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# Securing Our Future Together

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Preparing Canada for the 21st Century

Securing Our Future Together



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The Liberal Plan – 1997

# Securing Our Future Together

Preparing Canada for the 21st Century

## Acknowledgments

Canadians are resolved to improve our country and create even greater opportunity for ourselves and our children. Four years ago, Liberals made a promise to offer leadership and commitment to that Canadian dream, a promise we have held firmly in mind in everything we have done.

Now, as we approach the 21st century with optimism and hope, Liberals are again articulating our priorities: economic vitality, modern and high-quality health care, the well-being of our children, and education and knowledge. These priorities are in keeping with our record as a government, our beliefs as Liberals, and our values as Canadians.

This document is our plan for the next four years. It reflects what we heard from Canadians in the summer and fall of 1996 and the winter of 1997. During that period, the Platform Committee co-chairs, Senator Daniel Hays and the Honourable Lucienne Robillard, met with more than a thousand people in 25 cities in every part of the country. From Truro to Quebec City to Victoria, they heard that Canadians' priorities are their economic security, their health, their children, and their education.

This document also builds on the October 1996 Policy Convention of the Liberal Party of Canada, at which Liberals from across the country gathered to discuss and agree upon policy resolutions. It builds on the work of the Standing Committee on Policy of the Liberal Party of Canada and the contributions of members of the Liberal parliamentary caucus. It expands on our actions in government and on our budget plan for 1997-98.

Together we have prepared our plan for the next four years. It is practical. It is workable. It is a plan that proposes measured and feasible steps to achieve our goals, remain true to our beliefs, and meet the needs of Canadians. It is an approach that we offer to Canadians in the hope that they will agree to join us, as together we prepare Canada for the 21st century.

A handwritten signature in black ink, reading "Jean Chrétien". The signature is written in a cursive, flowing style with a long, sweeping underline that extends to the left.

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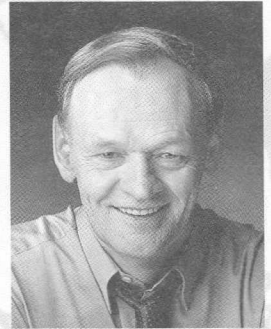
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*A Message from the Right Honourable  
Jean Chrétien, Prime Minister of Canada*



The Liberal Party believes in an independent Canada that is economically strong, socially just, proud of its diversity, and committed to serving as a force for good in the world community.

This is the Canadian dream that has inspired generations of Canadians to build together one of the best countries in the world in which to live: this land we proudly call home. The strength we have drawn upon to make it a reality, against the odds and in the face of great challenges, has come from the determination of every generation to improve our country and endow our children with a legacy of greater opportunity.

Four short years ago, that dream was fading for far too many Canadians. The country

was in economic decline, its public finances seriously weakened. Our freedom to make decisions about our collective future and our ability to pursue our collective interests were disappearing as increasing amounts of our national wealth went to pay interest on our debts. Years of chronic deficits and a skyrocketing national debt made us captive to

the whims of financial markets. This predicament threatened Canada's cherished social programs, developed with so much care over so many years by so many Canadians to help secure the dignity and quality of life of the people of this land.

Now, after four years of Liberal government and concerted efforts by all the people and governments of Canada, it is evident that Canadians have good reason for optimism and hope. Canadians know that the sacrifices they have made are beginning to pay off. Canadians recognize that because of our determination as a country to strive for a better tomorrow, we see light at the end of the tunnel. Order is being brought to our financial situation. The economy is growing stronger; interest rates have fallen to their lowest levels in 35 years. Our targets for

## Introduction

# Securing Our Future Together



reduction of the deficit have been met, indeed surpassed, and the elimination of the deficit is within our grasp.

At the same time, the Canadian economy has created more than 750,000 new jobs. Although this is only a beginning, the significance of this achievement is best understood when compared with the previous five years, in which fewer than 125,000 new jobs were created. Moreover, steps have been taken and more are planned to secure economic growth and job creation in the longer term through strategic investments in innovation, technology, research, and training.

When the Progressive Conservative government left office, many at home and abroad were describing Canada as a country in financial crisis. Now our performance is among the best in the G-7 group of industrialized nations, and our prospects for the future are regarded as most promising. While it is flattering that international commentators now speak of the Canadian miracle, Canadians know that this turnaround, though remarkable, was no miracle. It was the product of their commitment, hard work, sacrifice, and determination.

**Canadians know that this economic turnaround was the product of their commitment, hard work, sacrifice, and determination.**

Throughout, Liberals have continued to be just as resolute in our determination to stay true to our values, to the basic sense of fairness, social justice, decency, and collective responsibility that characterizes Canadians. We remain single-minded in our efforts to protect and secure the fundamental principles of medicare. Where other countries have not yet been able to succeed, we Canadians have taken the necessary action calmly and effectively to put our basic social programs – the Canada Pension Plan, Old Age Security, and Employment Insurance – on a solid, stable, and sustainable footing so that they will be there for us and our children well into the 21st century.

We have established ourselves as a resolute supporter of the United Nations in this

post-Cold War era and have maintained Canada's role as a peacekeeper. Once again Canada speaks with an independent voice in the international community. This we will continue to do.

Meeting the challenges we face as a country, securing the Canadian dream, calls for leadership and commitment: leadership to set a course and find new ways to build partnerships and bring people together to achieve our common purpose; and commitment to our values, to this country and what we are capable of achieving together. Above all else, it is this leadership and commitment that we promised four years ago, that we have delivered over the last four years, and on which we pledge to build in the years ahead.

**A government relieved of the deficit burden is not a government relieved of its responsibilities; it is a government able to fulfil them.**

Now, at the dawn of the 21st century, it is fair to say that we are well positioned to take advantage of the opportunities offered in the next century. Together Canadians accepted the challenge of creating opportunity for

ourselves and our children. Together we have proven to ourselves, once again, that we are capable of making common cause to rise to the challenges we face. What we have achieved together is important in itself. It is all the more important, however, because it has enabled us to begin rebuilding our confidence in ourselves – the confidence that comes from setting goals and achieving them. We are beginning to recognize, once again, that hope is justified. Canadians have every reason to look to our future together with optimism.

We have much to do, and government must show commitment, energy, and dedication. We must ensure that all Canadians share in the opportunity created through our collective discipline, sacrifice, and hard work. In some areas we have not done everything we thought we would be able to do. In others we have been able to do more. We must use the progress achieved together to spur ourselves on to greater achievement.

This document sets out the Liberal Party's action plan for the next four years. Our

approach is not to promise grandiose schemes or make grand gestures. Instead, we are offering Canadians a practical and workable plan for securing our future together. This is a plan that builds on the solid and stable foundations that have been laid over the past four years. It proposes feasible measures for moving forward together and expanding opportunity for all Canadians so that we can advance with confidence and success into the next century.

The role of government must be to provide all Canadians with the tools and the opportunity they need to take advantage of the new economy and to help the country reach forward to the future. Government can and must be a force for good in society. A country is not a balance sheet. For us, the role of government in addressing our future requires more than simply taking care of the books. A government relieved of the deficit burden is not a government relieved of its responsibilities; it is a government able to fulfil them. If we have been forced to spend much of our energy addressing financial problems inherited from the past, now, with those problems on the way to resolution, we can focus on the promise of the future – on the great national challenges that lie ahead.

Governing is about making choices. Choosing is about deciding on priorities. Priorities are ultimately a reflection of values. In this election, there are those who propose immediate tax breaks that will help most those who need help the least, and program cuts that will hurt those who need help the most. We have different values and different priorities. The action plan and priorities we are presenting are founded in the values and drawn from the needs of Canadians as we prepare ourselves for the next century.

Our goal is straightforward: to strengthen and unite this country by joining in the common purpose of keeping Canada one of the best places in the world in which to live. By ensuring that our country continues to evolve and grow to meet the needs and hopes of Canadians, by striving to make Canada a land of opportunity for all, we will reinforce the value of our common endeavour for every Canadian.

Our approach is clear: to build on our success through practical and effective action in measured and feasible steps. Success builds confidence. Confidence builds hope. Hope gives us the energy and the will to take on new challenges and the determination to prevail.

A new Liberal government will continue to modernize Canada on all fronts, in the programs we cherish, in our capacity to innovate, in our ability to experiment, in the role of government, and in the relations between different orders of government. The future belongs to societies whose economies are sound, whose population is healthy, whose children are prepared, and who invest in the knowledge, education, and innovation of their people.

**The future belongs to societies whose economies are sound,  
whose population is healthy, whose children are prepared,  
and who invest in the knowledge, education, and  
innovation of their people.**

These are our values and our priorities. This is where we will invest scarce resources now.

