

# ***ELECTION PLATFORM***

Presentation by Mr. Gilles Duceppe

Eight Bloc Québécois proposals for a true job-creation and economic development strategy

1. A corporate tax system centered around employment
2. A substantial decrease in the employment insurance premium rate
3. Policies focused on employment
4. The creation of an RRSP-Employment program
5. The establishment of a monetary policy in favour of employment
6. Put fairness back into the federal government's job-incentive spending
7. A policy for sharing work hours
8. The return of labour-training funding programs to the provinces

Fight impoverishment and defend social programs

To stimulate employment and stimulate the economy: Put public finances back in order and reform the tax system

Personal taxation reform -- Towards a fair tax system

Towards an anti-deficit law

Culture and Communications

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National Defence

To continue to demand fair share of federal spending

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Political events shape the destiny of individuals and their people. There are moments when the choice becomes clear, when the ideas of each individual take on the form of a collective will.

For some, the Bloc Québécois was born out of the end of a dream, the Meech Lake Accord. For others, it emerged from a new inspiration, Québec sovereignty. At the heart of the Québec reflection, at the cutting edge of the sword watching out for us, is the Bloc Québécois.

To speak for Québec, about Québec, and to defend it. With one single voice, without compromise. With

to speak for Québec, about Québec, and to defend it. With one single voice, without compromise. With a firm and deliberate tone. To defend what we are, what we want to be. That is our mission, that is our purpose.

With the dawning of an election campaign, our party must present to Quebecers what it will say, what it will do on their behalf in Ottawa.

This election platform proposes our way of doing things. To combine the rigour of the deficit battle with the necessity for generous social programs. To propose concrete measures, new ideas for job renewal. To ensure that economic growth permits an effective fight against poverty. To defend Québec, each time that its interests are at risk.

The result of the work of party members, gathered together during regional meetings and the General Convention, our election platform was written by Madame Francine Lalonde, together with Messrs. Yvan Loubier and Réal Ménard.

I wish to thank them for lending their talents, their energy and their experience to the service of the Bloc Québécois.

The Bloc Québécois is ready for the electoral battle. Québec is ready for this new step towards sovereignty.

To a good campaign !

Gilles Duceppe  
President of the Bloc Québécois

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## **EIGHT BLOC QUÉBÉCOIS PROPOSALS FOR A TRUE JOB-CREATION AND ECONOMIC DEVELOPMENT STRATEGY**

### ***Employment : An alarming situation; overwhelming figures***

The lack of quality jobs and the high unemployment rate are the key preoccupation of the Canadian and Québec public. Nearly one half of young people between 16 and 24 years old are totally excluded from the job market and the newly-created jobs are often of poor quality. Since the arrival of Jean Chrétien's Liberals in power, not only has the creation of new jobs been weak, but a good portion of those have been part-time jobs.

Over the past three years, the number of unemployed has decreased very little, going from 1.6 million in 1993 to more than 1.4 million now. As well, Canada and Québec are still 900,000 jobs short of regaining the employment rate prior to the last recession in 1989. Canada is 17th out of the 26 OECD member countries in terms of the highest unemployment rate foreseen in 1996.

### ***Jobs Jobs Jobs ? - The Liberals have done nothing***

With the exception of the infrastructure program, the Liberals have made no concrete action to encourage

the direct creation of jobs. Without creating jobs itself, the government could stimulate job creation through a multitude of actions, initiatives and incentives. The Québec government's recent actions, during the socio-economic summit and, even more recently, in its budget, appropriately show the choices available to a government. The recent improvement in the employment situation in Québec leads us to believe that these concrete actions and these proactive measures are beginning to produce results.

*To encourage job creation and economic development, the Bloc Québécois presents the Canadian government with eight concrete proposals, eight essential tools of intervention to effectively stimulate the economy :*

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1. A corporate tax system centered around employment
  2. A substantial decrease in the employment insurance premium rate
  3. Policies focused on employment
  4. The creation of an RRSP-Employment program
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  7. A policy for sharing work hours
  8. The return of labour-training funding programs to the provinces

#### **1 : A corporate tax system centered around employment**

For more than three years, the Bloc Québécois has pursued the federal government in taxation matters, notably in the issues of family trusts, the GST and tax shelters. Our actions have forced the federal government to tighten certain of the federal tax legislation's provisions.

We are also calling for a fundamental revision of the Canadian corporate tax system, which has become outdated, full of loopholes and totally inefficient. The portion of the federal fiscal base derived from corporate revenue tax dropped from 23% in 1961 to less than 10% in 1995. This decline is especially due to the proliferation of tax expenditures offered to companies, particularly big business.

The Bloc Québécois went ahead with its own corporate tax revision by focusing its efforts on job creation. Our study shows that the outdated nature of the Canadian corporate tax system creates many billions of dollars in lost tax revenues for the federal government. For example, the fact that only of 75% of capital gains (the value of stock portfolios, for example) are taxed, rather than 100% (as is the case with employment income), results in more than \$400 million in annual lost revenue.

