

Securing Canada's Success



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SECURING CANADA'S SUCCESS

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Paul Martin's Liberals



MESSAGE FROM PAUL MARTIN

In this election, the Liberal Party is going before Canadians with a record of achievement – a record of promises kept – and with a comprehensive plan to continue to achieve progress for all.

We have worked to strengthen Canada's public health care system – investing \$41 billion over 10 years to ensure Canadians get to see a doctor when they need one, where they need one.

We have worked to create a national program of early learning and child care, reaching agreements with all 10 provinces and investing in affordable, quality care and teaching – creating real choice for parents and ensuring that future generations of Canadians are given the best possible chance to succeed.

We have worked to implement our New Deal for cities and communities, to date reaching agreements with nine provinces and all three territories and investing to help maintain our municipalities as great places to live, work and raise a family.

We have worked to combat climate change and make Canada a future leader in environmental technologies, backing it up in our last budget, the “greenest” in Canada's history.

We have worked with the provinces, territories and national Aboriginal groups to create a detailed plan to help improve the lives of First Nations, Inuit and Métis people.

We have worked to create greater security, at home and abroad, with the largest new funding for Canada's military in 20 years – modernizing equipment and increasing pay for our soldiers. We have created the Canada Public Health Agency to protect against potential emergencies like pandemic flu.

We have worked successfully to build greater influence for Canada in the world, acting to foster peace in key trouble spots like Afghanistan, Darfur, Haiti and the Middle East. We are focusing our growing aid dollars where they are most needed to alleviate poverty and create new hope.

Throughout it all, we have consistently and insistently stood up for Canada. We successfully negotiated an opening of the US border to Canadian beef, and supported our farmers financially while those negotiations were going on. We stood up to the US on softwood lumber and on the environment. We will continue to stand up for Canada's values and Canada's interests.

Under a Liberal government, Canada has gone from pauper to powerhouse. Deficits are history. We have had eight surpluses in a row, helping to keep our economy strong. Under a Liberal government, Canada has paid down more than \$60 billion in debt – ensuring we won't burden the next generation.

Under a Liberal government, interest rates are low. Inflation is low. Close to half a million new jobs have been created across our land since the beginning of 2004 alone – sending unemployment to its lowest rate in 30 years.



And we have just brought forth a plan to reduce taxes for Canadians – some \$30 billion in tax cuts that will contribute to our collective prosperity. A two-earner family of four making \$60,000 will see their income tax bill cut by 20 percent.

Canada's prosperity has been broadly based, bringing new economic strength and optimism to every region of our country. And while there are still challenges facing certain industries, communities and individuals, there is today a well founded hope and confidence that tomorrow's opportunity will vastly outweigh its challenge.

All of this speaks to the fact that today it is easier for Canadians to find work, to pay the bills, to afford a home, or to start a small business. And it represents freedom – the hard-won freedom to make our own choices, not those dictated to us by creditors. The freedom to build the society we want, to succeed in building Canada.

I want a Canada that is progressive and generous, concerned not only with economic prosperity but with fairness, solidarity and social justice. A society that will never stray from the values on which it was built – respect for one another, equality of opportunity, a shared commitment to helping all Canadians seize their potential.

The successes that Liberals cherish today – the creation of our public health care system; bilingualism; multiculturalism; the Charter of Rights and Freedoms; the restoration of fiscal order – did not come about by chance, but are an extension of the values that guide our actions and set us apart from our political opponents.

I will defend the Canada we have built together - defend its hard-won prosperity by staying out of deficit; defend its place in the world by speaking with an independent voice; defend its unity by standing against the separatists; defend its belief in fairness by protecting our social programs.

And so I would say to Canadians – your vote matters in this election because it matters a lot who governs this country – the values they hold, and the program they propose. The result of this election matters for your life and for the life of Canada.

When you cast a vote for a Liberal government, you vote for a *united* Canada defined by respect, generosity and fairness; a Canada that seeks to extend equality of opportunity to all; a Canada that strives to be the standard by which other nations judge themselves.

There is such potential in our nation, such promise in the years ahead. If we choose to, together we will achieve that promise. On January 23rd, that choice will be yours.



SECURING CANADA'S SUCCESS

"I see Canada as a success, a nation with tremendous potential. I see a Canada I'm proud of, a nation I believe to be a model to the world. I see a Canada we can build on, improve on, move forward."

– Paul Martin, 3 January, 2006

Canadians live in an immensely successful country. Over the past decade, our economy has been one of the world's top performers. Our record of growth in living standards, combined with job creation and debt reduction, is unmatched by any other major country. With more and better jobs, rising incomes and lower interest rates, Canadians have been able to invest in their families, skills, homes and businesses.

At the same time, the Liberal government of Prime Minister Martin has made significant investments to strengthen the country's social foundations, including bold long-term initiatives in public health care, early learning and child care, and post-secondary education. The government initiated a New Deal to make Canada's cities and communities even better places to live. We have launched Project Green to ensure a healthier environment. We have invested heavily in Canada's defence forces and acted to increase Canada's influence in the world, working to foster hope and development in the poorest countries.

These initiatives by the Martin government speak to Canada's values. Taken together, they support a growing standard of living and most importantly, a richer and more broadly shared quality of life.



THAT WAS THEN ... AND THIS IS NOW

CANADA'S PROGRESS, BY THE NUMBERS

Key Indicators	1993	Now*
Jobs (million)	12.8	16.3
National unemployment rate:	11.5%	6.4%
Average per capita disposable income (per capita)	\$17,240	\$24,265
Mortgage rate (1 year conventional)	6.9%	5.1%
(Deficit)/Surplus (\$ billion)	(\$38.5)	\$1.6
Debt burden (Federal debt as % of GDP)	64.1%	38.7%
Personal income taxes (Federal)		
■ Basic personal exemption	\$6,800	\$8,648
■ Rate (lowest bracket)	17%	15%
■ Rate (2 nd bracket)	26%	22%
■ Rate (3 rd bracket)	29%	26%
■ Rate (4 th bracket)**	NA	29%
■ Surtax	8%	0%
Federal revenue (% of GDP)	17.2%	15.4%
Federal program spending (% of GDP)	16.8%	12.6%

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Canada's foreign debt (% of GDP)	45%	17%
Canadian \$ in US cents	75¢	86¢
Exports (% of GDP)	30%	38%
Research & Development (% of GDP)	1.6%	1.9%

* December 2005, or latest available data; ** In 1993, there were only three brackets, the top one being 29%

New forces of change

The world does not stand still. So we must understand the forces influencing our country and our world – the tectonic plates moving beneath the surface of our daily national life. Some – such as Canada's relationship with the United States; the impact of new technologies; the threats to our security and unity – are long-standing and familiar, though always evolving. But there are two new forces at work that are of tremendous consequence for Canada's future.

One is the changing demographics of the Canadian population. We are getting older. The second is the stunning rise of China and India. These giants are home to almost 40% of the world's population and are rapidly taking their place as global economic and political heavyweights. How we react to these new forces will, in large part, determine the contours of Canada's future.

It will be the mission of a Paul Martin government to keep Canada *ahead of the curve* so that 15 years from now – even with an older population; even in a world in which much larger nations are competing for political and economic power – our standard of living and quality of life will continue to be among the world's highest. Our country and our confidence will be strong. The objective of a Liberal government is a united and influential Canada, rich in opportunity.



Our vision

Liberals believe in the good that government can do. We believe that the highest purpose of the Government of Canada is to understand the shared aspirations of Canadians and to champion national endeavours that respond to those aspirations. That is what the Paul Martin government has done throughout its two years of office.

Great progress has already been made to secure the social foundations of Canadian life, to build a 21st century economy, and to ensure for Canada a role of pride and influence in the world. This platform recounts that progress because the track record of the Paul Martin government matters. Our promises made and kept reflect both our values and our competence. These are very relevant to the choice voters will make on January 23rd.

That choice matters. It matters because much is left to be done to carry on what the Paul Martin government has started, in order to:

- Safeguard human and minority rights through steadfast commitment to Canada's *Charter of Rights and Freedoms*;
- Ensure that the commitments of all Canada's First Ministers to deliver more timely, patient-centred public health care are actually delivered;
- Make the Liberal plan for early learning and child care a permanent element of the national fabric;
- Ensure that access to college or university education is not denied by reason of income;
- Create a truly accessible and inclusive Canada so that persons with disabilities and others who may be disadvantaged do not want for equal opportunity;
- Close the gap in life chances for Aboriginal Canadians;
- Make Canada's cities and communities genuine partners in a mission to build global economic competitiveness and to provide living environments that are culturally rich, respectful of diversity, and secure;
- Demonstrate how economic prosperity and environmental sustainability can be united through innovative technology and smart regulation;
- Extend Canada's positive influence in the world through actions and financial commitments to promote peace and security, democracy and human rights, elimination of poverty, and respect for the rule of law in economic and political affairs;
- Forge an even stronger and more productive economy by implementing the Martin government's *Plan for Growth and Prosperity*, tabled in November and supported by measures outlined in the accompanying *Economic and Fiscal Update*; and
- Assure Canadians that government finances stay in the black; that taxes move lower; and that the debt burden continues to become lighter, further securing Canada's future.

While we cannot anticipate every contingency that may arise in the years ahead, we can, and we must, prepare for demographic change in Canada, and for the new world that is emerging with the rise of China, India, Brazil, Russia and others as major new actors on the world stage. Preparing Canada to prosper in the face of these forces has been at the core of much of what the Paul Martin government has already begun and what we are seeking to achieve as we go forward.

We invite Canadians to review the distance we have come, and then look forward to the challenging but opportunity-filled horizon ahead and ask themselves: Who can best lead this country to the kind of future Canada I want for myself, my family and my community?



MEETING CANADA'S DEMOGRAPHIC CHALLENGE



Paul Martin's Liberals 

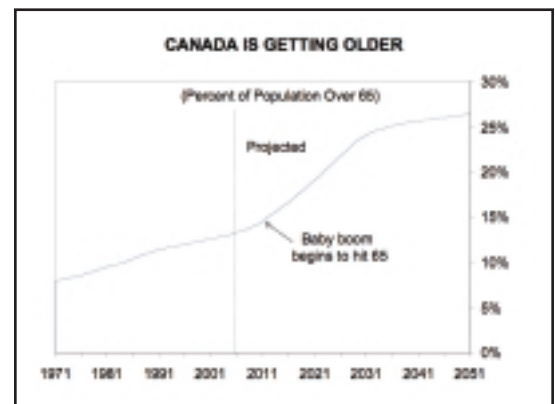
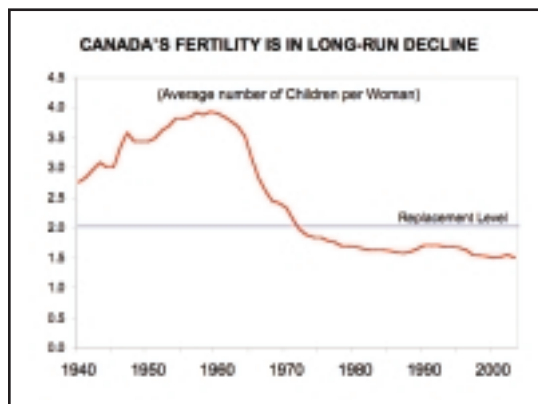
MEETING CANADA'S DEMOGRAPHIC CHALLENGE

The Canadian population is growing older – first, because our birth rate for the past three decades has been below replacement rate. And second, because the post-war baby boom is about to hit retirement age. The implication of this is significant – fewer workers supporting more seniors. By 2015, Canada's domestic labour force will actually start to shrink, so all of the net growth will need to come from immigration. This transformation entails everything from increased demands on health and other public services to potential skills shortages in key sectors across the country.

Internationally, surging population growth is concentrated in the poorest countries, straining their capacity to provide even the most rudimentary opportunities. This means there will be more pressure from migration, more fertile ground for the seeds of terrorism to take root, more pleas for development assistance. Meanwhile, the rest of the developed world will be facing the same demographic challenges as our own – so there will be increasingly fierce competition for workplace skills.

The following sections outline the key elements of a multi-faceted Liberal strategy to meet the demographic challenge. We will:

- Keep the national fiscal balance sheet strong so that we do not pass a debt burden to the next generation;
- Strengthen our public health care system to deliver timely, quality care as our population ages;
- Address the concerns of Canada's seniors and help to seize the potential inherent in rapidly growing numbers of talented and vigorous people over the age of 65;
- Attract and integrate growing numbers of new immigrants into Canada's communities and economy;



- Create greater opportunities for Aboriginal peoples – now the fastest growing component of Canada's population, but facing a significant gap in life chances compared with other Canadians.

BUILDING ON FISCAL STRENGTH

The Liberal government's successful war on the deficit and commitment to steady debt reduction are readying Canada to meet the demographic challenge.

In 1997, the Liberal government with Paul Martin as Finance Minister, working with Canadians, brought the federal budget into surplus after 27 consecutive years of deficit. This initiated a remarkable turnaround in the economic fortunes of Canada from which Canadians will reap ongoing benefits. Among highlights of the economic record:

- Canada has recorded the strongest growth in living standards among G-7 countries since 1997.
- Canada has had the highest rate of job growth in the G-7 over the past decade.
- Unemployment is at a 30-year low.
- The Canadian dollar has strengthened by 35% against the US dollar since early 2002, making foreign goods and travel cheaper. Our trade surplus has nevertheless remained exceptionally strong.
- Reforms to the Canada and Quebec Pension Plans (CPP/QPP) have ensured their financial soundness for at least the next 75 years, giving Canadians one of the world's most secure public pension plans.
- We have recorded eight straight budget surpluses, the longest string of surpluses in Canada's history. Canada is the only G-7 country in surplus.
- As a result, Canada's debt burden – which as recently as the mid-1990s was the second highest among G-7 countries – is now the lowest.

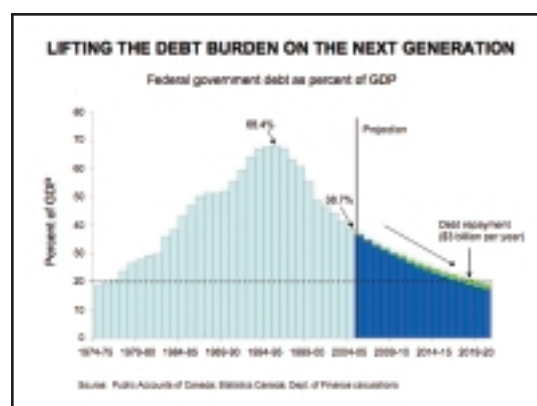
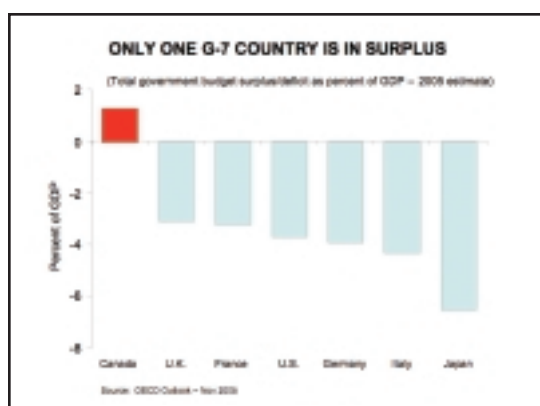


This extraordinary fiscal turnaround has yielded benefits for all Canadians. Sustained low interest rates have made homes and other big ticket items much more affordable. Lower debt charges have permitted significant and steady tax cuts. A climate of confidence and low inflation has boosted investment and helped create more than *three million* new jobs over the past decade.

The reduction of the federal debt, combined with strong economic growth, has resulted in a significant decline in the size of the federal debt relative to the scale of Canada's economy (the debt-to-GDP ratio). Federal debt reached a peak of close to \$563 billion in 1996–97. Since then, under Liberal government, we have reduced it by \$63 billion, resulting in permanent annual interest savings of more than \$3 billion. Federal debt as a percentage of the economy, once almost 70% and growing, is now 38% and shrinking. A vicious circle has been transformed into a *virtuous* circle.

For Liberals, the debt burden is not only an economic issue. We believe that government has a moral responsibility not to pass the debt incurred by one generation onto the backs of the next, particularly since in the years ahead a relatively smaller workforce will have to support much larger numbers of Canadians in retirement. That is why a Liberal government will maintain unwavering commitment to continued debt reduction.

- ***A new debt target – 20 by 2020:*** To ensure that the federal debt burden continues to fall, a Paul Martin government will be committed to reduce the ratio of federal debt-to-GDP to 20% or less by 2020, bringing it down to the low levels last seen in the early 1970s.
- ***Dealing with unplanned surpluses:*** A Liberal government will be committed to posting balanced budgets or better. To guide the use of any possible unplanned surplus funds in future years, the Martin government introduced new legislation in the last Parliament which provides that a budget surplus in excess of the \$3 billion Contingency Reserve (which if not needed is used to pay down debt) will be divided in equal thirds among personal tax cuts, new investment, and further debt repayment. This is a contract with Canadians ensuring that any federal surplus funds are returned or deployed for the benefit of all Canadians. It is also a balanced approach that will permit Parliament, for the first time, to debate government proposals for spending year-end surpluses.



STRENGTHENING PUBLIC HEALTH CARE

Protecting and strengthening Canada's health care system has long been a fundamental priority of the Liberal government. Canadians remain deeply attached to the principles at the heart of Canada's publicly-funded, single-payer system, where access is guaranteed by your health card, not your credit card.

The core values of that system – fairness, equity and collective responsibility – have remained steadfast. The Liberal government's commitment to preserve and improve Canada's health care system has also remained steadfast. Our ageing population makes this all the more important.

The Supreme Court of Canada recently ruled that where governments have opted to make publicly-funded health care the policy of choice, they have an obligation to get it right. Liberals agree. Our response is to strengthen the public system, not abandon it and not dilute it.

Just over a year ago, in September 2004, all of Canada's First Ministers made a commitment to Canadians to improve the performance of the public health care system and thus build confidence in it. Highlights included:

- Agreement to establish before year-end 2005 “benchmarks” for medically-acceptable waiting times, beginning with cancer, heart disease, sight restoration, joint replacement, and diagnostic imaging. Specific benchmarks in these areas have been agreed by provinces and territories (see Box) and now represent the first pan-Canadian standards against which progress can be assessed by all Canadians.
- To accelerate concrete progress on cutting wait times, the Paul Martin government created a \$5.5 billion *Wait Times Reduction Fund*, to help provinces and territories hire more health professionals, clear backlogs, and build capacity for regional centres of excellence.
- Provinces and territories will report annually to their citizens on their progress in meeting wait time targets and other indicators of health system performance. This high degree of transparency will translate into greater accountability for results. Canadians will be able to assess, from the patients' perspective, the job their governments are doing in managing the health care system.
- The Martin government put federal support for public health care, for the first time, on a predictable long-term footing by guaranteeing that health transfers to provinces and territories will grow by six percent each year for the next 10 years – a total of \$41 billion of new support for public health care.

We have already seen solid, tangible progress. Together with the provinces and territories, the Liberal government's commitment to quality, public health care is already making a difference. A few examples, among many, include:

- In British Columbia, the median wait time for starting cancer radiation treatment is now less than a week.
- In Alberta, the number of people waiting for open-heart surgery has declined by 55% over the past two years.
- In Saskatchewan, the Saskatoon Health Region's waiting list for MRI tests has been cut by 45% over the past year.
- In Ontario, funding for an additional 42,000 medical procedures has been allocated under that province's wait times strategy.