Securing a sound and strong economy is fundamental to expanding opportunity. It is through this commitment that we will continue to regain, as a society, our freedom to make choices about our future together

and our ability to invest wisely and strategically in those things that matter most to Canadians.

A healthy and growing economy capable of maintaining and creating jobs for Canadians is a major priority. We will build on the progress achieved and the solid foundations put in place over the last four years to strengthen the economy. Pursuing this course, with the resulting benefits of low interest rates and low inflation, is fundamental to maintaining and strengthening confidence in Canada. This confidence is essential for encouraging new investment, maintaining and creating jobs, and generating the national wealth necessary to assure Canadians a stable and secure future. That is why we must continue to be vigilant and responsible about keeping our financial affairs in order.

With a healthy economy assured, we can turn to investing meaningfully and strategically

to support the good health of Canadians. We are resolute in our commitment to protect and strengthen Canada's health care system. We will act to ensure that all Canadians have access to a high-quality health care system that remains faithful to their needs and to the five fundamental principles upon which medicare was based. The federal government must retain its authority under the Canada Health Act to enforce these principles. We will also invest new resources in the modernization of our health care system to reflect new developments in medical practice, technology, and pharmaceuticals.

Together with the provinces, health care providers, consumers, and private payers, we will seek creative ways of making sure that all Canadians can get the medications they require. We will also work with our partners to provide Canadians with the support they need as health care delivery moves increasingly to the home and the community.

We must give our children the best possible start in life. Investing in our children is one of the best ways to develop the strength and well-being of Canadian society for the 21st century. We know the importance of early childhood experience to success in adult life. We also recognize that those in poverty face greater challenges, and we know that low-income families with children have sacrificed more than almost anyone else in recent times. We will act, as a top priority, to help families in need so that all of our children may receive the support and help they require and are owed. We will work tirelessly in cooperation and collaboration with the provinces to put in place an agenda for children.

A further and no less important role for the federal government in preparing Canada for the 21st century is to support the national effort to equip Canadians to compete in a changing world. This means investing in knowledge and innovation. The expansion of knowledge and of access to it is key to expanding opportunity for ourselves and our children. In partnership with provincial governments, educational institutions, the private sector, and community organizations, we will help Canadians increase their knowledge and skills. We will invest new resources

to expand the capacity of this country to create knowledge, carry out research, develop technology, and encourage the transfer of technology, so that Canadians may seize the opportunities that are opening before us.

Four years ago, we presented to Canadians our plan for creating opportunity. Through the hard work and sacrifice of Canadians, we are now on firm footing, standing at the threshold of the next century. We are now ready to build on our achievements and move forward with confidence. We are now ready to expand opportunity and secure our future together.

When we took office, Canada was said to be at a crossroads. We have moved beyond that point today. Together we have chosen a road that leads to a secure future. We invite Canadians to travel that road with us.

*All data used in this text are accurate as of April 20, 1997.  
For the costing of platform commitments, see the Appendix.*

Securing Our Future  
Together

Chapter One

## Charting a Clear Path for a Changing Country

Our plan to preserve and strengthen Canadian unity is driven by three imperatives: an unwavering commitment to keep the country together, the need for change to adapt to new realities, and the need for clarity.

Keeping Canada united is our single most important commitment. The government of Canada can have no greater duty or responsibility.

The strength and unity of this country come from more than the Constitution. They are the result of a sound and growing economy, ensuring that Canada is a land of freedom and opportunity, a country in which people feel secure and respected. Canada is a democratic society that affirms and supports its shared values of generosity, fairness, compassion, and respect for diversity. Preserving these values is the common purpose that binds Canadians together. From this common purpose, Canadians have drawn the strength and determination to

spite of it, that we have achieved the status of a great country – a country first inhabited by Aboriginal peoples; a country founded by the joining together of French-speaking and English-speaking people; a country forged by people of different origins, backgrounds, regions, and provinces; a country in which our two official languages and the distinctiveness of Quebec are fundamental to our identity; a country that opens onto the world through the Pacific, the Commonwealth, and the Francophonie.

Canada represents a triumph of the human spirit, bringing together the best of what people can be. Canadians sometimes need to be reminded of this success and the reasons for it. One of those reasons is our federal system.

The essence of our federal system has been and continues to be that it enables Canadians to join together to pursue common goals while respecting, indeed supporting, the diversity of the provinces and regions. This combination of qualities gives rise to a built-in dynamism, and the corresponding flexibility of our federal system continues to permit Canadians to benefit from the best of both worlds in meeting their needs.

Federalism has enabled Canadians to pool resources and share risks. In doing this it has allowed us to open new markets, develop our economy, and ensure that Canadians may live with dignity and security because of such national achievements as medicare, the Canada and Quebec Pension Plans, Old Age Security, and Employment Insurance. Federalism has also enabled Canadians to share in the benefits of our common endeavours through unique arrangements such as equalization, through which the government of Canada transfers money to the provinces on the basis of need.

Federalism has fostered innovation and creativity among the provinces. Within our federal system, provinces have been able to conceive and experiment with social policies, some of which, like medicare, were later extended to the entire country. The creative tensions between the different orders of government within our federal system have helped

## The Liberal government's plan to preserve and strengthen Canadian unity is driven by three imperatives: an unwavering commitment to keep the country together, the need for change to adapt to new realities, and the need for clarity.

build a quality of life that is unsurpassed. It is our duty to our children in preparing for the 21st century to build on this success.

We will require clarity of purpose and commitment to join together in common cause. We will require new and innovative ways to adapt to changing realities. In the final analysis, our unity is rooted in our single-minded desire to ensure that this country continues to be one of the best in the world in which to live. This is why building Canada, strengthening unity, is the work of every day.

Canada is rightly regarded the world over as an extraordinary success. This simple truth should never be obscured. Together, Canadians have been able to succeed because of our determination and our shared commitment to certain basic values. It is by embracing diversity, not in



sharpen our values. This dynamic has also served to protect Canadians and secure our rights and freedoms. Our federalism is a constant process of coming together for common purposes, experimentation, innovation, and sharing. It changes constantly as new needs replace those that have been fulfilled and as new challenges result in new strategies.

Every day new agreements and arrangements are established between the various governments, updating relations to reflect new realities. In this way, we keep renewing our federalism, making it stronger and better able to secure the shared values that Canadians cherish and to provide the public services upon which all of us rely. Maintaining and improving the federation is essential to maintaining and improving our quality of life. Our federalism was designed for this: constant change through evolution. Again, we have given ourselves the best of two worlds: the capacity for change with, at the same time, the assurance of stability.

During the past few years of Liberal government, we have seen ample evidence that Canada works and that our federalism is flexible. Governments have shown that they can cooperate on economic issues, on social issues, on the environment, and on presenting Canada to the world. Canada is modernizing and preparing for the 21st century.

#### **The Changing Role of the Federal Government**

As we approach the 21st century, we must recognize the need to adapt the role of the federal government to a world that is very different from what it once was. This a new Liberal government will do.

The government of Canada has a crucial responsibility to provide leadership at the national level. Elected by all Canadians and endowed with the legitimacy that this bestows, the federal government must identify the challenges we face as a country, set goals, and chart a course to equip Canadians to meet those goals. It must stand up for the shared values of Canadians at home and abroad. It must work at all times to strengthen the economy, increase this

Canada represents a triumph of the human spirit, bringing together the best of what people can be. Building Canada, strengthening unity, is the work of every day.

country's prosperity, and promote opportunity for Canadians.

Since Confederation, Canada has constantly evolved. Throughout our history, the federal government has been a positive force for helping Canadians to respond and adapt. We are now living through an era of dramatic and rapid change. The new opportunities that lie ahead are exciting. But for many, the scope and pace of change is understandably disquieting. Now, perhaps more than ever, the federal government must demonstrate leadership by managing change well, so that Canadians can take advantage of the opportunities it brings. Under such leadership, Canadians will gain the tools, the self-confidence, and the security necessary to face the great challenges presented by change and to prevail. A new Liberal government will provide that leadership.

Our philosophy of federalism is that the best way for the various orders of government to meet the needs of Canadians is to work together. We know that is what Canadians want. We will continue to improve the capacity of governments to collaborate. It is on this basis that the federal government is working successfully with the provinces to establish the framework for a new National Child Benefit System. Relying on the successful model of cooperative federalism that enabled this country to create public pension plans and medicare, the government of Canada is now working with its provincial partners to combat child poverty.

Since our election four years ago, our commitment has been to modernize Canada and prepare it to meet the needs of Canadians for the next century. The Quebec referendum of

1995 underscored the importance of this task, and the Liberal government has redoubled its efforts.