#### **The Bloc Québécois commits to :**

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- Force the federal government to undertake a true corporate tax reform leading to the abolition or tightening of certain tax expenditures, allowing for the recovery of three billion dollars a year.
  - Urge the federal government to use the three billion dollars recovered annually as a result of this reform to encourage small and medium businesses, as well as very small businesses, to create jobs. This three million reduction in the tax burden on businesses could take the form of tax breaks linked to businesses' performance in job creation and youth entry into the labour market.

## 2 : A substantial decrease in the employment insurance premium rate

### *A significant surplus*

The many cuts over the past six years to the employment insurance plan have resulted in an accumulated surplus of \$6 billion in the employment insurance fund. It is predicted that the fund will continue to grow by \$5 billion a year because of the major cuts foreseen in the new legislation.

By outrageously helping himself to this money, drawn from the pockets of workers and employers, for the purpose of his consolidated funds, Finance Minister Paul Martin is artificially reducing his deficit.

The Bloc Québécois figures that by using half of the employment insurance fund's surplus, representing \$2.5 billion, employment insurance premiums could be substantially lowered and the creation of new jobs encouraged.

#### **The Bloc Québécois will continue to demand that the federal government :**

- Drop employment insurance premiums by at least \$0.35, in this way bringing the rate down from \$2.90 to \$2.55.

## 3. Policies centred around employment

The harmful effects of federal cuts to the budget for grants councils.

The Liberals have made big cuts to the budgets of grants councils, which have fallen from \$958 million in 1994-95 to \$867 million in 1997-98. The grants councils fund various research sectors, notably in the medical field. The decision to cut in such a vital sector has already had harmful effects on university research funding. Numerous Québec and Canadian researchers estimate that these cuts have done considerable harm to basic research in Canada and Québec.

#### **Restoring funding**

#### **The Bloc Québécois demands that the federal government :**

- Restore funding for grants councils to its 1993 level.
- Following the return to the 1993 level, increase the grants councils' budget by 10% annually, with a ceiling once Canada reaches an average of 2.75% of GDP in R&D.

### ***The pharmaceutical industry's situation***

More than 16,600 jobs in Canada depend directly on the innovative pharmaceutical industry, with 37% of them in Québec. Of this number, more than 6,000 jobs depend on the greater Montréal region's pharmaceutical industry, which counts for \$2.5 billion in business, or 45% of the Canadian total (1991).

### ***Biotechnology***

For a few years now, this new industry has been in full growth, especially in Québec. According to a study by the firm Ernst and Young, Québec rates 10th in terms of biotechnological centres in North America. From 1994 to 1997, the number of biotechnological firms more than tripled in Québec, going from 25 to 89. They are the cutting-edge companies which offer quality jobs to thousands of Quebecers.

### ***The importance of protecting drug patents in order to support these industries***

For the innovative pharmaceutical industry and the biotechnology sector, the protection of their patents is essential to their development and growth. Presently, drug patents run for 20 years. Before marketing their own version of a drug, generic companies must await the final expiration of the patent. Nevertheless, it is the **effective length** of the patent which must be examined, or in other words the number of years between the moment when the manufacturer markets its product and the patent's expiration date. A new drug must go through various steps before finding its way onto the market (discovery, tests, government approval, etc.). All these steps contribute to reducing the number of years that a commercial drug is protected. These different steps can take up to 10 years to pass, reducing the patent's effective length to 10 years.

This effective length of 10 years is less than that enjoyed by companies located particularly in the U.S., in France and in Japan. In order to enable this industry to be competitive and to grow, we must place our drug patent standards in line with the international standards.

#### **The Bloc Québécois demands that the federal government :**

- Revise its Patent Act in order to align the Canadian drug patent standards with our main competitors' standards, and so ensuring an effective length of 15 years.

#### **4 : The creation of an RRSP-Employment program**

In the face of declining employment, many people feel compelled to withdraw money from their RRSPs in order to make up for a drop in income. In 1993, close to \$4.4 billion was withdrawn from RRSPs, money which is taxed by governments.

Confronted with unemployment more and more taxpayers are creating their own jobs by setting up a

Confronted with unemployment, more and more taxpayers are creating their own jobs by setting up a business. Last year, 56% of jobs created in Canada and Québec were considered « autonomous » jobs. The use of a portion of funds contained in RRSPs could support this type of initiative.

The establishment of an RRSP-Employment program would enable a taxpayer hit by unemployment to withdraw a certain amount from his or her RRSP with no penalty. This program would allow withdrawals of up to \$25,000. We are suggesting that the method for repayment of these funds be similar to that of the home owner's plan.

**The Bloc Québécois will do everything to :**

- See to it that the federal government establishes an RRSP-Employment program so that unemployed people who want to start a business will be able to withdraw the necessary start-up funds from their RRSP. The means of repayment for this program could resemble that of the home owner's plan.

**5 : The establishment of a monetary policy for employment**

The Bank of Canada's monetary policy is based on an excessive desire to contain inflation by keeping real interest rates high. This policy has negative effects on employment and on overall economic activity.