- In Quebec, the number of patients awaiting cataract surgery has been significantly reduced by redistributing the surgeries to a much smaller number of more specialized facilities.
- In Nova Scotia, a website has been established that provides a transparent view of provincial wait times for tests, treatments and services.

Initial Pan-Canadian Wait Time Benchmarks

Responding to the commitments of First Ministers in the September 2004 health accord, the provinces and territories agreed on December 12, 2005 to the following benchmarks based on medical evidence as to maximum appropriate waiting time. The set of benchmarks will be extended and updated as further medical evidence is gathered and assessed. Provinces and territories will collaborate in this regard with the federal government, the Canadian Institutes of Health Research and clinical experts.

- | | |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cancer: | ■ Radiation therapy to treat cancer within four weeks of the patient being ready to treat. |
| Heart: | ■ Cardiac bypass surgery within 2 to 26 weeks depending on urgency. |
| Joint Replacements: | <ul style="list-style-type: none"> ■ Hip fracture fixation within 48 hours ■ Hip replacements within 26 weeks ■ Knee replacements within 26 weeks |
| Sight Restoration: | ■ Cataract surgery within 16 weeks for patients who are at risk. |
| Diagnostic Procedures: | <ul style="list-style-type: none"> ■ Breast cancer screening for women aged 50 to 69 every two years. ■ Cervical cancer screening for women aged 18 to 69 every three years after two normal tests. |

Each government has promised to establish multi-year targets to achieve the benchmarks by no later than the end of 2007.

Liberals believe that the best way to defend the values enshrined in the Canada Health Act is to ensure that publicly-funded, quality health care is there for all Canadians when they need it. Building on the solid foundation already established, a Paul Martin government will do even more to make quality care a reality for all Canadians.

- *Assuring timely care: Canada Health Care Guarantee* – Now that we have the first wait time benchmarks, governments need to take the next steps to ensure that timely treatment is in fact delivered in Canada's public health care system. We need to meet the test established in the Supreme Court's *Chaouilli* decision. A Liberal government will work with the provinces, territories and health care practitioners to implement a *Canada Health Care Guarantee* (see Box).



Ensuring Timely Access to Care – A Canada Health Care Guarantee

Canadians have a right to a health care system that is responsive to their needs – that is there when they need it and that keeps them informed throughout the different stages of care, thus providing peace of mind.

The Supreme Court of Canada has ruled that the policy decision to have a publicly funded health care system carries an obligation to ensure that care is delivered in a timely fashion. What is a reasonable standard of timeliness? This has begun to be provided with the announcement of evidence-based “benchmarks” for medically-acceptable wait times in five key treatment areas – heart, cancer, sight restoration, joint replacement and imaging.

Liberals believe in a patient-centred philosophy and will work with provinces and territories to create a *Canada Health Care Guarantee* based on a strengthened foundation of the five existing principles of the Canada Health Act; a right to *timely care* of high quality; and *accountability* to the patient for the appropriate management of care.

Timely care means that care should be delivered within a medically acceptable time – i.e., within a “benchmark” time once evidence-based benchmarks have been established for the condition in question. To ensure that timely care is in fact available, a Liberal government will:

- Share with provinces and territories the cost of creating new capacity in regional centres of specialized care in strategic locations across Canada. Support for regional centres of excellence is included among the purposes of the federal \$5.5 billion Wait Times Reduction Fund agreed with provinces and territories in the 2004 health accord. We will augment this with one-time additional support of \$300 million to be made available for regional centres of specialized care in university teaching hospitals. Because it is important to have access to care in one’s own language, we will ensure that these investments help to accommodate the needs of Quebecers by working with the provincial government to increase capacity to reduce wait times within the province.
- Work with provinces and territories to ensure that the Canada Health Act principle of “accessibility” includes provision of “timely access” to health care services, consistent with the Supreme Court’s *Chaouilli* decision.
- Create a *Health Care Guarantee Fund* of \$75 million to assist patients and a family member with travel and accommodation costs to a public facility in another province if needed to obtain timely care.

Accountability means that Canadians have a right to understand their course of treatment and how their care will be managed. In practice this means having readily available information as to how long they can expect to wait; where they can get more information; and what treatment awaits them.

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To give concrete meaning to the accountability principle in the Canada Health Care Guarantee, a Liberal government will:

- Provide \$50 million to *Canada Health Infoway* to accelerate the development of wait list management technology such as registries, booking systems and electronic health records. Improvement of wait times will depend critically on the availability and effective use of information technology.
- Support a national research agenda through the Canadian Institutes for Health Research for the development of future wait time benchmarks and for research on the management of wait times and better patient-centred access. We will also provide funds to foster training programs in patient management for health professionals.

- *1,000 new family doctors* – Despite investments that governments are making to increase medical school enrolment, it is clear that too many Canadians cannot find a family physician. To help ensure Canadian families have the care they need, a new Liberal government will invest \$100 million over the next five years to bring on stream 1,000 new family doctors – a number that will provide front-line medical care for two million Canadians – by:
 - Adding to the \$75 million already invested in Budget 2005 to integrate internationally-trained health professionals. We will provide new resources to help to assess, train and place international medical graduates who wish to work in Canada in family medicine.
 - Raising the federal contribution to health human resource planning with provinces and territories to increase the number of residency places in family medicine and public health. This will increase not only the supply of family doctors, but also the numbers of nurse practitioners and other professionals dedicated to family and community practice. Special attention will be given to Aboriginal students and those pursuing remote and rural practice.
 - Providing further support for current federally-funded family medicine initiatives, such as the Family Medicine Interest Group.
- *National Cancer Strategy* – Cancer is the leading cause of premature death in Canada, responsible for more potential years of life lost than any other group of diseases.

The Liberal government has long been on the front lines on the battle against cancer. In the September 2004 health accord, Prime Minister Martin and other First Ministers identified cancer as a priority area to be supported by the \$5.5 billion Wait Times Reduction Fund provided by the federal government to the provinces and territories. The Liberal government has also made significant on-going investments in cancer research, and recently provided funding of \$60 million for the Canadian Strategy for Cancer Control.



But more needs to be done. A common Canadian vision for cancer control is required, one that is linked directly to reducing wait times and translating the latest results of cancer research into prevention, early-detection, patient treatment, and ideally a cure. To this end, working with provincial and territorial governments and stakeholders, a Liberal government will develop a comprehensive, pan-Canadian plan to make a new assault on cancer. The *National Cancer Strategy* will be supported by a new five-year investment of \$300 million by the federal government and will have as key elements:

- \$125 million to support creation of the Terry Fox Research Institute in Vancouver, a new centre of excellence for cancer research. The Institute would be linked to the internationally-renowned B.C. Cancer Agency;
 - \$50 million to support “translational” and discovery-based cancer research by leading-edge Canadian organizations to help translate research knowledge more quickly into clinical practice. This investment would build on current CIHR-funded cancer research programs, among others;
 - \$100 million of additional support for the Canadian Strategy for Cancer Control to further assist national information and knowledge transfer coordination efforts, and to ensure the sharing of best practices and leading edge techniques in the treatment of Canadians suffering from cancer;
 - \$25 million to establish *Terry Fox Cancer Research Chairs* at Canadian universities to ensure that Canada continues to attract and retain leading cancer researchers who can tap into leading-edge advances from around the world to enhance our understanding of cancer – its origins, diagnosis, treatment and eventually a cure. Linkages will be established between the Chairs and the Terry Fox Research Institute.
- ***Canadian Mental Health Commission*** – Mental illness and addictions have a profound impact on Canadians, affecting one in five during his or her lifetime. Almost one million Canadians currently live with a severe or persistent mental illness. Indeed, mental illness is responsible for one-third of the total number of days Canadians spend in hospital, and the estimated cost of mental illness and addictions to our economy is about \$18 billion annually.

The time has come to take bolder steps to prevent and cope with this major source of suffering and disability. The Liberal government has recently committed significant new resources to research on improving mental health in the workplace and to lay the groundwork for a pan-Canadian strategy on mental health. The government has also provided \$65 million for the National Aboriginal Youth Suicide Prevention Strategy with a specific focus on Aboriginal mental health.

A Liberal government, in co-operation with provinces and territories, Aboriginal leaders, and stakeholders, will establish a *Canadian Mental Health Commission*. The Commission will be a focal point for collaboration on mental health and mental illness to help inform development of sound mental health policies. It will contribute to information and knowledge exchange and will work to increase public awareness in order to reduce the stigma attached to mental illness and addictions. The Commission will be at arm's length from government, but with representation from all levels of government and mental health stakeholders.

The creation of the Commission is an important step in a long-term Liberal commitment to bring those suffering from mental illness much more fully into the mainstream of Canadian society. A Senate Committee, chaired by Senator Michael Kirby, has completed an extensive study of mental health in Canada and will report in early 2006. A Liberal government will look forward to that report and to consultations regarding action on the report's conclusions with stakeholders, provinces and territories.

- ***Building a healthier Canada*** – Canada's ageing population poses a significant challenge for our health care system. It is clear that the adoption of healthier lifestyles will both improve quality of life and diminish the future demands on our stretched health care resources. The old adage "an ounce of prevention is worth a pound of cure" was never more apropos. That is why the Liberal Government created the Public Health Agency of Canada. The Agency focuses on priorities related to health promotion and chronic disease prevention and control. The Agency also provides national leadership and international collaboration in preparing Canada to prevent, and otherwise to respond quickly, to public health emergencies such as SARS or possibly an influenza pandemic. A re-elected Liberal government will continue to implement with provinces, territories, and municipalities, a national strategy to promote a healthier Canada, key elements of which are summarized in the box below.

A National Public Health Strategy

Bolstering public health – The Liberal government has committed almost \$700 million in initial funding to strengthen Canada's public health system. This will enable:

- Increased front-line public health capacity;
- Support for new vaccine programs, improved surveillance systems, and purchase of antivirals;
- Heightened preparedness against infectious diseases and creation of emergency response teams;
- A replenished national emergency stockpile to provide supplies quickly to provinces and territories;

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- Increased investment in federal laboratories; and
- Establishment of six National Collaborating Centres for Public Health.

Promoting healthy lifestyles – Recently, the Paul Martin government launched the *Integrated Strategy on Healthy Living and Chronic Disease*. With five-year funding of \$300 million, the strategy is aimed at healthy eating, physical activity and healthy weights – all key factors for some of the leading preventable chronic diseases. It will be balanced by complementary investments to help prevent cardiovascular disease, cancer and diabetes.

Protecting against a pandemic – Having learned the lessons from SARS, Canada is now taking steps to protect the health and safety of Canadians at home and to contribute to international efforts to combat infectious diseases before they arrive on our doorstep. For example, the spread of the avian flu virus is causing serious concern worldwide, since mutation of the bird virus could make it highly infectious among humans and trigger a devastating global pandemic. The Liberal government recently demonstrated international leadership on the issue by convening a meeting of Ministers of Health from more than 20 nations to improve international preparedness for global pandemics and other potential infectious diseases. The Martin government has also invested heavily in preparation for a possible influenza pandemic by building up a national stockpile of antivirals like Tamiflu and securing a contract with a Canadian manufacturer for the development and testing of a prototype pandemic vaccine.

- *Protecting Canada's universal public health care system* – Liberals are committed to high quality, publicly-funded health care for all medically-necessary treatments – no extra billing; no queue-jumping; no “second-tier” standard of care in the public system. To ensure these objectives are met, a Liberal government will implement a *Public Health Care Protection Initiative*. As a result, the government will:

- Consider it a violation of the Canada Health Act if a physician provides the same medically-necessary services to some patients on a privately paid basis and others on a publicly-insured (medicare) basis, if such “dual practice” undermines access to publicly-insured services.
- Ensure that any new dedicated federal funding for health care must be spent within the *public* system, if private involvement threatens the integrity of the single-payer (medicare) system.
- Request that the Health Council of Canada and the Canada Institute for Health Information (CIHI) report on the interface between public and private delivery of health care in Canada and also on the allocation by provinces and territories of health transfers from the federal government.



- Continue to enforce the compliance provisions of the Canada Health Act which entitle the federal government to withhold transfer payments to a province or territory provided there is recourse first to the Dispute Avoidance and Resolution procedure established formally in 2004.

ADDRESSING THE CONCERNS OF SENIORS

Canada's support for seniors is one of the major success stories of government policy in the post-war era. For example, Canada is unique among nations in terms of the effectiveness and sustainability of its retirement income system. Thanks to reforms in recent years, the Canada Pension Plan and Quebec Pension Plan are actuarially sound for at least the next 75 years, something very few nations can claim. Canadians can count on their public pensions.



But today, new challenges are emerging as seniors live longer, healthier and more vigorous lives. Since the concept of “retirement” may have a very different meaning in the future than in the past, seniors want greater flexibility to choose how they spend their time and how they arrange their finances.

Older people have so much to contribute, whether as volunteers or members of the paid workforce. Canada needs to harness their talent and energy. A Liberal government will help to seize this opportunity.

- **Increased income support:** The Paul Martin government increased the Guaranteed Income Supplement (GIS) benefits for 1.6 million low-income seniors by \$2.7 billion over five years. Half of the increase takes effect on January 1, 2006, and the remaining instalment on January 1, 2007. Meanwhile, under the new tax relief plan outlined in November 2005 by the Martin government, some 240,000 seniors will be removed from the income tax rolls altogether.
- **Home care and pharmaceuticals:** As the ranks of Canada's senior population swell, the need for high-quality health care at sustainable cost – including much more widespread home care services – will be more important than ever. That is why the Martin government pushed for new home care standards in the health accord agreed with provinces and territories in September, 2004. To support this objective, the Liberal government has provided an additional \$500 million to provinces and territories to deepen progress on home care services and catastrophic drug coverage. Because affordable access to drugs is critically important, especially for seniors, a Liberal government will develop in partnership with provinces and territories a *National Pharmaceuticals Strategy*. The first steps are due to be reported by June 30, 2006.

- *Accessing the value of home equity: The MEANS Program* – Many seniors today have the capacity to stay in their own homes but often find that the rising costs of property taxes and maintenance outstrip increases in their income. While the equity in their homes can be used to provide a valuable income supplement via a commercial “reverse mortgage,” many find the interest cost to be too high. A new Liberal government will therefore introduce legislation to create a new program – *Mortgage Equity Access Now for Seniors* (MEANS) – to allow more seniors to access the equity in their homes. Current commercial reverse-mortgages only allow for lump sum payments. We will work with the private sector and Canada Mortgage and Housing Corporation (CMHC) to develop a program to allow seniors the option of receiving these funds through a monthly payment, based upon the equity value of their home. We will also introduce a CMHC-backed mortgage insurance program for private-sector reverse mortgages. This could mean real savings for seniors by reducing interest costs of reverse mortgages by as much as two percentage points below current rates. The MEANS program will be one more step in the Liberal government’s continuing effort to provide ways for our growing seniors population to maintain active and dignified lifestyles.
- *Facilitating work past 65:* Older workers who wish to remain in the workforce will represent an ever-increasing source of experience and skills. A Liberal government will work with the provinces and territories, unions and employers to remove disincentives that could discourage those who would otherwise want to keep working.
- *Helping seniors remain active:* With their income security needs better assured, increasing numbers of seniors want to use their energy and vitality to continue to make important contributions to Canadian society and their communities. In 2004–05, the Liberal government provided funding to more than 330 senior’s groups across the country under the *New Horizons* program to promote volunteer activities by and for seniors. The program has been hugely successful. In response, the Liberal government’s last budget more than doubled funding for these activities, increasing annual funding to \$25 million by 2007–08. A Paul Martin government will increase support for New Horizons by a further \$50 million over the next five years, enabling new capital investment and community-based capacity building.

WELCOMING NEW CANADIANS

In light of Canada’s history, values and impending demographic challenge, our immigration policy – particularly as it relates to the selection, integration and regional distribution of new immigrants – is of key importance.

Ten years from now immigration is expected to account for the *entire* net growth of Canada’s workforce. We need to attract skilled immigrants and ensure they are able to reach their full potential so as to sustain economic growth, promote innovation, and keep city and regional economies strong. Over the past six years Canada has welcomed 1.4 million new permanent residents from around the world. Clearly we need more immigrants, and we need them to succeed.

Too often, today's new Canadians, despite higher levels of education on average, are not achieving economic success as quickly as in previous generations. A Liberal government will keep Canada's doors open to immigrants of all classes and refugees from around the world. But as the numbers increase we also must be more active in identifying immigrants who meet Canada's evolving workforce needs – needs that are determined in consultation with provinces, communities and those in labour and business.

At the same time, we need better social and economic integration of new Canadians, including language training, the upgrading and recognition of their professional and technical credentials, and critically important first job experience in the Canadian work environment. A Liberal government's commitment to equality of opportunity applies to all Canadians.

Our approach to immigration can and must be something that distinguishes Canada – a central component of the Canadian advantage in the world. To seize the potential of new Canadians, a Paul Martin government will implement the following plan.

- *Helping immigrants to integrate and succeed* – Settlement and integration programs are the link to participation in Canada's labour force and society. A Liberal government will provide \$1.3 billion over the next five years to enhance these programs. This initiative builds on and incorporates the recent \$920 million Canada-Ontario Immigration Agreement, and assures that federal financial support of social and labour force services for immigrants is equitable right across Canada.
- *Fixing the system* – Virtually all developed countries are facing a demographic challenge similar to Canada's. As a result, we face an increasingly fierce competition for skills. So we need smart and efficient immigration procedures. A Liberal government will commit \$700 million over the next five years to streamline the system and reduce the backlog of applications. In doing so, our system will be more responsive to the needs of the labour market – for example, through close co-operation via the Provincial Nominee Program – and will allow those who would choose Canada as their new home to come here more quickly.
- *Creating an "In-Canada" class* – Cities and communities across Canada agree on the need for increased regionalization to spread the benefits of immigration nationwide. Many potential immigrants have made Canada their destination of choice and are already studying or working in communities across the country. Because of this experience, they are particularly well positioned to integrate successfully into Canadian society and the economy. Current rules prevent them from applying while they are here. We will change this. We will make the immigration system more proactive and in doing so, will welcome about 16,000 foreign students and resident workers annually by 2007.
- *Succeeding in the workforce* – Even if highly educated, many immigrants face challenges in reaching their full potential in the Canadian labour market – whether perfecting their language

skills or overcoming barriers due to complex credential assessment and recognition requirements in their field of expertise. To overcome these barriers, we will invest an additional \$260 million over six years to speed the assessment and recognition of the credentials of internationally trained workers, and assist new Canadians with job-specific language instruction and workplace literacy training. In particular, we have provided \$75 million to accelerate the integration of 2,300 internationally trained doctors, nurses and other health professionals, including lab technicians, occupational therapists and pharmacists. We will add further resources in support of our new initiative to bring a thousand additional family doctors into Canadian practice, many of whom will have been trained abroad.

