canada Ports Police

A time for Change

Stockwell Day’s plan to make safer, stronger communities

- get tough on violent crime to make our neighbourhoods safer
- introduce truth-in-sentencing to keep repeat offenders off our streets
- change the Young Offenders Act to ensure that serious offenders don’t get off scot-free
- secure our borders from criminal organizations and illegal “people smugglers”
- make families a priority in future legislation
- make our government more responsive to ordinary citizens
- have strong provinces within a united, strong Canada
- fight to protect farmers’ interests while we transition to a new era in agriculture
- welcome new Canadians, but keep out criminals
- bring equality and fairness for our aboriginal people
- put \$2 billion more a year into improving Canada’s armed forces



- ensure the detention and processing within 90 days of all illegal entrants and return them immediately to their country of origin
- create a mandatory minimum jail term for smuggling illegal migrants into Canada or criminally exploiting illegal migrants in Canada
- ensure better information sharing among all law enforcement agencies in Canada

Making government more responsive to citizens

Canadians are justly proud of our heritage of responsible government. But our parliamentary democracy is not all that it should be. Too much power is exercised by the Prime Minister instead of being shared by all our elected representatives. Excessive party discipline stifles open discussion and debate. Grassroots citizens and community groups feel that their opinions are not respected or heard.

Stockwell Day and the Canadian Alliance know we can do better. As government, we will make Canada's governing institutions more democratic:

- allow free votes in the House of Commons, on everything except budget votes and non-confidence motions
- allow Canadians to bring forward citizen-initiated referendums to put their priorities on the national agenda through a Canada-wide vote
- allow constituents to recall MPs who fail to serve and represent the people of their riding

- appoint only Senators who have been directly elected in their home province/territory as a first step towards having an effective Senate elected on an equal basis
- allow full Parliamentary review of important government appointments like presidents of crown corporations, Supreme Court justices, and the Governor of the Bank of Canada
- set fixed election dates every four years, to remove from the Prime Minister the discretionary power to call an early snap election or hold onto office late

A strong and united Canada

The Canadian Alliance believes that we can have both strong provinces and a strong Canada. Our plan will strengthen the Canadian union by respecting the provinces and the rights of all Canadians. We must treat all Canadians equally, giving everyone the respect and dignity they deserve under the law. We must also respect the legitimate jurisdictions of Canada's provinces, including Quebec, so that they will have the tools they need to create the lasting prosperity and strong communities that Canadians desire.

The Canadian Alliance believes we can have strong provinces *and* a strong Canada.

Only five years ago, a Quebec referendum on independence came close to breaking Canada apart. The complacent attitude of the Chrétien Liberal government, and their paternalistic attitude towards the provinces must take part of the blame. A Canadian Alliance government will ensure that never again do we go into a referendum unprepared. But more importantly we will ensure that Quebecers want to remain part of a strong and vibrant Canadian confederation by respecting Quebec's constitutional jurisdictions, thus making the threat of a third referendum irrelevant.

Families: the cornerstone of community

The family is the most basic building block of society. Families raise and educate the next generation of Canadians, families help each other when people are sick or in tough times, many families own businesses and employ others. Yet rather than helping families, government programs are often intrusive and disruptive, while high taxes add additional economic burdens to the family.

