

# Demanding Better



Conservative Party of Canada, Platform 2004



Fellow Canadians,

All elections are about choices, and this election is no exception. Today, Canadians face an important decision. They can carry on with the Liberal record of the past ten years – ten years of waste, mismanagement, scandal, and democratic deficit. Or they can choose a new direction that will ensure greater accountability, a secure health care system, lower taxes, and a more vibrant economy. We believe that Canadians should demand better than they have received for the past ten years.

The new Conservative Party is proud to present our agenda for cleaner government, lower taxes, better health care, and a stronger Canada.

The Conservative platform changes the system that allowed the Liberals to squander billions of taxpayers' dollars over the past decade. It is not enough to simply change the occupant of the Prime Minister's office. We are laying out concrete changes – increased power over spending for the Auditor General, an ethics commissioner appointed by Parliament, elected Senators, fixed election dates – that will make sure that government is responsive and accountable to Canadians.

We don't believe that having the highest income taxes in the G-7 is the way to economic growth and competitiveness. We need to get our tax rates down. We are proposing lower taxes for all Canadians, focusing on the middle class that has been left behind under the Liberals. We will also work to reduce the tax burden on all businesses to create a climate where they can prosper and create jobs.

We will build a strong, competitive economy, because this is the way to generate the revenue we need to sustain our public health care system. The Conservative Party believes that all Canadians have a right to timely access to quality health care services, regardless of ability to pay. The 2003 Health Accord, signed by the federal government and all the provinces, laid out a five-year plan to keep our system sustainable, including a \$36.8 billion increase to health care spending. We supported the Accord in 2003, and continue to support it. We are also prepared to add to the funding laid out in the Accord, in order to ensure that our health care system is accessible to all and second to none in quality.

We also need a Canada that is safer at home and stronger abroad. A Conservative government will ensure that our justice system is truly just, respecting the rights of victims, ensuring that those convicted of violent crime serve their full sentences, and ensuring that our children are protected. We need to ensure that our borders are secure, and that our armed forces have the equipment they need.

If you want more accountability in government; a dynamic, less taxed economy; a secure, quality health care system; and a stronger, safer Canada, then join with us to demand better, and vote Conservative.

Stephen Harper  
Leader of the Conservative Party of Canada

# Table of Contents

- Demand Better* ..... 7
- Better Accountability* ..... 8
- Better Economy* ..... 16
- Better Health Care* ..... 25
- Better Communities* ..... 30
- Better Security* ..... 35
- Conservative Spending Plan* ..... 43

## Demand Better

### ***“They Desire a Better Country”***

Canada’s coat of arms displays the words “They desire a better country.” To desire a better country – to demand better – is part of our Canadian spirit. Canadians work hard at their jobs and within their communities because we know what it means to demand better from ourselves and for each other.

It is only the Liberal government in Ottawa that seems to settle for less. No accountability for waste and corruption. High taxes. A weak economy. Crumbling health care. And lax safety and security. They settle for less even as they demand more and more in taxes from hardworking Canadian families.

### **We Must Demand Better**

After ten years of failed promises from the Liberals, Canadians have had enough. We must demand better from our government.

We must demand better ethics and integrity in government, and a cleaner, more accountable, more democratic political system. We need to change the way that Ottawa works.

We must demand better economic performance, with lower taxes for Canadian families, and replace reckless spending with sensible investments to create long-term growth.

We must demand better health care, with adequate, stable funding, shorter waiting lists, and increased accountability for meeting standards.

We must demand better services in our communities – post-secondary education in the reach of every young Canadian, a cleaner environment, and support for the family.

We must demand better national security and law enforcement against criminals and terrorists, and stronger, better-equipped armed forces.

### **Demand a Change in Government**

After ten years of Liberal failure to deliver, to demand better means to demand a change in government. Only the Conservative Party led by Stephen Harper offers the vision for change and the will to do things differently in Ottawa.

Demand better. Vote Conservative.

## Demand Better Accountability:

### End waste, mismanagement, and corruption in Ottawa

The waste, mismanagement, and corruption of the Liberal years must be brought to an end.

As Auditor General Sheila Fraser has revealed, Liberal-friendly advertising firms made off with \$100 million in taxpayers' money in bogus commissions on the so-called "Sponsorship" program. Paul Martin and the Liberals have talked a good line about cleaning up corruption, but so far have delayed and obstructed real efforts to get to the truth.

This is only the latest example of government waste, mismanagement, and corruption that have taken place under Paul Martin's watch as Finance Minister or Prime Minister.

### The \$1 billion HRDC and \$2 billion gun registry

Under Martin and the Liberals we have seen the HRDC boondoggle where \$1 billion in government grants were improperly accounted for – with Liberal political operatives controlling the flow of cash. And a gun registry that Canada's police chiefs have admitted is ineffective in tracking down criminals and which is on track to cost Canadians almost \$2 billion – 1000 times over budget.

Canadians are sick and tired of the waste, corruption, and mismanagement of the Liberal years. Canadians must demand better.

### A plan for better and cleaner government

The Conservative Party has a plan for better and cleaner government for Canadians, and to change the way that Ottawa works.

A Conservative government led by Stephen Harper will:

- Direct the Auditor General to audit all federal granting programs and recommend changes to reduce waste and fraud.
- Create an independent Ethics Commissioner appointed by Parliament, not by the Prime Minister.
- End corporate and union political donations, and end forced taxpayer subsidies of political parties.
- Set federal elections on a fixed date every four years and examine other democratic reforms.
- Ensure fairness in party nomination and leadership races.
- Hold elections to fill vacancies in the Senate.
- Increase the power of individual Members of Parliament.
- Give Parliament, not the Courts, the final decision on issues like marriage.
- Improve relations with the provinces and clarify federal and provincial roles.

## Demand Better Accountability:

### ***We will direct the Auditor General to audit all federal granting programs and recommend changes to reduce waste and fraud***

The Auditor General blew the whistle on Liberal corruption in the sponsorship scandal. She uncovered massive overspending on the gun registry. She gave Canadians the true picture on the loss of a billion dollars in the HRDC boondoggle. It seems that nearly every audit she conducts turns up more examples of Liberal mismanagement of your money.

### **Funds must benefit all Canadians**

The government spends about \$18 billion per year on grants to individuals, corporations, and non-governmental organizations. In addition, about \$13 billion is spent per year on government contracts. While some of these grants and contracts are undoubtedly worthwhile, the Liberal Party has too often used these funds for their own benefit, not for the benefit of Canadians.

These practices must end. The Auditor General must be given the resources and authority to examine and propose changes to the entire range of government grants, contributions, advertising, and consulting contracts in all government departments and Crown corporations and foundations.

### **The Plan**

A Conservative government led by Stephen Harper will ask the Auditor General to conduct, on an expedited basis, an audit of all federal grant and contribution programs and contracting policies. We will act on her recommendations. We will also increase funding for the internal audit functions. We will ensure that all granting programs are reviewed every five years on an ongoing basis.

The Auditor General will be given the authority to examine the affairs of Crown Corporations and government-funded Foundations.

Partisan advertising by government departments will be banned, and the Auditor General will be given the power to monitor and enforce the ban.

## Demand Better Accountability:

### ***We will create an independent Ethics Commissioner appointed by Parliament, not by the Prime Minister***

In 1993, Paul Martin's Red Book promised the appointment of an independent Ethics Commissioner. For over ten years, Paul Martin and the Liberals failed to fulfill that promise. In fact, Paul Martin voted in the House of Commons against his very own Red Book words. Instead, the Liberals appointed a lapdog Ethics Counsellor. Appointed by and reporting to the Prime Minister, he has turned a blind eye to Liberal corruption and conflict of interest, from Shawinigate to the sponsorship scandal to Paul Martin's dealings with his shipping company.

#### **Answer to the House of Commons**

A Conservative government will provide a truly independent Ethics Commissioner who will answer to the House of Commons, not the Prime Minister's Office. Like the Auditor General, the independent Ethics Commissioner will report directly to the House of Commons and be given the mandate to investigate, and where necessary, recommend prosecution for conflict-of-interest infractions by cabinet ministers, Members of Parliament, or their staff.