- *Bringing families together* – Family re-unification is a fundamental objective of Liberal immigration policy. We will continue to improve re-unification efforts, in particular taking steps to ensure that children adopted overseas become Canadian citizens upon the completion of their adoption process.
- *Eliminating the “landing fee”* – For many Canadian families with immediate relatives overseas, one of the challenges that they have faced is the \$975 “right of permanent residence” fee. The time has come to remove this barrier. A Liberal government will eliminate the fee, cutting it immediately to \$600, then to \$300 after 12 months, and finally to zero within the next two budgets.

CREATING OPPORTUNITY FOR ABORIGINAL CANADIANS

Aboriginal Canada presents the reverse image of Canada’s demographic picture. The Aboriginal population is young and dynamic – fully a third are under the age of 14. These young people have the potential to make a significant contribution to Canada’s society and economic growth but must first have the opportunity to acquire the education and skills needed for success.

Today, far too many Aboriginal students are not completing high school, especially on reserves. And while very encouraging progress has been made with respect to post-secondary education, young Aboriginal Canadians are still much less likely than other Canadians to hold university degrees or college diplomas – e.g., among 18–29 year olds, only 23% of Aboriginal Canadians have completed post-secondary education, about half the completion rate of the population at large. This gap does not occur in isolation from other social factors – serious problems in health, housing and the community environment. The Paul Martin government is determined to get to the root of these problems.

It was in this spirit that Canada’s First Ministers and Aboriginal leaders agreed in November 2005 on a 10-year plan of action with respect to education, health care, housing and infrastructure, and economic opportunities.

A Liberal government will do its part to implement this action plan to close the gap in the life chances of Aboriginal Canadians. Our plan recognizes the needs of Aboriginal women. We understand that conditions in the far north are different from those on reserve, and that conditions on reserve differ from those in our cities. The plan also recognizes the very different issues facing First Nations, Inuit and Métis peoples. The details and implementation of the 10-year action plan will be developed in collaboration with Aboriginal people, provinces, territories and municipalities. Following are the key elements:

- *Closing the gap in education* – Giving young Aboriginal Canadians the chance to realize their potential will be the foundation for everything else we do. The goals:
 - Increase the annual number of high school graduates by a cumulative 22,000 in five years and by 110,000 in 10 years;
 - Increase the number of post-secondary graduates by 14,800 over the next five years, and by 37,000 within 10 years. This will reduce the participation gap relative to the non-Aboriginal population by 50%.

To accomplish these challenging goals, we will:



- Begin with the youngest children, making new investments in early childhood development and addressing deficiencies in the K-12 system;
 - Promote education innovation on-reserve and establish a network of First Nations school systems;
 - Provide more scholarships to encourage young Aboriginal women and men to go to college and university;
 - Work with the private sector to develop apprenticeship programs that will help Aboriginal Canadians compete for high-paying jobs and help to fill the severe labour shortages that threaten to hamstring many resource development projects over the next 15 to 20 years.
- *A Health Blueprint* – At the September 2004 Special Meeting on Aboriginal Health, Prime Minister Martin secured agreement from provincial, territorial and Aboriginal leaders to an *Aboriginal Health Blueprint* and announced \$700 million in new funding for Aboriginal health. The Blueprint, endorsed at the First Ministers Meeting in November 2005 and supported by an additional \$1.3 billion investment, is a comprehensive 10-year plan for the delivery of reliable, quality health care – on reserve and off. Aboriginal health is a national priority, but the care itself must be delivered by local health professionals. The goals:
 - Double the number of Aboriginal health professionals in 10 years from the present level of 150 physicians and 1,200 nurses;

- Improve access to the full range of public health services that non-Aboriginal Canadians currently enjoy;
- Work to close the gap between Aboriginal and non-Aboriginal Canadians in key areas such as infant mortality, youth suicide, childhood obesity and diabetes.
- ***Housing and clean water*** – Housing is about more than having a roof over one’s head. It is also about dignity, pride of place, and a stake in one’s community, as well as one’s single most important investment in the future. Despite building and renovating tens of thousands of homes over the years, there is not enough housing available for those that need it, and most Aboriginal communities still lack the capacity to build the units themselves. The shortfall is particularly acute north of 60°. The goals:
 - Close the housing gap on First Nations reserves by 40% within five years and by 80% in ten. We will take similar action in the far north and off reserve.
 - Improve the capacity of First Nations for water treatment training, and accelerate the certification of water systems and operators.

To accomplish these goals, we will:

- Encourage a culture of home ownership in Aboriginal communities.
- Expand the skills of Aboriginal people and their governments to manage their land, infrastructure and financing.
- Build up a trained labour force to keep home construction jobs in local communities. This housing program promises to generate the equivalent of 15,000 jobs over the next 10 years.
- Continue to build new clean water facilities. The Liberal government established a comprehensive program in 2003 to bring clean drinking water to all reserves by 2008 and has allocated \$1.6 billion toward achieving that goal. The capital installation is proceeding well. The larger challenge has been to train sufficient numbers of Aboriginal water technicians to operate and maintain the facilities. While we have significantly increased the number of certified technicians, more and better training will be a priority going forward.
- Develop a regulatory regime for drinking water on reserve that will provide comparable water quality to that enjoyed by other Canadians. This regime will establish new legislation, regulations and enforcement mechanisms.
- ***Economic opportunity*** – The next decade promises tremendous economic expansion in Canada. This is particularly true for northern and other resource-rich regions as new oil and gas and mining projects are developed, together with the infrastructure to support them.

Aboriginal Canadians must be significant beneficiaries of the high-paying jobs that will result. Our goal is to increase Aboriginal employment levels by 30% over the next five years and by 50% within 10 years.

The plan depends on the improvements in education and training noted above, complemented by:

- Regulations for complex commercial and industrial development projects on reserve that will provide greater certainty for investors and will improve First Nations' prospects for attracting major capital investment.
- Connecting rural and remote communities to the world by bringing broadband Internet access to 250 more communities in the next five years.
- Legislation that will enable First Nations to assume jurisdiction and control of their oil and gas and related revenues.

A Paul Martin government will commit more than \$5 billion over the next five years to achieve the foregoing targets in education, health, housing and clean water, and economic opportunity. By so doing, we will go far to bring about positive change in the lives of Aboriginal Canadians.

- *Healing and reconciliation* – The Martin government has worked hard to build a new relationship with Canada's Aboriginal people based upon responsibility and accountability. But it is also important to remember those times in the past when this respectful relationship was not the norm. The trauma experienced by many students of Indian residential schools has left a sad legacy in many Aboriginal communities. Building upon earlier initiatives to heal these wounds, a Liberal government will implement the recently concluded agreement in principle to provide compensation to eligible former students. Broader efforts – including commemoration activities and healing programs – will be taken to promote public education and awareness of the experiences of those who attended residential schools. A Liberal government will commit more than \$2 billion toward a fair and lasting resolution of the legacy of Indian residential schools.

SUCCESS IN A NEW WORLD OF GIANTS



Paul Martin's Liberals



SUCCEEDING IN A NEW WORLD OF GIANTS

Today, the United States accounts for more than 20% of the world economy and is the only superpower. But Europe has now become a united and affluent market of some 450 million people. And Asia – already a technological and export powerhouse – is poised to be the global growth leader for decades to come as China and India become economic juggernauts.

In this emerging world of giants, Canada's economic partnership in North America is of fundamental importance. Our trade relationship with the United States is the world's largest, making Canada's economic performance closely linked with that of the US. That is why we need to help build an even more prosperous and secure North America.

But Canada cannot afford to have all its eggs in one basket. We need to reach out to seize vast new opportunities in China, India, Latin America and elsewhere. These huge emerging markets include a rapidly growing middle class – potential new consumers of Canadian beef and softwood lumber. Our rich endowment of resources – energy, minerals, agricultural, forestry and fisheries products – will be much in demand, promising new prosperity for Canada's regional economies. So too will be the products of our human ingenuity – education services, engineering and finance, environmental technologies, and cultural exports that reflect Canada's diverse communities from all parts of the world.

But these tremendous opportunities are not Canada's simply for the asking. We need to join the fray, and succeed by dint of preparation, persistence and talent. A Liberal government will work to ensure that we do. The following sections outline key elements of the strategy that a Paul Martin government will bring to that purpose. We will:

- Build the capabilities of people from early childhood, through post-secondary education, and throughout working life – equipping Canadians to seize their full potential.
- Promote innovation, since this is the way by which human ingenuity gets translated into the things that people need and want. Innovation drives competitiveness, growth, jobs and progress.
- Ensure that Canada's cities and communities are great places to live, able to take their place among the world's best – attracting entrepreneurial talent and investment and providing an environment where creativity thrives.
- Build on the strengths of every region in Canada – in particular on our resource-based and major manufacturing sectors for which the new world economy presents some challenges but even greater opportunities.

- Work toward a more globally-competitive North America while expanding Canada's trade horizons to take full advantage of markets in China and other new areas of rapid growth.

BUILDING THE CAPABILITIES OF PEOPLE

The key to success in today's global economy is education – quality education that begins early in life and prepares people to thrive in a competitive world. China and India, once known primarily for cheap labour, are now in the race to the top. They are putting up dozens of new universities and training and equipping millions of students who have both a great thirst for knowledge and a desire to compete in the world.

The Liberal plan will focus on Canada's most important renewable resource – the skills of Canadians. Well-honed skills, combined with innovation and investment, are the basic drivers of better jobs, higher incomes, and an improved quality of life.

Liberals are committed to putting in place conditions in which Canadians can fully seize their potential throughout a lifetime. That is why we focus on early learning; better access to higher education; and improved adult literacy and workplace skills. We are investing in lifelong learning so that Canadians can keep ahead of the curve as technology progresses and as the demand for specialized skills evolves. We need to ensure that all Canadians have access to the tools to succeed so that everyone has more choice and greater opportunity to share in this nation's prosperity and to build Canada's future.

The plan of a Paul Martin government has three main components – early learning and child care; broader access to university and college; and enhanced workplace skills.

Early learning and child care

In Canada today, there are over two million children under the age of six. These early years are the most crucial years of their lives – when practically every second brings a new experience, a new chance to learn and grow. This is when much of a child's future is decided. Parents are at the centre of their children's lives, and no one else can do what they do. But not all parents can – or should feel they have to – do it all on their own.

The Government of Canada provides a wide range of supports to all families. Each year more than \$13 billion is invested through transfers to provinces and territories; income support programs and tax reductions available to individual families; education savings grants; supports for a stay-at-home parent; special measures for children with disabilities; and community-based programs for children-at-risk.

To provide a vitally important additional measure of support for families, 18 months ago the Liberal government made an election commitment to make



early learning and child care a national reality – a great national endeavour on the same scale as the creation of Canada’s public health care system.

The practical need for a publicly supported early learning and child care program is clear:

- 1.3 million of the two million children under the age of six in this country have a mother in the paid labour force.
- A majority of parents – whether they are employed in the workforce, in school, or at home – want to expose their young children to positive learning and socialization experiences.
- Parents in the paid labour force, or attending school, want assurances that their young children are in safe, nurturing and high quality early learning and care environments.

But only about one in five of the two million young children in Canada have access to a regulated early learning and child-care space. And regulation *is* important, because it reassures parents of quality and safety.

The Martin government responded to this clear need by committing \$5 billion over five years for a pan-Canadian early learning and child care initiative founded on the QUAD principles – Quality, Universally inclusive, Accessible and Developmental. These principles speak to early learning and child care that is open to all children, without discrimination; that is accessible and affordable for all parents; and that is of high quality in supporting a child’s development.

All ten provinces have now signed agreements with the federal government based on a nationally-shared vision. The agreements identify principles and goals for early learning and child care; establish clear and measurable objectives; detail eligible areas for investment and funding levels; ensure accountability and identify how governments will report to Canadians; and commit governments to collaborating on knowledge and best practices.

Under these agreements, provinces will invest federal funds in regulated early learning and child care programs for children under six. Each province will nonetheless have the flexibility to implement programs that address their specific needs and objectives, so long as they are consistent with the QUAD principles.

A national system of early learning and child care will provide parents, no matter where they live – in communities large and small, rural and urban – with real options. Our goal is to ensure that parents will be able to find high quality, affordable child care – whether it be for just one morning a week in a nursery school program, three days a week in a child-care centre, full-time in a family day care, at certain times of the year, or just for emergencies.

Together, we will move the vision of a national early learning and child care system from being an ideal into being a permanent and tangible component of our national social fabric.

- *A permanent commitment* – With agreements covering 10 provinces now in place, a Liberal government will make *permanent* its commitment to early learning and child care. This will allow provinces, territories and stakeholder groups to make long-term plans.
 - Currently budgeted funding is \$5 billion through 2009–10. Over the subsequent five years through 2015, federal support will total *at least* \$6 billion. It is anticipated that this amount of \$1.2 billion per year will be increased, with the amount and profile of the increase to be determined in light of the scheduled evaluation of the program in 2009.
 - To provide further assistance for the capital cost of early learning and child care facilities, a Liberal government will make “not-for-profit” facilities eligible for the next funding phase of the Canada Strategic Infrastructure Fund and the Municipal Rural Infrastructure Fund.
 - A *National Quality Framework* will be developed as the basis for guidelines and evidence-based benchmarks for future programming.

Broader access to university and college

In this age of emerging economic giants, all scaling the ladder to higher education, Canadians need access to post-secondary education (PSE) of the highest quality. Liberals are committed to creating the opportunity for every Canadian to succeed. That is why we will continue to work closely with provinces and territories to reduce financial barriers to post-secondary education through a range of grant, loan, tax and savings supports.

The federal government already contributes almost \$9 billion annually to support PSE through programs and transfers to students, institutions, provinces, and researchers. A Liberal government will increase this very substantial commitment and will invest more than \$4 billion of new resources over the next five years to ensure that Canadians of all incomes have access to first-class education opportunities. Increased federal funding will be allocated primarily as follows:

- *Enhanced student financial assistance: The 50/50 Plan* – If elected, a Liberal government will pay one-half of an undergraduate’s first year and graduating year tuition (to a maximum grant of \$3,000 in any year).
 - This new *50/50 Plan* will be available to any student pursuing a first degree or diploma from an accredited university, community college or other post-secondary program in Canada.
 - Qualifying students will be those who commence their undergraduate educations beginning in 2007–08.
 - Students will have the choice either to opt in to the new plan, or to draw benefits from the existing Tuition Tax Credit and Education Expense Deduction.

- The Plan will be delivered through the Canada Student Loan Program (CSLP). Currently, the governments of Quebec, the Northwest Territories and Nunavut do not participate in the CSLP, so we would work with them to arrange alternative payments.



By providing a first payment at the beginning of a student's post-secondary education, the 50/50 Plan provides families and students with the incentive to begin undergraduate studies. The second payment provides an additional incentive for students to complete their programs. Since the 50/50 Plan will be available only for study in Canada it also gives young Canadians a further incentive to support schools in this country. The 50/50 Plan is expected to have a net cost of roughly \$1.9 billion through 2010–11 and of \$600 million per year when fully phased in – by which time it will support an estimated 750,000 students each year. This bold new initiative is testament to the overall commitment of a Liberal government to improve Canadians' preparation to succeed in a world where

advanced skills and learning will be of ever greater importance.

- *Expanded Canada Access Grants* – In the 2004 Budget, the Martin government created the *Canada Access Grant* to make post-secondary education more accessible for children from low-income families – generally, those with incomes below \$35,000. The Grant paid half of first-year tuition, capped at \$3,000. This benefited more than 20,000 students. A Liberal government will extend the Canada Access Grant to be available for up to the full four years of undergraduate study. This extension will cost approximately \$550 million over the next five years and will benefit a further 55,000 students. (A student qualifying for a Canada Access Grant cannot also receive the new 50/50 grant.)
- *Comprehensive review of student assistance* – A Liberal government will review Canada's system of student financial assistance, in collaboration with the provinces and territories and other partners, to ensure its continued success in making post-secondary education accessible. We will identify areas where support is needed, and ensure that students from middle-income families and students with dependents do not face insuperable financial barriers. The review will examine a range of potential measures such as grants, loans, and ways to improve debt management, including reduced interest rates.
- *Post-secondary Education Innovation Fund* – A Liberal government will provide \$1 billion to help modernize and improve post-secondary infrastructure, including in teaching hospitals. The fund will, for example, support acquisition of equipment; improve access for students with disabilities; enhance learning environments in northern and Aboriginal institutions. Provinces and territories will have the flexibility to draw down these funds on a per capita basis.
- *International study* – To create new opportunities for Canadians to study abroad and for more foreign students to come to Canada, a Liberal government will provide \$150 million over five

years to assist with the extra financial cost that international study entails. This initiative will contribute to our objective of positioning Canada at the heart of global networks.

- *Canada graduate scholarships* – A Liberal government will increase by 50% the support currently being given to the most promising master's and doctoral students in science, engineering and other disciplines. More students with advanced degrees will be needed to keep Canada at the cutting edge of innovation.

Enhanced workplace skills

A Liberal government will work with provincial, territorial, business and labour partners to ensure that all Canadians have the opportunity to develop their skills so that they can obtain meaningful and enduring employment. We will negotiate new *Labour Market Partnership Agreements* with provinces and territories that will include clear objectives, performance measures and public reporting.

- *Workplace skills strategy* – A Liberal government will invest \$3.5 billion over this fiscal year and the next five to implement partnership agreements focusing on six priority areas – apprenticeship; literacy and essential skills; workplace skills development; enhanced workforce participation of Aboriginal people; labour market integration of immigrants; and enhanced workforce participation of persons with disabilities and other under-represented groups. Examples of possible initiatives include bridge-to-work programs for recent immigrants; partnerships with employers to promote literacy in the workplace; internships for Aboriginal Canadians and persons with disabilities; and the development of a national strategy for apprenticeship training based on consultation and objective-setting with provinces, territories, businesses and unions.
- *Supporting apprenticeship training* – As part of a pan-Canadian apprenticeship strategy, a Liberal government will work with the provinces and territories to increase, over the next 10 years, the number of apprenticeship graduates to 75,000 annually from the current 37,000. As an interim goal, we will work to increase the number of apprenticeship graduates by more than a third to 50,000 by 2012. To encourage greater apprenticeship completion we will eliminate the two-week waiting period before becoming eligible for EI benefits for those who collect EI while away from work on a National Red Seal Apprenticeship Program, provided the course is successfully completed. This measure is expected to cost \$15 million per year once it is fully phased in, and will complement initiatives in the Workplace Skills Strategy outlined above.
- *Enhancing the contributions of older workers* – Older workers are particularly vulnerable to industrial adjustments due to international competitive pressures. They nevertheless bring valuable experience and expertise to their positions, and most depend both financially and psychologically on being able to continue working. Recognizing this, Liberal governments have invested \$55 million through to 2006, along with provinces and territories, in pilot projects that help older

workers adjust financially, to find a new job in their field, or to receive training for new kinds of work. Based on the lessons learned from those projects, a Liberal government will develop a pan-Canadian strategy for older workers that incorporates skills upgrading, flexible work environments, and community-level partnerships that combine training with job placement services.

ADVANCING AN INNOVATIVE ECONOMY

Innovation contributes to Canada's economic growth by increasing efficiency and creating new products. Countries at the forefront of innovation will be the best positioned to develop the high value-added sectors that can provide new sources of growth and high-paying jobs.

A Liberal government will build on Canada's innovation performance by fostering a strong environment for investment and a competitive tax system and by promoting of domestic competition and liberalized international trade. These fundamentals will be complemented by maintaining Canada's exceptionally strong commitment to basic research which is the foundation for new discoveries and for training the highly-skilled people needed to power a 21st century economy.