Much has been accomplished since the Throne Speech of February 1996, when the government of Canada made a number of commitments to strengthen federalism. We pledged not to use the federal spending power to create new cost-shared programs in areas of exclusive provincial jurisdiction without the consent of a majority of the provinces, and to compensate any non-participating province if it undertakes equivalent or comparable initiatives. The federal government's role with respect to the provinces was clarified in sectors such as mining, forestry, recreation, social housing, tourism, and labour market training.

The Throne Speech also proposed a new approach to active labour market measures that allows each level of government to best exercise its responsibilities. Since then we have completed labour market agreements with several provinces, and discussions are under way with others.

We made a commitment to a federal-provincial agreement on environmental harmonization that maintains strict standards of environmental quality. The Throne Speech announced the beginning of discussions between federal and provincial ministers responsible for social services and health to consolidate and improve the functioning of the Canadian social union. And we pledged to seek an agreement with the provinces to secure the long-term sustainability of the Canada Pension Plan – an agreement that has now been reached. These

reforms and initiatives will proceed and will continue to be implemented by a new Liberal government.

Cooperation among Canada's governments contributes as well towards strengthening Canada's economy and increasing our prosperity. Canada's economic union goes beyond our capacity to export. We must build on the lessons learned from the success of the Team Canada missions abroad, which, in addition to opening new markets, created invaluable opportunities for the Canadian business community, educators, and our first ministers to work together and understand one another better.

A new Liberal government will continue to work with those provinces that wish to participate on developing and establishing innovative joint endeavours, mechanisms, and institutions, such as a National Securities Commission, a Canadian Revenue Agency, and a Canadian Food Inspection Agency. Through such joint institutions and ongoing collaboration with the provinces, we will strengthen our economic union. Having succeeded in signing Canada's first-ever Agreement on Internal Trade, we will also work with the provinces to further enhance that agreement.

For our future, collectively and individually, and our sense of shared citizenship, Canadians must be able to move freely throughout Canada so that they can pursue opportunity without barriers based on residency. For example, we must eliminate any such barriers in social programs, health services, education, and training. This is why we are committed to launching a national initiative, with our provincial partners, to produce recommendations within two years for concrete action to protect and support mobility for all Canadians.

Canadians not only need a more efficient federation: they also need a federation that is sufficiently flexible to take into account the needs of our diverse population. Equality does not mean uniformity; it means recognizing and benefiting from the special strengths of each region, each province, and each territory. Herein lies the basis of a strong solidarity among

Canadian federalism has always striven to find a balance between different principles of social philosophy: a solidarity that binds citizens together, and a respect for local autonomy.

Canadians. The principle of flexible federalism will continue to guide us throughout a second mandate.

Our approach to modernizing Canada and enabling it to adapt to new realities follows the principle that responsibility should be entrusted to the order of government best able to act in the interests of the people within the framework of our constitution. Canadian federalism has always striven to find a balance between different principles of social philosophy: a solidarity that binds citizens together, and a respect for local autonomy that allows people to exercise their own responsibilities at the local level. Looking ahead, we envisage the cooperative development of national commitments to social goals, coupled with greater diversity and flexibility in the methods of service delivery at the local level.

The government of Canada must continue to fulfil its role in ensuring that Canadians receive the services they require. But the way in which we carry out this responsibility will continue to change. The federal government must develop new arrangements and partnerships, particularly by providing funds to those who may be better placed to design and deliver services – be they provincial governments, the private sector, or non-governmental organizations.

The federal government is best situated to bring together sectors, organizations, and individuals from across Canada to solve problems or to take advantage of new solutions. Its role as a knowledge broker complements its role as a convener. For instance, the federal government is in the ideal position to use new information and communications technologies to gather knowledge and facilitate its flow throughout Canada. To prepare for the 21st century, Canadians must have access to information and technology. The discoveries made in government and university labs are now being transferred to the private sector for commercial uses. This government is also setting up electronic bulletin boards to provide the private sector and individual Canadians with information about new technologies.

In these coordinating capacities, the government must gather together often disparate

We will continue to work on all fronts to strengthen Canada. A strong Canada, which is meeting the needs of Canadians, is a country in which Canadians can take pride and with which all our people can identify.

groups to share information, arrive at common goals, and achieve outcomes that benefit all of them. A new Liberal government will continue to be a resource for information-sharing, a convener, and a facilitator in helping Canadians work together across Canada and around the world. We will facilitate interaction among the public, private, and non-profit sectors to allow for more effective use of limited resources and create more effective partnerships.

#### **Constitutional Change**

Keeping this country united is about much more than the Constitution, but modernizing Canada does include constitutional change. This cannot be achieved by the federal government alone: it requires the involvement of the provinces. As soon as it is possible to bring about constitutional change, we will act. In the meantime, our plan is to keep on building, one step at a time, on the solid foundations that have been laid. We will continue to work on all fronts to strengthen Canada. A strong Canada, which is meeting the needs of Canadians, is a country in which Canadians can take pride and with which all our people can identify.

In keeping with this Liberal government's approach of always moving forward in the most practical way possible, and in keeping with the commitment we made during the 1995 Quebec referendum campaign, we adopted Bill C-110. A new Liberal government will work with the provinces to promote the entrenchment in the Constitution of an amending formula reflecting the provisions of Bill C-110, which ensure that

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A new Liberal government will work with the provinces to promote the entrenchment in the Constitution of an amending formula reflecting the provisions of Bill C-110, which ensure that there will be no constitutional amendment affecting any region of the country without the consent of that region.

## We are firmly committed to the bilingual character of this country and the rights and undertakings embodied in the Canadian Constitution, the Charter of Rights and Freedoms, and the Official Languages Act.

A new Liberal government will work with the provinces towards the constitutional recognition of the distinctiveness of Quebec society, which includes a French-speaking majority, a unique culture, and a tradition of civil law.

there will be no constitutional amendment affecting any region of the country without the consent of that region.

One of the fundamental principles upon which Canada was constructed was the joining together of French-speaking and English-speaking citizens to create a great land. Central to this principle was the commitment of the new country to ensure that the French fact would not merely survive but flourish. The Constitution of Canada recognized the reality that while French-speaking Canadians live all over this country, the majority live in Quebec. Therefore it was designed to enable each province to exercise extensive powers regarding its affairs in order to respect Canada's inherent linguistic and cultural diversity, and to enable each province to develop in accordance with its own needs and desires. From the outset to this day, the French fact continues to be a fundamental characteristic of this country, and indispensable to our Canadian identity.

Canada's commitment to this essential element of the Canadian soul and reality has been acknowledged over the course of our history. French and English have been recognized in the Constitution as the official languages of this country. More recently, New Brunswick became officially bilingual. The government of Quebec has always played a key role in securing and promoting Canada's French-speaking reality, and it will continue to do so. But it has not been alone. The government of Canada has been active in the support and promotion of the French fact at home and abroad.

Canada's French fact is concentrated in

Quebec, with its distinctive character stemming from, among other things, a French-speaking majority, a unique culture, and a tradition of civil law. It is an essential part of Canadian identity. It is time to reaffirm this truth in order to strengthen our confidence in one another, and to enable all Canadians to redouble our efforts to work together for a stronger and brighter future in our common interest.

In order to give effect to the commitment we made during the 1995 Quebec referendum campaign, the Liberal government adopted in Parliament a resolution recognizing and affirming the distinctiveness of Quebec society. A new Liberal government will work with the provinces towards the constitutional recognition of the distinctiveness of Quebec society, which includes a French-speaking majority, a unique culture, and a tradition of civil law.

This recognition would not accord Quebecers more powers, privileges, or money than other Canadians. Rather, it would formalize a practice reflected in the decisions of the Supreme Court of Canada, whereby judges take account of the particular context of Quebec in an overwhelmingly English-speaking North America when making decisions on matters that affect Quebec. Formal recognition of this fact would simply be a way for other Canadians to express to their fellow citizens in Quebec their appreciation and support for preserving and promoting the French fact in Canada, and for helping all of Canada define itself in North America.

We are firmly committed to the bilingual character of this country and the rights and undertakings embodied in the Canadian Constitution, the Charter of Rights and Freedoms, and the Official Languages Act. The protection and promotion of official-language minorities wherever they live is also a fundamental commitment of Canadians and of any Liberal government. We will encourage the development of the bilingual nature of our society.

### **The Need for Clarity**

There are countless examples, over the last few

years, of how much we Canadians can achieve when we choose to work with one another, when governments cooperate and collaborate with one another, in the interests of all. Through the Team Canada trade missions abroad, for instance, we have been able to open new markets and attract new investment, resulting in the creation of jobs.