For three and a half years, the Bloc Québécois has pushed the federal government to modify its monetary policy in order to take into account its impact on employment. We believe that the central bank's strategy condemns the Canadian economy to performing below its potential. To contain inflation at a very low level slows down the economy and there are no proven benefits of such a policy.

One has only to look at the U.S. to be convinced. With an inflation rate hovering around 3%, it's unemployment rate is barely 5%, being half of Canada's rate.

Drawing from the U.S. situation, we think that the Bank of Canada should target a stable inflation rate of 3%, with a manoeuvring margin of plus or minus 1%.

According to a study done by economist Pierre Fortin, such an inflation target would allow the unemployment rate to drop below the 7% level, which would mean the creation of around 460,000 additional jobs.

**In order to stimulate job creation and encourage economic renewal and development, the Bloc Québécois proposes a fundamental revision of the Canadian monetary policy, principally :**

An adjustment to the monetary policy fixing the inflation level, targeted by the Bank of Canada through its interest rate and money supply policy, at 3% with a 1% variation.

## **6 : Put fairness back into the federal government's job-incentive spending**

### ***An inequity that has persisted for over 20 years***

For more than 20 years, the figures show a flagrant unfairness towards Québec in the distribution of federal job-incentive spending. For any given year, Québec is deprived of hundreds of millions of dollars in contracts, salaries and trade of all sorts. In particular, we note that federal procurement and investment spending outrageously favours Ontario.

Québec, victim of this political favouritism, was deprived of \$1.8 billion in job-incentive spending in 1994.

This inequity is evident in R&D, an extremely favourable sector for job creation. For example, out of 43 federal research establishments in the National Capital Region, only one is situated on the Québec side. A fairer redistribution of federal spending in these sectors could lower Québec's jobless rate by almost 1%, by creating more than 32,000 new jobs.

### **The Bloc Québécois will continue to demand from the federal government :**

- That procurement and investment spending be restored in a way that is fair and equitable in terms of Québec's population size.
- A fair share of federal laboratories and research centres for Québec, particularly for the Outaouais region.

## **7 : A policy for sharing work hours**

### ***Part of the solution to unemployment***

The sharing of work hours, while not a permanent solution to the high rate of youth unemployment, could be a very interesting way for a certain number of young people to enter the labour market and to acquire experience and training. Québec in particular has clearly identified the sharing of work hours as an important element of its labour market policy and its job-creation strategy. The federal government should do the same for companies under its jurisdiction and for the entire federal public service. In Canada, 10% of jobs fall under federal jurisdiction.

To encourage employment, we insist that the federal government put forward measures such as limiting work hours, establishing early-retirement plans and more up-to-date parental leaves.

The government must present clear legislation which will incite businesses under its jurisdiction and the federal public service to make the sharing of work hours a priority.

**The Bloc Québécois will demand that the federal government :**

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- Introduce a policy plan in the House of Commons on the sharing of work hours in its relevant sectors, particularly its departments, crown corporations and business falling under the federal labour code. This policy plan should deal with limiting overtime and increasing parental leaves.
  - Study, together with its relevant businesses and unions, credible proposals and acceptable funding for the establishment of an early or gradual retirement plan.

**8 : The return of labour-training funding and programs to the provinces**

*A first step in the right direction*

For 32 years, all Québec governments have called on Ottawa to return programs and funds allocated for labour training to Québec. The Bloc Québécois made this one of its key demands upon its arrival in Ottawa. A relentless pursuit of the federal government, together with pressure from the Québec government, finally produced a major breakthrough in this issue, and on the eve of the present election, a portion of Québec's demands were met in this area.

*A second step is required*

The federal government must commit to taking a second step : all money spent by the federal government on labour training programs and active employment measures must be redirected to the Québec government. Presently, the federal government has only committed to transferring to the provinces the labour training funds coming out of the employment insurance fund.

The Department of Human Resources spends more than \$2 billion annually on human resources investments through a multitude of individual programs. Québec's portion of this money, as well as the responsibilities should be returned to Québec.

**The Bloc Québécois will demand that the federal government :**

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- Return all money spent by the federal government on labour training and employment programs to those provinces that demand it.
  - Return all money spent by the federal government on youth programs to the provinces that want it.

## **Fight impoverishment and defend social programs**

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More than five million Canadians and Quebecers currently live below the poverty line, representing a 45% increase since 1989. The first victims of this growing poverty are children.

In 1994, Canada was below the OECD average for public spending on social security as a percentage of GDP. This observation was made before Finance Minister Paul Martin made huge cuts to UI and social transfers to the provinces.

### ***The federal account : more on welfare and \$1.3 billion less for Québec in two years***

The tightening of UI eligibility criteria with the Axworthy reform especially penalises youth, women returning to the job market and recent immigrants. Many of these people, ineligible for employment insurance, will swell the provincially funded welfare ranks.

To this, it must be added that the federal transfer payments intended for Québec social programs will be substantially cut by around \$1.4 billion between March 1996 and March 1998. These cuts force the provinces and Québec to curb their spending, particularly in education, health and welfare.