Leadership in university-based research

The Liberal government has focused its investments at the earlier stages of the innovation process where the private sector tends to under-invest. Since 1997, Liberal governments have committed \$12 billion in new funding to support basic research. As a result, Canada is now far and away the G-7 leader in terms of university R&D (expressed as a share of GDP).

We are determined to maintain this leadership and, if re-elected, a Liberal government will increase support in the following ways.

- *Keeping Canada's researchers at the leading-edge* – The federal government provides the base support for individual researchers at Canadian universities, colleges and research hospitals. Since 1997, Liberal governments have more than doubled the budgets of the research Granting Councils – NSERC, CIHR, SSHRC – to a total of \$1.6 billion in this fiscal year. We will increase the budget of the Councils by at least \$425 million over the next five years.
- *Covering the indirect costs of research* – Research excellence requires not only direct funding for researchers themselves, but also a supportive environment of well-maintained facilities, good information systems, and support for the commercialization of research results. The Liberal government has been contributing to these indirect costs of university research and will almost double its support by allocating \$1.2 billion to research-performing institutions over the next



five years. This will bring federal support for indirect costs to a target level equal to 40% of direct federal research funding.

- *Maintaining world-class research facilities* – The creation of the Canada Foundation for Innovation (CFI) by the Liberal government in 1997 triggered a renaissance in basic research in Canada. Over the past eight years, the federal government has contributed \$3.7 billion to the Foundation to fund leading-edge research facilities in universities and research hospitals. This investment has stimulated more than twice that amount in matching investments from provinces, the institutions themselves and other stakeholders. The CFI has been one of Canada's great success stories. Now that more than 80% of the federal contribution to date has been committed, a Liberal government will invest a further \$500 million to sustain its activities over the next five years.



Accelerating the commercialization of new technologies

Improving the diffusion of discoveries from university and public research facilities like the National Research Council (NRC) will raise the innovation performance of Canada's private sector. Our strong foundation in basic research should give Canadian firms a leg up in developing new products and services.

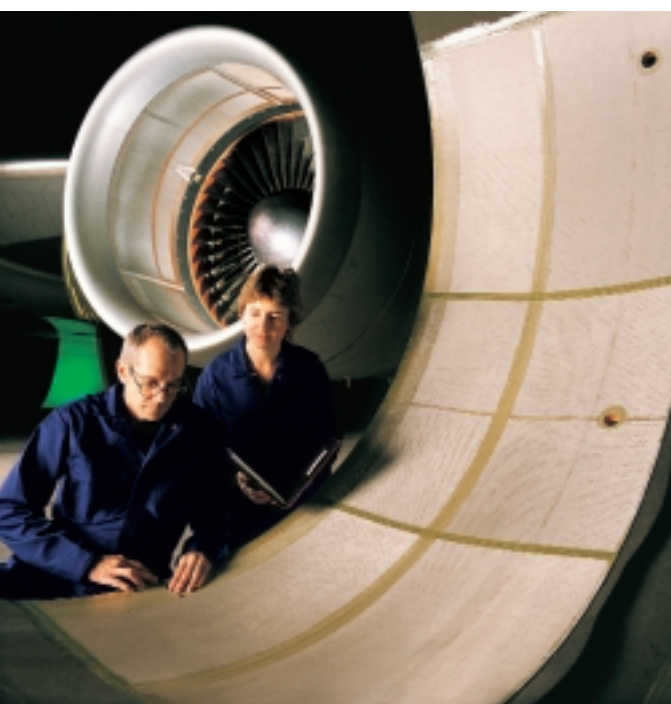
A Liberal government will build on our established foundation of support for commercial innovation – including, for example, NRC's Industrial Research Assistance Program for small businesses; a variety of supports for venture capital investment; Genome Canada; Sustainable Development Technologies Canada, among many others. New initiatives will include:

- *Connecting students and businesses* – By exposing graduate students in engineering and the natural and health sciences to private sector R&D they will get a realistic appreciation of the process by which academic research gets converted to marketable products. At the same time, Canadian businesses can gain better access to the latest research knowledge from universities. To stimulate this process, a Liberal government will support 3,500 *R&D Internships* with private firms over the next five years. We will also create a scholarship program to support those who already have graduate degrees in engineering and the natural and health science to also acquire business and management training via MBA studies at Canadian universities.
- *Knowledge-based clusters* – Integrated facilities that bring together innovative firms and university researchers will promote collaboration and enhance private sector access to discoveries. One such example is the Medical and Related Sciences (MaRS) discovery district which has taken advantage of Toronto's concentration of medical research facilities by bringing together start-up firms with business service providers, venture capitalists, and laboratories. A Liberal government will provide \$160 million over the next five years to support the creation of large-scale integrated facilities that bring together university and private sector researchers to accelerate the commercialization of university-based discoveries.

Supporting innovation in automotive and aerospace

The automotive and aerospace-defence sectors are major engines of the Canadian economy. But both face fierce global competition, not only in the marketplace but also for new investments in these technology-intensive mainstay industries. A re-elected Liberal government will continue to support innovation in the sectors, and champion their products in national trade and export strategies.

- *Sustaining Canada's automotive excellence* – Our auto industry is the world's eighth largest, and provides more than 170,000 well-paying jobs in assembly and parts manufacturing. Innovation, state-of-the-art plants, and a highly skilled work force have positioned Canada at the leading edge of new automotive processes and technologies. To build on this foundation, the Liberal government has recently contributed more than \$400 million, joining with the government of Ontario and the auto companies to support major investments in Ontario that will see new assembly facilities and enhancements to existing assembly plants in several communities. These initiatives will not only promote new jobs and skills development but, crucially important for the long run, will also provide major R&D investments, environmental advances and new partnerships with our universities and technical colleges.



- *Keeping aerospace/defence industries globally competitive* – Canada is the world's fourth-largest global producer in the field of commercial aerospace and is a world leader in many market segments such as regional and business aircraft. The aerospace and defence sector is a high-tech bulwark of Canada's economy. The sector is at a critical juncture where substantial investments in R&D, new-generation technology, and product development are needed to compete in an extremely demanding international marketplace. In the past year alone, the Martin government committed investments of more than \$1 billion in several parts of the aerospace industry as part of a long-term strategy to support the growth of Canada's aerospace and defence sector from coast to coast. A new Liberal government will continue to invest to ensure that Canada remains home to a growing, innovative and diversified aerospace/defence industry.

Transformative technologies

Transformative technologies are those like biotech, information and communications technologies, and advanced and nano-scale materials, that have a vast range of applications and thereby influence the broad course of technical innovation and of society as a whole. These transformative technologies are already revolutionizing the development of drugs and medical treatments; new environmental technologies; and the performance and efficiency of virtually

all industrial processes. Canadian businesses need to be at the cutting edge of the development and adoption of these new technologies. That is why a Liberal government is determined to stimulate greater private sector investment in R&D, technology adoption, and improved commercialization performance. We will pursue these objectives through the new *Transformative Technologies Program* by sharing the risks of innovation, and providing greater access to leading-edge technologies for small and medium-sized companies.

CANADA'S CITIES AND COMMUNITIES – A COMPETITIVE ADVANTAGE

The *New Deal for Cities and Communities* was proposed by Paul Martin and backed up with substantial financial commitments for sustainable infrastructure in the Liberal budgets of 2004 and 2005. The New Deal is about more than roads, water treatment plants, and modern transit systems. It is also about developing a vision that gives Canada's municipalities a seat at the national table as partners in our country's economic, cultural and social development. It is about ensuring a sustainable quality of life for all Canadians.

The New Deal is also a key component of the Liberal strategy to keep pace with the leaders in the global economy – to ensure that Canada is a winner in the worldwide competition for talent and investment. Statistically, economic performance is usually judged on a nation-to-nation basis. But today, competition is being waged increasingly among major metropolitan centres. In a world in which talent, capital and ideas are globally mobile, it's Toronto and Montreal vs. Shanghai and Bangalore, Calgary vs. Houston, and Vancouver vs. San Francisco.

In fact, virtually every program of every level of government is manifested in a community – programs that provide shelter to the disadvantaged; that support culture; that help the integration of new immigrants; that make our streets safer. The federal government contributes very significantly in these and other areas. To be most effective there must be close co-ordination among the federal, provincial, and municipal governments. So the New Deal is also about making this happen – about replicating the kind of practical co-operation illustrated by tripartite agreements pioneered in Vancouver and Winnipeg.

A Liberal government will build on its substantial set of existing financial and program commitments to ensure that the New Deal becomes a central component of our strategy to secure Canada's success.

To support environmentally sustainable infrastructure, the Liberal government committed to provide \$5 billion to municipalities over five years. By 2009–10, this strategic investment in our cities and communities will be \$2 billion, equivalent to half of the 10 cents per litre of the federal excise tax on gasoline. To date, agreements in respect of “gas tax” sharing and guidelines regarding eligible use of the funds have been reached with 12 provinces and territories. This long-term commitment was recently bolstered by one-time spending of \$800 million over two years to fund public transit systems in Canadian cities. The gas tax transfer is complemented by the full rebate

of the Goods and Services Tax which will deliver more than \$7 billion over 10 years to municipalities of all sizes.



Maintaining vibrant communities

In 2004, the Liberal government accelerated funding under the *Municipal Rural Infrastructure Fund*, committing \$1 billion over five years rather than 10, essentially doubling the amount available for infrastructure projects, primarily in smaller communities and rural areas. We have ensured that 60% of these projects are “green”. A complementary initiative is the *Green Municipal Funds*, endowed with \$550 million from the Liberal government and managed by the Federation of Canadian Municipalities. The funds have been able to attract well over \$1 billion of municipal, provincial and private sector investment in a very broad range of environmentally sound infrastructure projects. There is an emphasis presently on the cleanup of abandoned, often contaminated sites – urban “brownfields”.

The on-going transfer of “gas tax” revenue and the GST rebate are important not only for their value, but also for their predictability. Infrastructure investments represent large commitments over long time periods and thus require extensive planning and lead time. The Liberal government has established three other major infrastructure support programs and, if re-elected will ensure they continue to be funded separately from the “gas tax” amount.

Supporting affordable housing

Liberals believe that adequate and affordable housing is an essential contributor to strong communities and to individual dignity. Good housing is a foundation for good health, employment, financial security, and social cohesion.

That is why the Liberal government created the *Affordable Housing Initiative* in 2001 to stimulate the construction of rental housing that would be within the means of low-income families, particularly in major urban centres. We have expanded the Affordable Housing Initiative to include rent supplements. We have also extended successful programs that ensure essential community supports for the homeless (SCPI) and that assist low-income families, including those with disabilities, in making critical housing repairs and accommodations (RRAP).

In partnership with the provinces and territories, a new Liberal government will develop a long-term *Canadian Housing Framework* that will establish new benchmarks for reducing both core-housing need, and the number of homeless across the country, as well as a strategy to achieve those benchmarks. We recognize the importance of the co-operative housing sector, and will ensure that federal housing programs developed within the Framework are available to new and existing co-ops.

STRENGTHENING CANADA'S REGIONS AND RESOURCE SECTORS

The emergence of new powerhouses like China and India is for many nations a double-edged sword of promise and predicament. For Canada, although the competitive challenge is real, our wealth of resources, scientific and technical expertise and significant export capacity have placed tremendous opportunities within our grasp.

Liberals are committed to the development of every region of Canada. In so doing we recognize the realities of today's global competition. That is why a viable plan for economic development must build on the inherent strengths of different regions and sectors. Today those strengths are abundant. Our approach is to take advantage of Canada's human potential and research excellence, to improve our commercial and value-added performance, and to position Canada at the centre of global trade networks.

Canada has perhaps the world's richest combined endowment of energy, forests, fish, and minerals. This abundance of natural resources has allowed Canada to be a world-leading resource producer and exporter – e.g., second in oil reserves (including the oil sands); first in hydroelectricity production; third in natural gas production; the largest exporter of forest products; and in the top five for the production of over a dozen minerals and metals. The Canadian agricultural and agri-food industry is among the most innovative in the world; is the third largest employer in this country; and has market receipts of more than \$31 billion. We have one of the world's most valuable commercial fishing industries, and export 75% of our production to more than 80 countries.

The Paul Martin government is committed to building the future of rural Canada by focusing on these resources and supporting further innovation and value-added production.

Agriculture

Since taking office in December of 2003, the Martin government has unstintingly supported Canada's farm families. Our objective is to work with Canadian producers to position them for long-term sustainable economic success while securing an enhanced quality of life in rural Canada.

Canada's agricultural producers have been facing a difficult combination of disease outbreaks, trade impediments, unusually poor growing conditions, rising input costs, and weak commodity prices. To help producers face these challenges, the Liberal government has provided more than \$3.3 billion in special payments to bolster farm incomes, especially in the cattle sector and for grains and oilseed producers. We are investing in rural and local community infrastructure through a variety of infrastructure programs, substantially augmented by new funds for all municipalities through the \$5 billion "gas tax" transfer and 100% GST rebate.



The Liberal government has also fought hard to ensure that Canadian producers are treated fairly in the on-going WTO trade negotiations, seeking an end to export subsidies, improving market access for Canadian products, and preserving the ability of Canadian farmers to maintain domestic marketing systems of their choice. The recent WTO Ministerial declaration in Hong Kong is less ambitious than we would have liked but it gave Canada the scope to continue to argue for flexibility in how countries provide market access improvements, a key objective for our supply-managed sectors.

Keeping Canadian Agriculture Strong

A Liberal government will implement an agriculture and agri-food policy focused on strengthening the fundamentals of the sector. We will:

- Advance rural development by supporting greater value-added to farm production, including:
 - Support for export market promotion of Canada’s agri-food products through our new CAN-Trade international strategy.
 - Investment in food safety and food quality initiatives to ensure a safe food supply for Canadians and to assist the export marketing of our products.
 - Amendments to the Agriculture Marketing Programs Act (AMPA) which will extend spring and fall advances to the livestock sector, increase advances from \$250,000 to \$300,000 and increase the interest-free portion from \$50,000 to \$60,000.
 - Patient capital investments via Farm Credit Canada.
 - Renewal of the Municipal Rural and other infrastructure funds.
 - New funding for access to broadband services.
- As a key part of the upcoming review of the Agriculture Policy Framework, we will work with farm leaders and the provinces to continue to improve the farm income support system based on lessons from the current business risk management experience and specifically to address improved methods of assistance in times of income disasters.
- Explore ways to help producers earn a greater share of the total value of agri-food products, drawing on the well-received “Easter Report” on *Empowering Canadian Farmers in the Marketplace*.
- Use the increasing demand for environmental stewardship to strengthen farm enterprises in creative ways. To this end, we will:

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- Establish a *National Renewable Fuels Standard* that will call for minimum of 5% mix of renewable fuels in gasoline and diesel by the end of 2010. This measure will create new economic development opportunities for farmers and rural communities, as well as advancing the government's commitment to reduce greenhouse gas emissions and smog.
 - Continue to fund conservation and greencover incentives, after the current program expires in 2007-08.
 - Develop domestic "offset credits" for farmers who adopt low-till or zero-till practices to reduce greenhouse gas emissions using the government's new Climate Fund.
 - Enhance the services provided by the Prairie Farm Rehabilitation Administration (PFRA) to promote a sustainable rural economy.
- Increase by 50% the lifetime capital gains tax exemption for all small businesses, including farmers, from \$500,000 to \$750,000 and index the exempt amount thereafter.

Fisheries

The Liberal government has taken a strong stand in support of Canada's fishing communities and oceans-related industries. We have put in place measures – e.g., a \$275 million vessel-replacement plan for the Coast Guard; and sharply increased surveillance and on-board inspection of foreign fleets – which, combined with stock recovery initiatives and sustained diplomatic and legal efforts, will eventually reverse the environmental damage that has been wrought.

A Liberal government will aggressively promote a much more effective international management regime, particularly for fish stocks that straddle the 200-mile limit. A more constructive tone in recent international gatherings is cause for optimism. But the bottom line is that overfishing must stop. So if progress falters, a Liberal government will take whatever action is needed, including direct enforcement, to protect the straddling stocks on the Grand Banks.

- *Protecting a fisher's legacy* – Fishing enterprises are family businesses and often have been so for generations. Our tax laws should recognize this. Therefore, a Liberal government will:
 - Amend the Income Tax Act to make the transfer of a fishing enterprise from one qualified fisher to another, eligible for the lifetime capital gains exemption for small business (which will be increased from \$500,000 to \$750,000). We will do this by adding fishing to the list of eligible enterprises, to be treated the same way as farms and small businesses;
 - Allow the tax-exempt transfer of a fishing enterprise from one generation to another. As is currently the case with farms and small businesses, this inter-generational transfer will not be subject to a maximum limit.

Forests

Forestry is one of Canada's founding industries, and continues to employ 360,000 people directly while supporting nearly one million jobs across the country. While Canadians are familiar with the softwood dispute with the United States, the industry also faces a number of other trade barriers and competitive challenges that are causing significant restructuring and consolidation. Future opportunities are bright but require the application of advanced technology and management innovation to enhance the industry's competitive position, improve its environmental performance, and take advantage of the growing bio-economy. The Liberal government has recently committed \$1.5 billion to help Canada's forest industry make the transition to competitive strength and sustainability.

- ***Building a competitive forest industry*** – A Liberal government will implement a comprehensive plan to enhance the competitiveness of Canada's forest industry and to support the communities that rely upon it. We will:
 - Support pre-competitive research in such emerging technologies as biotechnology, nanotechnology, and innovative building systems, and provide new incentives for commercial-scale application of transformative technologies.
 - Expand the existing incentives for thermal cogeneration of power and accelerate the capital cost allowance for forest bio-energy to encourage energy conservation and lower greenhouse gas emissions.
 - Promote export opportunities for wood products into growing markets such as China.
 - Provide loan insurance to enhance the creditworthiness of firms affected by the softwood lumber dispute.
 - Support economic diversification and capacity-building in communities affected by recent job losses.

Energy and mining

Canada's energy and mineral endowment is one of our greatest competitive advantages, and becoming more so as China, India and others multiply global demand.

A Liberal government will join forces with the provinces, territories and industry to support the development of Canada's energy resources. We have enormous opportunities in the oil sands, offshore oil and gas, hydro and nuclear. Investment in the oil sands alone is projected to be \$45 billion over the next 10 years, making it by far the largest attractor of private sector investment in Canada. Canada also aims to be in the vanguard of exciting new green technologies ranging from carbon sequestration and clean coal to wind power and biomass. We just have to get moving faster.

Meanwhile, Canada is a giant in the global mining industry with annual production value of about \$60 billion. The industry, including smelting and processing, employs directly some 390,000 in Canada. Mining also helps maintain Canada's sovereignty by putting people, equipment and activity on the ground in our northern frontier. Mining's positive contribution is not limited to rural and remote areas. It also creates high demand for high-tech consultancy, equipment and supplies. And this frontier industry is responsible for Toronto and Vancouver becoming the mining equity investment capitals of the world.