We have been able to build confidence by creating jobs through the joint federal, provincial, and municipal infrastructure program. The federal-provincial agreements on pension plans and on reducing internal trade barriers are important accomplishments, and governments are collaborating once more to promote tourism.

With the agreements and understandings we have secured in areas like the environment, social housing, forestry, and mining, we have been able to streamline government and reduce costly duplication and overlap. The training and job skills of Canadians are being strengthened through the federal-provincial agreements on labour market training. We have laid the foundation and will continue working with the provinces towards a National Child Benefit System, which will help Canadian children living in poverty to get the healthy start they need to succeed later in life. The proof is there: this country works and is capable of achieving much more.

A Liberal government will continue meeting the needs of the people of this country by governing in a way that benefits all regions and all parts of Canada. This includes doing what has made Canada the number one country in the world: coming together, working out accommodations, respecting diversity, looking after our most vulnerable, responding to change, and building for the future.

Just as we must help Canadians develop a clear understanding of this country – our federal system, the flexibility of Canadian federalism, the role of the government of Canada, and our achievements as a country – we must also ensure that any future debate that puts into question the continuing existence or unity of Canada will be characterized by clarity and frankness.

Therefore, this government has already asked the Supreme Court of Canada to rule on the legality of any possible unilateral declaration of independence. A Liberal government will set out clearly all the implications for Canadians of the partition of our country. While we must set out the implications of secession, this does not mean assuming its inevitability. Similarly, while we must spell out clearly the conditions respecting the partition of Canada, this is not enough in itself to guarantee national unity.

Canadians who have travelled in this country or who have worked with compatriots in other provinces invariably discover how much we have in common. We delight in discovering our richness and diversity. Those fortunate enough to have had these experiences generally return with a new-found appreciation of Canada, a better understanding of other Canadians, and a deeper attachment to this land. For these reasons, a re-elected Liberal government will significantly expand exchange programs among Canadians so that young Canadians can get to know and appreciate our country.

For 130 years, Canada has been one country, united and admired for our success as a nation. This laudable federal union must be preserved for ourselves, for our children, and for others in this world who look to Canada as a model of social and economic cohesion, enriched by respect for cultural diversity. In the spirit of a renewed federalism, the next Liberal government will work with Canadians to move united and confident into the next century.

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A new Liberal government will continue meeting the needs of the people of this country by governing in a way that benefits all regions and all parts of Canada.



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**Portfolio**

# Equality and Diversity: The Record

Canada is a country founded on respect for equality and diversity, twin attributes that are expressed in the various linguistic, religious, racial, and cultural strands that form our communities. Canadians from various traditions and backgrounds are united by a shared history. We are a multicultural and bilingual country that is enriched by the distinctiveness of Quebec, the experiences of immigrants from many countries, and the enduring cultures of Aboriginal peoples.

The value Canadians place on equality and diversity permeates our social fabric. It is most simply and powerfully expressed in our justice system, which holds that all people are equal before the law. This fundamental principle was codified and strengthened by the adoption of the Canadian Charter of Rights and Freedoms, which expressly gives all Canadians protection from discrimination and has led to sweeping social and legal reforms in support of equality.

### **Advancing Equality**

The Liberal government has strengthened and advanced the equality rights of Canadians and promoted the rich diversity of our population. These are goals that our legislative agenda has supported from the beginning. By rein-


stating the Court Challenges Program, which had been cancelled by the previous government, we made the courts accessible to those Canadians seeking to establish their legal and constitutional rights under the Charter.

In 1991 Parliament passed the Canadian Race Relations Foundation Act. The purpose of the foundation, which was conceived under the Japanese Canadian Redress Agreement in recognition of the injustices suffered by Japanese Canadians during and after the Second World War, was to develop and share information to promote better race relations in Canada. The previous government chose not to proclaim the act. Our government proclaimed it, established the foundation, and endowed it with \$24 million to fulfil its mission.

The Employment Equity Act was introduced in 1986, but it excluded all federally regulated sectors of the economy. In 1995 the Liberal government extended the act to include the federal public service, thus protecting women, Aboriginal people, persons with disabilities, and members of visible minorities employed in the public service from workplace discrimination.

### **Promoting Diversity**

The Liberal government has introduced a



wide range of measures to support equality and respect diversity. These measures have involved redressing injustice while taking steps to build tolerance, foster respect, and promote a more inclusive society.

In 1996 we marked the 25th anniversary of Canada's multiculturalism policy by reviewing the program and redesigning it to be more responsive to the needs of today's and tomorrow's communities. These changes do not alter the core objective of this program, which is still to strengthen our society by promoting social justice for Canadians of all racial and cultural backgrounds.

Our immigration and refugee policy is praised worldwide. From the time the Liberals took office in 1993 through the end of 1997, Canadians will have welcomed close to 1 million immigrants and refugees to our country. Newcomers choose Canada because this is a country that offers them the opportunity to build a better life.

Our government recognizes that humanitarian objectives are distinct from the social and economic objectives pursued through immigration. We are proud of our compassionate refugee resettlement practices. We are working at the community level to revitalize and enhance the private-sponsorship

program for refugees. Under this plan, the government and sponsoring groups share the cost of resettlement. In 1995, for example, we responded to the appeal of the United Nations High Commissioner for Refugees to bring even more refugees from the former Yugoslavia to Canada.

We are also reviewing the Immigration Act and updating our immigration system. Introduced over 20 years ago and amended over 30 times since, the current act is unduly complex and too unwieldy to administer. We have appointed an advisory group to consult with interested stakeholders and bring forward a plan by December 1997 for renewing Canada's immigration system. A new Liberal government will act swiftly to respond to the advisory group's recommendations and implement changes to make Canada's immigration system simpler, more effective, and more comprehensible.

#### **Breaking Down Barriers**

Achieving equality for Canadian women continues to be a high priority for this government. We want to ensure that issues affecting women become a fundamental consideration in our policy-making process and decisions.

In 1995 this government adopted Setting the Stage for the Next Century: The Federal Plan for Gender Equity. Under this five-year action plan to advance women's equality in Canada, federal departments and agencies must now analyse the impact on women of their policies and legislation.

The Liberal government has also moved to ensure the equal rights of all Canadians, regardless of sexual orientation. We introduced legislation to toughen sentences for hate crimes, including those motivated by the victim's sexual orientation.

Our amendment of the Canadian Human Rights Act to ban discrimination on the grounds of sexual orientation has brought our laws into conformity with the Charter of Rights and Freedoms and fulfilled our own commitment to fairness for all Canadians. Eight of the provinces and territories already include sexual orientation in their human rights codes, and the Supreme Court of Canada has clearly ruled that the Charter prohibits discrimination on this basis.

The Federal Task Force on Disability Issues tabled a report in October 1996, outlining recommendations to achieve greater fairness for Canadians with disabilities. This government has responded with measures to



## Portfolio

### Equality and Diversity: The Record

help Canadians with disabilities take their rightful place in the country's social and economic life, contributing and benefiting as fully as other Canadians do.

Building on previous government initiatives, the 1997 budget provided an additional \$100 million of support annually to Canadians with disabilities. Through the tax system, these measures will improve recognition of the cost of disability, reduce barriers to employment, and support organizations working and speaking for people with disabilities. The Vocational Rehabilitation of Disabled Persons Program received funding of \$168 million to extend the program for an additional year while it is being redesigned. Funding for voluntary groups that help people with disabilities was also extended at 1996-97 levels.

Like all Canadians, people with disabilities have talents and expertise to contribute and want to play an active role in Canada's economic and social development. This government will continue to build on its earlier initiatives to help people with disabilities to realize their full potential as citizens of this country.

#### Leading the Way

The United Nations has deemed Canada the best country in the world in which to live. Our commitment to equality and diversity has played a significant role in this achievement. The openness and respect that Canadians show one another distinguish Canada internationally.

For Canadians, these honours produce

The United Nations has deemed Canada the best country in the world in which to live. Our commitment to equality and diversity has played a significant role in this achievement. The openness and respect that Canadians show one another distinguish Canada internationally.

tangible advantages that multiply our social, cultural, and economic vitality. Canada's cultural and linguistic diversity attracts business, talent, and expertise from around the world. Our international character and citizenry allow us to make global contacts and play a leadership role internationally, whether in business, in humanitarian aid, or in diplomatic endeavours.

The Liberal government is committed to sustaining and building on the twin virtues of equality and diversity that account for so much of our success and that will continue to benefit all Canadians in the future.