In fact, this year more than half of budgetary reductions which the Québec government had to make are attributed to cuts made by the federal government.

### ***The Liberals avoid guilt...***

Adding insult to injury, in their last budget the Liberals ridded themselves of guilt from the billions of dollars in cuts to transfers to provinces and individuals by increasing the child tax benefit by a meagre \$850 million. This is a ridiculously low amount when compared to the billions in cuts to social transfers and UI alone, and to the \$6.6 billion (in 1996 dollars) that the federal government granted to children in 1984.

## **THE BLOC QUÉBÉCOIS PROPOSES A PLAN TO FIGHT POVERTY**

**The Bloc Québécois will demand that the federal government :**

- Give the provinces back the \$4.5 billion stripped from transfers serving to fund welfare, higher education and health care.

**The Bloc Québécois will fight all federal attempts :**

- To further encroach on provincial fields of jurisdiction, particularly by imposing new national standards.

**The Bloc Québécois will call for the federal government :**

- To review and correct the most harmful aspects of the employment insurance reform, as well as the equitable funding of this reform. More specifically, we are thinking in terms of eligibility and of the calculation and duration of benefits. Everything right up to an amount equivalent to half of the annual surplus, representing at least \$2.5 billion.

**The Bloc Québécois will demand that the federal government :**

- Follow up on its promise to enforce special measures in the Employment Insurance Act to protect autonomous workers.

**The Bloc Québécois will demand that the federal government :**

- Transfer responsibility and funding for maternity and parental leaves to the Québec government, as provided for in provision 69(2) of the Employment Insurance Act.

**The Bloc Québécois will demand that the federal government :**

- improve the child tax benefit program by \$1.150 billion in addition to the extra \$850 million announced in the last budget.
- give control of this program to those provinces that want it.

**The Bloc Québécois will demand that the federal government :**

- maintain the Program for Older Worker Adjustment (POWA) as long as necessary to help older workers who are victims of massive lay-offs.

**The Bloc Québécois will demand that the federal government :**

- Create a Poverty Commissioner's post, reporting directly to the House of Commons, to analyse all of the effects of federal actions and policies on poverty.

**To stimulate employment and stimulate the economy : Put public finances back in order**

## **and reform the tax system**

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### ***Paul Martin's recipe : reduce the deficit by slashing the funds intended for provincial social programs***

Since the Liberal government's first budget, the federal deficit has gone from \$42 billion to \$17 billion for the present fiscal year. This \$25 billion reduction is not the product of a sound management on the part of the government administration, nor the result of responsible work by the federal Minister of Finance. It is mainly the result of a \$16 billion rise in tax revenues between 1994-95 and 1997-98, but also a \$12.9 billion reduction in program spending during the same period.

### ***Minister Paul Martin continues to slash transfers, when he has billions of dollars at his disposal***

A close analysis of the evolution of federal finances and deficit, carried out by the Bloc Québécois a few months ago, clearly shows that thanks to a period in time favourable to deficit reduction, Finance Minister Paul Martin can quickly bring his deficit to zero. This performance, achieved on the backs of the unemployed and to the detriment of social programs put forward by Québec and the provinces, provides him with at least an \$8 billion margin of manoeuvre. We are demanding that he use this money to help poor families and the jobless.

The following graph shows the evolution of the federal deficit as proposed in the Finance Minister's budgets, together with federal deficit levels achieved, or in the process of being achieved. The forecasts that we use in this graph for 1997-98 and subsequent years are very conservative. They reflect the average from the estimates of many economic forecasting firms like the Conference Board of Canada or CIBC.

This graph shows us that the Finance Minister is at least one year ahead in his deficit fight, having reached a 1996-97 deficit that is lower than that predicted for 1997-98, and reaching a zero deficit before the end of the 1998-99 fiscal year. There is where he gets his margin of manoeuvre of at least \$8 billion.

He is ahead of his forecasts because he underestimated the revenue base and overestimated the costs of servicing the debt in his last budgets. And yet, one of the minister's forecast proved to be exact : the one concerning the reductions in transfer payments to the provinces which went ahead as announced. Let's remember that between 1995 and 1998, more than half of the federal spending cuts will have come from cuts to provincial transfers. It will be those on welfare, students and the sick who will suffer the most.

### ***Eight million dollars available : a conservative estimate***

We do say « at least » 8 billion, for the most recent financial revue put the accumulated deficit for the first 11 months of the 1996-97 fiscal year at \$7.8 billion. If these results are compared with those from past years, the 1996-97 deficit could well be around \$12 billion, rather than the \$24.3 billion initially predicted, and this includes the modifications which will be made between now and next fall's economic up-date. So Paul Martin could find himself with a margin of manoeuvre exceeding \$12 billion.

Paul Martin has known of this actual deficit situation for many months. He knows that he can help poor families and the jobless, but he prefers to do nothing. He could have restored all of the funds allocated to social transfers, stopped using the employment insurance surplus, increased the child tax benefit and re-established a program to deal with massive lay-offs of older workers, while still attaining a zero deficit

between now and 1999 ! The fight against poverty, job recovery and the zero deficit are compatible goals for someone who uses his imagination and who dares to make the right decisions.