While recognizing provincial resource ownership and jurisdiction, all levels of government must ensure the competitiveness of the energy and mining sectors. To support their long-run economic and environmentally sustainable, a Liberal government will:

- Maintain a strong fiscal and investment climate by ensuring an internationally competitive tax system, especially relative to the United States, and promoting transparent and efficiently regulated capital markets ;
- Reduce overlapping and disjointed regulatory requirements – i.e., make regulation “smarter” and more efficient without compromising social and environmental goals;
- Invest heavily in science and technology to develop new knowledge and technologies that support sustainable natural resource exploration, extraction and use in Canada;
- Improve market access and address ongoing trade disputes and barriers.

Enhancing Canada's Northern sovereignty and development

The North is woven through Canada's history and our collective imagination. It is part of how we Canadians define ourselves. The Liberal vision of the North is a place where self-reliant individuals live in healthy, vibrant communities, and where northerners manage their own affairs – a place where northern traditions and respect for the land and the environment are cherished, and actions and decision-making are anchored in the principles of sustainable development.

- *A Northern Strategy* – Canada's North is at a critical juncture. There is unprecedented opportunity related to oil, gas, and diamond development. At the same time, northern communities are facing tremendous challenges with respect to infrastructure, housing, skills development, preservation of Aboriginal languages and culture, and the environment. To address these great opportunities and challenges, the Paul Martin government developed a *Northern Strategy*, the initial elements of which include:
 - *Foundations for economic growth* – e.g., support for major resource developments like the proposed MacKenzie Valley gas pipeline and the education and training of Aboriginal people whose skills are essential to resource development.



- *Safeguarding the fragile Arctic environment* – e.g., the Martin government has allocated \$4 billion to clean up contaminated sites, many of which are former federal facilities in the North. We also made strong representations in Washington as part of a concerted, and thus far successful, campaign to prevent drilling in the Arctic National Wildlife Refuge, home to many species, including a major caribou herd, that migrate between Alaska and the Yukon.
- *Increased northern science and research* – The Liberal government has pledged \$150 million of new money to bolster Canadian participation in the International Polar Year, including a targeted research program on climate change impacts and adaptation.
- *Affirming Canada's Arctic sovereignty* – The impact of climate change is already far more pronounced in polar regions than elsewhere. As shrinking ice cover leads gradually to a commercially viable North-West passage, Canada must establish a strong presence in its North through economic development, an enhanced defence presence and the increased surveillance of our northern frontier. To that end, under a Liberal government, the Canadian Forces will acquire 10 to 20 medium-altitude, long-endurance Unmanned Aerial Vehicles to greatly increase our capacity for northern surveillance. We will also increase the frequency of Aurora aircraft patrols in the North. This greater surveillance capability will be complemented by the planned launch in 2007 of Radarsat 2, an advanced imaging satellite that will also enhance our ability to monitor ship movements and detect pollution in our waters. We will do more to increase our direct defence presence in the North. We will base four of our soon-to-be-acquired new search and rescue aircraft – two in Yellowknife and two in Iqaluit. We will also create Arctic Search and Rescue Patrols made up of specially trained Canadian Rangers (members of the Canadian Forces reserves, many Aboriginal, who live and patrol in remote areas of Canada).

Regional innovation and economic development

The Liberal approach to regional development in Canada is to build on underlying strengths – e.g., a particular resource base, or concentrations of special skills, or clusters of expertise. Our focus is increasingly on developing advanced skills and innovation capacity since these are the fundamental drivers of sustainable economic success in a sophisticated economy like Canada's.

Through programs such as the Atlantic Innovation Fund, the Liberal government has spurred the growth of knowledge-based industries by building stronger linkages between universities and the private sector. We will continue to make investments in life sciences, information and communications industries, and ocean technologies among other research sectors. Our aim is to strengthen community-based clusters of innovation and entrepreneurship across the country. To that end, the Paul Martin government has committed more than \$1.3 billion over the next five years to strengthen support for innovation and local economic development through the regional development agencies (ACOA, CED-Q, FedNor, and WD) and the National Research Council. The regional development agencies are also uniquely positioned to help deliver federal

programs and facilitate our national priorities – for instance, initiatives related to the New Deal for cities and communities.

A Liberal government's approach to regional innovation and economic development extends well beyond this substantial investment in the regional development agencies. Liberal programs to support infrastructure; to assist small businesses; to fund environmental clean-up; and the on-going activities of the Department of National Defence and of departments such as Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, and Natural Resources Canada, among others, all contribute to regional development. Two further specific initiatives are particularly significant in upgrading the innovation capacity of our regions.



- *Building research capacity in regional universities* – We are accomplishing this by targeted investments in leading-edge equipment and facilities through the Canada Foundation for Innovation; by Genome Canada support for research at universities and hospitals; and by developing a world-class research faculty at smaller universities through the Canada Research Chairs.
- *High-speed access to the information highway* – Broadband technology is one of the genuinely transformative technologies of our generation and Canada boasts among the world's highest penetrations of broadband service. High-speed Internet access is increasingly an essential gateway to economic opportunities, education and even the latest in health care. Since 2002, the Liberal government's Broadband for Rural and Northern Development (BRAND) pilot program has helped accelerate the deployment of broadband services in close to 900 rural and remote communities. A re-elected Liberal government will invest a further \$100 million in support for high-speed access in rural, remote and First Nations communities.

Supporting small business

Small businesses are the thread of Canada's economic fabric, employing almost half of the private sector workforce and accounting for the majority of new job creation. The Liberal government has acted to strengthen small business by helping owners retain more of their earnings, and by providing incentives for investment in small business. Specifically, the Paul Martin government in the past two years has:

- Improved the tax environment for small and medium businesses and entrepreneurs by:
 - Ramping up the maximum contribution rates for RRSPs and eliminating the foreign property restriction;
 - Reducing personal taxes by raising the basic personal amount, cutting marginal rates, and eventually increasing the threshold when the top rate kicks in to \$200,000;
 - Reducing general corporate tax rates and scheduling phase out of the corporate surtax;

- Accelerating the increase of the income threshold (from \$200,000 to \$300,000) below which the 12% small business tax rate applies; and
- Improving access to the credit for scientific research and experimental development (SR&ED).
- Continued to reduce EI premiums, which have now been cut for twelve straight years from \$3.07 per \$100 of insurable earnings in 1994, to \$1.87 in 2006. This represents a saving for workers and employers of more than \$11 billion each year.
- Provided new resources for the Business Development Bank and Farm Credit Corporation specifically for venture capital investments, including at the earliest stages.
- Renewed and increased support for the 300 Community Futures Development Corporations which provide, among other services, loans to small local businesses in rural and small communities throughout Canada.
- Committed to streamline the business regulatory framework, particularly the burden of “form-filling” which falls especially heavily on the limited resources of small businesses. To tackle this problem, the Martin government has established an *Advisory Committee on Paperwork Burden Reduction*, co-chaired by a representative of the Canadian Federation of Independent Businesses.
- *New support for small business* – A new Liberal government will continue to strengthen support for small business. We will:
 - Increase the lifetime capital gains exemption for small business from \$500,000 to \$750,000 and index this amount thereafter.
 - Provide \$90 million of financial support over five years for information services of real value to small and mid-sized business, including:
 - ~ *BizPaL*, a web-based service that allows easy access to a customized list of permits and licences required from all levels of government for specific business activities. This will harmonize permit and licence requirements to reduce regulatory complexity.
 - ~ *Canada Business*, a primary source of business information, advice and referrals for entrepreneurs.

The dynamic nature of the small business sector is evident in the success of women entrepreneurs. Women currently own more than 800,000 businesses in Canada, and now account for more business start-ups than men. In this respect, the fastest growing segment of self-employed professionals is women aged 55 and up.

Women entrepreneurs face three challenges in particular: financing, information and skills development, and networking. The Liberal government has been addressing these issues – e.g., the

Business Development Bank has created a \$25 million fund specifically to help women expand their businesses and to seek new market opportunities outside Canada. The regional economic development agencies (ACOA, CED-Q, WD and FedNor) all provide services targeted to assist women entrepreneurs including counselling and help with financing. Industry Canada's Network for Women Entrepreneurs in Ontario provides web portal access to a wealth of business information for women, in addition to personalized mentoring services.

- *Maternity and parental benefits for the self-employed* – Women business owners still face challenges, particularly balancing work and family responsibilities. As self-employed entrepreneurs, small business owners typically do not pay into the Employment Insurance program and therefore do not qualify for EI maternity and parental benefits. Interest among the self-employed is growing, as the majority have indicated that they would be willing to pay premiums to have access to maternity and parental benefits. A Liberal government will immediately begin consultations with organizations representing the self-employed toward designing a maternity and parental benefits program that best suits their diverse need. We will look to international models – e.g., that of the UK – and we will also closely monitor the launch of maternity and parental benefits for the self-employed in Quebec.

With the help of Liberal initiatives like the Early Learning and Child Care program, and in light of the preponderant proportion of women in current university and college enrolment, we can look forward to a future where the economic disadvantages faced by women will be a thing of the past.

BUILDING A MORE GLOBALLY-COMPETITIVE NORTH AMERICA

By virtue of history and geography, Canada is an integral part of the North American economy. While this is among Canada's enduring advantages, it is increasingly clear that Canada, the United States and Mexico need to work better together to build a more competitive continent – a North America able to rise to confront the challenge, and especially to seize the opportunity, inherent in the growth of China, India, Brazil and other potential economic giants.

The *Security and Prosperity Partnership* launched in 2004 by Prime Minister Martin, US President Bush and Mexican President Fox is our collective answer. The Partnership seeks to achieve a common approach to protect North America from both external and internal threats, and to ensure the efficient movement of legitimate goods and services across our shared borders. The Security and Prosperity Partnership is an agenda for good jobs, safer communities, and a better quality of life.

In the past two years, the Martin government has taken a number of other noteworthy steps to strengthen Canada's relationship with the United States. We have:

- Established a special secretariat in Washington to better support parliamentary and provincial/territorial activities in the US capital; and

- Opened seven new consulates in the US, thus extending our ability to advocate for Canadian interests on issues such as softwood lumber, BSE, energy, and the environment.

Considerable integration of the North American economy is simply a fact – so we are all strengthened when we cooperate. The North American Free Trade Agreement (NAFTA) was intended to facilitate increased trade by establishing clear rules and due process to resolve disagreements. Despite our impressive trade figures and our strong relationship – for example, more than 95% of Canada’s trade with the US is trouble-free – it is inevitable that disputes will emerge from time to time. That is why we need a dispute settlement procedure that works and is respected by all parties, in letter and in spirit.

In Canada’s on-going dispute with the Americans over softwood lumber that obligation has been ignored by the US government. Despite having lost every step of the way through the arduous NAFTA dispute resolution procedure – most recently, by a unanimous decision of NAFTA’s “extraordinary challenge” tribunal where two of the three judges were American – the US government has refused to play by the rules of the game and accept the referee’s ruling.

As Prime Minister Martin said in New York in October, 2005:

“The problem is that, instead of honouring this decision, the United States has decided to ignore it. ...It’s a breach of faith. Countries must live up to their agreements. The duties must be refunded. Free trade must be fair trade.”

This issue goes beyond the particular case of softwood lumber because it calls into question the willingness of the US to put the rule of law above the pressure of domestic lobby groups.

- ***Insisting on respect for NAFTA*** – NAFTA continues to be of enormous benefit to businesses and consumers in Canada, Mexico and the US. It is one cornerstone of *North American* competitiveness, all the more important in a world of super-regions like the European Union and Asia. But for NAFTA to work, its rules simply must be respected and enforced. A Liberal government will continue to use every available means to pressure the US to abide by the letter and spirit of NAFTA and its dispute resolution procedure.

Standing Up for Canada on Softwood Lumber

The Government of Canada has led numerous legal challenges on behalf of our softwood industry for years. In addition to challenges at the World Trade Organization and under NAFTA, Canada has also taken action in the US Court of International Trade. The Martin government has raised the issue persistently and forcefully at the highest levels of the US Government and has taken the case to the US media and public.

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Canadians have remained united and resolved on this issue. Throughout it all, the Liberal government has provided assistance, most recently to help bridge the industry until the unfairly withheld duties are returned, and to help communities adjust. Now, as a result of new investment and a shared commitment by both management and labour, Canada's softwood industry is more competitive than ever before. The continuing priority of a Liberal government will be removal of these unfair and illegal duties and the repayment of duties collected.

On December 6, 2005 the United States Department of Commerce partially relented and reduced punitive duties on Canadian softwood lumber by close to half. While the reduction will bring some welcome relief to Canadian softwood lumber exporters, this positive development remains insufficient. The recent string of NAFTA decisions in Canada's favour continue to be valid and must be respected – the United States remains legally obligated to revoke the tariffs and refund, with interest, all duties collected, totalling more than \$5 billion. A Liberal government will continue to wage a vigorous legal and political fight with the US government and industry and will continue to consult with the provinces and Canadian industry on the best way to achieve a final and lasting solution.

EXPANDING CANADA'S TRADE HORIZONS

Canada is one of the world's most successful trading nations. We export more, as a percentage of our economy, than any other G-7 country. Canada's success in the global marketplace has spurred much of our economic growth, with estimates suggesting that rising exports have accounted in recent years for two out of every three new jobs.

This success also means that Canada is the most trade-dependent nation among G-7 countries. That is why Liberals are so strongly committed to a comprehensive, rules-based international trading regime. It is why we have been pushing hard for an ambitious outcome as the WTO's "Doha Round" of trade liberalization negotiations comes down to the crunch in the wake of the recent ministerial meeting in Hong Kong.

Globalization brings both an opportunity and a challenge. The opportunity comes from the vast new markets now opening up – for example, China and India will eventually bring two billion new consumers into the global economic mainstream. Their development is a tremendous new source of potential demand for Canada's resources, our technology and know-how. The challenge is presented by the huge increase in both the number and the sophistication of competitors.

We know that the American market will always be critically important for Canada. At the same time, our recent frustrations with softwood lumber and BSE have shown how important it is for Canada to develop other options as well. The opportunity to do that is greater now than it has been at any time since the end of the Second World War.

- *Positioning Canada in Global Business Networks* – The Liberal government will invest almost \$500 million over the next five years to implement *CAN-Trade*, a comprehensive network of

services and programs. This new trade promotion strategy will better position Canadian firms, particularly small and medium-sized enterprises, in China, India and other priority markets. Highlights include:

- A \$250 million *Global Success Fund* to assist smaller companies to link to global supply networks;
- Expanded trade officer representation in key markets, including China, India and Brazil;
- A *Corporate Social Responsibility Centre* which, in partnership with the private sector, will help ensure that Canadian activities in emerging markets foster social and environmental as well as economic goals; and
- The *Sustainable Cities Initiative*, which links Canadian companies to opportunities for improving the sustainability of major cities in developing nations.

Gateways to the World

As Canada broadens its trade horizons, significant new investments are needed to upgrade and expand the infrastructure that connects us to major growth markets.

That is why the Martin government announced in October, 2005, a *Pacific Gateway* strategy. A federal financial commitment of up to \$590 million will support investments in transportation infrastructure, secure and efficient border services and deeper links with the Asia-Pacific region. The initiative will reinforce British Columbia's position as a transportation gateway and will have major benefits throughout western Canada, enabling entrepreneurs to access huge emerging Asia-Pacific markets. The *Pacific Gateway Act*, introduced by the Liberal government on October 20, 2005, establishes a Pacific Gateway Council to promote consensus among a full range of public and private sector stakeholders and advise decision-makers on priorities for developing the Pacific Gateway.

A Liberal government will use the Pacific Gateway strategy as a model for elaborating a **national policy on strategic gateways and trade corridors**. The St. Lawrence, historically the gateway to the industrial heartland of North America, and the magnificent port of Halifax are natural channels, the further development of which will strengthen Canada's position in global commerce. At the same time, the volume of Canada-US trade is destined to keep growing, putting increased pressure on north-south corridors like the Windsor-Detroit crossing – the world's busiest. A Liberal government will replenish the Border Infrastructure Fund and will continue to co-operate with governments, shippers and stakeholders on both sides of the border to plan the long-term investments needed to keep trade flowing freely.



THE NEW LIBERAL PLAN FOR GROWTH AND PROSPERITY



Paul Martin's Liberals 

THE NEW LIBERAL PLAN FOR GROWTH AND PROSPERITY



In November, 2005, the Paul Martin government put forward a comprehensive blueprint for Canada's economic future – *A Plan for Growth and Prosperity*. That plan will guide a re-elected Liberal government. It is a plan to enhance not just Canada's standard of living, but more fundamentally, Canada's quality of life.

Many of the promised initiatives outlined in the previous sections of this platform – e.g., building the capabilities of people; advancing an innovative economy; expanding Canada's trade horizons – represent the concrete actions that will implement the Plan for Growth and Prosperity.

The Liberal tax reduction commitment

A key part of that plan is also to build the right investment environment, since investment is a fundamental driver of productivity, growth and jobs. Among the many factors that make for an attractive investment environment, a competitive tax system, for both persons and businesses, is particularly important in light of the intense and growing global competition for talent and capital. At the same time, an appropriate tax system must reflect more than simply competitive factors.

- First and foremost, taxes need to be *fair*. Those of lower incomes should pay proportionately less.
- Taxes should be *efficient*. For example, studies have demonstrated conclusively that reducing taxes on *personal income* – as Liberals have proposed – does far more to promote economic growth than reducing taxes on *consumption* (e.g., GST) – as the Conservatives have proposed.
- Taxes should be “*smart*.” When properly targeted, tax cuts can encourage desired forms of investment – e.g., in environment-friendly technologies – or desired forms of savings – e.g., for a child's education or to support a family member with a disability; or can increase the incentive to work.

Liberal governments have followed each of these common sense principles, first in providing a \$100 billion tax cut over five years beginning in 2000 – a tremendous dividend from the fiscal turnaround led by Paul Martin as Finance Minister. The Liberal government's 2005 budget included a further \$22 billion tax reduction (through 2010–11).

New Tax Relief for Canadians

The Martin government announced a \$30 billion tax cut in the November, 2005 Economic and Fiscal Update, including:

continued on next page



Items	Reduction 2005–2010
■ Increased basic personal amount as of January 1, 2005	\$6.3 billion
■ Reduced lowest marginal rate from 16% to 15% (January 1, 2005)	\$17.1 billion
■ Other personal income tax cuts	\$5.7 billion
■ New corporate tax cuts (beyond those in Budget 2005, which a Liberal government will fully implement)	\$1.1 billion
	\$30.2 billion

The first two of these cuts were passed by Parliament in late November. But the others, which contain important tax breaks particularly for middle income families, are not assured unless the Liberal government is re-elected.

A reduction in personal income taxes is the best way to deliver a given tax cut to individuals since it gives people complete freedom to choose how to use the extra dollars. Nonetheless, it is hard for people to translate the abstract description of a personal tax cut – based on marginal rate reductions, etc. – into a meaningful picture of dollars saved on one’s year-end tax bill. The following examples, drawn from the November 2005 Economic and Fiscal Update, illustrate the benefit of the Martin government’s tax reduction plan for three typical taxpayers.

	Total Relief: 2005 and 2006 combined
■ Single parent with one child, earning \$50,000	\$700
■ Two-earner family of four earning \$60,000 combined	\$934
■ Single person with no dependents, earning \$40,000	\$679

The tax reductions will eventually remove 860,000 lower-income Canadians from the tax rolls altogether, including 240,000 seniors. This is in addition to one million Canadians who no longer pay income tax as a result of the Liberal tax cuts announced in 2000.