Chapter Two

## Stable Economic Foundations

Today we have good reason for optimism. We have regained the ability to set priorities as a society and to make wise and strategic investments in our future, rather than preoccupying ourselves solely with the debts of the past.

A strong economy is the essence of a strong society. The belief that there can be no real security without a strong economy has been firmly and steadily advanced by this government.

Since taking office in 1993, we have taken responsible and balanced action to get our finances in order and restore Canada's economic health. We have relied on the cooperation and sacrifice of all Canadians to reach our goals. While we recognize that this has been a painful process for many people, all of us are now beginning to see a return on our investment in Canada's economic future.

#### **A New Confidence and Optimism**

The Liberal government has pursued a two-track approach to restoring Canada's economic health. Our objective has been, remains, and will be to stimulate job creation and economic growth. But meeting this objective not only requires policies that promote jobs directly; it also requires putting the finances of the country on a sound and sustainable footing.

Less than four years ago, Canada's financial health was in rapid decline. For decades, governments had been spending much more than they were recovering in revenues. They borrowed extensively, here and abroad, saddling Canadians with an unwieldy mortgage on their future.

When we were elected, the country's finances were being strangled in the ever-tightening grip of compound interest. The deficit stood at \$42 billion and was threatening to climb even higher. The federal government's debt-to-GDP ratio – what Canada owes as compared with what it produces – had risen from 19 percent in the mid-1970s to over 70 percent in 1993, and it was still climbing. High deficits and mounting debt were pushing interest rates up, slowing economic growth and killing jobs.

As a result, international financial markets were demanding from Canada a very large risk premium on top of their lending rates – and adding huge costs for borrowing to a total debt

that was already beyond our means. By 1993, Canada's economic sovereignty had been undermined as we were held hostage to the opinions and demands of every market lender to whom we owed money.

In a world of volatile markets and instantaneous capital transfers, we were losing our ability to chart our own course for sustained economic growth. Canada had almost lost control of the economic levers that a modern industrial economy needs to provide an acceptable standard of living for its citizens. We no longer had the power nor the freedom to make our own financial choices.

There are many and varied opinions about what landed us in this unhealthy fiscal state. For the Liberal government, the most important issue was not how we got into this situation, but how to put ourselves back on solid ground. Without dramatic action to restore the nation's fiscal health, we would all be paying an enormous price – one that would be measured in high interest rates, fleeing investment, lower income, and lost jobs.

Canadians knew that their nation's financial problems required more than a quick fix. They wanted a permanent fiscal recovery. The Liberal government shared this view. We recognized that a strong and enduring fiscal recovery was a prerequisite to boosting employment and preserving our social safety net.

To achieve a strong and lasting recovery, we had to create a climate conducive to lowering interest rates and to installing the foundations of a sound economy. As a first step, our government set about restoring confidence in the way we do business.

That, in essence, is what our four budgets have been about: restoring confidence in Canada and recapturing our economic sovereignty. Today we have good reason for optimism. We have regained the ability to set priorities as a society and to make wise and strategic investments in our future, rather than preoccupying ourselves solely with the debts of the past.

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We will allocate our budget surpluses so that, over the course of our mandate, one half will be spent to improve our programs, and one half will go to tax cuts and reduction of the debt.

**Reducing the Deficit**

The Liberal government has laid the ground-work for a strong economy by demonstrating fiscal responsibility and fairness in pursuing deficit reduction and low inflation. Canada has earned a reputation as a low-inflation country whose businesses are now able to plan and invest for the future.

Moreover, we have made dramatic progress in restoring the country's fiscal health. Our interim target for balancing the budget was to reduce the deficit from 6 percent of GDP (\$42 billion) to 3 percent of GDP (\$24 billion) by 1996-97. That commitment has been exceeded. Indeed, the deficit for 1996-97 will be well below our target and more than \$26 billion lower than it was when we took office.

As stated in the budget plan of February 1997, "Financial requirements – the amount of new money the government has to borrow on credit markets – will be in a small surplus by 1998-99. The last time financial requirements were in balance or surplus was in 1969-70.

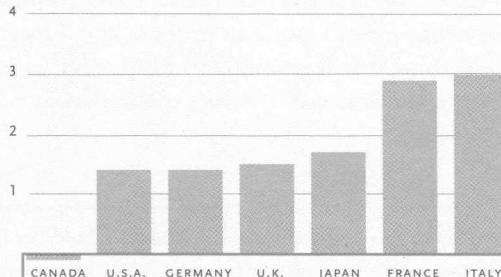
"Financial requirements is the measure used by most other major industrialized countries, such as the U.S., to measure their financial position. On this basis, zero financial requirements would imply a 'balanced' budget. Based on the budget plans of the Group of Seven (G-7) countries, Canada will be alone in having achieved this milestone in 1998-99."

We are moving towards a time when the budget will finally be balanced, the debt-to-GDP ratio will be declining, and the government will have a fiscal surplus. When we reach that time, we will allocate every billion dollars of fiscal dividend so that one half will go to a combination of reducing taxes and reducing the national debt, and one half will address social and economic needs through program expenditures.

Even before we achieve a balanced budget, by meeting or exceeding our fiscal targets, the Liberal government has been able to make strategic investments and selective tax cuts, both to enhance jobs and growth and to build a stronger and fairer society. The budgets of 1996 and 1997 addressed pressing needs in the areas

# Dossier: Restoring Our Economic Health

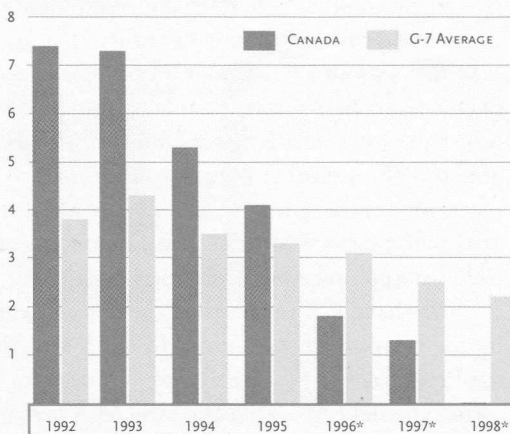
**Canada's Borrowing Requirements  
Lowest Among G-7 Countries**  
(projected 1998 central government borrowing requirements, % of GDP)



Source: Department of Finance, 1997

In 1998 Canada will no longer have to borrow new money. We will have the lowest borrowing requirements of the G-7 countries, on the basis of current national budget plans. Canada's federal borrowing requirements are comparable to the way most other major countries measure their deficits.

**Steadily Declining Deficit, 1992-98**  
(national accounts basis, % of GDP)



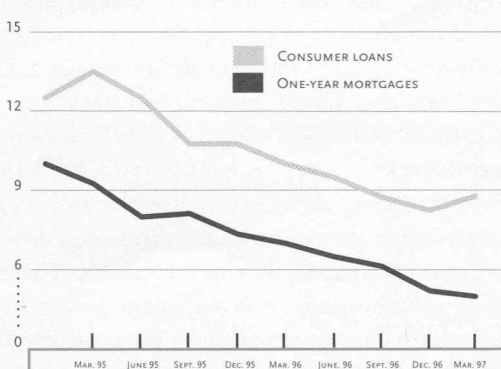
Source: Department of Finance; OECD Economic Outlook, December 1996

\* Estimates and projections

In 1992 the Canadian total government deficit (on a national accounts basis) stood at 7.4 percent of GDP, nearly double the G-7 average of 3.8 percent. By the end of 1997 the situation will have been completely reversed.

The Canadian total government deficit today is only half the G-7 average of 2.5 percent, at 1.3 percent of GDP. By 1998 Canada's deficit-to-GDP ratio is expected to be roughly in balance, and it will remain the lowest among the G-7 countries.

**Affordable Interest Rates**  
(January 1995 to March 1997, %)



Source: Department of Finance, 1997

What does the interest rate decline since January 1995 mean to Canadians?

- To a consumer who takes out a four-year \$15,000 loan to buy a new car, it means saving almost \$500 a year.
- To a small-business person with a \$1-million loan, it means more than \$33,000 in yearly savings.
- If you are renewing a one-year \$100,000 mortgage, it means a savings of about \$3,375 annually, or a decrease of about 12 years on a 25-year amortization period.

of jobs and growth, health care, knowledge and access to postsecondary education, and low-income families with children. As we continue to get our fiscal house in order, a new Liberal government will continue to make new investments and selective tax cuts to meet these priorities.

In particular, as resources become available, we will at least double the \$850-million increase we have made to the new Canada Child Tax Benefit. When a plan and timetable for pharmacare have been devised in collaboration among provinces, private payers, consumers, health service providers, and the federal government, and when a sufficient number of provinces have agreed, we will be able to make a significant contribution to bringing it to reality.