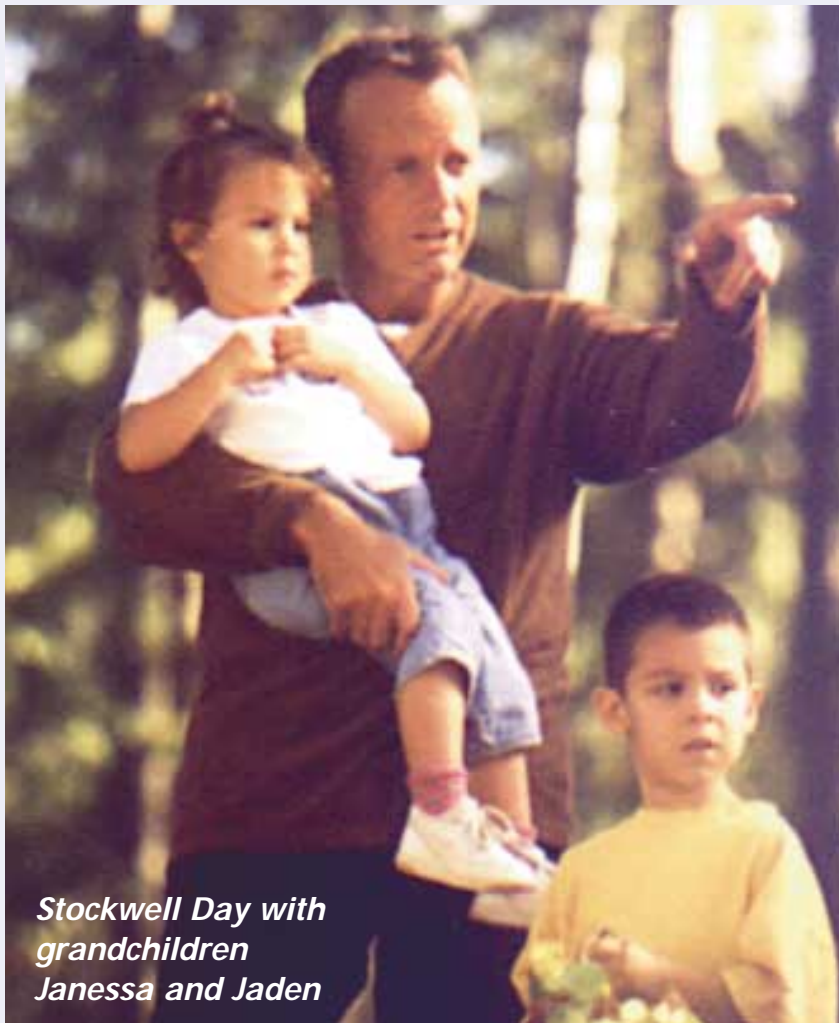
A Canadian Alliance government will put the family at the heart of our social and economic policy. Our \$10,000 per person personal and spousal tax exemptions, and \$3,000 universal child deduction will help all Canadian families make ends meet financially, and will treat one income and two income families equally for tax purposes.

In addition, we will preserve and protect the family unit. We will protect the institution of marriage as the exclusive union of one man and

one woman. We will encourage counselling in any uncontested divorce where there are children involved. We will follow the unanimous recommendations of the Special Joint Committee on Child Custody and Access to ensure that shared parenting is the norm in the aftermath of divorce.

We also want to help parents to keep their kids safe from harm. We will

require registration of all convicted sex offenders so that police can monitor their whereabouts and activities across the country. We will also take whatever action is necessary to uphold Canada's current law against child pornography in the face of those who would allow greater access to child pornography in the name of free speech.



Stockwell Day with grandchildren Janessa and Jaden

The Canadian Alliance will make families a priority in considering all future legislation.

Equality for Canada's aboriginal people

Canada's aboriginal communities have a vital place in our society. Yet the current system has failed – and continues to fail – aboriginal Canadians from coast to coast.

A Canadian Alliance government will respect existing aboriginal and treaty rights while helping aboriginal peoples participate fully in the mainstream of Canadian social and economic life. This will enable them to maintain their cultures and identities.

We will ensure that natives are able to participate in the market economy through direct private ownership of their land and resources. Aboriginals should enjoy an equal opportunity to access fisheries and other resources, but not through race based quotas or special set asides.

We will negotiate the delegation of local powers to aboriginal governments and ensure that band councils are accountable for the taxpayers' money they spend, as well as to their own communities. Aboriginal governments should be able to collect their own local taxes, while aboriginals should also pay their share of federal and provincial tax. Non-natives living on aboriginal lands must be able to participate equally in decisions which affect them.

Settling unresolved land claims must be a high priority for the federal government. We want to bring fairness, finality and affordability to the process. The land claims process must respect existing property holders through negotiations that are open to all stakeholders and transparent to public scrutiny.

No more affirmative action quotas

For seventy years the federal public service hired on the basis of merit. But in 1995 the Liberals introduced a system of preferential hiring based on gender, race and ethnicity quotas.

Such practices run counter to the values of fairness and equality cherished by Canadians.

A Canadian Alliance government will hire on merit and will repeal the Liberals' quota legislation. At the same time, we will preserve programs ensuring equality of opportunity for the disabled so they can compete with other Canadians on a level playing field.

Immigration: welcoming new Canadians, keeping out criminals

Canada is a nation of immigrants. We have always been enriched by new arrivals to our shores. A Canadian Alliance government will maintain the current level of immigration. We will make it easier for immigrants who possess advanced skills and training to enter Canada, and will make the



family reunification process truly responsive.