Meanwhile, the Martin government’s *Energy Cost Benefit* will immediately provide \$250 for families receiving the National Child Benefit supplement and a similar amount for a senior couple receiving the Guaranteed Income Supplement (GIS).

While the great majority of the tax reductions are going to individuals, the Liberal government will also maintain Canada’s corporate tax advantage relative to the US. This is essential to encourage strong business investment in Canada. And investment is a key factor in promoting job creation, competitiveness, and growing incomes.

A Liberal government's tax commitments also include an innovative "smart" reduction that will be of great benefit to those working on very low incomes.

- ***Working income tax benefit*** – A person receiving social assistance will typically have his or her benefits reduced if their income increases. This can be a strong disincentive to taking a job since the loss of benefits – both cash and services – can offset, or even more than offset, the new income. This "welfare wall" is an inherent problem with all income-tested assistance programs and it has the perverse effect of trapping people on social assistance when it would be better for them, and for society, if they were able to re-enter the workforce.

That is why a Liberal government will create a working income tax benefit (WITB) to supplement the earnings of low-income workers to help "make work pay". The effect of a WITB is to encourage individuals to move from social assistance to the labour force by allowing them to keep more of the money they earn. Benefits under a WITB will be determined as a percentage of an individual's earnings (to a maximum benefit amount). The precise structure of a WITB would be the subject of consultation to ensure that provincially-administered programs and benefits are compatible. To illustrate one potential design among many, the WITB might be phased in at a rate of 30% of annual earnings in excess of \$3,000. It would be reduced, say, by 10% of net family income in excess of \$18,000. In this particular example, a single parent earning \$10,000 per year would receive a WITB of \$1,000 per year.

Securing Canada's success

The *Plan for Growth and Prosperity* is about taking the excellent performance of Canada's economy to the next level. It is about giving a major boost to *productivity* by equipping Canadians with the best technology, skills and work opportunities.

Ultimately, productivity growth is the key to overcoming Canada's demographic challenge – because as relatively fewer workers must support greater numbers in retirement, those who are working will be called upon to create more output. That is why innovation, investment and skills are so vitally important.

Taking Canada's economic performance to the next level is also the way to seize the opportunity and to meet the challenge of China and the other emerging giants. That is because only a globally competitive economy, and the businesses that comprise it, will be able to capture the new markets and withstand the new competitors.

So the *Plan for Growth and Prosperity* provides a new Liberal government with a winning response to both new forces that are shaping Canada's future. It is, in fact, even more than that. We also know that only a strong economy can ultimately generate the financial resources to sustain and build our social foundations. Only a dynamic, innovative economy will allow us to continue to create the Canada we want, and to secure Canada's success.

BUILDING THE CANADA WE WANT



Paul Martin's Liberals 

BUILDING THE CANADA WE WANT

The Values Liberals Bring to Government

Speaking to the senior ranks of the Public Service on September 20, 2005, Prime Minister Martin stated his view – the Liberal view – of the values that motivate the Canada we want to build.

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At the very core of the idea of Canada is our particular fusion of the values of social justice and economic opportunity – values that will be essential to Canada successfully meeting the challenges of the 21st century. Our values bring us together. They make our country the choice of people the world over. They guide the government in fulfilling its duties as guardian of our unity, security and sovereignty.

We value individual freedom. So we seek to give people the tools to succeed. We believe in our responsibility towards our fellow citizens and for future generations – a responsibility that we express through public undertakings, robust social foundations and an enduring commitment to human dignity.

Canada is at the vanguard of nations committed to the protection of human rights. We celebrate diversity in pursuit of common purpose and aspire to embrace inclusion and equality of opportunity; those things that define a shared citizenship. These values are codified in the Charter of Rights and Freedoms, a document that has for more than 20 years now played a pivotal role. It will continue to do so as we grow as a nation and advance as a society.



Our unique blend of values helps to define who we are, and how we will act to achieve our goals as a nation. These values endure even as time passes and circumstances change. They give shape to the idea that is Canada – a nation determined to leave no one behind; a nation with the ambition to be the standard against which others judge themselves.

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The successes that Liberals cherish today – the creation of our public health care system; bilingualism; multiculturalism; the Charter of Rights and Freedoms; the restoration of fiscal order – did not come about by chance. They are an extension of the values that set us apart from our political opponents and that guide our actions.

Liberals have always believed in the importance of respect for individual rights and freedoms, equality of opportunity for all, inclusiveness, compassion and honouring our differences. Indeed, it is these values that motivated the founders of Canada to create a country in which two languages and various cultures and religions co-exist peacefully. Because of the presence of francophones throughout Canada, their attachment to their language and culture, and the determination of Quebecers to affirm a distinct identity, Canada learned early on to handle diversity positively and constructively. Canada thus developed a unique vision and a unique social blueprint, and by welcoming successive waves of immigrants to our plural society, paved the way for the multicultural Canada of today.

This perspective is the foundation of the Liberal approach to the federation – an approach based on the twin principles of flexibility and accountability. In the interests of meeting national objectives, the provinces and territories are able to offer services geared to their particular realities while reporting on results to their own populations in a transparent and comparable way so Canadians can see that results are truly being achieved. This approach has proven effective in the history of Canadian federalism and more recently with the health accord; with agreements on early learning and child care; and with the New Deal for cities and communities. Liberals believe that diverse approaches to meet *common* objectives encourage innovation, which in turn fosters progress and strengthens our nation.

The whole of Canada really is much greater than the sum of its parts. All provinces benefit greatly from membership in a larger entity. More concretely, all benefit from Canada's fiscal stability and the federal government's "triple A" credit rating on international markets. And the prosperity that is shared among Canada's provinces and territories through our constitutional commitment to Equalization reflects our values, but also adds stability through good times and bad.

Of course, the value of Canada is much more than the concrete and quantifiable benefit of belonging to one of the world's richest and most favoured nations. Less tangible, but perhaps even more important, is the bond of commitment to the ideal expressed in the Charter of Rights and Freedoms.

This year marked the 20th Anniversary of the coming into effect of Section 15 of the Charter which states:

"Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability."

This section has become a fundamental expression of Canada's commitment to a society in which the equality of all persons is affirmed.

A Liberal government will build upon our strong record of defending rights of Canadians. The landmark *Civil Marriage Act* – which extends civil marriage to same-sex couples right across Canada – came into force in July 2005 and now stands as testament to the Liberal government’s unwavering commitment to fundamental equality rights.

The sections that follow are not to be read apart from those that have preceded in this platform statement. All are part of building *The Canada We Want*. All reflect the Liberal perspective on what Canada should stand for.

What follows is particularly illustrative of the values that Liberals bring to government:

- A compassionate determination to create a more accessible and inclusive Canada so that no person with a disability is left behind.
- A commitment to safe, tolerant communities in which racism, old world animosities and violence can have no part.
- A celebration of cultures that comprise Canada’s portrait to itself and to the world.
- A responsibility for stewardship of the environmental treasure that is Canada and for the contribution we can make to meet the global challenge of sustainability.
- And the values that motivate our role in the world as promoters of justice, security and prosperity.



AN ACCESSIBLE AND INCLUSIVE CANADA

“I believe that social policy, the things we do to help each other out and help each other up, is a window on the kind of country we are, and the kind of country we want to be. I believe we give ourselves the best chance to succeed as a nation when we rally behind the conviction that we must leave no one behind.”

– Paul Martin, 3 January, 2006

Twenty-five years ago, when Canadians celebrated the International Year of Disabled Persons, the Liberal government of the day took a bold position in favour of equality rights and participation for Canadians with disabilities. We made Canada’s Constitution the first in the world to protect people with disabilities from discrimination. Since the adoption of the *Canadian Charter of Rights and Freedoms*, equality for people with disabilities has become the way that Canadians think – the way that we see ourselves and value one another.

Today, people with disabilities are in schools, workplaces, and contributing to the vitality of Canadian communities. All governments in Canada, and all sectors of society, have worked to make this happen. And all have benefited.

Close to 3.6 million Canadians – almost 12 percent of the population – experience disability in some way because of their physical, psychological or health conditions. The incidence of disability is particularly severe among Aboriginal Canadians.

Despite a great deal of progress over the past 25 years, Canadians with disabilities and their families still face daunting barriers. Too many still do not experience the same Canada as those without disability. Access to education continues to be difficult. Early learning and care for children with disabilities continues to be very limited or to segregate children from their peer group. Working age people with disabilities suffer more than twice the poverty rate of other Canadians. People with disabilities are more likely to be unemployed or working on the margins. And when they are employed, earnings are almost 20% lower than for people without disabilities.

Liberals want to ensure that all Canadians can participate as full and active citizens – with dignity, respect, and hope. *This is the Canada we want.*

The Liberal vision for people with disabilities is therefore a vision of a truly *Accessible and Inclusive Canada* – accessible and inclusive not just for persons with physical disabilities, but also persons with psychological and other invisible disabilities. A Canada where – thanks to adaptation, technology and supports – all Canadians can live full lives with adequate opportunity, income, and economic security.

We have a ways to go. But the Liberal vision for an accessible and inclusive Canada is clear. Ten years from now, Canadians with disabilities will live in a country that has succeeded in providing access to disability supports and services so that Canadians with disabilities will enjoy the same Canada as other Canadians enjoy – where the only difference between Canadians with disabilities and those without will be the disability itself, not the quality of life.

The Paul Martin government has already made a significant start and will do more:

- **Supporting inclusion:** The Liberal government is committed to increasing educational and employment opportunities for Canadians with disabilities. We will:
 - Substantially increase – by \$150 million over five years – support for employability assistance programs of provinces and territories under Labour Market Agreements for Persons with Disabilities.
 - Improve access to post-secondary education facilities by earmarking \$135 million from the new \$1 billion Post-Secondary Education Innovation Fund to enhance access to advanced education for students with disabilities.

– Include, as a priority area in new Labour Market Partnership Agreements with provinces and territories, workplace-based skills development for persons with disabilities.

- ***Tax assistance:*** In Budget 2005 and the November *Economic and Fiscal Update* we have undertaken to implement all the recommendations of the Technical Advisory Committee on Tax Measures for Persons with Disabilities. Committing new funding of \$675 million over five years, we have extended eligibility for the Disability Tax Credit and increased the maximum Child Disability Benefit by almost \$600, or 37%. We have also increased the maximum amount of the refundable medical expense supplement (RMES) to \$1,000 from \$750 annually.

A Liberal government will build on the foregoing foundation a ten-year national strategy to realize our vision of an *Accessible and Inclusive Canada*. Key elements of the Liberal plan include:

- ***A Registered Disability Savings Plan*** (see Box) so that family members and others can help Canadians with disabilities save for the future. The RDSP will operate on the same principle as the Registered Retirement Savings Plan, in that savings will grow tax-free until they are accessed – giving Canadians with disabilities a new tool by which to achieve for themselves financial security.
- ***Sustained investment in disability supports and services.*** We recognize that Canadians with disabilities are too often excluded from participating in the full life of their communities. To make Canada truly accessible and inclusive requires a national effort to provide supports and services. A Liberal government will work with the provinces and territories to develop and implement a national plan to make it so. The investment of an additional \$150 million in Labour Market Agreements for Persons with Disabilities, noted above, is strong evidence of our commitment.
- ***Disability dimension in federal initiatives.*** The New Deal for Cities and Communities, for example, will place new emphasis on inclusion. The 2010 Winter Games will be the most accessible ever staged in the history of the Olympics. Federal procurement policy will ensure the appropriate treatment for consumers and contractors with disabilities. And our government will continue to improve as a model employer.
- ***Combating stigma and raising awareness.*** A Liberal government will work with the disability community and with provinces and territories, municipalities, business and voluntary organizations to eliminate stigma and to promote an understanding of disability. We will create, for example, a national employer network modelled on the highly successful Greater Vancouver Business initiative.
- ***Safeguarding an accessible and inclusive Canada*** – A Liberal government will review and strengthen existing legislative standards and expected outcomes through monitoring, enforcement and reporting. These actions will complement the Charter, the Canadian Human Rights

Act, and other federal laws that already provide strong guarantees of equality and freedom from discrimination. We will also consider whether a *Canadian Inclusion and Accessibility Act* may be required to close any gaps in existing laws and to reinforce current legislative measures to enhance the protection of rights and to eliminate barriers.

A Registered Disabilities Savings Plan

A Liberal government will implement a *Registered Disabilities Savings Plan* to fulfill a public policy objective to encourage and mobilize the savings of those who are caring for family members with disabilities. This is an important and innovative component of our vision of an *Accessible and Inclusive Canada*. It recognizes the modern demographic reality that even severely disabled persons can often expect a long lifetime and, increasingly, will outlive their parents.

The Registered Disabilities Savings Plan (RDSP) will be built on the model of the Registered Retirement Savings Plan (RRSP). Persons caring for a disabled and financially dependent family member will receive a tax deduction for contributions, up to a certain annual limit, to the new RDSP. Income from these invested contributions will be tax-sheltered, as in an RRSP, and could be transferred for the benefit of the disabled dependent after a specified holding period – say, five years.

Based on a detailed analysis performed for the Vancouver-based Planned Lifetime Advocacy Network, it is estimated that an RDSP, with an annual contribution limit of \$4,000, could eventually attract approximately \$230 million of yearly contributions on behalf of roughly 400,000 Canadians with disabilities who are both financially dependent and eligible to receive the Disability Tax Credit. This would be a very cost-efficient way for government to help to mobilize significant long-term family support for financially-dependent members with disabilities.

The precise design of the RDSP will be worked out with the disability community as well as with provinces and territories to minimize the claw back of income-dependent benefits for persons with disabilities. It is estimated that the program will cost \$100 million over the next five years.

Supporting Canada's family caregivers

The Liberal vision of an inclusive and accessible Canada encompasses not only those who must cope with disability or a mental or physical illness, but also those friends and family members who provide care.

Caring for an elderly parent, a disabled child, or an infirm friend is happening everyday in households all across our country. Canadians are giving generously of themselves to care for those they love, respect and admire. Caregivers nonetheless face the challenge of balancing work, their own health needs and caregiving responsibilities. The resulting stress and fatigue can often reach the point where caregivers become care receivers themselves.



The implications of our ageing population are nowhere more evident than in the area of unpaid caregiving. More and more women, our traditional caregivers, are in the work-force and families are smaller and more dispersed. It has been estimated that up to three million unpaid caregivers provide more than 80% of all the care needed by people with disabilities, long-term health problems and age-related infirmities. Approximately a quarter of middle-aged Canadians are providing informal, unpaid care to seniors. These voluntary commitments make an enormous contribution to Canada's social fabric and assume a large responsibility that would otherwise have to be borne by publicly-financed social and health care services.

For these reasons, Liberals committed during the 2004 election campaign to invest \$1 billion over five years toward development of a national caregiving agenda. Substantial information and experience has been gathered during extensive consultations with Canadians over the past year. Six priority areas for action have emerged:

- The need for enhanced respite supports for caregivers to relieve the stress and exhaustion of round-the-clock responsibility;
- The need for greater economic security for individual caregivers;
- A desire for better employment and workplace supports;
- A desire for improved information and navigation tools to assist caregivers to access available resources;
- A need to strengthen community caregiving organizations; and
- The need to build awareness and recognition of caregiving within our society.

Our \$1 billion commitment will be maintained. The plan will be developed in concert with provincial and territorial governments and we will maintain the original 24-month timeframe for completion of negotiations.

While these negotiations are under way, a Liberal government will act immediately in the following areas within the identified priorities.

- *Family Leave Program* – We will introduce a new program within the Employment Insurance framework to provide two months of benefits to care for a seriously-ill loved one. The leave can be taken in intervals, up to the two-month maximum, at any time during a person's working life. This is in addition to the existing *EI Compassionate Care Program*. The leave will be available to those qualifying for EI benefits. As well, we will immediately begin consultations with provinces and territories and groups representing the self-employed to examine how these measures might be extended. Eligibility for Family Leave will be based on a doctor's certificate as to the severity



of the care receiver's condition. The cost of this new program is estimated to be \$1.2 billion over five years but will be dependent on take-up. The cost will be covered by EI revenue.

- *EI Compassionate Care Benefit* – This program, introduced in 2004, provides EI benefits for those caring for a gravely ill close relative. Its objective and criteria are complementary to, but different from, those of the proposed Family Leave. Both will co-exist. A number of shortcomings have been identified in the existing program. These will be corrected. For example, we will expand the definition of family member beyond the current list of parents, spouses and children to include siblings, grandparents, grandchildren, in-laws, aunts, uncles, nieces, nephews, foster parents, wards and others considered like family by the gravely ill person. We will take measures to significantly increase the public awareness of the program, and undertake consultations with stakeholders and provinces to improve the program's accessibility by extending the current benefit to meet the needs of part-time workers. These modifications will be cost neutral since the program was significantly undersubscribed in its first year of application.
- *Caregiver tax credit* – We will increase the maximum amount that can be claimed under the credit from \$10,000 to \$15,000. To recognize the importance of reaching those individuals who are low to moderate income we will make the credit refundable. This will cost approximately \$10 million annually.
- *Community Caregiving Canada* – We will provide \$25 million over five years to encourage community-based solutions to caregiving challenges. The program will be modelled on the highly successful New Horizons for Seniors program.
- *Accessing resources for caregivers* – We will provide \$25 million over the next five years to assist in the development and improvement of information and navigation tools that will enable caregivers to locate community resources; to become aware of tax-based support; and to connect with others in similar circumstances.
- *Model employer* – We will ensure that the federal government, as an employer, is at the vanguard of human resource practises with respect to employees engaged in unpaid caregiving.

ENSURING A SAFE, SECURE AND TOLERANT CANADA

Canadians enjoy one of the safest, most secure and tolerant societies in the world. Because we want to keep it this way, we cannot be complacent.

In 2004, the homicide rate in Canada jumped 12%. Since 2001, handguns have accounted for roughly two-thirds of firearms-related homicides, double the proportion prior to 1990. A significant percentage of gun homicides are directly related to illegal activities such as drug trafficking and gang violence. It was in this context that Paul Martin unveiled, on December 7, 2005, a five-part strategy to make Canada's communities safer:

- *Banning handguns* – A Liberal government will amend the criminal code to make ownership of handguns illegal. We will invite provinces and territories – who have the jurisdiction to enforce the ban – to participate so as to make the ban national. Legitimate target shooters who meet strict requirements will be exempted. We will implement an amnesty and buy-back program to collect existing handguns. A national Gunstoppers Program will provide financial rewards for information leading to the removal of an illegal gun from the street.
- *More law enforcement* – A Liberal government will provide \$315 million over five years for:
 - an RCMP Advanced Community Safety and Rapid Enforcement Team, providing 250 additional officers to meet immediate policing needs related to guns and gang activity, as well as organized crime and drug trafficking;
 - investments in our Border Services Agency to hire 75 additional officers to stem the illegal smuggling of firearms into Canada;
 - a Rural Community Safety Plan to provide resources for crime prevention initiatives in communities with less than 100,000 residents.

We will also provide an additional \$10 million a year for 10 years to increase the number of graduating RCMP officers.