#### **Independent officers must be appointed by Parliament**

While the Liberals have belatedly proposed a new Ethics Commissioner, they have left the power to appoint the commissioner in the hands of the Prime Minister. This is still not good enough. Independent officers of Parliament must be appointed by Parliament, with Opposition parties having a say. It was unacceptable for the Prime Minister to appoint a confidant and speechwriter, George Radwanski, as Privacy Commissioner, who then proceeded to waste tens of thousands of taxpayers' dollars on expensive dinners. Never again will these important public offices be used as patronage grounds for the Prime Minister.

#### **The Plan**

A Conservative government led by Stephen Harper will bring in legislation creating an Office of the Ethics Commissioner with full investigative powers. The legislation will provide for the Commissioner to be appointed by Parliament with the consent of Opposition parties. We will extend this appointment process to other officers of Parliament, including:

- The Auditor General
- The Chief Electoral Officer
- The Access to Information Commissioner
- The Privacy Commissioner

## Demand Better Accountability:

### *We will end corporate and union political donations, and end forced taxpayer subsidies of political parties*

Under the Liberals, money and influence have played far too big a role in Canadian politics. During his leadership campaign, Paul Martin collected record amounts of money from large corporations, much of it held in secret for several years.

In their last year in office, the Liberals finally passed long overdue legislation to reduce both corporate and union funding of political parties. The Conservative Party supported these measures, and would go further and end all corporate, union, and interest group subsidies for parties and candidates

#### **Taxpayers forced to support political parties**

The current legislation also includes massive public subsidies for political parties, forcing taxpayers to support political parties whether they want to or not. The legislation provides the parties with subsidies of about \$40 million per year, divided among them based on the results of the previous election.

The Conservative Party believes there must be a better way than merely replacing suspect corporate and union donations with forced taxpayer subsidies. Instead, we will encourage Canadians to voluntarily support the political process through a check-off system on their income tax form.

#### **The Plan**

A Conservative government led by Stephen Harper will amend election financing legislation to prohibit all corporate, union, or organization donations to political parties and candidates.

We will eliminate the current per voter annual subsidy for federal political parties. Instead, we will include a check-off box on taxpayers' T1 forms that will allow Canadians to direct a nominal amount towards the registered political party of their choice. This choice will not affect taxpayers' refunds or amounts owing.

We will revise election financing legislation to allow individual Canadians and organizations freedom of expression during election campaigns.

## **Demand Better Accountability:**

### ***We will set federal elections on a fixed date every four years and examine other democratic reforms***

Canadians are appalled that we are subject to mid-term elections, called simply for the personal and partisan benefit of the Prime Minister. Our greatest democratic deficit is that one person dictates when Canadians have their say at the ballot box.

#### **Provinces moving towards fixed election dates**

British Columbia now has fixed election dates every four years, and other provinces, including Ontario, Quebec, and New Brunswick, are moving towards fixed dates as well. The federal government should join this trend.

Canadians must demand better democracy. A Conservative government will set fixed election dates every four years. In addition to this most basic democratic change, we will also look at new proposals for allowing greater direct democracy and changing the electoral system used to elect Members of Parliament.

#### **The Plan**

A Conservative government led by Stephen Harper will pass legislation modeled on the BC and Ontario laws requiring fixed election dates every four years, except when a government loses the confidence of the House (in which case an election would be held immediately, and the subsequent election would be four years later on the date established in the legislation).

A Conservative government will appoint non-partisan independent commissions to examine and report on best practices from other jurisdictions on methods of direct democracy and alternatives to the voting system.

### ***We will ensure fairness in party nomination and leadership races***

Election laws in Canada govern election campaigns, but leave parties almost unregulated in their internal leadership and candidate selection processes, despite the fact parties receive millions of dollars in subsidies from taxpayers.

#### **No unilateral appointments by the Prime Minister**

Questions have been raised about the nomination process in all parties. For example, Sheila Copps, a former Deputy Prime Minister, was defeated by one of Paul Martin's cabinet supporters in a nomination race that left many questions about its fairness. Other Liberal candidates have been unilaterally appointed by the Prime Minister to run in ridings, leaving various ethnic and cultural groups feeling they had been discriminated against.

A Conservative government will ensure that party nomination and leadership races are conducted in a fair, transparent, and democratic manner. We will not allow Party leaders to appoint candidates without the democratic consent of local Electoral District Associations.

## Demand Better Accountability:

### The Plan

A Conservative government led by Stephen Harper will institute a system of voluntary voter registration for Canadians to register their party affiliation. This registration will be used as the basis for party nomination and leadership contests. Any costs will be offset by rationalizing the Elections Canada bureaucracy.

A Conservative government led by Stephen Harper will require that all candidates in a general election or by-election have the democratic approval of their local Electoral District Association.

### ***We will hold elections to fill vacancies in the Senate***

In a federal system like Canada, the interests of provinces and regions must be represented in the national Parliament. Every major federation in the world – except Canada – has an elected, regionally based upper chamber. We must demand better. It is unacceptable that Canada has reached the 21st century with one House of its Parliament still a patronage body. Despite promising Senate reform years ago, the Liberals still refuse to allow Canadians to elect their own Senators. Creating an elected parliamentary chamber independent of the Prime Minister is a critical step in ending the Liberal democratic deficit and can be done without any constitutional amendments.

### The Plan

A Conservative government led by Stephen Harper will appoint only elected Senators to the Senate. A Conservative government will also propose further reforms to make the Senate an independent and democratic body for all regions.

### ***We will increase the power of individual Members of Parliament***

The Liberals have failed for over ten years to reform Parliament. Paul Martin himself has complained about the “democratic deficit,” yet since becoming Prime Minister, he has done almost nothing to give more real power to Members of Parliament.

### The Plan

A Conservative government led by Stephen Harper will make all votes, except the budget and main estimates, “free votes” for ordinary Members of Parliament.

A Conservative government will allow Parliament to review and ratify important appointments, such as Officers of Parliament, Supreme Court Justices, and heads of major Crown corporations and agencies.

A Conservative government will increase the power of Parliament and Parliamentary Committees to review the spending estimates of Departments and hold Ministers to account.

## Demand Better Accountability:

### ***We will give Parliament, not the Courts, the final decision on issues like marriage***

The Conservative Party believes that Parliament, not unelected judges, should have the final say on contentious social issues like the definition of marriage. We do not support the current reference case, which will ask the Supreme Court to rule on the constitutionality of same-sex marriage legislation before it has been debated by Parliament. Since the definition of marriage had never been questioned until recent years, the Parliament of Canada has never passed legislation defining marriage.

#### **The Plan**

A Conservative government led by Stephen Harper will withdraw the current marriage reference case before the Supreme Court and hold a free vote in Parliament on the definition of marriage.

### ***We will cooperate with the provinces and respect the principles of confederation***

The Paul Martin Liberals have increasingly centralized power in Ottawa by invading provincial jurisdiction. The Liberals' penchant for centralizing power in their own hands by taking power away from Parliament and the provinces has increased the "democratic deficit." This meddling in provincial affairs has been done at the same time that Ottawa has been neglecting its own core responsibilities – responsibilities that only a central government can fulfill.

#### **Paul Martin is part of the problem, not part of the solution**

As Finance Minister, Paul Martin massively and unilaterally cut federal support to the provinces for health care – far more than he cut his own federal spending. Now, he is using the promise of restoring some of these transfers to achieve more and more control over provincial jurisdiction.

## Demand Better Accountability:

### **Significant reforms still not implemented**

In 1996, in the wake of nearly losing the Quebec referendum, the Liberals promised significant reforms to federal-provincial relations. Unfortunately, many of those changes still have not been implemented. A Conservative government will pick up the ball this government has dropped and establish a new relationship with the provinces, while clarifying the roles of both levels of government.

### **The Plan**

A Conservative government led by Stephen Harper will not establish any new cost-shared programs in areas of provincial jurisdiction unless it has the support of at least seven provinces having over 50% of the population. Provinces will be allowed to opt out of a federal cost-shared program with full compensation if they are providing a comparable provincial program.