**The Bloc Québécois will therefore do everything so that the federal government :**

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- Gives the provinces back the \$4.5 billion stripped from transfer payments serving to fund welfare, higher education and health care.
  - Stops using the employment insurance fund's surplus of at least \$5 billion, generated solely from workers and employers' contributions, to reduce the deficit, and instead to use this surplus to two ends :
    - to immediately revise its employment insurance.
    - to use the other part of the surplus to substantially reduce the premium rate.

***Under the table ? Never !***

According to a Statistics Canada study, Canada's underground economy deprives the federal government of around \$6 billion a year.

In his 1994 report, the Auditor General of Canada states that the hiring of one single additional Revenue Canada inspector, at an average annual salary of \$35,000, would bring in approximately \$492,000 in additional taxes for the federal government in one year.

Considering that the revenue losses associated with the underground economy are around \$6 billion for the federal government, we think that the recovery of \$500,000 million a year, as a result of the Auditor General's proposed measure, is a realistic goal.

***Three billion dollars wasted every year***

Year after year in his reports, the Auditor General of Canada points out cases of bad management, waste of public funds and tax loopholes which can exceed \$3 billion. Furthermore, according to a Treasury Board of Canada analysis, Ottawa has only reduced 9% of its spending in its massive bureaucratic apparatus, when the Liberals, in their 1995 budget, had promised a 19% cut in this sector. Departmental spending is at more than \$50 billion, while it should be limited to \$42 billion. \$8 billion in cuts to lavish spending are therefore still left undone.

**The Bloc Québécois firmly commits to taxpayers to do everything to :**

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- Force the federal government to respect its government spending reduction objective of \$8 billion which is still going undone, despite the commitment contained in the 95 budget.
  - Encourage the creation of a genuine policy to combat the underground economy, comprising the hiring of additional Revenue Canada inspectors and aimed at recovering a minimum of \$500 million in unpaid taxes annually.
  - Demand that the federal government rigorously and annually apply the Auditor General of Canada's recommendations which have the potential of recovering \$3 billion in budgetary resources.

## **Personal taxation reform -- Towards a fair tax system**

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Last February, the Bloc Québécois made public the results of a huge undertaking aimed at reforming personal taxation, in a way that would make it fairer and more efficient.

With our proposals, a large majority of Québec and Canadian taxpayers could benefit from a lessening of their tax burden. The poorest taxpayers in particular, as well as single-parent families would be eligible for new tax credits involving substantial reimbursements. The refunds reimbursements could increase by as much as \$600.

The Bloc Québécois examined some twenty tax expenditures representing \$32.5 billion in tax revenue forsaken by the federal government. We propose a reorganisation of many of these tax expenditures totalling \$4 billion, in order to make the system more equitable, progressive and directed towards assisting low and middle income taxpayers, families and graduating students. We also propose the abolition and tightening of certain tax expenditures which benefit the wealthiest taxpayers. This would allow for the recovery of \$2.5 billion. In particular, the Bloc Québécois proposes doing away with the partial inclusion of personal capital gains, in this way enabling \$1.2 billion to be recovered annually.

### **The Bloc Québécois undertakes to :**

- Work towards eliminating the Income Tax Act's provision dealing with the partial inclusion of capital gains in order to recover \$1.2 billion in annual tax revenue.
- Work towards forcing the government to convert the tax deduction for RRSP contributions into a fixed tax credit, a measure that could benefit poor and middle income earners.
- Work towards forcing the government to convert the deduction for child care expenses into a reimbursable tax credit to enable, among others, single-parent families with children to benefit from tax refunds even if they have no tax to pay.

### **The Bloc Québécois will therefore work towards encouraging :**

- The establishment of a single tax credit, as that proposed by the Québec government, which could replace the assortment of credits offered to low and middle income earners.

## Towards an anti-deficit law

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### **The Bloc Québécois is committed to introducing a federal anti-deficit bill :**

- This law would require the federal government to attain a balanced budget, through sound management.
- This legislation would nevertheless take into account the federal government's obligation to respect its commitments to social services and to the provinces within the context of federal/provincial programs, as is the case with the Québec law.
- This legislation would have a certain flexibility, enabling the government to play its stabilising role in regard to economic cycles.
- This legislation would require complete and detailed reports from the Finance Minister each time that the balance budget is not respected, as well as a plan to restore the balance and erase the incurred deficit.

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## Culture and Communications

### *Repatriate all cultural jurisdiction and budgets for Québec*

For the federal government, Québec culture does not exist. There is only one Canadian culture that expresses itself sometimes in English, sometimes in French. These are the words of Prime Minister Jean Chrétien (translation): « There is a French culture in Canada which is a Canadian culture. It is found mostly in Québec, but I think that the culture of Acadians and Antonine Maillet is part of the French culture and this culture is not necessarily québécoise (...) When we say that there is a Canadian culture, it can be expressed in French or in English. » (House of Commons, 1995.12.06).