- *Community-based action* – We will provide a \$50 million *Gun Violence and Gang Prevention Fund*, adding to the National Crime Prevention Strategy, to focus on community-based programming for youth at risk, and skills development programs to engage young people in the workforce. Over the next five years, new program funding will go to organizations and governments working to reduce gun violence and gang activity in Canada's urban centers.
- *Tougher penalties* – A Liberal government will re-introduce legislation to crack down on violent crimes and gang violence, and to *double* the mandatory minimum sentences for serious gun-related crimes. These reforms will also prevent courts from using conditional sentences in cases where there was serious personal injury, including all forms of sexual assault; terrorist activities; and organized crime-related offences.
- *Waiving re-licensing fees for long guns* – This will encourage owners of these firearms to comply with the Canada Firearms Program.

A Liberal government will take further steps to make our communities and streets safer by re-introducing several pieces of legislation that died when the opposition parties forced the January election. We will bring back Bills to restrict the use of conditional sentences for serious and violent offences; help implement DNA data bank reforms; strengthen the law regarding investigation of drug-impaired driving; and toughen penalties for auto theft; and more heavily penalize street racing.

In July 2005, Bill C-2 (Child Protection) became law. This Bill, which was introduced by the Martin government, strengthens the criminal law to provide increased protection to children from abuse, neglect and sexual exploitation, including child pornography. It also included reforms to make testifying less traumatic for vulnerable victims/witnesses.

Committed to equality and tolerance

Safer communities go hand-in-hand with more tolerant and compassionate societies. A Liberal government will continue to promote tolerance by ensuring the protection of minorities. In particular, we will continue to develop justice initiatives – both domestically and internationally – aimed at combating racism, hate speech and hate crimes. As evidence of this commitment, Canada's first-ever *National Action Plan Against Racism* was launched in March 2005. And in July 2005, Canada signed an important international protocol to the *Convention on Cybercrime*, which encourages greater cooperation to fight racism and hate-motivated crimes committed through the Internet.

WEAVING AN EVEN STRONGER CULTURAL FABRIC

Liberals attach great importance to the cultural expression that helps to define the Canadian identity. Through culture we show the world who we are and what things are important to us. Through culture we discover our origins and our aspirations. Canadian culture reveals the uniqueness and richness of our society – its linguistic duality, aboriginal traditions and diverse population. It also shows our openness to the world.

Canada's authors, filmmakers, musicians and athletes are making a name for themselves internationally and demonstrating the vitality, creativity and innovation that set Canada apart. It is important to see government support for cultural expression through the arts, television, exhibitions, languages and heritage preservation as an investment and not simply an expense. As a vibrant sector of the economy, cultural industries create jobs here at home, increasing our prosperity. The Canadian cultural sector is a vital contributor to the economy, generating more than \$40 billion per year and providing jobs to nearly 600,000 Canadians.

Liberals applaud such excellence and will give their support so that culture can continue to strengthen our country, its unity, and our reputation abroad, all the while adding immeasurably to Canadians' quality of life. That is why a Liberal government will continue to strongly support Canada's culture through a range of programs and policies.

- *Tomorrow Starts Today* – The Paul Martin government demonstrated a clear commitment to culture and the arts by making one of the largest long-term financial investments in our history. We provided in the last budget new funding of \$860 million over five years under the *Tomorrow Starts Today* initiative, in addition to the \$740 million already invested since it was created by the Liberal government in 2001. This predictable funding will give stability to the

arts and culture sector in Canada. *Tomorrow Starts Today* supports excellence – promoting arts and culture to the general public and creating tools to help cultural industries flourish.

- **Canada Council for the Arts** – The Liberal government continues to support professional artists and non-profit arts organizations in Canada through the Canada Council for the Arts. On the occasion of the Council's 50th anniversary, a Liberal government will double Council funding to reach \$300 million by 2008.
- **Copyright** – Following several years of debate and consultation, the Martin government introduced legislation to amend the *Copyright Act*. Although this bill died when the opposition forced the election, a Liberal government will reintroduce it to give Canadian creators and their works protection without nullifying the great public benefits made possible by digital technologies.
- **Cultural diversity** – Canada's idea to create an international body to protect cultural diversity and cultural sovereignty became reality last October when a majority of UNESCO member countries signed the *Convention on the Protection and Promotion of the Diversity of Cultural Expression*. A few weeks later, the Liberal government approved the Convention, making Canada the first country to ratify it. We will now work to persuade as many countries as possible to follow Canada's example so that the Convention can come into force as soon as possible.
- **Vancouver 2010** – Liberals recognize the importance of Canada's athletes, their commitment to excellence and their perseverance. Therefore, the Martin government made significant investments through Sport Canada in the *Own the Podium 2010* strategy and in national and international events. By being well equipped, Canadian athletes will be able to excel when the world comes to Vancouver for the 2010 Olympic and Paralympic Winter Games.
- **Commitment to official languages** – Canadian linguistic duality is at the heart of our identity, culture and pride in citizenship. Therefore, a Liberal government will unequivocally support investments to enrich and protect our two official languages. The centerpiece of our commitment is the *Action Plan for Official Languages*. Launched in 2003, and funded with \$810 million over five years, the Action Plan supports the development of official language minority communities in the areas of education, community development and excellence in the federal Public Service. A Liberal government will renew the Action Plan in 2008, and will provide annual funding of \$215 million going forward.

ENVIRONMENTAL STEWARDSHIP – RESPONSIBILITY AND OPPORTUNITY

If every human being consumed as much as the average Canadian or American does today, it would take five planet Earths to provide the necessary resources. So the emergence of new economic giants like China, India and Brazil starkly emphasizes the need for the world to come to grips with the challenge of making economic development sustainable.



For Liberals, this challenge presents an opportunity for Canadians to become world leaders in a more efficient and planet-friendly economy. A Liberal government will take the steps necessary to put Canadians at the forefront of technological development, leading the way to solutions to global challenges. We need to use energy and other natural resources more efficiently, minimizing the waste and pollution that damages our environment and our health. This is about *resource productivity* – producing more with less.

With cleaner air, cleaner water, better use of nature's bounty and concerted action on climate change, Canada will be more competitive in a future global economy that must make the transition to sustainability. The countries that will succeed are those whose environmental and economic policies point in the same direction.

That is why the Liberal government launched *Project Green*, an integrated approach to sustainable development that uses the full range of policy instruments – market mechanisms, tax measures, and incentives for businesses and consumers. It encourages innovation and introduces a balance of regulatory and voluntary measures aimed at supporting both a healthy environment and a competitive economy.

The Liberal Environmental Record

Since 1997, Liberal governments have invested more than \$10 billion to promote environmental sustainability. Our most recent budget, which laid out a comprehensive plan to combat climate change, was the “greenest” in Canadian history. The Liberal government has invested in a wide range of initiatives to clean up the environment, protect wildlife and natural habitats, and provide environmentally sustainable infrastructure. We have acted to control invasive species and provided funds to address the mountain pine beetle infestation in British Columbia. We have moved to establish protected marine areas on all three coasts. We made targeted investments to encourage the use of new renewable energies, particularly wind and biofuels.

In April 2005, the Martin government released *Moving Forward on Climate Change* which details an ambitious strategy to meet Canada's Kyoto protocol commitments by reducing “greenhouse gases,” like CO₂ and methane, that are the main culprits behind global warming. Key measures include:

- *The Climate Fund* – A \$1 billion market-based institution will buy “emission reduction credits” from businesses, farmers, and others who invest to cut greenhouse gas generation in their activities.
- *The Partnership Fund*, which will allow us to work with provinces and territories to meet our climate change objectives through support for large strategic projects that result in significant emission reductions. Funding of \$2 to \$3 billion will be made available over 10 years.
- Regulatory measures that will establish “caps” on emissions by large industries and a 25% reduction target for automakers.

It is noteworthy that many of the initiatives aimed at reducing greenhouse gases have very important side benefits – e.g., cutting industrial air pollutants; reducing energy consumption and thus cost. The Liberal government has also:

- Committed \$4 billion to clean up contaminated sites across Canada.
- Invested to improve the ecological health and the physical infrastructure of our National Parks.
- Initiated the New Deal for Cities and Communities, which will commit large new ongoing funds to support urban transit and other environmentally sustainable infrastructure.
- Announced in October, 2005 almost \$1.2 billion to support a set of energy-efficiency measures for homes and buildings, including Energuide for Low-Income Households and incentives for home retrofits and for energy-efficient heating systems.

The Liberal plan for a sustainable Canada

The Liberal government's climate change plan was the first instalment of *Project Green*. We will build on these efforts, focussing in particular on four areas – clean air, clean water, protecting nature, and clean energy.



CLEAN AIR: Our climate change plan is improving air quality across Canada, with associated benefits for health and quality of life. A Liberal government will do more to ensure clean air through the following measures:

- ***Monitoring and standards*** – Expand air quality monitoring and reporting through the new *Air Quality Index*. It will provide Canadians with the information needed to protect their health. We will complement this by developing national air emission standards for smog-forming pollutants and toxic emissions and will work with the US to upgrade our joint air quality agreement. We will also lead the way in the UN Environmental Program initiative to develop a Global Mercury Reduction Agreement with key countries such as China.
- ***Renewable fuels standard*** – Introduce in cooperation with provinces and territories, a *National Renewable Fuels Standard* requiring, within five years, an average 5% renewable fuels content (e.g., biofuels like ethanol) in all gasoline and diesel fuel sold in Canada. We will maintain the excise tax exemption for biofuels. This initiative will contribute to cleaner air while stimulating a new biofuels industry in Canada and creating an important new market for farmers.

CLEAN WATER: *The National Ecosystem Initiative and Revitalization Plan:* A Liberal government, supported by the provinces, banned the bulk removal of water from Canada's watersheds. Those watersheds require our on-going stewardship. If re-elected, a Liberal government will implement a 10-year, \$1 billion *National Ecosystem Initiative and Revitalization Plan*.

The Plan covers the world's largest freshwater ecosystem – the Great Lakes-St. Lawrence River basin – as well as other key waterways under stress, including the Lake Winnipeg watershed. It will include actions to identify and restore the significantly threatened ecosystems that incorporate our waterways. These ecological systems are home to well over half of Canada's population and generate 75 per cent of Canada's manufacturing output and 25 per cent of agricultural activity.

The National Ecosystem Initiative builds on federal, provincial, and municipal shared-cost programs such as the Great Lakes Action Plan and the St. Lawrence Action Plan. While these initiatives have made a significant difference in many areas, more needs to be done to deal with key threats to our foremost ecosystems. The National Ecosystem Initiative will restore the areas contaminated by past actions – such as industrial toxins in the water and sediment, lost habitat, contaminated fish and wildlife – and keep pace with growth and development by addressing increased discharges from a higher population, intensive agricultural use, and new challenges such as non-point source contamination from the use of pharmaceuticals. The government will continue to address point-source pollution from industrial discharges into the water through federal regulations such as Canadian Environmental Protection Act and the Fisheries Act.



The billion dollar National Ecosystem Initiative and Revitalization Plan will include:

- Restoring degraded and threatened areas across the entire region of the Great Lakes and St. Lawrence, including Montreal's Technoparc and Hamilton Harbour, at a cost of \$500 million over 10 years.
- Restoring Lake Winnipeg's health through a reduction of pollutants, such as nitrogen and phosphorus, at a cost of \$120 million over 10 years; and establishing best practices for other key watersheds, at a cost of \$80 million over 10 years.
- Identifying and addressing current and growing ecological threats due to population growth, invasive alien species and new substances such as pharmaceuticals that make their way into the ecosystem, at a cost of \$100 million over 10 years.
- Investing in scientific research to improve our understanding of the dynamic effects of human activity, alien species and climate change on these ecosystems, at a cost of \$200 million over 10 years.

PROTECTING NATURE: Liberals are committed to safeguard the tremendous natural heritage that is Canada. We will advance a plan to address the most pressing conservation issues that fall within the federal government's mandate. It will include:

- *National parks and protected areas* – We will expand Canada's network of National Parks and Protected Areas to safeguard our most prized natural areas and protect habitat of greatest importance to wildlife. We will work with provincial and territorial governments

to establish or expand National Parks in Manitoba, Newfoundland, British Columbia, the Northwest Territories and Nunavut. A Liberal government will invest \$150 million over the next five years to support these developments.

CLEAN ENERGY AND CLIMATE CHANGE: At the recent United Nations Conference on Climate Change in Montreal, Prime Minister Martin issued a call to action in the following words:

“The time is past to debate the impact of climate change. We no longer need to ask people to imagine its effects, for now we can see them... The defining cause of climate change is human activity – primarily how we produce and use energy. And the simple fact of the matter is that our economies – indeed our societies – cannot sustain our patterns of consumption.”

The successful Montreal conference produced a call to action that Canada – as next year’s president of the UN Framework Convention on Climate Change – will be proud to lead. (See Box)

The greatest challenge in coming to grips with climate change is to break the long established linkage between economic growth and increased greenhouse gas emissions. Canada’s industrial base is energy-intensive, and energy use is responsible for about 85% of Canada’s greenhouse gases.

Fossil fuels will remain the most important source of energy in the world for the foreseeable future. Despite the significant environmental impacts, demand for fossil fuels is growing, particularly in China which now accounts for more than a third of the growth in world demand for oil. Clearly, the world needs technology breakthroughs to reconcile economic growth with a much reduced impact on climate. A Liberal government will focus on improving energy conservation and efficiency; transforming the energy economy through innovation; and increasing the supply of clean conventional sources of energy, as well as new forms of renewable energy.

The Montreal Action Plan on Climate Change

The Liberal government invited the world to Canada as the host of the recently concluded *United Nations Conference on Climate Change: Montreal 2005*, because it understands that Canada must assume its international responsibilities if we are to address the environmental challenges that face this country and the world as a whole.

This successful conference brought together over 180 countries to create the *Montreal Action Plan*, a road map for the world’s future approach to cooperation on climate change. As Canada’s Presidency of the United Nations Framework Convention on Climate Change continues through 2006, a Liberal government would lead the implementation of this plan. That means:

- Improving the Kyoto Protocol and the UN Framework Convention by strengthening and streamlining the mechanisms that encourage projects that reduce greenhouse gases and that support sustainable development in both developing and developed countries;

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- Assuring the implementation of effective international initiatives for adaptation to the impacts of climate change, and for technology development and transfer;
- Initiating discussions on the commitments for industrialized countries in the period beyond 2012, when the first period of the Kyoto Protocol ends.
- Launching a dialogue on long-term cooperative action on climate change that will allow *all* countries in the UN Framework Convention – including the United-States – to explore the innovative solutions that will bring the world together to fight climate change.

In taking the lead on the Montreal Action Plan, a Liberal government will seek to strengthen the world's resolve in addressing climate change, while at home Canada will push forward with its own initiatives to honour its Kyoto commitments.

BUILDING A MORE JUST AND SECURE GLOBAL COMMUNITY

The world is changing quickly and radically. We are in the midst of a major rebalancing of global power with nations like China and India rising as economic and military forces. Many established powers are striving to maintain their influence through regional integration and new alliances. Canada's security, prosperity and quality of life will be affected increasingly by global transformations and by the challenges they bring – from the spectre of international terrorism, to the threats of virulent disease, climate change, and disappearing fish stocks.

In a world of traditional and emerging giants, countries like Canada with small populations risk being swept aside, their influence diminished and their ability to compete hampered. That is why Canadians need a government that is focused and creative in the pursuit of the nation's interests.

Paul Martin, as Prime Minister, has demonstrated a proactive approach to Canada's engagement in the world – a commitment to ensure for Canada an even greater role of pride and influence (see Box). The Martin government's *International Policy Statement*, released in April 2005, sets out a comprehensive plan to sustain and guide that proactive momentum.

Canada's Influence in Global Affairs

A Paul Martin Liberal government will continue to carve out for Canada a role of pride and influence in the world, building on an impressive record of achievement as illustrated by the following examples of Canadian activism and leadership:

- A Canadian serves as the UN High Commissioner for Human Rights

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- Canadians led the International Mission for the January 2005 Iraqi Elections; commanded the International Security Assistance Force in Afghanistan; led the multinational force in Haiti; and a Canadian General chairs NATO's military committee.
- A Canadian chaired the board of the International Atomic Energy Agency last year, during intense discussions on how to curb Iran's nuclear ambitions; and in each of the past three years Canada has initiated resolutions, passed by the UN General Assembly, calling on Iran to improve its human rights record.
- Paul Martin was instrumental in pushing for a successful international campaign to ease the crippling debt burden of some of the world's poorest countries.
- Canada demonstrated international leadership in combating HIV/AIDS and other diseases in the developing world by becoming the first country to pass legislation permitting generic drug companies to produce patented pharmaceutical products for countries facing health crises.
- Canada was among the world's top seven donors following the December 2004 tsunami and the recent earthquake in Kashmir.
- Canada recently demonstrated international leadership on global environmental issues by hosting the UN Conference on Climate Change, in Montreal.

Leadership in diplomacy

Our world has been made smaller by jet travel and instantaneous communications, and made more interdependent through economic, environmental, and security concerns that are global in scope. In response, the international community has asserted greater collective responsibility for the well-being of the world's peoples. In areas ranging from human rights, to civil conflict, to the environment, the United Nations and other international organizations are addressing matters that historically lay solely within the authority of the nation-state.

A Paul Martin government will ensure that Canada plays a leading part in keeping international organizations relevant. That means going well beyond our traditional role as mediator. At the UN and elsewhere, Canada under a Liberal government will press proactively to make a real difference – for example:

- Prime Minister Martin's active leadership was key to the recent adoption by the UN of the *Responsibility to Protect* doctrine, which will allow for humanitarian intervention by the UN in situations where governments are party to, or fail to prevent, crimes against humanity such as "ethnic cleansing."

- Canada will continue to press for other important UN reform initiatives, such as the creation of a permanent *Human Rights Council*. As a demonstration of Canada's continued commitment to promotion of human rights, a Liberal government will launch a series of initiatives aimed at promotion and protection of human rights. These will include educational programs, scholarships, research, promotion of dialogue, and support for the planned Canadian Human Rights Museum in Winnipeg and the Global Centre for Pluralism in Ottawa.
- A Liberal government will pursue a “new multilateralism.” Specifically we will continue to lead the advocacy for a new forum – an L-20 – that would bring together the leaders of twenty or so leading countries from the developed and developing world to deal directly with some of the world's most pressing problems – for example, related to the environment; to the threat of pandemic disease; to international terrorism; and to reform of multilateral institutions themselves.
- The Liberal Government has consistently contributed to the Middle East peace process in many ways. In the past year alone, Canada has provided over \$50 million in funding to assist the Palestinians as they work to establish the institutions of a genuinely independent, democratic state.



A Paul Martin government will stand up for Canada's values, playing a proactive and constructive role to make the world just and secure.

- *Ban on weapons in space* – Liberals are firmly opposed to the weaponization of space and recognize that the best time to prevent an arms race in outer space is before one begins. While an existing international treaty explicitly forbids the stationing of *weapons of mass destruction* in space, there is currently no multilateral agreement banning the deployment of a broader range of weapons. A Liberal government will build on the international reputation earned through Canada's prominent initiatives on such issues as disarmament and the landmines convention and will lead an international campaign at the United Nations to establish a treaty banning *all* weapons in space.