A Conservative government will support the new Council of the Federation established by the provinces, and will encourage the Council to share information and best practices in areas such as health care, education, job training, and social assistance.

A Conservative government will renegotiate the Agreement on Internal Trade to end provincial exclusions, create a prompt and binding dispute settlement process, and allow greater mobility for workers. If voluntary agreement cannot be achieved, we will use the Constitution to ensure that trade among the provinces is at least as free as trade with the United States and Mexico under NAFTA.

## Demand a Better Economy:

### Lower taxes, control spending, and create jobs

Ten years of Liberal government, including nine Paul Martin budgets, have left Canada one of the highest taxed nations in the G-7.

Currently, all governments – federal, provincial and local – take in \$475 billion in revenue every year. This represents more than \$15,000 for each Canadian, whether adult or child. Even after adjusting for inflation, this figure is over a third more than Canadians were paying in 1981. Taxes, user fees, royalties, and other revenues make up more than 40% of the value of the Canadian economy.

### Too many taxpayer dollars go to wasteful Liberal spending

What is worse, too many of these hard-earned taxpayer dollars go to wasteful Liberal spending – HRDC boondoggles, ineffective gun registries, Challenger jets for Liberal cabinet ministers, and “no work required” advertising contracts for Liberal donors.

The economy does need strategic investment, and government has a role to play – but too much Liberal spending is wasteful pork, not smart investment. Canadians must demand better from their economy.

### The Plan

A Conservative government will cut taxes for individuals and families, get spending under control, and invest in critical needs like infrastructure for cities and communities.

A Conservative government led by Stephen Harper will:

- Reduce the federal tax rate on middle-income Canadians by more than 25 percent.
- Introduce a \$2000 per child deduction to reduce the tax burden on families with children.
- Reduce premiums to eliminate the annual surplus in the Employment Insurance account.
- Invest in infrastructure by transferring at least 3 cents of the gas tax to the provinces.
- Introduce a new Registered Lifetime Savings Plan that will allow Canadians to withdraw their money tax-free.
- Control government spending and pay down the national debt.
- Cut wasteful corporate subsidies in order to reduce taxes for all businesses.
- Invest in research and development, especially medical and scientific research.
- Support Canada’s farmers, fishers, and forestry workers.

## Demand a Better Economy:

### ***We will reduce the federal tax rate on middle-income Canadians by more than 25 percent***

In 2003, Canadians worked ten days longer to pay their annual tax than they did in 1995. The limited tax cuts of the October 2000 pre-election mini-budget have still not offset the higher taxes that Canadians have paid during the Liberal years. Canada continues to have the highest personal income tax burden in the G-7.

### **Middle-income Canadians have been hit hard**

Canadians' take-home pay has been nearly stagnant for a decade. Family income was essentially unchanged between 1990 and 2000, growing by less than 1% over the entire decade – most of which was under Paul Martin as Finance Minister. Middle-income Canadians have been hit hard by a decade of economic neglect, and have seen only slight reductions in income taxes. Canadians must demand better.

### **The Plan**

A Conservative government led by Stephen Harper will raise thresholds for all tax brackets. We will phase out the 22 percent tax bracket on taxable income between \$35K and \$70K. All other brackets will be raised at one percent above the inflation rate. A taxpayer earning \$50,000 per year will save about \$1,000 per year on his or her taxes when the cut is fully implemented.

## Demand a Better Economy:

### ***We will introduce a \$2000 per child deduction to reduce the tax burden on families with children***

The current personal tax system does not give any help to middle-income parents raising children. Families with children pay the same taxes as those with the same income, but no children.

The old Family Allowance program used to provide help with the cost of raising children, but the universality of the program was slowly eliminated.

A Conservative government would increase fairness and reduce the tax burden by introducing a deduction for all dependent children under age 16.

#### **The Plan**

A Conservative government led by Stephen Harper will introduce a \$2000 per child deduction, phased in over four years.

### ***We will reduce premiums to eliminate the annual surplus in the Employment Insurance account***

The Employment Insurance program should provide adequate income protection to Canadians in all regions in the event of unexpected income loss while ensuring fair eligibility requirements. Payments into the Employment Insurance fund should be reasonable to maintain it as an insurance fund, not used as a budget slush fund to pay for other items as Paul Martin's Liberals have done.

#### **The Plan**

A Conservative government led by Stephen Harper will reduce Employment Insurance premiums to eliminate the surplus in the Employment Insurance account and ensure that contributions are used to pay for EI benefits, not other expenditures.

## Demand a Better Economy:

### ***We will invest in infrastructure by transferring at least 3 cents of the gas tax to the provinces***

Every year, the federal government collects \$4.5 billion in gas tax revenue from Canadians – 10 cents on every litre of fuel purchased. A total of 1.5 cents of this was brought in by Paul Martin as a “temporary” deficit reduction tax in 1995. However, even after the deficit was gone, the Liberals kept the extra tax.

The federal Liberals spend only a fraction of this every year repairing Canada’s roads and sewers, or meeting other infrastructure needs such as renewing urban transit or ensuring a safe water supply for Canada’s rural municipalities.

### **Liberals created highly politicized programs**

Rather than direct gas tax revenues to infrastructure, the federal Liberals created a series of highly politicized infrastructure programs, which force provincial and municipal governments to meet federal Liberal priorities.

We have seen money go to bocce courts and hockey rinks in Liberal ridings rather than to real infrastructure priorities. We believe that most infrastructure decisions are best made at the provincial or local level. A Conservative government will maintain infrastructure programs, however, to help support border infrastructure and the National Highways System.

### **The Plan**

A Conservative government led by Stephen Harper will negotiate a transfer of at least 3 cents of federal fuel excise tax to the provinces through a national infrastructure agreement. It will phase out the Canada Strategic Infrastructure Fund and other federally run infrastructure programs, while retaining the Border Infrastructure Program. This will enhance federal infrastructure such as airports, ports, and the National Highway System.

## Demand a Better Economy:

### ***We will introduce a new Registered Lifetime Savings Plan that allows Canadians to withdraw their money tax-free***

The Registered Retirement Savings Plan is a very popular savings and investment option for many Canadians. But one of its limitations is that while putting money in your RRSP saves you taxes when you invest, you can pay even higher taxes when you withdraw your investments. When retirees withdraw from their RRSPs, they not only pay tax, but often have significant portions of their old age security benefits clawed back.

### **The RLSP would particularly benefit low- and middle-income Canadians**

Creating an alternate registered retirement plan – a Registered Lifetime Savings Plan (RLSP) – would add flexibility to savers and complement the current RRSP program. The RLSP is effectively the mirror image of the RRSP. Contributions get no deduction, but withdrawals are not taxed. The RLSP would be particularly beneficial for low- and middle-income Canadians who often face higher tax rates in retirement (largely due to the clawback of government retirement benefits) than they did in their earlier years of earning and saving.

This would encourage lower and middle-income earners to save more for their retirement and to achieve better returns on their investment.

The RLSP will also allow Canadians to save for things they need before retirement. It will allow young Canadians to put money aside for purchasing a house. It will allow Canadians to save money for education or skills training – facilitating lifelong learning – whether for themselves or for their children.

### **The Plan**

A Conservative government led by Stephen Harper will allow Canadians to contribute up to \$5000 per year to a Registered Lifetime Savings Plan.

## Demand a Better Economy:

### ***We will control government spending and pay down the national debt***

Over the past few years, the pace of Liberal spending has grown out of control. Budgeted program spending under the Liberal government has jumped from a low of about \$100 billion per year to \$150 billion per year – a 50% increase.

### **Year-end spending binges must end**

Almost every year, the Liberals go on year-end spending binges, allowing them to dispense political favours rather than engage in careful planning. Debt reduction is treated as an afterthought – what to do with money that the Liberals can't spend fast enough.

A Conservative government will get spending under control and move to pay down the national mortgage which the huge national debt places on the shoulders of our children and grandchildren. This will reduce the interest payment on the debt, which is the single largest component of the federal budget.