### *Québec's historical demands*

Each successive Québec government has demands exclusive jurisdiction over culture. The Bloc Québécois has become the spokesman for claims in this so crucial field for the development of Québec society, and it defends Québec against the constant attacks from the federal government which is trying to blend Québec's culture in the great melting pot of Canadian multiculturalism.

As for culture, all Québec governments have asked for total jurisdiction in the field of communications, an important field for the cultural development of the Québec nation. However, judgements made by the

Supreme Court have granted jurisdiction in the field of communications to the federal government. Only Québec sovereignty will allow us to regain full jurisdiction in this field. Until then, the Bloc Québécois will defend the interests of Québec in this field, particularly in the issue of the information highway.

### ***The inadequate funding of the CBC French network***

The French network of the CBC is inadequately funded in comparison to the English network. CBC's English network benefits from an average of \$37, 500 per hour of production, whereas the French network has to settle with \$18, 390.

The Bloc Québécois will demand that the federal government:

- Establish two networks at CBC with equivalent budgets per hour of production.

### ***Canadian Heritage or the art of financing propaganda***

While the federal government claims that financial resources are getting scarcer, the Heritage Department is investing massively in propaganda. It is the application of a tactic well known to the Québec culture's prodigal grave-digger, Pierre-Elliot Trudeau, who wrote in one of his books from 1967 that one of the ways to offset the attraction of Québec sovereignty was to utilise time, energy and huge amounts of money to create the image of a more alluring federal nationalism, using such tools as the national flag, the national anthem and education.

This ideology, fervently repeated following the 1995 referendum, has led to the establishment of a multitude of activities, programs and uncontrolled spending on the part of the Heritage Department run by Sheila Copps, who is responsible for the propaganda activities of the federal government. People have lost track of the uncontrolled spending of Minister Copps who, with hundreds of thousands of flags, hopes to unite her country.

During the last fifteen months, the Heritage Department has spent close to 94 million dollars on billboards, Canadian flags, promotional campaigns and on subsidies to those wishing to participate in the promotion of Canadian unity.

Furthermore, the obligation to promote national unity that is imposed on artists receiving grants is shameful. The Heritage Minister exerts a dishonest blackmail upon cultural groups receiving grants. As for the Canadian Foreign Affairs Department, it has subjected the granting of assistance for artists touring abroad to promotional objectives for national unity.

**This shameless waste has to cease The Bloc Québécois will demand that the federal government:**

- Stop all unnecessary and unjustified spending, namely the financing of Canadian Heritage, for the purpose of federal propaganda.
- Redistribute the amount recovered for cultural activities.

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## Foreign Affairs and International Trade

### *Link Canada's foreign policies and trade to the respect of human rights.*

During the last mandate, the Bloc Québécois was one of the only political parties on the federal scene to recall the importance of the respect of human rights in foreign countries, particularly our trading partners. We demanded that the federal government raise these questions during its visits with foreign powers. It is obvious to the Bloc Québécois that the respect of human rights, namely the issue of child labour, is a fundamental value that is dear to Quebecers and Canadians and that is worth defending vigorously.

The federal government is investing millions of dollars annually in public aid for the development of many countries. But, following the federal government's massive cuts, the resources allocated by Canada are more and more limited. This is why the Bloc Québécois firmly believes that this aid must be primarily granted to those governments which respect human rights.

**The Bloc Québécois undertakes to promote Québec's sovereignty on the international scene. The Bloc Québécois undertakes to make the protection of human rights on the international scene its priority in foreign affairs.**

**The Bloc Québécois will demand that the federal government:**

- Give its bilateral development aid (government to government) to third world countries that have a mechanism in place to protect human rights.
- Continue its aid for fundamental human needs through non-governmental organisations.

**The Bloc Québécois will demand that the federal government:**

- Assign at least 50% of its development aid to meeting basic needs.
- From now until the year 2000, assign at least 0.7% of its GDP to development aid.

**The Bloc Québécois will demand that the federal government:**

- Work to conclude « development agreements » with the affected countries aimed at the progressive replacement of child labour by a structured development program involving the governments, the private sector, the public and the non-governmental organisations.
- Publicly and vigorously denounce the human rights violations that are committed by foreign countries, particularly those trading with Canada.
- Establish rules of conduct intended for Canadian companies working abroad.

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## International institutions

### *NATO (North American Treaty Organisation)*

The Bloc Québécois is in favour of maintaining Canadian participation in NATO. Even with the East Bloc's dissolution, this defence organisation still appears useful in a world where tensions and conflicts have multiplied over during the last years. For this reason, our political party has supported NATO's command of the UN peace mission in Yugoslavia at the end of 1995. This has brought peace back to a country ravaged by ethnic violence.

### *International Financial Institutions*

It was at the end of World War Two that the International Monetary fund (IMF) and the World Bank appeared on the international scene. Today, faced with the challenges of managing a world-wide economy in rapid transition, a major overhaul of this system is necessary.