But Canadians are also angered by policies which have let dangerous criminals into this country, and with unscrupulous human smugglers who bring in illegal migrants, jumping the queue and hurting the integrity of the system.

A Canadian Alliance immigration policy will accommodate legitimate immigrants and their families who seek to contribute to Canada, while locking it tight to those who would abuse the system.

Protecting our environment

The Canadian Alliance is committed to protecting and preserving Canada's natural environment and endangered species, and to sustainable development of our abundant natural resources for the use of current and future generations.

We will protect endangered species through community-based stewardship programmes and stakeholder consensus. Where incentives or voluntary measures are inadequate, we support the regulation of critical habitat with fair market-value compensation.

We will encourage business and industry to develop conservation solutions and will recognize those who deliver improvements in environmentally efficient production.

We will work with the provinces in setting national standards and negotiating international agreements. And we'll back up these standards with vigorous enforcement and meaningful penalties.

Fisheries: conservation first

Conservation must be the primary goal of Canada's fisheries policy on both coasts. Only an approach based on preserving fish stocks today will be able to provide sustainable fisheries for the future.

A Canadian Alliance government will decentralize decision making in the Department of Fisheries and Oceans, and allow for greater input by fishermen and other stakeholders.

Agriculture: a vital industry

Farmers have always contributed significantly to the economic and social well being of Canadians. Agriculture is a rapidly changing industry, and needs a modern government with vision that is both domestic and international in scope. In addition to broad-based tax relief, a key component to easing the ongoing farm income crisis, a Canadian Alliance government will:

- Support safety net programs, including emergency disaster relief, crop insurance, and NISA, to assist farmers struggling against conditions outside their control.
- Launch an aggressive campaign through the WTO and NAFTA to reduce foreign subsidies.
- Give grain farmers freedom to make their own marketing choices, including through the Canadian Wheat Board.
- Make the grain transportation system more efficient and cost-effective by introducing commercial accountability.
- Reduce the federal excise tax on farm diesel fuel by 50%.

In 1995 the Liberals signed the GATT agreement that eliminated the quotas that shielded supply management and they agreed to reduce protective tariffs — despite their repeated promises to the contrary. While the Canadian Alliance supports greater international trade, farmers will only benefit from increased trade if it is rules-based, fair trade.

- We will continue to support supply-managed farmers by reducing tariffs and changing domestic policies only when other countries match our commitments and provide guaranteed access to foreign markets.
- Also, we will ensure a fair transition period for any changes.

Living within the global community

Canada is part of a global community of six billion people, and this involves certain responsibilities. We need to balance compassion and humanitarian concern with a commitment to advancing Canada's economic interests and protecting the defence and security of Canada and its allies.

We believe in humanitarian assistance but want it to be effective and go to those who need it most. A Canadian Alliance government will replace CIDA with a new agency at arm's length from government, with development and relief organizations directly represented on its board. We will also explore fund-matching partnerships with non-governmental

organizations with a history of excellence in international relief work in order to make tax dollars go further with maximum accountability to Canadians.

Restoring pride and resources in Canada's military

Canadians are proud of our military's bravery in war and professionalism in every peacekeeping mission around the world. But poor equipment, stretched personnel, low pay and low morale have sapped the strength of our armed forces. We have a moral obligation to the men and women we ask to serve in conflict zones overseas.

The Canadian Alliance will put an additional \$2 billion per year into improving Canada's armed forces. We will make Canada a loyal, dependable and contributing NATO and NORAD ally.

The Canadian Alliance believes that if we expect Canada's armed forces to do the job, we must give them the proper tools and resources. In addition to expanding both the regular and reserve forces, we'll purchase modern military equipment for our Army, Navy and Air Force, including ship-borne helicopters and armoured vehicles, and renew our naval ship-building program.



“This new vision for the twenty-first century can be ours, if we want it.

We can achieve a rising standard of living and a higher quality of life in safe, healthy communities. ”

STOCKWELL DAY



A time for **Change**

*An Agenda of Respect
for All Canadians*

FOR MORE INFORMATION CALL

1-888-733-6761
or 403-269-1990

OR VISIT OUR WEB SITE

www.canadianalliance.ca



The complete and official statement of Principles and Policies, adopted by the Canadian Alliance is contained in the party's declaration of Policy and is available on request, by telephone or on our web site.

La version complète et officielle des principes et des politiques adoptés par l'Alliance canadienne figure dans l'Énoncé de politiques, disponible sur demande par téléphone ou sur notre site Web.