### **The Plan**

A Conservative government led by Stephen Harper will take a prudent approach to budgeting that keeps spending growth under control, and will introduce a legislated debt repayment plan that sets a target debt-to-GDP ratio.

### ***We will cut wasteful corporate subsidies in order to reduce taxes for all businesses***

Under the Liberal government, Canadians have seen corporations receive billions of dollars in subsidies, grants, and loans – many of which were never repaid. In too many cases, funding went to companies connected to the Liberal Party. It was revealed that Paul Martin's own shipping company, Canada Steamship Lines, benefited from \$161 million in corporate welfare – over 100 times the government's initial admission of only \$137,000. This "accounting error" is still under investigation.

## Demand a Better Economy:

### **Help all businesses, not a favoured few**

Government should help all businesses to create jobs by keeping taxes low and creating a strong economic climate, not help a select few with special favours.

A Conservative government will seek to reduce or eliminate corporate subsidies of up to \$4 billion per year. Savings generated will be used to reduce taxes for all businesses.

### **The Plan**

A Conservative government led by Stephen Harper will immediately ask the Auditor General to review all granting programs – including grants and subsidies to businesses. Based on the results of this review we will seek to eliminate \$4 billion per year in subsidies to business. As savings are generated, they will be redirected to reduce or eliminate taxes on business, including:

- Elimination of the \$12 Air Security Tax.
- Elimination of the Capital Tax.
- Reduction of Capital Gains Taxes.
- Reduction of business tax rates for all businesses, including small business.

### ***We will invest in research and development, especially medical and scientific research***

Research and development is a proven key to future economic growth, yet Canada continues to have one of the lowest rates of R&D spending in the G7. The Conservative Party of Canada is committed to improving Canada's capacity to perform research.

The generation and development of new scientific knowledge is pivotal to the growth and prosperity of the Canadian economy. The answer, however, is not government handouts or “loans” for which no repayment is expected, but sound policies that support both private sector and academic research.

### **The Plan**

A Conservative government led by Stephen Harper will encourage R&D through tax credits, elimination of the capital tax, a competitive intellectual property regime, and improved accessibility to private sector funds for small and medium sized enterprises. In partnership with universities and the private sector, we will promote the growth of innovation clusters across Canada.

A Conservative government will uphold funding of innovation, technology, and research through independent granting councils. We will ensure that a competitive peer review process, with enhanced transparency and accountability, determines who receives grants through these councils, not political or regional considerations.

## Demand a Better Economy:

### ***We will support Canada's farmers, fishers, and forestry workers***

Canada's traditional resource-based industries, such as farming, fisheries, and forestry, still have a vital role to play in the new economy. The people who work in these industries feed and house Canadians and the world, and act as stewards of our land and resources. Yet, their central importance to our economy and our collective life as a country has been too often ignored.

### **Our resource-based industries have been victims**

Our resource-based industries have been victims of international trade disputes and natural disasters or epidemics that the federal government has been slow to respond to.

A Conservative government will stand up for our farmers, fishers, and forestry workers in the international trade arena, and will move quickly to ensure adequate support and compensation when industries face circumstances beyond their control.

### **The Plan**

A Conservative government led by Stephen Harper will:

- Support the use of safety net programs to assist producers who are struggling against conditions outside of their control. We will provide enhanced support to agriculture and the agri-food industry, while acting consistently with our international trading obligations.
- Give grain farmers the freedom to make their own marketing and transportation decisions and to voluntarily participate in producer organizations.
- Ensure industries under the protection of supply management remain viable.
- Support the goal of supply management to deliver a high-quality product to consumers for a fair price with a reasonable return to the producer.
- Support rules-based trading systems like NAFTA and the WTO to promote free and fair trade, especially where the trading partners are unequal in size.
- Secure the future of Canada's lumber industry through free trade. We will support a temporary forest support program for workers displaced by the softwood lumber dispute, and loan guarantees to companies for cash requirements for the tariff liability associated with trade disputes with the United States.
- Develop a fisheries managerial framework that gives provinces and territories more input and control over fisheries management in their region.
- Extend the two hundred mile limit to the edge of the Continental Shelf, the Nose and Tail of the Grand Banks, and the Flemish Cap in the North Atlantic, and

## Demand a Better Economy:

increase enforcement efforts within the two hundred mile limit to protect our fish stocks from unsustainable harvesting practices of international fishers.

- Invest more in fisheries science and research, especially relating to sustainable harvesting. We will transfer the policy and science branches of Fisheries and Oceans to the east and west coasts to better understand and respond to the concerns of fishers.
- Ensure that intergenerational transfers of capital within a family are treated equitably under the tax system for farmers, foresters, and the fishing sector.

## Demand Better Health Care:

During ten years of Liberal government, our health care system has struggled from crisis to crisis. In 1995, Paul Martin slashed health care funding, ripping some \$25 billion out of health care over the next four years. Our health care system still has not recovered from these massive Martin cuts. Across Canada, we have seen hospitals close, services reduced, and waiting lists grow longer.

### **Waiting lists are unacceptably long**

A study comparing 12 specialties in 10 provinces showed that Canadians now wait an average of 17.7 weeks between referral from a general practitioner and treatment from a specialist – up from 9 weeks in 1993. In over 90% of cases, Canadians are forced to wait beyond what physicians believe is the clinically acceptable maximum wait period. Canada's medical waiting lists are among the longest in the OECD, despite spending the second most per capita in the OECD on health care.

### **The Health Accord is “all but dead”**

The Conservative Party supports the Health Accord agreed to by Jean Chrétien and the provinces in 2003. In contrast, Paul Martin and the Liberal government have allowed key deadlines in the Accord to slip by. Macleans Magazine reports that the Accord is “all but dead,” and recent speeches by the Prime Minister and his Health Minister have almost failed to mention the Accord.

Canadians must demand better health care. Canadians expect and deserve a health care system that ensures timely access to health services for all Canadians, regardless of their ability to pay.

### **The Plan**

A Conservative government led by Stephen Harper will:

- Work with provinces to build on the 2003 Health Accord on Health Renewal.
- Provide stable long-term funding for health care.
- Hold the federal and provincial governments accountable for Health Accord promises.
- Respond more effectively to public health emergencies.
- Improve access to new drugs and natural health products.
- Promote amateur sport and physical fitness.

### ***We will work with the provinces to build on the 2003 Accord on Health Renewal***

In February 2003, the federal and provincial governments agreed on a First Ministers' Accord on Health Care Renewal. The Health Accord was struck by Jean Chrétien during the short period when Paul Martin was no longer Finance Minister nor yet Prime Minister.

## Demand Better Health Care:

### **Restoring the cuts to health care**

The Accord went a long way toward restoring the cuts to health care of the Martin years. It provided support for primary health care reform, home care, and catastrophic drug coverage, and gave provinces flexibility to meet these goals. It created a dedicated health transfer from Ottawa to make federal funding for health care more transparent. And it talked about an accountability framework to ensure timely reporting on health care performance.

Stephen Harper and the Conservative Party support the implementation of the 2003 Health Accord.

Paul Martin has demonstrated only tepid support for this Health Accord. As a result, the Health Accord has not lived up to the promises of a year ago. The creation of the Canada Health Council was delayed. Two provinces, Alberta and Quebec, are not participating in the Council.

### **The Plan**

A Conservative government led by Stephen Harper will work with the provinces to implement the commitments of the 2003 Health Accord. We will seek to bring Alberta and Quebec into the Canada Health Council to make it truly representative of all Canadians.

### ***We will provide stable long-term funding for health care***

Canada's health system has not yet recovered from the \$25 billion in cuts imposed by Paul Martin during the 1990s. The federal government has a responsibility to provide long-term stable funding for health care. The 2003 Health Accord reached by the provincial and federal governments goes some way to restoring that funding base, and we will fulfill those commitments.

### **The Plan**

A Conservative government led by Stephen Harper is committed to implementing the \$36.8 billion in new funding committed under the Health Accord.

A Conservative government is also prepared to negotiate with the provinces to achieve a greater long-term federal commitment to health care funding, provided that new funding is linked to achieving the broader health reform goals of the 2003 Accord. As part of those discussions, a Conservative government will propose that the federal government assume direct responsibility for the catastrophic drug plan in the Accord.