We will also be able to invest more resources to help young people to participate fully in the modern economy, and we will be able to enhance other programs that help to meet our central strategic goals. Our ultimate goal will continue to be securing more growth to be shared more fairly among Canadians.

We have not yet finished the job of cleaning up the finances of the nation. In 1983-84, when the Progressive Conservative government took office, the debt-to-GDP ratio was 41.8 percent. When they left office in 1993-94, it was 71.3 percent. During the 1997-98 fiscal year, the debt-to-GDP ratio will register its first meaningful decline since 1974-75. That decline will continue in 1998-99, allowing more and more of each revenue dollar to pay for services that Canadians need, rather than to pay debts owed to creditors. Our debt-to-GDP ratio is still far too high. The goal of a new Liberal government, therefore, is to put the debt-to-GDP ratio on a permanent downward track.

Reducing the deficit, balancing the budget, and putting the debt-to-GDP ratio on a downward track are not ends in themselves. Rather, they are the means to lower interest rates and to restore consumer and business confidence. Short-term interest rates offer clear proof that our approach is beginning to work. For the first time in two decades, Canadian rates are substan-

tially lower than those in the U.S. These achievements will lead to higher investment by Canadian business, sustained growth in domestic demand, and an increase in the number of jobs available to Canadians.

#### **Creating the Conditions for Jobs and Growth**

Recent years have been turbulent for Canadian workers. In many sectors of the economy, restructuring has reduced the number of available jobs. Meanwhile, increased employment in other sectors has compensated for some of these losses. Although many Canadians have found new jobs in these growth sectors and some have started their own businesses, others have been forced to accept part-time or lower-paying jobs.

This government recognizes that although there are, in total, more jobs today for Canadians than ever before, unemployment and underemployment in this country still remain unacceptably high. Our goal as a society must be to ensure that all Canadians who want to work have that opportunity.

The easing of monetary conditions in 1996 has laid the foundation for much healthier economic growth and job creation throughout 1997 and 1998. Private forecasters are now unanimous in predicting accelerated growth and increased job creation in Canada. The most recent forecasts by the International Monetary Fund and the Organization for Economic Cooperation and Development predict that in 1997 Canada, together with the United Kingdom, will achieve the strongest economic performance among the G-7 economies.

Canadians expect their governments to help create the conditions that promote job creation. Canadians also expect their governments to help equip them to take advantage of emerging opportunities in a modern economy. But they do not expect that government alone can solve Canada's unemployment problem.

While economic conditions favourable to healthy private-sector job creation are now in place, the federal government must continue to invest in key sectors of the economy, in partnership with the private sector and other govern-

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The goal of a new Liberal government is to put the debt-to-GDP ratio on a permanent downward track.

ments, to ensure that as many jobs as possible are created and that economic growth is strong. The next Liberal government will continue to make strategic investments in youth, small business, tourism, infrastructure, trade, innovation, and technology – investments that pay dividends in jobs and growth in both the short term and the long term (see chapter 3).

### Responsible Tax Policies

As Canadians know only too well, the Liberal government came into office after a decade of unrelenting tax increases imposed by governments that expected Canadians to pay for their inability to control public spending. This was one of the main reasons why Canadians had lost faith in government. This was also why, when this government took office, we decided to put a halt to rising taxes and to restore faith in the way our nation's finances are managed.

None of our four budgets has increased personal income tax rates. Our 1996 and 1997 budgets did not raise taxes at all. In fact, both offered selective tax cuts with immediate impact for those whose needs were greatest. Tax cuts were delivered to over a million low-income families and their children, to people contributing to charities, to Canadians with disabilities, to students and workers pursuing higher education, and to parents saving for their children's education.

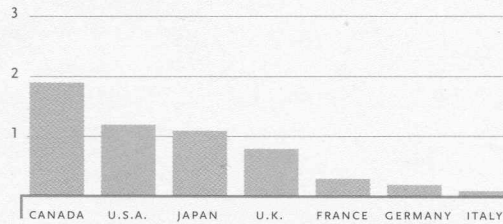
Other political parties are now advocating broad-based tax cuts. Introducing these now would jeopardize much of the progress we have made to date. To propose a broad-based tax cut at this time is to pretend that the attack on the deficit is over, when it is not.

Canadians know that a broad-based tax cut today would have to be paid for in one of two ways: by adding to the deficit, or by cutting important government programs further. Neither option is acceptable.

In each of the last three years, we have reduced Employment Insurance premium rates as part of our effort to lighten the burden of payroll taxes. One of our first acts upon taking office was to prevent EI premiums from rising to

## Dossier: Strong Employment Forecast

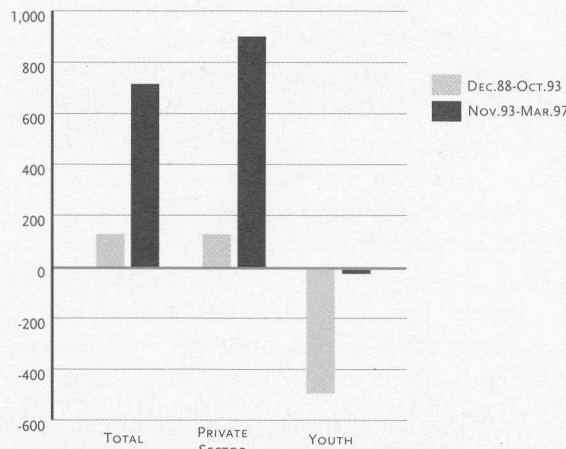
**Canada's Projected Job Growth Best Among G-7**  
(% forecast for 1997)



Source: OECD Economic Outlook, December 1996

In 1997 Canada will see stronger growth in employment than any other G-7 country, according to the Organization for Economic Cooperation and Development.

**A Record of Job Creation**  
(number of jobs in 1,000s, cumulative growth)



Source: Privy Council Office, 1997

Our strategy is starting to pay off: more jobs were created during the Liberal mandate than during the previous government's 1988-93 term.

This government recognizes that unemployment and underemployment remain unacceptably high. Our goal as a society must be to ensure that all Canadians who want to work have that opportunity.

A new Liberal government will continue to bring down the deficit and the debt-to-GDP ratio while directing substantial new resources to investments in jobs, health care, our children's future, and education and knowledge.

\$3.30 per \$100, as had been planned by the previous Progressive Conservative government. This rate has since been reduced from \$3.07 in 1994 to \$2.95 in 1996, and to \$2.90 in 1997; it will be further reduced to \$2.80 in 1998. We have also reduced the maximum earnings base on which the premium rates are applied. We will keep reducing such premiums to ease the tax burden on workers and businesses in a way that is fiscally responsible.

In November 1996, we announced a New Hires Program to help 900,000 eligible small businesses to hire new workers without having to pay EI premiums for them. By reducing payroll taxes, we have made it easier for Canadian businesses to hire more employees and to create jobs.

This government's goal is lower taxes, and our record speaks of our commitment to that goal. We have not increased personal tax rates. Targeted tax cuts have been implemented already, and more selective tax cuts will be made. The time for a broad-based tax reduction will come, when we can afford it as a society and when Canadians can be assured that such cuts can be permanent.

#### **Reaping the Rewards of Sound Fiscal Management**

Canada is now a country on the rise. Today our economy is growing and strengthening, and the trend of economic indicators is positive for the first time in a long while. The strong economic growth in the second half of 1996 is expected to carry into 1997 and 1998. Inflation is under

control, and business confidence is at its highest level in years.

Sacrifices have been made to get us to this stage, but our approach to managing the economy is clearly beginning to pay off. Lower interest rates and a stronger economy are generating more consumer and business confidence. Private analysts expect that the stronger economy forecast for 1997 could generate up to 300,000 jobs by the end of 1997.

We have made significant progress in managing Canada's finances, but our journey is not over. Our finances are finally being brought under control, and the era of cuts is ending.

A government's values are reflected in how it chooses to use its resources, particularly when those resources are scarce. The Liberal government's values are clear. We are guided by balanced policies and a belief in the unlimited opportunities that await Canadians.

Continuing to create the climate for jobs and economic growth, as we have for the last four years, a new Liberal government will continue to bring down the deficit and the debt-to-GDP ratio while directing substantial new resources to investments in jobs, health care, our children's future, and education and knowledge. We will continue to make prudent investments that contribute to the country's well-being without jeopardizing the progress we have all made in putting our country's finances in order. This is a course that we are committed to following as we lead Canada towards renewed and lasting economic health.