In the report of the Committee on Foreign Affairs and International Trade introduced by Canada at the June 1995 Halifax G-7 summit, the Bloc Québécois ensured the inclusion of the need for G-7 members to

pledge to use their collective influence within international financial institutions to better promote human rights, democracy and demilitarisation.

**The Bloc Québécois will demand that the federal government :**

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- Encourage a speedy reform of international financial institutions so that they can include in their policies measures which take into consideration human rights, democracy and demilitarisation.

***Free trade agreements***

The Bloc Québécois, contrary to the Liberal Party of Canada, has always been in favour of free trade. Liberalisation of trade has become vital to the economic prosperity of Canada and Québec. Over 35.8% of the Canadian GDP depends on these exports. In Québec, exports account for 40% of all goods and services produced.

So, the widening of the free trade zone to all of the Americas is essential to the growth of Québec and Canada's trade, especially with South American countries like Brazil and Argentina. A first step has already been taken with the signing of a free trade agreement with Chile. Canada must continue in this direction.

**The widening of the free trade zone: The Bloc Québécois will demand that the federal government:**

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- Continue its active steps towards widening the free trade zone to all of the Americas.
  - Pursue the conclusion of bilateral free trade agreements with Central and South American states.

***Labour and Environmental Standards***

It is essential that all trade agreements include adequate protection clauses regarding labour and environmental standards. Canada must protect these standards with its trading partners, through effective provisions.

Some bilateral agreements contain parallel agreements which provide for such provisions on labour and environmental standards. Yet, the multilateral trade agreements signed by Canada are completely void of them. In this regard, the federal government must make all of its trading partners aware of the importance of including such protection clauses in the trade treaties.

**The Bloc Québécois will demand that the federal government :** include social and environmental protection clauses in all bilateral trade agreements that it signs.

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- actively promote the insertion of social and environmental protection clauses in all the multilateral agreements in which it participates, particularly during the next WTO negotiations.

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# National Defence

## *An army in crisis*

The last years have been very difficult for the Canadian Armed Forces. Rocked by a number of scandals, their credibility is badly tarnished. The flagrant lack of accountability and leadership of its superiors have been identified as the key problems which the institution must address.

## *Discrimination towards francophones*

As well, recent events highlight the army's difficulty in respecting the rights of francophone soldiers. The federal government closed the St-Jean Military College and the Official Languages Commissioner condemned the discriminatory policies of the Armed Forces towards francophones. He even pursued it before the Federal Court to require the Canadian Armed Forces provide French services on the Moose Jaw base.

## *Changes at the international level*

With the fall of the Berlin Wall and the end of the Cold War, a redefinition of the role and functions of the Canadian Armed Forces has become essential, even unavoidable. Notably, the Canadian army must maintain and even expand its important role in UN peace missions. In other words, rather than being prepared and ready for war, our soldiers should be trained for a more defensive role, by focusing on a solid training in peacekeeping.

## *Better control over procurement of equipment*

In terms of a new, more defensive role for the Canadian army, the government must adjust its procurement policy for military equipment so as to adapt to this new reality. How to explain that, in the present context, the government still intends to spend more than \$600 million on four used submarines from the British ? There must be a better parliamentary control in order to watch over and question all new costly equipment acquisitions by the Canadian army.

## *The UN's new role*

In the new global context, the United Nations is called on to play a dominant role on the international scene with its various interventions in crisis situations around the world. The Bloc Québécois would be in favour of the creation of a permanent contingent of Canadian soldiers under UN command.

**In Nation Defence matters, the Bloc Québécois will demand that the federal government :**

- Completely redefine the Canadian military's role and functions, namely with a major reform aimed primarily at reinforcing its role in UN peace missions.
- Call for more powers for the UN, namely through the creation of a multinational force with a permanent contingent of Canadian troops.
- Create the position of Parliamentary Commissioner for military ethics, responsible to Parliament.
- Obtain House of Commons approval of all government decision regarding the initial deployment or mandate renewal for UN peace missions, or operational missions with our military alliances like NATO or NORAD.
- Obtain House of Commons approval for all spending relating to these missions.
- Have a periodic inquiry by a House of Commons standing committee on the <sup>mandate</sup>Madame of all peace and operational missions, and oversee the moral of deployed troops.
- Obtain House of Commons approval for all procurement plans of more than \$100 million.
- Hold public hearings by a House of Commons standing committee in order to ensure that the procurement process is transparent and fair to all.

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**THE BLOC QUÉBÉCOIS WILL CONTINUE TO DEMAND THAT QUÉBEC RECEIVE ITS FAIR SHARE OF FEDERAL SPENDING AND TO FIGHT THE UNFAIR NATURE OF THE FEDERAL SYSTEM**

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***The renewal and development of Québec's transportation infrastructure : no more passing the buck***

In all areas of transportation under federal control, Québec has endured policies which have been catastrophic for its economy. The rail industry is in decline and the air transport industry is experiencing serious difficulties, mainly because of the inefficiency and devastating effects of federal intervention in the case of the Dorval and Mirabel airports. Moreover, 20 years of federal intervention in the area of maritime transport has led to a costly over-abundant bureaucracy and an inefficient management.

