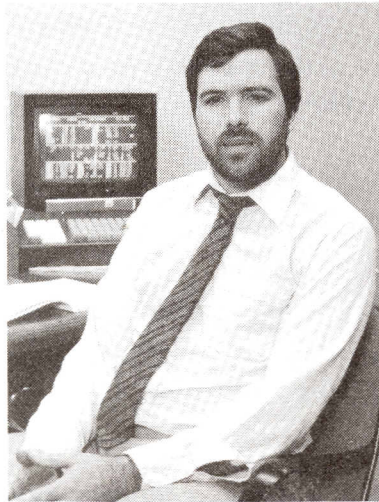
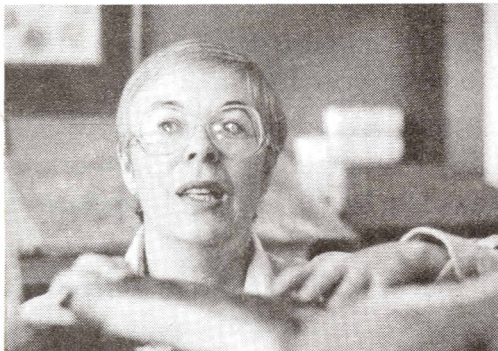


CANADA WORKS WHEN CANADIANS WORK

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Canada's New Democrats present

A Strategy for Full Employment

A message to Canadians from Audrey McLaughlin



The coming election will be a vote on what has happened to this country over the past 10 years.

During that time, the federal Conservatives have worked hard to create two Canadas — one for the rich and one for the poor.

The middle class in Canada is being dismantled. The Conservative government has changed the rules to support corporate shareholders and rich investors at the expense of middle-class Canadians who must work for a living.

The middle class now faces an economic “recovery” without new jobs. It’s being crushed by an unprecedented tax load. Young people live in a world where jobs are part-time or short-term. Vital services like health care are stretched to the breaking point.

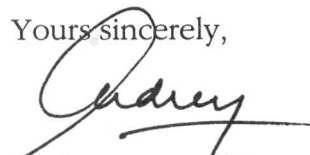
If the next Parliament ignores these issues, we face a future where rich and poor are deeply divided, with separate hospitals, schools, and neighbourhoods. Jean Chrétien’s Liberals refuse to say where they stand. Only the New Democrats will keep your issues — jobs, fair taxes, medicare — front and centre.

Canada's New Democrats want to move in a new direction. We believe the federal government must act to protect all the people who are being swept aside by the wealthy and powerful.

Canadians want a plan to renew the economy and put more people back to work. The New Democrat **Jobs Plan** contains sensible, realistic proposals for restoring Canadian jobs and Canadian pride.

Canadians need New Democrats in Parliament.

Yours sincerely,



Audrey McLaughlin

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A Strategy for Jobs

Canadians have the right to know exactly what political parties stand for — before they get elected.

Canada's New Democrats have presented a detailed plan for the economy, with costs attached. It calls on the federal government to make jobs the number one priority. The document you are reading — *Canada Works When Canadians Work* — is a summary of the detailed plan. The key proposals:

- A **national infrastructure program** would create jobs immediately, and improve the efficiency of road and communications system. This investment would provide a long-term payoff.
- **Real tax reform** would move towards a tax system based on ability to pay.
- A **national child care program** would double the number of child care spaces over five years. This program would give children a good start, create jobs, and make it easier for parents to find and keep jobs.
- A **national investment fund** would provide venture capital through the Federal Business Development Bank to small and medium-sized Canadian business, co-operatives and community development enterprises.
- A **national training strategy** would improve training and development — a critical need in an increasingly complex economy.
- A **national research and development strategy** would invest in the future.
- A **balanced monetary approach** to keep real interest rates lower would put an end to Bank of Canada policies designed to engineer recessions.
- A **pro-Canada trade policy** would end the Conservative trade deals that have cost us jobs and hurt our ability to make decisions as a country. We favour increasing trade within the framework of GATT.