Chapter Three

## An Economy That Creates Jobs

We have developed a new ethic of cooperation and partnership among governments and with the private sector. This has become our way of conducting the country's business. It is a better way, and it is one on which we intend to build as we expand opportunity for jobs and growth in an innovation-based economy.

**R**estoring responsible management to the country's finances is a prerequisite to creating jobs and growth. But far more must be done to create the conditions for more jobs in the 21st century.

In addition to restoring confidence in the management of our public finances and our direct job creation activities, we have concentrated on three priorities in the first mandate: building an economy that creates and sustains jobs, expanding trade, and increasing the knowledge and innovation base of our economy. We will build on these priorities in a second mandate.

Building a working economy for the 21st century requires setting priorities and focusing energy, attention, and resources on them. It is not good enough for us, as a government, to plan only for next week or next month or next year. We have to prepare Canada for the next ten, twenty, and thirty years.

The Liberal government has developed a new ethic of cooperation and partnership among governments and with the private sector. This has become our way of conducting the country's business. It is a better way, and it is one on which we intend to build as we expand opportunity for jobs and growth in an innovation-based economy.

#### **Jobs Through Trade**

Developing new markets for Canadian products and services around the world means more and better jobs for Canadians. Every \$1 billion in exports supports some 11,000 jobs in Canada, underscoring the importance of securing and expanding Canada's trading relationships.

The Liberal government has demonstrated its commitment to trade expansion through the highly successful Team Canada missions abroad, led by the Prime Minister and the provincial premiers, which have brought home \$22 billion in business deals since 1994. We have also signed free trade agreements with Israel and Chile, reduced tariffs for business and consumers, and increased the ability of the Export Development Corporation to lend to Canadian companies, particularly small and

medium-sized businesses, seeking to enter higher-risk emerging markets. Investment Partnerships Canada is also attracting more international investment to Canada.

These efforts are bringing home good results. Canada's merchandise trade surplus was a record \$34 billion for 1996, and the volume of Canada's exports has soared by 50 percent since 1992.

Canada needs a strong, flexible approach to trade that takes us beyond North America to areas such as Europe, Latin America, and the Asia-Pacific region. We are dedicated to expanding our markets because trade with the world means jobs for Canadians at home – good jobs, jobs that last.

The Liberal government has been a strong champion of liberalized trade. Canada has assumed a leadership role in the World Trade Organization; we have strongly opposed the U.S. Helms-Burton Act; and we are actively supporting free trade in the Americas. In 1997, Canada's Year of Asia Pacific, Canada assumes the chair for the fifth Asia-Pacific Economic Cooperation (APEC) leaders' meeting in Vancouver, providing the opportunity to build further on the progress already made towards free trade in the Asia-Pacific region.

In a second mandate, we will continue to build public-private partnerships through the Team Canada model, which has brought together Canadian business men and women, educators, and government leaders to improve Canadian competitiveness abroad and generate more jobs at home. The participation of small and medium-sized businesses in Team Canada missions has been invaluable to smaller firms seeking to enter foreign export markets.

We will explore new forms of trade promotion, learning from what has worked so well thus far. A new Liberal government will create a Trade Promotion Agency that builds on the Team Canada approach to promoting international business. The agency will integrate trade promotion functions across various government departments to provide better service to Canadian businesses.

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A new Liberal government will create a Trade Promotion Agency that builds on the Team Canada approach to promoting international business.



The Trade Promotion Agency will draw on private-sector expertise and will ensure that federal trade development programs are fully coordinated with their municipal and provincial counterparts. The success of the agency will be judged by its demonstrated ability to create new commercial opportunities for Canadian business that result in jobs for Canadians.

The Trade Promotion Agency will not be a policy-making body. It will serve as an information resource centre for Canadian firms and as a marketing agency to help sell Canadian goods and services around the world. Tapping the federal government's international network of trade officials, it will make information more available to Canadian businesses. The agency will actively promote Canadian products to foreign buyers and encourage foreign direct investment in Canada. It will also help set regional and sectoral export objectives.

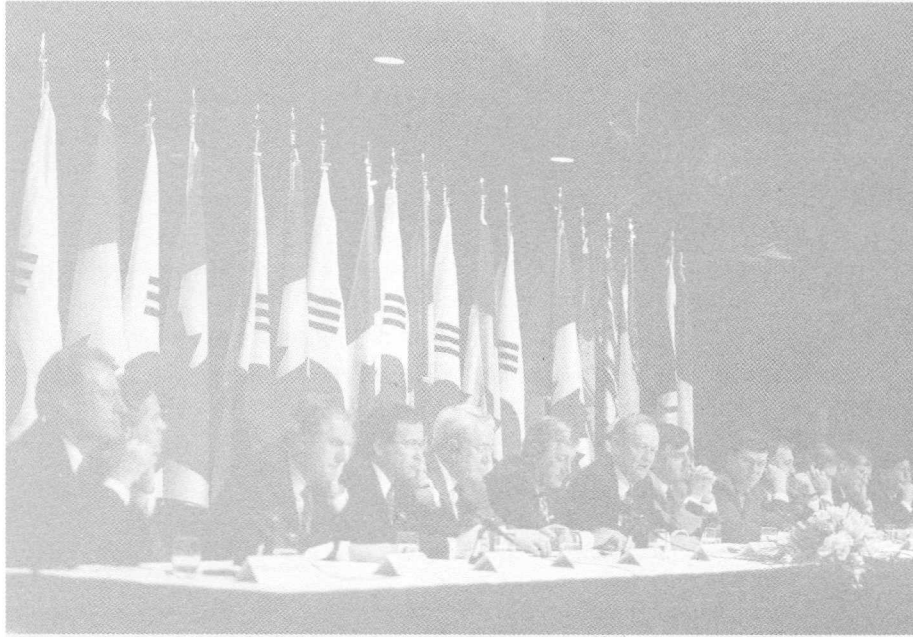
Through the Trade Promotion Agency, a new Liberal government will reinforce the ability of the cultural sector to market its Canadian products internationally. This initiative will build on current efforts to position Canada more prominently at international festivals and trade forums.

Canada's expertise in governance is recognized and respected internationally. We have a reputation for sound public-sector management and the ability to adapt that expertise to foreign jurisdictions in a way that is culturally sensitive.

A new Liberal government will develop a strategy for more effectively marketing Canada's public-sector expertise internationally. This strategy will involve identifying marketable expertise across governments in such areas as systems management, elections management, auditing practices, and policy development on environmental and other issues.

The commercial export of public-sector expertise can also support private-sector trade. This is the case with SchoolNet, Canada's leading-edge online educational service. This successful project has just completed a commercial public-private agreement with Mexico and is pursuing agreements with other jurisdictions.

## Team Canada



The Liberal government has undertaken an aggressive international trade promotion strategy, distinguished by Team Canada. The Team Canada missions have made history as the most successful trade missions Canada has ever fielded, opening the world's fastest-growing markets to Canadian companies.

Since taking office in 1993, we have delivered on our pre-election promise to focus more on the Pacific and Latin America – and we have done so with remarkable success. The Prime Minister led Team Canada trade missions to China in November 1994, to India, Pakistan, Indonesia, and Malaysia in January 1996, and to Thailand, South Korea, and the Philippines in January 1997. The Prime Minister also led a trade mission to Latin America in January 1995. These missions have given Canadian exports to these regions a major boost of as much as 50 percent.

The overwhelming success of the Team Canada approach owes much to the involvement and support of Canadian business men and women,

educators, and government leaders. Through their participation in these missions, these leaders are seeing how they can improve domestic market conditions here in Canada, while increasing our competitiveness in foreign markets. By helping Canadian enterprises to penetrate foreign markets, these missions are now producing substantial competitive advantages at home. The success of these missions demonstrates dramatically the benefits of linking domestic and foreign policy initiatives.

Canada has always been a trading nation whose economy has been built on strong export performance. Every \$1 billion of new exports creates or sustains an estimated 11,000 jobs for Canadians. That is why the Liberal government, more than any government in Canadian history, has concentrated on promoting Canadian exports and know-how abroad. A new Liberal government will continue to build on the Team Canada model to increase our success and prosperity as a trading nation. ■

## Our Jobs Strategy

Canadians want and deserve good jobs. But there is no single or simple way to see that they get them. To help Canadians get and keep good jobs, we are taking action on several fronts. Together, these steps amount to a stable and balanced Jobs Strategy that will help us to secure the future together.

Canadians recognize that the private sector creates jobs, but they expect government to create the conditions that will stimulate job creation. First, business needs stability and access to capital. By getting our public finances under control, the Liberal government has helped lower interest rates and has sent a strong signal to our own business community and to the world that Canada is a good place in which to invest.