## Demand Better Health Care:

A Conservative government will also revisit the equalization formula. We will move towards a ten-province standard that excludes non-renewable resource revenues from the equalization formula (helping the Atlantic provinces and Saskatchewan, in particular), and do so in a manner that ensures no provinces receiving equalization will receive less money during the transition to the new formula than the current formula provides.

### ***We will hold the federal and provincial governments accountable for Health Accord promises***

Now that Canada's first ministers have agreed to the national Health Accord, there must be the political will to follow through. At the federal level, this means providing an adequate, predictable, and growing level of funding to support health care and ensuring that key deadlines are met.

#### **Important deadlines already missed**

The federal and provincial governments have missed the deadlines they set for progress on health care reform. Deadlines have been missed for the development of new health care indicators for timely access, quality, sustainability, and health status and wellness. A common list of home care services to be covered has not been developed. And we have heard no details on how catastrophic drug coverage will be added to provincial health care plans by 2006.

Canadians must demand better, and insist that both the federal and provincial governments live up to their Health Accord promises and not let health reform stay on the Liberal waiting list.

#### **The Plan**

A Conservative government led by Stephen Harper will insist on accountability under the Health Accord. We will:

- Ensure that performance indicators on timely access, quality, sustainability, and health status and wellness are developed.
- Provide Canadians with a list of common home care services eligible for coverage.
- Report to Canadians on how provinces are planning to ensure that all Canadians have access to catastrophic drug coverage by 2005/06.
- Work with the provinces through the Canada Health Council to monitor and report on waiting lists and explore ways of dealing with the problem.
- Propose to the provinces a federal program for catastrophic drug coverage

## Demand Better Health Care:

### *We will respond more effectively to public health emergencies*

In recent years, new epidemics have spread from one side of the world to another with astonishing speed. Whether one looks at AIDS, Ebola, SARS, or the Avian flu, we are living in a “new normal,” where today’s isolated outbreak in Asia or Africa can become tomorrow’s crisis in Vancouver or Toronto. Diseases like Avian flu or BSE have threatened to cross over from the animal to the human population. And there is the ongoing threat of bio-terrorism in a post-September 11 world.

#### **Liberals too slow to respond**

Under the Liberals, the federal government has been far too slow and uncertain in responding to public health emergencies. We all recall the spectacle of last year’s SARS outbreak, when the federal response was limited to handing out pink cards at the airport and arguing with Ontario over compensation. Even the federal government’s own report into the SARS outbreak criticized Health Canada for being “largely invisible” during the crisis.

The government belatedly announced the creation of a Canada Public Health Agency and a Chief Public Health Officer of Canada, moves which the Conservative Party supports. But the government must provide adequate support to these new bodies and ensure that the selection of the Chief Public Health Officer and the location of the Canada Public Health Agency do not become political footballs. Canadians must demand better in response to public health emergencies.

#### **The Plan**

A Conservative government led by Stephen Harper will:

- Support the appointment of a Chief Public Health Officer and the creation of the Canada Public Health Agency.
- Clearly define federal and provincial governments’ roles during public health crises.
- Settle on a compensation formula for public health emergencies to avoid unseemly squabbles over money while patients are still at risk.

## Demand Better Health Care:

### *We will improve access to new drugs and natural health products*

Canadians continue to face unacceptable delays in getting access to new life-saving drugs because of federal red tape. A major study last year showed that in Canada, average drug approval time was 704 days compared to 393 days in the United States. Longer review times mean that Canadians wait longer for the benefits of new and improved drugs, and make the Canadian pharmaceutical industry less internationally competitive.

Furthermore, while Canadians are being denied timely access to major new pharmaceuticals, they are also having difficulty getting access to natural and complementary health products.

Canadians must demand better access to life-saving new drugs.

#### **The Plan**

A Conservative government led by Stephen Harper will clear the drug approval backlog and bring drug approval waiting times in line with the U.S. average.

A Conservative government will treat natural health products as “food style” rather than “drug style” products.

### *We will promote amateur sport and physical fitness*

Physical activity is an important cornerstone of health promotion. With the 2010 Olympics coming to Vancouver/Whistler, Canada has a unique opportunity to showcase our top-notch amateur sport athletes to the world. Government has a role to play in encouraging amateur sport, including getting young Canadians involved in physical activity at the local level.

#### **The Plan**

A Conservative government led by Stephen Harper will commit one percent of federal health funding to the funding of physical activity. This will increase support for the Canadian Olympic Agency and amateur athletes, as well as activities for school age children like the Awards of Excellence programs.

## Demand Better Communities:

### **More support for education, families, and a clean environment**

Canadians are more and more concerned about the future of their communities and the kind of society their children and grandchildren will grow up in. Will children and youth have access to high-quality education? What can be done to support families in need, and the strength of the family as a social institution? Will we have enough skilled workers to support an aging population? And will we live in a polluted environment, or will we pass on the gift of clean air, water, and land to the next generation?

Canadians must demand better for their communities.

A Conservative government led by Stephen Harper will:

- Work with the provinces to reduce financial barriers to post-secondary education and training.
- Provide relief to Canadians on low and fixed incomes to help them meet rising utility, insurance, and gasoline prices.
- Expand tax credits for those taking care of elderly, sick, or disabled relatives.
- Improve recognition of foreign credentials and prior work experience for immigrants.
- Work to improve economic and social conditions for aboriginal Canadians.
- Become an environmental world leader by focusing on clean air, clean water, clean land, and clean energy.

### ***We will work with the provinces to reduce financial barriers to post-secondary education and training***

Post-secondary education is increasingly a prerequisite for access to high-paying jobs in all sectors of the economy. Yet post-secondary students and their families continue to struggle with rising tuition costs and an increased debt burden. We must demand better and ensure that no student who has the desire and ability to learn is denied a post-secondary education due to a lack of financial means.

### **Improving the Canada Student Loans Program**

A Conservative government will work with provinces to improve the Canada Student Loans Program to help overcome the barriers students face in pursuing post-secondary education and training opportunities.

## Demand Better Communities:

### **Helping Canadians save for education through the RLSP**

Our new Registered Lifetime Savings Program (RLSP) will give Canadians and Canadian families the opportunity to save for their, or their children's, education. The RLSP will allow Canadians to withdraw their savings tax-free to pay for higher education.

#### **The Plan**

A Conservative government led by Stephen Harper will increase the maximum student loan limits, broaden the definition of eligible expenses, and increase family income thresholds. We will also provide first-year tuition grants for students from low-income families. We will encourage families to save for their children's education, through such measures as the Canada Learning Bond, increased Canada Education Savings Grants, and the Registered Lifetime Savings Program.

### ***We will provide relief to Canadians on low and fixed incomes to help them meet rising utility, insurance, and gasoline prices***

Canadians on moderate and fixed incomes have been hit particularly hard in recent years. Insurance costs and other fixed costs have been rising faster than incomes. And more recently the price of gasoline has risen to worrying levels. To address these rising costs, the Conservative party will offer low tax solutions.

Canadians, particularly seniors on fixed incomes, face increased costs for things beyond their control such as rising insurance rates and home utility costs. Canadians need relief to cover these rising costs.

### **We will stop the Tax on Tax**

We will offer relief to motorists on their fuel costs. The federal government currently charges the GST on the full price of gasoline – a price that includes federal gas taxes. In other words, the federal government charges Tax on Tax.

The federal government collects \$32 million dollars for each cent that gasoline prices rise. That means that rising gas prices produces a GST windfall for the federal government. We will stop this windfall when prices rise above 85 cents.

#### **The Plan**

A Conservative government led by Stephen Harper will increase the size of the GST Tax Credit by 25 percent.

A Conservative government led by Stephen Harper will axe the Tax on Tax by removing the GST from the federal excise tax on gasoline.

A Conservative government led by Stephen Harper will eliminate the GST portion of gas prices above 85 cents.

## Demand Better Communities:

### ***We will expand tax credits for caregivers taking care of elderly, sick, or disabled relatives***

More and more Canadians are taking care of their elderly parents or other elderly or disabled relatives in the home. With an aging population, this trend will continue.