This plan would create an additional 500,000 jobs over five years. And the independent forecasting firm, Informetrica, reports that it would allow the federal government to reduce its deficit at the same time.



“I’m worried about job security. For me. For my husband. For my kids.”

“I have to tell you that I was pleasantly surprised... What we found is [the Jobs Plan] tended to reduce the size of the deficit.”

**— Carl Sonnen,
Vice-President
Informetrica Ltd.**

PROBLEM: No jobs

We can’t stand another five years like the last five. Secure jobs seem a thing of the past. Companies are closing. There’s no such thing as a job for life any more.

Our children face a bleak future. How can young people raise families and build a life when there aren’t enough decent jobs for them? It’s worse for older workers. If they lose their jobs they can be “thrown on the scrap heap” for life. And things are really tough if you happen to be a woman. Or a member of a visible minority. Or a native person. Or a senior. Or from a resource community...

It’s no wonder that people are turned off, frustrated and angry.

Liberal and Conservative governments have never made jobs a priority. **Tax breaks** for the wealthy and powerful have resulted, not in jobs, but in an unfair tax burden on working families and small business. **High interest rates** and fiscal policies helped the banks but created unemployment, recessions and massive public debt. **Conservative trade deals** have sent Canadian factories, investment and jobs to the U.S. and Mexico.

RESPONSE: A verified plan for job creation

Canada’s New Democrats have responded. They have developed a *Strategy for Full Employment* — **the Jobs Plan**. The strategy lays out exactly how the NDP would create **500,000 additional jobs** in Canada over five years, and allow the federal government to reduce its deficit at the same time.

The Jobs Plan works.

The **Jobs Plan** is designed to generate 500,000 more jobs over the next five years than are currently projected.

Canada’s New Democrats submitted the **Jobs Plan** to Informetrica Ltd., a company that advises corporate and government clients. Informetrica used its computerized economic model and said that the **Jobs Plan** works. They agreed that the plan would increase economic growth, reduce the deficit, reduce inflation, and hold the line on taxes for low- and middle-income people

PROBLEM: Unemployment is costly for everyone.

Liberal and Tory governments have created massive debts for Canada. Tax give-aways, wasteful spending, and high unemployment policies have combined to reduce Canada's ability to pay its way.



In 1988, Brian Mulroney's Conservatives promised that their trade deal would create jobs. Instead, it has cost us hundreds of thousands of jobs and billions in taxes because people with jobs pay more taxes.

"...Over the five years [covered in the plan], inflation is about 1.5% less each year. In turn, this is reflected in lower nominal interest rates. The economy is about 2.8% larger in 1998, employment is 2.2% greater."

**-- Mike McCracken
President, Infor-
metrica**

Unemployed people pay less income tax because of their lower incomes, and they need more government services. Between the costs of needed services and taxes not collected, **each unemployed worker costs governments a total of \$17,500 per year.** That's more than **\$26 billion lost for 1.5 million unemployed workers** — close to the entire national deficit!

RESPONSE: Pay down the deficit by getting Canadians working.

The **Jobs Plan** tackles the deficit head-on. Independent analysis confirms that following the plan will lead to a gradual but sure reduction in deficits and debt.

There's only one way to pay down the debt. We've got to get Canadians back to work. If you don't have a job, you can't pay taxes. If people can't pay taxes, we can't beat the deficit. It's that simple

Full employment means a smarter economy.

What's so great about the Jobs Plan?