***Rail Transport : necessary compensation***

For the last fifteen years, 15,000 jobs have been lost in Québec's rail industry, or almost half of the work force. Federal government intervention to encourage rail transport in Western Canada, to Québec's detriment, is not unrelated to the disappearance of these thousands of jobs.

Yet, to this day Québec has not received any compensation for the 2,500 kilometres of railway abandoned between 1986 and 1994, representing a 28% decrease in its total railway system. During the same period, 90% of the West's railway network was exempted from this downsizing process, by federal order under the National Transportation Act. This injustice must be rectified.

More than 1,160 kilometres of railway tracks should be put back into service. The estimated cost to do so is \$9,500 per year per kilometre over three years, for a total of \$33.5 million. That would be enough to put a portion of the railway system back in service and permit the renewal of this industry.

### *Air Transport : investments in development*

602 During the Mirabel construction, the federal government said that it wanted to make the greater Montréal region the point of entry for air traffic in the north-eastern U.S.. A few years later, it awarded the seven largest European air carriers landing permits in Toronto. Mainly as a result of this single federal decision, Montréal never became the point of entry for European air traffic into the north-eastern U.S..

Last year, the Montréal airports authority announced the transfer of international flights from Mirabel to Dorval. Meanwhile, irreparable harm was done to the volume of air traffic in Montréal, hundreds of millions of taxpayers' dollars were lost and more than 10,000 expropriated land-owners saw their dreams destroyed by megalomaniacs.

### *The Bloc Québécois demands compensation*

602 Recently the federal government invested hundreds of millions of dollars to modernise Toronto's Pearson airport. For reasons of fairness and justice, to mend their errors, it must invest in the development of Montréal's airports for the long-term survival of Mirabel airport. A federal investment of \$250 million would be a minimum amount to compensate for the damages and losses incurred in Québec as a result of the central government's interference.

### *Maritime transport : insufficient efforts*

602 The new owners and operators of federally-abandoned ports must not be penalised and must have access to facilities left in working order. The federal government has already set aside a \$137 million budget to this end, but it is clearly not enough. Out of 37 ports transferred by the federal government, 14 are in Québec. Québec should therefore receive approximately \$52 million of the presently allocated funds. Just the same, this amount is clearly less than the real amount needed by the Québec ports for maintenance work, property expenses and to cover the deficit left by the federal government. An estimate of the maintenance work over the next 10 years is more than \$100 million; property expenses is more than \$40 million; and the covering of the deficit is \$20 million. From this, we note a shortage of more than \$100 million in fair compensation than what the federal government wants to pay.

### **The federal government must make amends for past errors The Bloc Québécois demands that the federal government :**

- Set up a strategic investment fund of \$400 million over three years for transportation renewal and development, managed by the industry, to renew and develop rail, air and maritime transport in Québec.

### *Regional development and federalism : Québec loses out*

Federal development aid, through the three regional agencies which are the FRDO-Q, the Atlantic Canada Opportunities Agency (ACOA) and the Western Diversification Office (WDO), is unfair towards

Québec. Even though there are twice as many unemployed in Québec than in the Atlantic provinces, Ottawa pays 50% more money to ACOA than to FRDO-Q, and WDO benefits from a budget per unemployed person of 50% more than FRDO-Q.

**The Bloc Québécois will continue to demand that the federal government :**

- Give Québec its fair share of regional development funds.

***Québec must be treated equally***

From 1986-87 to 1994-95, federal spending for science and technology increased by more than \$30 billion and Québec, which makes up 25% of the Canadian population, only received 19.1% of this amount, or less than \$6 billion. In 1994-95 the situation improved slightly, but Québec still suffers from a shortage of \$130 million in relation to its population size. In the same year, in the Ottawa-Hull region, Québec only received \$215 million of the \$1.69 billion spent by the federal government in R&D, representing a meagre 12.8% of total spending.

The Bloc Québécois also demands that the federal government no longer penalise Québec companies by reducing their R&D credits because they benefit from similar credits from the Québec government. This action is unfair since the federal government does not penalise the even larger deduction granted in Ontario for the same type of spending. It is a flagrant injustice which only penalises businesses operating in Québec. This harms R&D in key sectors of the Québec economy.

***Balance needs to be restored***

**The Bloc Québécois will demand that the federal government :**

- restore federal science and technology spending in a way that is fair to Québec in terms of its population size.
- treat the R&D tax credit for Québec businesses the same way as Ontario's super-deduction.

***GST : A question of justice and fairness***

Harmonisation of provincial sales taxes with the GST: a flagrant injustice against Québec

For having harmonised their sales taxes with the GST as of April 1 1997, three Atlantic provinces were offered \$961 million by Ottawa. Québec, which harmonised its tax in stages from 1991 did not get such financial compensation : Québec did it at its own expense. If the federal government paid the others 1 billion dollars, it should agree, out of fairness and justice, to pay the two billion dollars which Québec is demanding under the same harmonisation program.

the GST, compensation set at close to \$2 billion.