#### **Providing more dignity**

Encouraging care in the home gives more dignity to the elderly by allowing them to live in the presence of the ones they love.

The Conservative Party of Canada wants to provide help and encouragement for families that make the decision to take care of loved ones at home – often making a major sacrifice in terms of income.

#### **The Plan**

A Conservative government led by Stephen Harper will double the size of the caregivers' tax credit to cover \$7,000 in allowable expenses.

### ***We will improve recognition of foreign credentials and prior work experience for immigrants***

#### **Immigration has enriched Canada**

The Conservative Party recognizes Canadian society has been built by successive waves of immigration from all sectors of the globe, and that immigration tremendously enriches our economy and national life.

#### **Immigrants must be allowed to contribute their best**

Too often, immigrants find it difficult to use the very skills that earned them admission to Canada in the first place. Too many skilled workers and professionals face trouble having their credentials recognized, even after they have been assessed and vetted during the immigration process. We will not allow special interests to prevent immigrants from contributing their best to Canadian society.

#### **The Plan**

A Conservative government led by Stephen Harper will ensure speedier recognition of foreign credentials and prior work experience.

## Demand Better Communities:

### ***We will work to improve economic and social conditions for aboriginal Canadians***

A Conservative government will work to improve the economic and social conditions of all aboriginal Canadians and their communities. The Conservative Party believes in the principle of self-government within the context of the Constitution of Canada. The principles of the Canadian Charter of Rights and Freedoms must apply to aboriginal governments just as they apply to other levels of government.

Paul Martin and the Liberals have spoken fine words about supporting Canada's aboriginals for many years. But their words have rarely been followed through with action.

#### **The Plan**

A Conservative government led by Stephen Harper will support the development of a property regime on reserves to allow individual property ownership that will encourage lending for private housing and businesses. A Conservative government will also create a matrimonial property code to protect spouses and children in cases of marriage breakdown.

A Conservative government, in consultation with the provinces and aboriginals, will support the principle of allowing parents to choose which schooling they want for their children, with funding following the students.

### ***We will become an environmental world leader by focusing on clean air, clean water, clean land, and clean energy***

Canadians know we are fortunate to live in the most beautiful country in the world, a country with the world's largest fresh water supply and abundant natural resources and wildlife species. But we also know we cannot take this natural environment for granted. We must be responsible stewards of our land, water, and air.

#### **We need results, not just talk**

Paul Martin and the Liberal government have long talked a good game on the environment, but delivered little. While he was in office, Paul Martin's own shipping company, Canada Steamship Lines, was charged with polluting Halifax Harbour. As the Commissioner of the Environment and Sustainable Development has demonstrated, Canada faces "an environmental and sustainable development deficit" caused in part by the "gap between the commitments the federal government has made and the results it has achieved."

Canadians must demand better stewardship for their environment. They must demand a government that will be less interested in flashy announcements at international conferences, and more interested in environmental results.

## Demand Better Communities:

A Conservative government will work with Canadians to address real environmental problems and develop a long-term vision for a healthy, sustainable environment as a trust for future generations.

### The Plan

A Conservative government will implement the commitments of Stephen Harper's February 2004 paper, "Towards a Cleaner Canada," including:

- Legislate caps on smog causing pollutants like Nitrogen Oxide (NO<sub>x</sub>), Sulphur Dioxide (SO<sub>2</sub>), and Volatile Organic Compounds (VOC). Negotiate power plant and smokestack emissions limits with the United States and border states. Investigate a cap-and-trade system that will allow firms to generate credits by reducing smog-causing pollutants.
- Increase fines for first occurrences of ocean spills to \$500,000 plus clean-up costs. Pass legislation providing that ships and their cargo can be seized and impounded until fines are paid. Extend funding for radar satellite surveillance on the Atlantic and Pacific Coasts.
- Initiate an audit of federal contaminated waste sites to determine potential health risks and clean-up costs. Support spending \$4 billion over ten years to clean up contaminated sites such as the Sydney tar ponds.
- Allow businesses to deduct costs of brownfield remediation expenses, and take further measures recommended by the National Round Table on the Environment and the Economy to reduce the risks to the private sector of brownfield development.
- Work with the provinces to develop a national strategy for alternative energy and energy conservation, including increasing the use of renewable energy sources, research and development into alternative energy and energy efficiency technology, and a long term study of Canada's energy situation that considers the relative cost of energy sources, energy security, trade relations, and environmental conservation.
- Redirect federal spending aimed at fulfilling the terms of the increasingly irrelevant Kyoto Protocol to concrete programs to ensure clean air, water, and land, and to promote energy conservation.

## Demand Better Security:

### **Making our streets safe, our borders secure, and our country strong**

For years, Liberal governments have let our domestic law enforcement grow lax and our national defence grow weak. The Auditor General has raised serious concerns about the Liberals' lax deportation policy. With the threat of international terrorism, and with criminals and terrorists able to operate across borders with the click of a mouse, Canadians realize we may pay a high price for our lack of security and preparedness both at home and abroad.

Canadians must demand better security. We must keep our streets safe, our borders secure, and our country strong.

#### **The Plan**

A Conservative government led by Stephen Harper will:

- Protect our communities from crime by instituting truth in sentencing, tightening parole, and holding young offenders accountable.
- Protect our children by eliminating legal loopholes for child pornography.
- Fight crime by scrapping the firearms registry and redirecting the money to law enforcement.
- Protect our national security by addressing the backlog of individuals who have been ordered deported but not removed.
- Build a more constructive partnership with our major allies and trading partners and enhance the North American trade relationship.
- Implement a Made in Canada foreign policy.
- Give our Canadian Forces the equipment they need to do the difficult and demanding work we ask of them.

### ***We will protect our communities from crime by instituting truth in sentencing, tightening parole, and holding young offenders accountable***

All Canadians should be able to feel safe and secure in their own homes and neighbourhoods. We need to restore clear consequences for crime and show more compassion for victims than for offenders.

A Conservative government will restore balance and accountability to Canada's criminal justice system.

## Demand Better Security:

### **Life sentences must mean life**

We will ensure truth in sentencing based on the principle of “if you do the crime, you do the time.” Life sentences must mean life, and multiple sentences must be served consecutively not concurrently – no “volume discounts” for multiple crimes.

“Conditional sentences,” which have allowed child sex offenders, murderers, rapists, and impaired drivers the opportunity to serve their sentences at home rather than in prison, must be eliminated for serious offenders. Parole must be a privilege to be earned, not a right to be expected.

A Conservative government will hold young lawbreakers accountable to their victims and the community. The youth criminal justice system must provide for effective punishment for adolescents who commit serious crimes, instill a sense of responsibility in young offenders for their behaviour, and give young people better opportunities for rehabilitation.

### **The Plan**

A Conservative government led by Stephen Harper will:

- Ensure that conditional sentences (“house arrest”) shall not apply to serious crimes, such as violent and sexual assaults, weapons offences, and major drug trafficking.
- Repeal section 745.6 of the Criminal Code – the so-called “Faint Hope Clause” that allows an offender serving a life sentence to apply for parole after only 15 years.
- Establish a “dangerous offender” status for a third violent or sexual offence.
- Enforce mandatory consecutive sentences (instead of concurrent sentences, as is usually the case) for multiple violent offences.
- Replace statutory release (the law entitling a prisoner to parole after serving two-thirds of his sentence) with earned parole.
- Forbid prisoners in federal institutions from voting in elections.
- Require that violent or serious repeat offenders who are fourteen years or older be tried in adult court.

### ***We will protect our children by eliminating legal loopholes for child pornography***

In March 2002, a B.C. court acquitted John Robin Sharpe on two child pornography charges on the basis that his material had “artistic merit.” Canadians overwhelmingly called on the federal government to immediately eliminate this legal loophole.

Rather than removing the defence of “artistic merit” for child pornographers, the Liberals simply repackaged the old law by including a new defence where child pornography may be deemed to serve the “public good” – which may be held to include the old loophole of “artistic merit.”