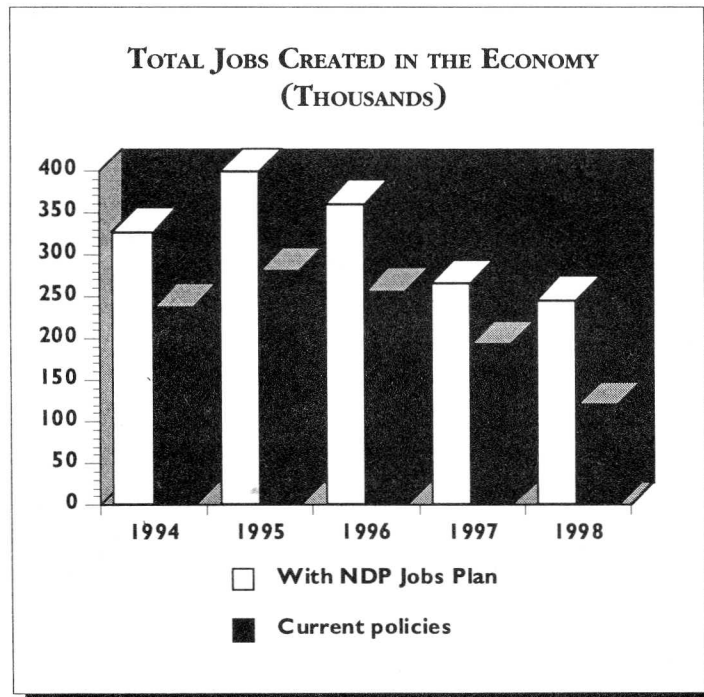
The **Jobs Plan** is a working plan to create full employment *and* to pay down Canada's deficit at the same time. These objectives are do-able, but they can only be achieved by a government that makes jobs its number one goal.

Full employment means an economy that puts all its resources to work — people, knowledge, equipment, infrastructure, land and forests and mines and fisheries... In a full-employment economy, the number of jobs available in Canada would be very close to the number of people active in the workforce.

Full employment means a smarter economy. Developing our work force through education and training. Opening up to world markets and trends. Developing our technological base. Encouraging industries that add value and services, instead of shipping raw, unprocessed resources.

In a full-employment economy, jobs matter most.

Here's what Audrey McLaughlin and Canada's New Democrats pledge: **Every government action affecting the economy must help to create or protect jobs.** If it doesn't build jobs in Canada, it's out. If it destroys jobs, it's gone.



What full employment does not mean

Full employment doesn't mean that we would have zero unemployment. That's impossible. It's not throwing money at make-work projects, wasteful government spending, or tax breaks for the rich and powerful. It's not opening the borders to unfair competition or shipping jobs out of the country.

PROBLEM: Taxes hurt low- and middle-income families.

Average Canadians now pay \$3,600 more in taxes (real dollars) than they did eight years ago. Under Liberals and Conservatives, the wealthy have gained big tax advantages through tax breaks and tax give-aways. Conservative tax reform has reduced taxes on high earners and corporations while increasing them for low and middle earners. Between 1982 and 1990, taxes for those earning less than \$26,600 went up by 232% — almost four times as much as for those earning more than \$77,100.

RESPONSE: A fair tax system

Real tax reform should be progressive. Those who have the most should pay the most. Canada's New Democrats would begin by **eliminating unfair and wasteful tax breaks**. Simply allowing businesses to deduct the cost of entertainment and restaurant meals, for example, costs taxpayers about \$1 billion a year. The capital gains exemption goes mainly to the wealthiest one-half of one percent of Canadians. The **Jobs Plan** would eliminate it except for primary residences, small businesses and farmers.

Over 90,000 profitable companies pay no taxes at all. Some have legitimate losses from other years to claim. Others are simply using the system. A **minimum corporate tax** at 14% would raise about \$1 billion per year.

Income taxes based on ability to pay are badly needed. The **Jobs Plan** will add a 35% and a 40% tax bracket for the wealthiest people in our society.

An **annual wealth tax** would affect the top 10% of Canada's income earners. With exemptions for owner-occupied homes, farms and small businesses, it will raise about \$1.5 billion. Wealthy families now receive breaks worth hundreds of millions of dollars per year for **private trusts**. Canada's New Democrats would eliminate this loophole.

PROBLEM: The GST

The GST has hurt ordinary Canadians and small business. It has slowed retail business, increased the cost of living and added to the "paper burden" for Canada's small business people. It has also driven much economic activity underground, creating a nation of tax evaders and adding to the cynicism so prevalent about politics today.