Leadership in international development

The primary goal of development assistance, or foreign aid, is to help people to help themselves. With assistance from countries like Canada, developing countries have made real progress over the past 40 years. Life expectancy has increased by more than a third, to 63 years. Child mortality rates have been cut in half. Average incomes have doubled. And literacy rates have risen on average to more than 80%.

Despite this impressive progress, much remains to be done. Over one billion people still struggle to survive on less than a dollar a day. Entire generations in some parts of Africa are

at risk of being decimated by HIV/AIDS. Over 100 million children worldwide – two-thirds of them girls – are not in school.

In September 2000, the global community set specific targets – the UN Millennium Development Goals – to reduce poverty, hunger, disease, illiteracy, discrimination against women, and environmental deterioration by 2015. A Liberal government will continue to be committed to meeting these goals. At the same time, we want to ensure that our aid reaches the people who most need it and is not wasted on unnecessary overhead.

The international policy review undertaken by the Martin government concluded that Canada's annual budget for foreign aid – \$3.6 billion in 2005 – has been spread far too thinly across too many programs in more than 150 countries. The money we contribute to international assistance on behalf of Canadians has not been accomplishing as much as it could. That is why the Liberal government decided to narrow Canada's aid focus to 25 especially needy development partners, of which more than half are in Africa. Canada's new aid policy will also concentrate our spending on five key sectors that are the principal drivers of development – health, education, governance, indigenous private sector development, and the environment. Ensuring gender equality will be a common theme cutting across all five sectors.

A Liberal government, if re-elected, will implement the following specific initiatives:

- *Extending Canada's commitment to development assistance* – The international community has united around the common objective of poverty reduction. In 2002, donor countries agreed to support developing countries that commit to poverty reduction and put in place sound policies – what has come to be known as the “Monterrey Consensus.” The Liberal government committed in that year to double official development assistance (ODA) between 2001 and 2010. We will keep that commitment which implies that Canada's ODA will grow by 8% annually on average, the highest rate of sustained increase among major programs of the government.
- *Pearson Scholarships* – No name is more symbolic of the values and independent voice and global vision of Canada than Lester Bowles Pearson. To commemorate Pearson's pragmatic idealism and achievements, a Liberal government will establish the *Pearson Scholarship*.
 - Fifty scholarships will be awarded annually to attract the very best scholars from Canada's 25 development partner countries. The scholarships will be tenable at any Canadian university; may be for undergraduate or graduate studies and will be unrestricted as to field. The Pearson Scholarships will be long-lasting Canadian investments in our development partners and will serve over the years to forge strong bonds of co-operation and friendship.
 - Twenty-five Pearson Scholarships will also be awarded each year to outstanding Canadian scholars for study abroad in such fields as multilateralism, international development and

human rights – areas in which Lester Pearson left such a legacy. Over time, Canada will thus build an exceptional body of expertise to apply to the challenges of development and building stable democracies.

The scholarships will begin to be awarded in 2007–08 after the identification of a selection committee comprised of academics, international relations experts and foreign service professionals. The Pearson scholarships will cover the cost of travel, tuition, lodging and study. The estimated cost of the program is \$60 million over five years.

Supporting Canada's defence forces – New policy and new resources

The first duty of government is to protect its citizens. Today, that responsibility has been complicated by the emergence of new threats – failed and fragile states, international criminal syndicates, weapons proliferation, and terrorists prepared to act with no concern for the cost in human lives, including their own.

The international policy statement set out the Liberal government's commitments to defend Canada; to pull our weight in protecting the northern portion of the North American continent; and to preserve Canada's sovereignty, notably in the high Arctic. This new defence strategy includes the following key elements:

- ***Canada Command*** – A fundamental restructuring of our domestic military operations under a unified command that will make certain that Canada's military has a single line of command to more quickly and efficiently act in time of crisis.
- ***Expanded Canadian Forces*** – Our military strength will be increased by 5,000 regular troops and 3,000 reserves, with up-to-date equipment to do the job as safely as possible. This will enhance our ability to address situations of humanitarian catastrophe in a way that will allow Canada to play a leading role in peace support operations.
- ***New resources*** – We will provide an additional \$13 billion of investments in defence capacity over the next five years – the largest increase in the military budget in two decades. We will move forward with the procurement of a new tactical airlift fleet for the Canadian Forces. It will allow for the acquisition of new medium-heavy capacity helicopters, logistics trucks, search and rescue utility aircraft and specialized facilities for Joint Task Force Two, Canada's elite anti-terrorist troops. With these investments, the Canadian Forces will be able to do more of what they already do so well.
- ***Commitment to transformation*** – With the historic increase in defence funding in the last budget, the Defence Policy Statement as part of our international policy review, and the appointment of new military leadership with extensive mission experience abroad, the Martin government has set in motion the most significant transformation of the Canadian Forces since the Second World War. This transformation will result in a more operationally focused



military that is better structured, trained and equipped to contribute to security in Canada while helping establish stability in troubled places abroad. A Liberal government remains committed to providing the resources necessary to transform Canada's military.

The best way for Canada to make a difference in post-conflict situations is to pursue a "3D" approach, undertaking Defence efforts to strengthen security and stability, pursuing Diplomacy to enhance prospects for nation-building and reconstruction, and making certain that Development assistance is brought to bear most effectively.

- *Security and reconstruction in Afghanistan* – Putting this integrated approach into action, the Martin government sent a "Provincial Reconstruction Team" to Kandahar in August 2005. This hazardous new mission is part of sharing the global burden of confronting terrorism in one of its prime breeding grounds. It will give a fledgling democracy the chance to find its footing and bring hope to the Afghan people. The integrated team is comprised of Canadian Forces members, as well as officials from the Canadian International Development Agency (CIDA), Foreign Affairs Canada and the RCMP. The goal is to assist the Afghan authorities in providing governance and security, as well as delivering basic services to citizens. In February 2006, Canada will deploy a Task Force and Brigade Headquarters to Kandahar, bringing the number of Canadian personnel in southern Afghanistan to over 2,000. In addition to this ambitious mission, Canada has been providing expertise and direct assistance in other areas of conflict, notably in Haiti and in the Darfur region of Sudan.
- *Pearson Peacekeeping Centre* – Canada has a proud history of peacekeeping and is now a world leader in peace support operations. The *Pearson Peacekeeping Centre*, with its principal campus on the former Cornwallis military base in Nova Scotia, provides unique expertise and training in peacebuilding and conflict prevention for civil and military officials from many partner countries. Over the next five years, a Liberal government will provide long-term funding of \$20 million to ensure the Pearson Peacekeeping Centre can continue to offer training for peace operations that is relevant to the 21st century security environment.



ACCOUNTABLE AND EFFICIENT GOVERNMENT



Paul Martin's Liberals 

ACCOUNTABLE AND EFFICIENT GOVERNMENT

In order to lead, government must have the informed consent of Canadians. This requires that government be transparent and accountable in all it does. The Paul Martin government met that test by dealing directly and immediately to clean up the abuses related to the sponsorship program. Those abuses were very much the exception in the government and public service of Canada and Prime Minister Martin took exceptional steps to deal with them. At the same time, the Liberal government adopted the highest standards in creating new laws and procedures to make Canada's government among the most accountable in the world. Specifically, the Paul Martin Liberal government:

- Cancelled the sponsorship program as its first act upon taking office two years ago.
- Comprehensively responded to the Auditor General's report on the sponsorship program by:
 - creating the independent Commission headed by Mr. Justice Gomery and sending the Commission's first report to the RCMP for appropriate action;
 - appointing a Special Counsel to recover any misappropriated funds; and
 - repaying *all* the funds identified by Judge Gomery that went inappropriately to the Quebec wing of the Liberal Party.
- Created Canada's first independent Ethics Commissioner and the Senate Ethics Officer, and issued clear guidelines regarding the conduct and responsibility of Ministers and other public office holders.
- Implemented new proactive disclosure policies for travel and hospitality expenses of senior managers, ministers, and their staff. Government contracts over \$10,000 are now also published on the Internet.
- Introduced the *Public Servants Disclosure Protection Act* – the “Whistleblowers Act” – to protect government employees who come forward to report wrong-doing.
- Improved public service management by establishing a stronger Comptroller General function with independent comptrollers in every department, and a new Internal Audit Policy for the Government of Canada.
- Created stronger governance of crown corporations, including a merit-based appointment process for chief executive officers, directors and board chairs.



- Strengthened Parliamentary democracy by:
 - giving more freedom for Government members of Parliament to speak out on behalf of their constituents by allowing more “free votes” in Parliament;
 - increasing the opportunities for Parliamentary Committees to propose changes to government bills; and
 - implementing transparent nomination and approval procedures for key government appointments, including to the Supreme Court, boards of crown corporations, and agencies.

Mr. Justice Gomery is scheduled to release the second phase of his report on February 1, 2006 which will make recommendations based on his investigation of the circumstances that led to abuses in the sponsorship program. Prime Minister Martin had promised to call an election shortly after the release of Judge Gomery’s recommendations. But the opposition parties chose to reject that reasonable timetable and have forced an earlier election over the holiday season. A Paul Martin government will immediately submit Judge Gomery’s second report to a Parliamentary Committee for study and advice to the government and to Parliament.

- *Democratic reform and renewal* – A Liberal government will continue to explore the underpinnings of democratic renewal, following an initial series of successful Parliamentary reforms that began in February, 2004 with the *Democratic Reform Action Plan*. The Martin government subsequently established a series of Regional Roundtables with key stakeholders, academics and other groups to probe underlying issues and questions that call for democratic reforms. Parallel to this, the government commissioned academic research in select fields. In the coming year, a Liberal government will engage in dialogue with Canadians to define the values and principles they wish to see reflected in their democratic institutions.

INVESTING TO SECURE CANADA'S SUCCESS



Paul Martin's Liberals 

INVESTING TO SECURE CANADA'S SUCCESS

The new financial commitments made in this platform are affordable. They reflect the sound approach to public finances that has been the hallmark of Paul Martin in his twelve years in government – as Finance Minister and Prime Minister. We will continue to balance the budget and to provide a Contingency Reserve to protect against the unforeseen. If that annual reserve is not needed, it will go to reduce debt and future interest payments, thus freeing up new resources to finance the priorities of Canadians. And if there are unanticipated surpluses, we will allocate them equally among tax cuts, investments in priorities, and further debt pay-down.

Summary Fiscal Projections: Table 1

Table 1 below summarizes the full fiscal context of the Liberal platform commitments. The explanation of the lines in the Table is as follows.

Line 1 – the *status quo* underlying surplus – is the difference between projected revenue and expenditure based on the measures already taken in Budget 2005 and before, but excluding any measures implemented or promised after the February 2005 Budget. This line is derived from the average of detailed economic and fiscal projections by an expert group of private sector economic forecasters and presented in the government's *Economic and Fiscal Update*, released in November 2005 (the "Update"). The projections are based on tax and spending policies in place as a result of last February's Budget and are the most authoritative and objective forecasts that exist. (See pages 71–99 of the Update for the details and methodology.)

Line 2 is the Contingency Reserve which is set aside at the beginning of each fiscal year as a hedge against the unforeseen. We will maintain it at \$3 billion. Given that this fiscal year is now three-quarters complete, we have reduced the Contingency Reserve for 2005–06 to \$2.5 billion. Any remaining portion of the reserve that is un-needed at fiscal year-end will be used to reduce the government's debt.

Line 3 summarizes the cost of all the measures implemented by the Martin government after Budget 2005, but before the Update. These total \$10.8 billion and are detailed in the Update Table 1.2 (page 13 of the Update). They include, for example, the government's response to higher energy costs including payments this winter to low-income families; the cost of our military's extended mission in Afghanistan; a substantial reduction of airport rents; and an agreement with the Province of Ontario that included significant new funds for immigration settlement, higher education, affordable housing and the environment.

Line 4 is the cost of the measures in the Economic and Fiscal Update, including the personal income tax cuts proposed by the Martin government in the Update and passed by Parliament before dissolution. These tax cuts are now in effect. They include steady increases in the Basic

Personal Amount – i.e., the amount every Canadian can earn tax-free – and a reduction of the lowest marginal rate from 16% to 15%, both effective retroactively to January 1, 2005

Line 5 contains \$11.2 billion of measures announced after the Update but before the election writ was issued. These are summarized in Table 2 below and include commitments made during the November meeting of Aboriginal leaders and First Ministers; emergency assistance for grains and oilseeds farmers; funds for forestry industry modernization and community relief; and improvements to our immigration system, among others.

Line 6 is the difference between Line 1 – the original underlying surplus – and the sum of Lines 2, 3, 4 and 5. This is the starting point for the platforms of all Parties – i.e., the fiscal “room” of \$18.3 billion potentially available for the measures they propose.* Any Party not starting from this baseline must explain which of the foregoing measures they would change. For example, would they roll back legislated tax cuts? Would they cut programs already approved and up-and-running from past Budgets?

Line 7 contains **\$4.1 billion** of new initiatives Liberals are committing to in this election campaign through January 7, 2006. These are summarized in Table 3 below.

Line 8, totalling **\$14.2 billion**, is the difference between Line 6 and Line 7 and is the amount available for further measures. A portion of this balance will be allocated to initiatives to be announced later in the campaign. A final reconciliation will be provided before election day.

Campaign announcements: Table 3

The amounts in Table 3 are six-year cost profiles of initiatives unveiled during the campaign through January 7 – whether in various campaign announcements or in this document. Where relevant, we have included amounts already set aside in the Update – e.g., to enhance access to post-secondary education. At the foot of Table 3 these “Update amounts” have been backed out to show, as the bottom line, the net new funding required – i.e., \$4.1 billion.

The year-by-year cost profiles have been estimated roughly where that was possible. In the other cases they have been simply prorated equally over the full five-year commitment. Future budgets will refine the cost profiles. The totals in Table 3 are therefore much more significant than the annual profiles, subject only to the proviso that there be no deficit in any year.

*We have not included the extra “prudence” amounts used in budget forecasting. These amounts would normally become available for measures, but if the best projections used here turn out to be in error, a Liberal government will make adjustments in future to stay out of deficit.

TABLE 1

Fiscal Outlook Including Announced Platform Measures							
	(billions of dollars)						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
1. Status quo underlying surplus	13.4	15.0	16.4	15.7	16.5	19.8	96.8
2. Less: Contingency Reserve	(2.5)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(17.5)
3. Less: Measures implemented after Budget 2005 and before the Update	(2.3)	(1.8)	(1.8)	(1.9)	(1.6)	(1.5)	(10.8)
4. Less: Measures in the Update	(6.6)	(6.0)	(6.1)	(5.8)	(6.0)	(8.5)	(39.0)
5. Less: Measures proposed after the Update, but before Nov. 25, 2005	(1.9)	(1.8)	(1.7)	(2.0)	(1.9)	(1.9)	(11.2)
6. Balance available for new initiatives	0.0	2.4	3.8	3.1	4.0	5.0	18.3
7. Initiatives announced in the election campaign through Jan. 7, 2006	0.0	0.5	0.7	0.9	1.0	1.1	4.1
8. Available for further measures	0.0	1.9	3.1	2.2	3.0	3.9	14.2

Sources for Table 1

Line 1 – Economic and Fiscal Update (November 2005), Table 1.3, p 14

Line 2 – Contingency Reserve reduced by \$500 million in fiscal year 2005-06, given reduced need with three-quarters of FY elapsed.

Line 3 – Update, Table 1.2, p 13

Line 4 – Update, Table 1.1, p 12

Line 5 – See Table 2 below

Line 7 – See Table 3 below

Note: Totals may not add due to rounding

TABLE 2

Measures Proposed Since the 2005 Economic and Fiscal Update and Before 25 November, 2005	
Major Items	Total 2005-06 through 2010-11 (billions of dollars)
Meeting of Aboriginal Leaders and First Ministers (Nov. 2005)	5.5
Forest Industry Competitiveness Strategy	1.5
Emergency assistance for Canada's grains and oilseeds producers	0.8
Improvements to immigration system	0.7
Federal Election	0.3
Other (net of amount previously set aside in fiscal framework)	2.4
	11.2

TABLE 3

Initiatives Announced During Campaign (Through 7 January, 2006)							
	(\$ millions)						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	TOTAL
Increased capacity to reduce Wait Times*	300						300
Health Care Guarantee Fund		5	10	15	20	25	75
Accountability and Wait List Management		4	4	4	4	4	20
Canada Health Infoway*	50						50
Providing 1000 Family Doctors		7	18	25	25	25	100
National Cancer Strategy		60	60	60	60	60	300
Enhanced Student Financial Assistance: The 50/50 Plan*			350	400	500	600	1,850
Canada Access Grant*		110	110	110	110	110	550
Pearson Scholarships		2	10	13	15	20	60
Apprenticeships (Waiver of 2-week EI wait – EI funded)							
Working Income Tax Benefit*			125	500	625	1000	2,250
Registered Disabilities Savings Plan			5	15	30	50	100
Measures to assist persons with disabilities*	140	30	35	45	75	75	400
Family Leave Plan (\$1.2B/5yrs funded by EI)							
Caregiver Tax Credit		10	10	10	10	10	50
Community Caregiving Canada		5	5	5	5	5	25
Caregiver navigation tools		5	5	5	5	5	25
New Horizons for Seniors		5	10	10	10	15	50
MEANS (cost neutral)							
Extend conservation and greencover incentives				30	30	30	90
Increase lifetime capital gains exemption for SME to \$750K	15	60	60	65	70	70	340
Access to the capital gains exemption by fishers	10	50	50	50	50	50	260
Rural and Aboriginal broadband*		20	20	20	20	20	100
Buy-back existing handguns & Gunstoppers		30	30	30	30	30	150
Waiving re-licensing fees for long guns	15	20	20	20	20	20	115
RCMP Rapid Enforcement Team		25	35	50	50	65	225
RCMP graduates		10	10	10	10	10	50
Rural Community Safety Plan		10	10	10	10	10	50
Investments to stem the illegal smuggling of firearms		8	8	8	8	8	40
National renewable fuels standard		0	50	100	150	200	500
Great Lakes/St. Lawrence Ecosystem		25	35	50	70	70	250
Restoring health of Lake Winnipeg		10	10	10	15	15	60
Research on threats to major ecosystems		10	20	30	40	50	150
Sustainable management for other key watersheds		5	5	10	10	10	40
National Parks and Protected Areas		30	30	30	30	30	150
Immigrant landing fee waiver		80	145	210	210	210	855
Sub-total	530	636	1295	1950	2317	2902	9630
Less: Amounts funded in Update	490	160	640	1075	1330	1805	5500
Total net new cost through 7 January, 2006	40	476	655	875	987	1097	4130

* Items with asterisk are to be funded from amounts included in the Update

Committed to fiscal responsibility

The measures put forward in the Liberal Platform are responsible and affordable. This can be seen from the charts below that trace government revenue and program spending since 1993–94, measured relative to the size of the Canadian economy. Projecting these ratios forward – based on the forecasts in the Update and augmented by the new measures in the Platform – shows that revenue is expected to continue to decline as a percentage of GDP, reflecting our proposed tax reductions. Spending on programs – even if campaign initiatives after January 7th used substantially all of the available “room” in the bottom line of Table 1 – will be flat as a percentage of GDP, at about 12.3%. This will allow a Liberal government to maintain its record of fiscal prudence and continue to retire debt, while reducing the taxes Canadians pay and making the public investments that will secure Canada’s success.