## Demand Better Security:

### The Plan

We will pass legislation that will adopt a zero tolerance policy for child porn, eliminating the so-called “public good” defence. We will prohibit conditional sentences for child sex offences, to ensure that all of those charged with these offences will serve prison time and be removed from the community.

### ***We will fight crime by scrapping the firearms registry and redirecting the money to law enforcement***

When the Liberals first introduced their national long-gun registry, they said it would cost around \$2 million. Today, at a cost of almost \$2 billion – 1000 times more than promised – the registry is incomplete, riddled with errors, and according to the Toronto Chief of Police, “ineffective in helping catch criminals.”

### **Register criminals, not duck hunters**

Canadians must demand better than simply more cosmetic reforms to this failed program – they must demand that it be ended and the money spent on genuine law enforcement priorities. We will register dangerous criminals, not duck hunters.

### The Plan

A Conservative government led by Stephen Harper will repeal the wasteful long-gun registry legislation.

A Conservative government will work with the provinces on cost-effective gun-control programs designed to keep guns out of the hands of criminals while respecting the rights of law-abiding Canadians to own and use firearms responsibly. Measures will include:

- Mandatory minimum penalties for the criminal use of firearms and their illegal possession.
- Strict monitoring of high-risk individuals.
- Crackdown on gun smuggling.
- Safe storage laws.
- Firearms safety training.
- A licensing system for all those wishing to acquire and use firearms legally.
- Putting more law enforcement officers on our streets.
- A registry of convicted criminals who have been prohibited by the courts from owning firearms.

## Demand Better Security:

### ***We will protect our national security by clearing the backlog of individuals who have been ordered deported but not removed***

Liberal inattention and inaction has put Canada at risk of becoming a “safe haven” for criminals and terrorists. RCMP and Canadian Security Intelligence Service (CSIS) reports have warned of organized international criminal organizations and terrorist groups operating in Canada. Yet the Liberals refuse to enforce the laws already on the books against criminals and false refugees who are abusing the system.

#### **About 36,000 removal orders remain: Auditor General**

As the Auditor General noted in April, 2003: “Over the last six years about 36,000 removal orders have not been executed. The Field Operations Support System shows about 30,000 outstanding arrest warrants for removals, some of which date from before 1997.”

#### **The Plan**

A Conservative government led by Stephen Harper will address the backlog of outstanding deportation orders, putting priority on individuals with criminal records or connections to terrorist organizations or organized crime. It will ensure that refugee claimants who arrive in Canada without proper documentation do not put Canadian security at risk.

### ***We will build a more constructive partnership with our major allies and trading partners, and enhance the North American trade relationship***

As John F. Kennedy said of the Canada-U.S. relationship, “Geography has made us neighbours; history has made us friends.” Canada and the United States have the world’s largest trading relationship. We share over a billion dollars of cross-border trade every day. We also share basic democratic values.

#### **We can disagree without being disagreeable**

From time to time, Canada and the United States are, and should be, on opposite sides of trade or foreign policy issues. But the Canadian government must learn to disagree without being disagreeable. Canadians have been embarrassed by Liberal MPs and Prime Ministerial aides saying they “hate” Americans or calling them “morons.” This complicates disputes over issues like softwood lumber and opening the border for beef exports.

## Demand Better Security:

Canadians must demand better relationships with our friends and allies. We must stand shoulder-to-shoulder with the United States and other allies when we should, in order to sit eye-to-eye with them when we must.

We should have a stronger relationship with the U.S. to deal with issues like the increasingly protectionist stance of U.S. trade policy, border security, and the war on terrorism.

### **We must ensure a strong North American trading partnership**

As the world increasingly forms into rival trading blocs, we should ensure a strong North American trading partnership with both the United States and Mexico. In addition to promoting free trade, we should examine deepening the NAFTA relationship to harmonize tariffs and eliminate rules of origin, enhance environmental and labour standards, and cooperate on common security issues.

### **The Plan**

A Conservative government led by Stephen Harper will develop a strategic partnership with the United States to ensure that both security and trade issues are resolved in Canada's best interest. It will:

- Elevate the Canadian Ambassador to the United States so that the position holds cabinet rank and is a full member of the Cabinet committee on Canada/US relations.
- Create a Secretary of State for Canada/US relations within the Department of Foreign Affairs.
- Enhance our NAFTA relationship with the United States by moving towards harmonized tariffs, eliminating rules of origin, and moving beyond trade to pursue enhanced common labour, environmental, and security standards.
- Vigorously defend the interests of our primary producers on issues like softwood lumber and BSE.

## Demand Better Security:

### ***We will implement a Made in Canada foreign policy***

In two world wars and through the foreign policy debates of the 1950s and 1960s, Canada played a key leadership role among Western democracies. Canada is larger and more prosperous today than it was half a century ago, yet we are playing a smaller role than ever on the world stage. The world has changed and the Liberals are the last to notice.

We must demand better leadership in world affairs.

### **We must take national security seriously**

First, we need to take our own national security seriously. We face new threats like global terrorism and nuclear weapons in the hands of rogue states.

Canada needs to work closely with our military allies, within NATO, and with the United Nations to address these international security threats. We must stand up clearly for fellow democratic countries under the threat of terrorism or aggression.

We must clearly articulate our core values: democracy and the rule of law, individual freedom and human rights, free markets and free trade, and compassion for the less fortunate.

### **We should support international development policies**

We should support international development policies that will alleviate poverty, disease, and pollution and improve the status of women and children.

We need to focus on building key regional relationships such as expanding trade and investment throughout North and South America, enhancing Canada's Asia-Pacific presence, and supporting trade, aid, and development in Africa.

### **The Plan**

A Conservative government led by Stephen Harper will develop a Made in Canada foreign policy that emphasizes our most important values – democracy and the rule of law, individual freedom and human rights, free markets and free trade, and compassion for the less fortunate.

We will work closely with international organizations such as the United Nations and in concert with our most important military allies, including the United States, the United Kingdom, Australia, and NATO countries, to address international security threats from terrorism or rogue states.

We will build on key regional relationships: trade and investment within NAFTA, the Asia-Pacific, and the Americas; support for trade and development in Africa, emphasizing free markets and the rule of law; and support for patent reform to allow low-cost generic drugs to be sold in Africa for the relief of AIDS and other epidemics.

## Demand Better Security:

***We will give our Canadian Forces the equipment they need to do the difficult and demanding work we ask of them***

In a post-September 11 world, Canada can no longer shirk its international responsibilities, including its responsibility to contribute to our own defence and the defence of our NATO allies. As former Foreign Affairs Minister John Manley has said, “You can't just sit at the G8 table and then, when the bill comes, go to the wash-room.”

Canada finds itself unable to assert its sovereignty over our northern islands and waters due to a lack of personnel and equipment. Our men and women were sent to the war zone of Afghanistan with improper camouflage uniforms. And our search and rescue operations are still waiting for a new helicopter to replace the aging, dangerous Sea Kings (while the purchase of Challenger jets for cabinet ministers was approved in a single day).

### **Canada's Armed Forces are underfunded**

Canada's armed forces remain in a grossly underfunded condition today. In 2001, the Auditor General said the military needed an immediate infusion of over \$1 billion per year simply to maintain equipment safety and replace outdated equipment.

Canadians must demand better for the brave men and women who put their lives on the line to protect us.

### **The Plan**

A Conservative government led by Stephen Harper will:

- Inject an immediate \$1.2 billion per year into the military for equipment replacement, with a longer-term goal of moving toward the NATO European average as a percentage of GDP.
- Gradually increase our Regular Force strength to at least 80,000, along with simultaneous increases in reserve personnel levels.
- Regenerate our Land Forces through strengthened infantry battalion groups, the procurement of more survivable tanks, and increased army field strength and command capabilities.
- Regenerate our Air Force through upgrades to the CF-18 fleet, new tactical and heavy-lift aircraft, and new maritime helicopters with enhanced multi-mission capabilities.