RESPONSE: A responsible plan to axe the tax

Only Canada's New Democrats have a plan for eliminating the Goods and Services Tax sensibly and gradually:

- In the first year, eliminate the GST on products that will produce new jobs quickly: homes, books, children's clothing, furniture. This will generate 40,000 new jobs.
- In year two, reduce the GST rate to 5%, putting another \$4 billion into Canadians' hands. In year three, reduce the rate to 4%, 3% in year four, and eliminate it entirely in year five.

The poorest 20% of Canadian families now pay nearly twice as much income tax as they did ten years ago.

— Statistics Canada

"The introduction of the GST symbolizes the inability of the nation to get its act together. It represents the failure of political leadership, excessive taxation, and unnecessary bureaucratic complexity and red tape."

— Canadian Federation of Independent Business, 1993

“Federal balances are improved in the early years [as a result of the Jobs Plan], given the induced improvements from the increased economic activity.... Corporate profits are improved throughout the period...”
-- Mike McCracken
President, Infor-
metrica

PROBLEM: The federal debt—paying the bill

Debt is a real problem for Canada. The federal government pays ten times as much in interest payments now as in 1975.

Tax give-aways that date back to the 1970s account for a lot of that debt. High interest rates are another important cause.

Tory and Liberal governments have set rates high to fight inflation, even though they know that high rates also kill employment.



Jean Chrétien was the Finance Minister in the 1970s who introduced the private family trusts that allow rich people to protect their wealth from inheritance taxes. That loophole has cost Canadian taxpayers billions in unpaid taxes and run up the deficit.

RESPONSE: Working our way out of debt

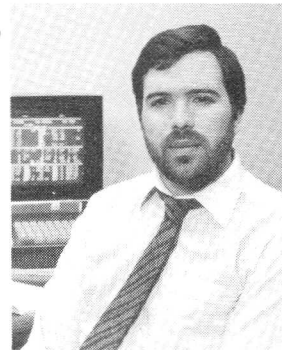
We cannot starve ourselves out of debt. Instead, we need a balanced approach. We must address the problems in our economy that have produced high unemployment. We must cut waste in government and make public investments count. And at the same time, we must make the levers of economic power — like interest rates and monetary policy — work for the benefit of Canadians.

The **Jobs Plan** calls on the government to keep real interest rates low and allow our dollar to find its real value against other currencies.

The national debt is a real problem.

The solution lies in getting more Canadians working.

“My father worked for 30 years, and they let him go. What’s he supposed to do?”



PROBLEM: The unemployment trap

Canadian workers are caught in an “unemployment trap.” Hundreds of thousands of good Canadian jobs have gone forever. Meanwhile, federal programs are helter-skelter. There isn’t enough funding, coordination or planning to train workers for actual jobs.

RESPONSE: Workforce training for real jobs

If workers don’t constantly keep training, they are vulnerable to layoff and long-term unemployment. Under the **Jobs Plan**, government, workers and business will work together to develop the training that workers and employers need.

Others pay lip service to training. Canada's New Democrats plan for a **refundable training levy** to be phased in, *requiring* employers to keep retraining their workers.

Young people have been frozen out of the job market. A **National Community Youth Service** will provide young people with the work experience they need to get going.

RESPONSE: A National Investment Fund

Full employment requires investment capital. The **federal government must commit to investing** in new enterprises and industries. At the same time, government must take action to **free up capital from within the community** to invest in jobs.

The **Jobs Plan** calls for a **National Investment Fund** — an idea that’s been proven in other countries. The Fund would invest in new and expanding businesses, concentrating on high-skill jobs in Canadian-owned enterprises. It’s not a matter of perks or give-aways. The Fund will give Canadian businesses the equity to attract capital from other sources. Capital for the Fund would come from the federal government; pension funds, institutions and individuals would also get the opportunity to invest. Based on the experience of similar funds, it will create **200,000 jobs**.

“Long-term job loss is the same as having a death in the family. We all felt we would retire from Kelsey. Instead we were put on welfare. How do you overcome the shock and grief?”
— Gary St. Laurent, Windsor, former employee of Kelsey Hays, a company that produced steel wheels until it was closed in 1990 due to free trade

“There is no doubt that Canadian firms are adjusting to the Free Trade Agreement. The problem is that too many are adjusting by leaving Canada.”

— Cedric Ritchie, Chair, Bank of Nova Scotia

PROBLEM: Life after free trade

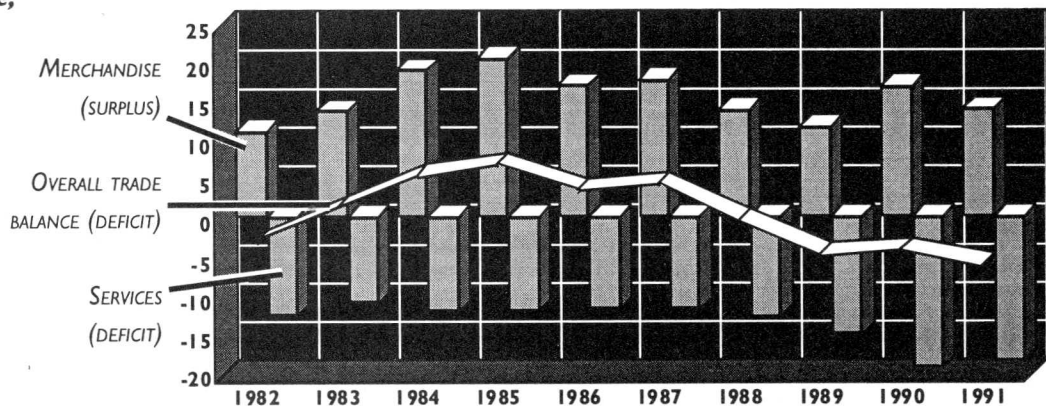
The U.S.-Canada trade deal has been a disaster for Canadian workers. It has killed hundreds of thousands of jobs and triggered Canada's deepest recession ever. Yet trade relations with the U.S. have become worse, not better. The Conservatives promised to help workers who lost their jobs as a result. But they never did.

The North American Free Trade Agreement (NAFTA) would only make a bad situation worse. Many Mexican workers suffer working conditions that would never be tolerated in Canada. NAFTA is designed to force Canadian workers to compete directly with Mexican workers. At the same time, the people who work on Mexican farms will be hurt by competition from the mechanized farms of U.S. agri-business. It's a lose-lose situation for everybody except a few powerful corporations.

RESPONSE: A full-employment trade strategy

It's not enough, though, just to tear things up. There *is* a better way. The **Jobs Plan** recognizes that Canada is a trading nation. It calls for trading agreements that encourage *fair* trade and protect workers and the environment. These goals make sense. And they're do-able. The **Jobs Plan** says:

- Bring down tariffs and trade barriers in a steady, orderly way through GATT.
- Work through GATT to include social, labour and environmental protection.
- Negotiate sectoral trade agreements with trading partners on the model of the Auto Pact. Start by proposing a steel pact to the U.S.
- Open up trade with countries other than the U.S.



Since the U.S.-Canada trade deal was enacted in 1989, Canada's trade performance with the U.S. has deteriorated sharply. Although we run a surplus in merchandise trade, the huge deficit in services trade led in 1991 to our worst overall trade deficit with the U.S. in a decade. (Source: Statistics Canada)

"I've got to work. But it's so hard finding decent child care I can afford."

PROBLEM: Canadian parents need good, affordable child care.

Child care and full employment go hand in hand. Most parents today must work outside the home. Quality, affordable child care is not a luxury — it's a vital necessity. And quality child care is a national investment in the next generation. A good start will help children grow into productive adult citizens.

RESPONSE: National child care — a working priority

The **Jobs Plan** includes a **national child care program**. It will double the number of child care spaces over the next Parliament, allowing parents to stay in the work force, learn new skills and build a better life. It will create **40,000 new jobs** for child care workers across the country, and improve working conditions for another 35,000 workers. It will also save *a lot* of money for low- and middle-income families.

PROBLEM: Canada is abandoning its families.