## Demand Better Security:

- Regenerate our Maritime Force through the establishment of a single civilian coast guard agency, new multi-role combatants, and new hybrid carriers for helicopter support and strategic lift.
- Increase the use of satellite surveillance and acquisition of a long-range unmanned air vehicle (UAV) for maritime surveillance.
- Enhance Parliamentary oversight over defence policy and military equipment procurement.

# The Conservative Spending Plan

## There's fiscal room for Canadian priorities right now

The federal Budget is no longer a realistic assessment of the amount of fiscal room available. Fiscal room that should be allocated to Canadian priorities is hidden so the Liberals can continue out-of-control spending.

### Liberal padding and year-end spending

For the last five years, the Liberal government has repeatedly over-forecast future spending in its budgets by up to \$5 billion. In addition, the Liberals have gone on year-end spending binges allowing them to dispense political favours rather than engage in careful planning. In the most recent Budget this extra padding amounted to \$7.3 billion.

#### Liberal Spending Forecast Record – March 31, 2004 Liberal Overshoots

	1999-00	2000-01	2001-02	2002-03	2003-04
Spending Forecast	115.5	119.7	130.5	138.6	143.4
Over-Forecast	3.7	0.4	3.8	5.3	3.8
Year-End Spending Binge	5.9	1.8	2.7	5.2	3.5
Total Unbudgeted Fiscal Room	9.6	2.2	6.5	10.5	7.3

Note: Budget estimates are compared to the final figure record in the Fiscal Reference Table published following the Budget.

### We believe in honest budgeting

The Conservative Party believes in honest budgeting. Below is our five-year forecast of revenue (same as the Budget), debt payments (same as the Budget) and a more realistic forecast of spending without the Liberal padding.

The result? There is significant fiscal room in the coming years for a Conservative government to address Canadians' priorities, such as investing in health care and our military, and reducing taxes.

#### Conservative Forecast

Fiscal Year	2002-03	03-04	04-05	05-06	06-07	07-08	08-09
Revenue	177.6	181.1	187.2	195.8	204.9	214.7	225.3
Program Spending	133.3	139.6	142.5	148.4	152.6	157.6	160.8
Debt Charges	37.3	35.8	35.4	35.7	36.3	36.1	35.7
Balance	7.0	5.7	9.3	11.7	16.0	21.0	28.8

# The Conservative Spending Plan

## The Conservative Spending Plan

The Conservative spending plan gives a true picture of the amount of money available for Canadians' priorities. Yet even after fully costing our promises, we have left considerable room for contingency, prudence, and other priorities such as health care. Our plan is costed. It is prudent. And it is honest.

	2002-03	03-04	04-05	05-06	06-07	07-08	08-09	Cumulative
<b>Better Accountability</b>								
Auditor General			0.1	0.1	0.1	0.1	0.1	0.5
<b>Better Economy</b>								
Raising Tax Brackets and Middle Rate Elimination				1.6	3.4	5.6	11.2	21.9
New Child Deduction			0.5	0.4	1.6	3.3	3.5	9.3
Eliminate Annual Surplus in EI Account				0.1	0.2	0.3	0.4	1.0
Investments in Infrastructure			0.2	0.5	0.8	0.8	1.2	3.5
Reductions in Business Subsidies				-1.0	-2.0	-3.0	-4.0	-10.0
Reductions in Business Taxes					1.0	2.0	3.0	6.0
<b>Better Health Care</b>								
Provisions for Additional Health Transfers			1.0	2.0	2.2	2.4	2.6	10.2
Provisions for Federal Catastrophic Drug Plan				0.6	0.7	0.7	0.8	2.8
<b>Better Communities</b>								
Relief to Canadians on Low and Fixed Incomes and Reducing Gas Taxes			0.6	0.8	1.1	1.3	1.3	5.1
Expanded Caregiver Credit			0.1	0.1	0.1	0.1	0.1	0.5
<b>Better Security</b>								
Investments in Canadian Forces			1.2	1.3	1.4	1.5	1.6	7.0
<b>Total New Spending</b>			<b>3.7</b>	<b>6.5</b>	<b>10.6</b>	<b>15.1</b>	<b>21.8</b>	<b>57.8</b>

(table continued on next page)

# The Conservative Spending Plan

## Items in the Current Fiscal Framework

	2002-03	03-04	04-05	05-06	06-07	07-08	08-09	Cumulative
<b>National Health Accord</b>								
Increased Transfers to Provinces	2.5	3.7	2.8	5.4	7.0	8.6		30
Foundations and Third Party Trusts	2.6							2.6
Direct Federal Programs	0.2	0.6	0.8	0.9	0.9	0.9		4.3
<b>Total Health Accord</b>	<b>5.3</b>	<b>4.3</b>	<b>3.6</b>	<b>6.3</b>	<b>7.9</b>	<b>9.5</b>		<b>36.8</b>

## 2004 Budget

Canadian Public Health System		0.5	0.1	0.1	0.1	0.1	0.1	1.0
Funding for Students			0.1	0.3	0.3	0.3	0.3	1.3
Clean-up of Contaminated Sites			0.4	0.4	0.4	0.4	0.4	2.0
Increased Defence Funding			0.2	0.4				0.6

<b>Total Items in Current Fiscal Framework</b>	<b>5.3</b>	<b>4.8</b>	<b>4.4</b>	<b>7.5</b>	<b>8.7</b>	<b>10.3</b>	<b>0.8</b>	<b>41.7</b>
--	------------	------------	------------	------------	------------	-------------	------------	-------------

<b>Unallocated (contingency, prudence, and other priorities)</b>			<b>5.6</b>	<b>5.2</b>	<b>5.4</b>	<b>5.9</b>	<b>7.0</b>	<b>29.0</b>
--	--	--	------------	------------	------------	------------	------------	-------------

## Founding Principles

The Conservative Party of Canada will be guided in its constitutional framework and its policy basis by the following principles:

- A balance between fiscal accountability, progressive social policy and individual rights and responsibilities;
- Build a national coalition of people who share these beliefs and who reflect the regional, cultural and socio-economic diversity of Canada;
- Develop this coalition, embracing our differences and respecting our traditions, yet honoring a concept of Canada as the greater sum of strong parts;
- The Conservative Party of Canada will operate in a manner accountable and responsive to its members;
- A belief in loyalty to a sovereign and united Canada governed in accordance with the Constitution of Canada, the supremacy of democratic parliamentary institutions and the rule of law;
- A belief in the equality of all Canadians;
- A belief in the freedom of the individual, including freedom of speech, worship and assembly;
- A belief in our constitutional monarchy, the institutions of Parliament and the democratic process;
- A belief in the federal system of government as the best expression of the diversity of our country, and in the desirability of strong provincial and territorial governments;
- A belief that English and French have equality of status, and equal rights and privileges as to their use in all institutions of the Parliament and Government of Canada;
- A belief that the best guarantors of the prosperity and well-being of the people of Canada are:
  - The freedom of individual Canadians to pursue their enlightened and legitimate self-interest within a competitive economy;
  - The freedom of individual Canadians to enjoy the fruits of their labour to the greatest possible extent; and
  - The right to own property;
- A belief that a responsible government must be fiscally prudent and should be limited to those responsibilities which cannot be discharged reasonably by the individual or others;
- A belief that it is the responsibility of individuals to provide for themselves, their families and their dependents, while recognizing that government must respond to those who require assistance and compassion;
- A belief that the purpose of Canada as a nation state and its government, guided by reflective and prudent leadership, is to create a climate wherein individual initiative is rewarded, excellence is pursued, security and privacy of the individual is provided and prosperity is guaranteed by a free competitive market economy;
- A belief that the quality of the environment is a vital part of our heritage to be protected by each generation for the next;
- A belief that Canada should accept its obligations among the nations of the world;
- A belief that good and responsible government is attentive to the people it represents and has representatives who at all times conduct themselves in an ethical manner and display integrity, honesty and concern for the best interest of all;
- A belief that all Canadians should have reasonable access to quality health care regardless of their ability to pay; and
- A belief that the greatest potential for achieving social and economic objectives is under a global trading regime that is free and fair.



[www.conservative.ca](http://www.conservative.ca)

Authorized by the Registered Agent for the Conservative Party of Canada