Under Conservatives and Liberals, Canada's social safety net has deteriorated. More than one million Canadian children live in poverty. Instead of dealing with the problem, the Conservatives have simply lowered the official poverty line. The federal government has cut transfer payments to the provinces to support health and education while raising taxes for many of Canada's low-income families. It has eliminated the Family Allowance and made major cuts to other support programs.

RESPONSE: Help families to help themselves.

You cannot have a sound economy without healthy, productive people. We need a trained work force, good health care, and help for families to enable people to support themselves. Other parties think that the way to get ahead is to cut programs. Only Canada's New Democrats realize that prosperity comes from investing in people.

Transfer payments help ensure that all Canadians enjoy similar levels of public services. They ensure that "have-not" provinces can provide services to their citizens, and they demonstrate Canadians' commitment to one another. **Canada's New Democrats believe the federal government should work with the provinces to ensure stable federal-provincial cost-sharing.**

Unemployment Insurance should be helping workers to make the transition from one job to another and to learn new skills. Instead, the Conservatives have simply run the system into the ground while using it for cheap political gain. Canada's New Democrats want UI to work for Canadians. Under the **Jobs Plan**, the mean-spirited changes that Tories have made to UI would be cancelled.



"Child care is a necessary component in family life that supports parents' work involvement and the family's economic security, and has significant consequences for children's development."

— Dr. Donna Lero, Co-director, the Canadian National Child Care Study

“The answer does not lie in putting on deterrent fees which are simply a tax upon the sick. The answer lies in more preventive medicine so that fewer people are ill and need care.”
— Tommy Douglas, 1979

“...Quality of life is a significant determinant of length of life, especially when one is speaking of the elderly or the chronically disabled. Often the best way to prolong life is to make it a life worth living.”
— Drs. Ralph W. Sutherland and M. Jane Fulton, in Health Care in Canada

Protecting Medicare: Canada's pride

Conservative and Liberal cutbacks and mismanagement have threatened our health system in every part of the nation. The survival of Medicare is essential to the renewal of Canada's economic health.

One threat to Medicare is the trend toward American-style privatization of health services. **Public, non-profit health care** is the best way to assure quality, affordable health care — and save tax dollars.

Medicare must be fully available to everyone. Coverage must be comprehensive, covering all health needs, and fully portable throughout Canada.

And it must remain accessible to all. That means no user fees or extra billings. Stabilizing transfer payments to the provinces will help assure the health of provincial health plans.

Drug costs are growing. The Conservatives' patent protection law (Bill C-91) has made prescription drugs much more expensive. Canada's New Democrats oppose the law, and will push to get it rescinded.

A working approach to health

Good health is more than doctors, hospitals and drugs. New Democrats propose that the federal government work with the provinces and territories to build a health system based on preventing illness. It would provide \$50 million per year in matching funds for projects that explore health promotion in the community.

Good health is an economic issue. People suffer more health problems when their incomes are low and they lose hope. Getting Canadians working again is probably the best single thing that a government can do to promote good health.

A safe environment also promotes good health. Investing in improved water treatment and alternative energy sources, and getting tough on polluters, will help improve the health of all Canadians.



PROBLEM: Canada lags in technology.

Canada invests less than half as much money into research and development (R & D) as the U.S., Germany, Japan or Sweden. Canada must take action to keep from falling further behind.

RESPONSE: Invest in research and development.

Canada's New Democrats have called for increased support for the federal government's research granting councils. The Department of Industry, Science and Technology should play a much more strategic — and aggressive — role in driving R & D. It should fund more research, help forge industrial partnerships and help secure investment capital for industry. The **Jobs Plan** would make sure that foreign investors conduct key research in Canada.

R & D means investing in our future — and jobs for our children.

Canada trails the U.S. by 2 to 1, and Japan by more than 3 to 1 in non-military research and development.

PROBLEM: Canada has neglected its infrastructure.

For more than five years, Canada's municipal leaders have been pleading with the federal government for help. They have watched as their cities and towns have fallen into disrepair and become less competitive. The Conservatives have ignored their pleas.

RESPONSE: Rebuild our communities with jobs — NOW.

A prosperous economy needs strong infrastructure: roads, bridges, water systems, electronic networks, public transit, railways and so on. For years, Canada's municipal leaders have been calling for an infrastructure program with costs shared between federal, provincial and municipal governments. That's what the **Jobs Plan** calls for: **a jointly-funded national infrastructure program.**

Informetrica predicts that the program would create more than **130,000 jobs** over five years. And it would lay the foundation for a more competitive economy in the long term.

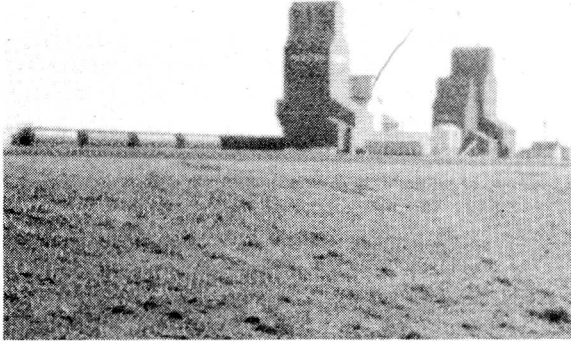


"If we are to remain competitive, Canada must protect the investment its cities and towns have already made in infrastructure." — Canadian Federation of Municipalities

PROBLEM: Canada's resource communities are in trouble.

"We should recognize that [a] crisis is looming and we should take steps to avoid it."

— **Dennis Young,**
Canadian Association of Single Industry Towns



Canada's wealth is built on its natural resources. Yet every resource industry is in deep trouble today. Fishing, farming, logging and mining communities are losing people and hope. Farm income is dropping and many families are being forced off the land because farm income has dropped dramatically. Free trade threatens the livelihood of many Canadian farm families. The federal government has mismanaged Atlantic fish stocks and allowed foreign companies to overfish. As a result, fish

stocks are nearly wiped out and, along with them, the economic prospects of hundreds of Atlantic communities. Short-sighted logging practices and government neglect have produced a desperate situation for the 1.4 million Canadians who work in forestry and forestry-related industries. Mines are closing and the industry is investing its profits outside Canada.

RESPONSE: Support our farming, forestry, fishing and mining communities.

The **Jobs Plan** calls for far-reaching strategies to:

- Stabilize farm income, prevent foreclosures, and keep farmers on the land
- Work with local people to protect and rebuild the fisheries
- Invest in value-added forest products production and help organize cooperative marketing of value-added forest products
- Invest in mining and mineral exploration and participation in management and investment decisions.



Here's what some commentators are saying about Audrey McLaughlin and the Jobs Plan

**"...far more detailed than anything the Liberals have
done."**

— Jeffrey Simpson, *Globe and Mail*

**"...Ms. McLaughlin has put the other party leaders on the
spot and made it harder for them to get away with
vague generalities."**

— *Vancouver Sun*

**"McLaughlin's policies merit debate. We deserve better
than Jean Chrétien's sleepwalk to Sussex Drive."**

— Ken McQueen, *Ottawa Citizen*

**"Unlike the vague economic policy of Liberal Leader Jean
Chrétien, the 60-page NDP document is accompanied
by an economic analysis from Informetrica, a com-
pany nobody would accuse of social democratic sym-
pathies."**

— Michel Vastel, *Le Droit* (translation)

**"It represents a serious attempt to carve out a distinctive
economic policy at a time when other parties are
reluctant to do so."**

— *Winnipeg Free Press*

Canada works when Canadians work.

Only Canada's New Democrats have a plan to get
Canadians working again: the Jobs Plan.

It's detailed, specific and practical.

It has been verified by Informetrica Ltd., an independent
economic consulting company.

It tells how we can rebuild Canada's economy — and
create jobs — while cutting the deficit.

Read about the Jobs Plan by calling toll-free
1-800-361-6NDP for your free copy
of the *Strategy for a Full-Employment Economy*.