We are also making strategic investments in areas that make a difference. Investments in small business, youth employment, technology and innovation, trade, and infrastructure work together to stimulate the creation of jobs now and set the stage for more jobs in the future.

Small business creates most new jobs in Canada. We are helping small Canadian businesses to get financing, use technology, and export to new markets so that they can hire new employees.

Investing in youth helps young Canadians to get the skills and experience they need to use new technology and get jobs in the growth sectors of the economy. Our Youth Employment Strategy is helping thousands of young Canadians to bridge the gap between school and work.

The Liberal government is investing in technology and innovation in order to improve Canada's productivity, so we

can stay competitive in the world economy. New technology and innovation bring prices down and make our goods and services attractive to more buyers.

To ensure that we gain as many jobs as possible, we must expand the markets for our goods and services. The Team Canada trade missions are one way we are working in partnership with business and provincial and municipal governments to sell more of what Canadians make to the world and create more jobs for Canadians at home.

Finally, governments are investing in infrastructure – from the roads we drive on to the information highway that links us to the world – to improve the community assets that business needs to be competitive and to make our communities more liveable, as well as creating work for thousands of people.

The Liberal government's Jobs Strategy is a balanced approach to a complex problem. There is no quick fix. To throw money at short-term solutions would jeopardize the progress that all Canadians have made to get to this point and, ultimately, would put many more people at risk of losing their jobs.

Our economy is in the midst of profound change. This means government has to change as well and continue to find smarter, more effective ways to provide Canadians with the security and opportunities they need to take on the future with confidence.

Our Jobs Strategy is the start. A new Liberal government will continue to make strategic investments in youth, trade, technology, and infrastructure and will work with small business to deliver the conditions for sustainable employment for the future. ■

Canada's success in international trade will depend as much on the quality of our human resources as on the quality of our goods and services. There is a large and growing market for the skills of those people who design and develop the products that Canadians sell around the world. The services of our experts in technology, training, education, international aid, and culture are in high demand. Our bilingual, multicultural society makes Canada attractive to foreign enterprises seeking a skilled, educated, sophisticated work force capable of operating in a global business environment. Canada's people advantage translates into competitive advantage for companies investing here or seeking expertise for international projects in Asian, Latin American, and European markets.

The Liberal government believes that young people should be given the opportunity to prepare themselves for success in the rapidly growing international marketplace for Canadian skills. This is why we are offering young Canadians opportunities to gain work experience and an international education. As part of the Youth Employment Strategy announced in February 1997, the government is committing \$30.8 million over two years towards a program of international internships through which Canadian youth will gain both career-related experience and exposure to international cultures and practices. Canadian businesses abroad and international non-governmental organizations will offer placements, providing invaluable mentoring opportunities.

Canada recognizes the importance of the World Trade Organization as global trade is liberalized and as important new markets, such as China, come under its rules. As the economic performance of developing countries improves, a Liberal government will ensure that trade becomes a tool for enhancing two-way market access, giving developing countries more opportunities to participate effectively in new markets. It will also give Canadian businesses new markets in which they can compete and succeed.

The economic benefits of trade liberalization must not be achieved at the expense of

lower environmental standards, human rights abuses, or deteriorating labour standards. Under a new mandate, a Liberal government will use Canada's good economic relations with its many commercial partners and work through such international organizations as the World Trade Organization, the United Nations, the International Labour Organization, and the North American Commission for Environmental Cooperation to ensure that standards for protecting people and the environment are firmly in place.

#### **Attracting Foreign Direct Investment**

The Liberal government believes that foreign investment can benefit Canadians by providing jobs in the short term and encouraging technological developments that will strengthen our economy over the long term. Canadian communities have what it takes to compete successfully for foreign investment. Our government will work in partnership with these communities to support their efforts.

The Liberal government has already done much to attract foreign investment. We have organized the Department of Foreign Affairs and International Trade and the Department of Industry to work together through Investment Partnerships Canada. Working cooperatively with provinces and communities through the proposed new Trade Promotion Agency, a Liberal government will continue to seek foreign direct investment in sectors that offer good jobs for Canadians.

There are direct costs associated with attracting investment. Among these are research, proposal development, communications, and travel – costs similar to those incurred by a company seeking new export markets. The federal government's Program for Export Market Development provides export marketing support, in the form of a repayable contribution, that allows companies to share the risk of international marketing with the federal government. PEMD currently pays 50 percent of the costs of international promotion for small and medium-sized businesses searching for new export markets. A new Liberal government will expand

eligibility and funding for the Program for Export Market Development to include non-profit public-private partnerships working at the municipal level to bring foreign direct investment to their communities.

#### **A Knowledge-Based Economy**

Competing with the best in the world for innovation, ideas, and research and development is a priority of this government. Canada must remain a knowledge-based economy, or we risk falling behind other countries and losing our brightest young minds to those countries that excel at innovation.

This government is making major strategic investments in fast-growing parts of the economy. These technology-driven sectors, such as aerospace, biotechnology, and environmental technology, all offer strong prospects for jobs, as do the businesses that flow from them.

We are ensuring that Canada continues to provide one of the most favourable tax regimes for R&D in the world. We are enhancing Canada's capacity to conduct new research and to apply that research in the marketplace to generate more jobs for Canadians. In our 1997 budget, we announced the creation of the Canada Foundation for Innovation. We are investing \$800 million that should leverage \$2 billion, through partnerships with public research institutions, other governments, and the private sector, to support research infrastructure in Canadian universities and research hospitals.

The Liberal government is working with small and medium-sized companies, providing them with the technical assistance that will help them use new technology to improve their competitiveness. The Student Connection Program, for instance, employs 2,000 students who are connecting 50,000 businesses to the information highway.

Many of today's workers need new and better skills to match the new and better-paying jobs that are being generated in an innovation-based economy. To help Canada create rewarding and well-paying jobs, the Liberal government will continue to invest in making education

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A new Liberal government will expand eligibility and funding for the Program for Export Market Development to assist community efforts to attract foreign direct investment.

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A new Liberal government will ensure that all Canadians benefit from strategic investments in science and technology research.

accessible and providing people with career-relevant skills. We are providing assistance to people who want postsecondary education, and we have announced our intention to double the amount on which the education tax credit is based. As well, we will be extending the tuition tax credit to include new or additional fees apart from the cost of tuition.

To help parents who want to save for their children's education, we are doubling the \$2,000 contribution limit for Registered Education Savings Plans to \$4,000. Individuals will also be able to transfer unused RESP income into their Registered Retirement Savings Plans if they have unused RRSP room. To assist those having difficulty in repaying student loans, we are increasing from 18 to 30 months the period during which a borrower can defer making payments. These measures together will ultimately provide an additional \$275 million in assistance annually to people saving for their children's education, to students financing their own education, and to people paying off student loans.

We are also focusing on skills upgrading and continuing education for adult workers. For this reason, we will provide grants to 20,000 students with dependants, the neediest group of students (see page 63).

The vast majority of Canadians who will be in the work force by 2005 have already passed through the educational system. Many of these workers will need further education and skills development to keep pace with changing technologies and changing job requirements. One of the best ways to help people acquire and upgrade their skills is through on-the-job training.

By the year 2000, we will be investing an additional \$800 million a year in active employment benefits, while reducing the overall cost of the employment insurance program. In the spirit of renewed federalism and greater cooperation, provinces now have the opportunity to deliver these active measures themselves through labour market agreements with the federal government. Provincial delivery will allow more coordinated services and greater responsiveness to local and regional needs. This reinvestment will bring total

annual employment insurance program investments on active measures and other labour market initiatives up to \$2.7 billion per year.

We have established sectoral councils to work with industry sectors and education and training institutions to assess the changing requirements of industry for skilled workers. Because people's chances of finding, getting, and keeping jobs, and of participating in retraining, are directly related to literacy, we have also increased the budget of the National Literacy Secretariat from \$23.3 million to \$30.3 million.

In a second mandate, a Liberal government will build on our record of achievement to support our scientific community, research and development, and students, and to improve access to postsecondary education. We will do so as a government with the tools at our disposal, and through partnerships with provincial governments, the private sector, and the non-governmental sector.

As we continue to get our fiscal house in order, a new Liberal government will make new investments and selective tax cuts to promote knowledge, innovation, and access to postsecondary education (see chapter 2). This is the single most effective way of building a strong economy for the long term. It will ensure that Canadian firms can compete effectively against those of other advanced countries that are investing heavily in research and development and in access to knowledge for their populations.

Canada's Networks of Centres of Excellence, which pursue leading-edge research in areas of strategic importance to Canada and work with industry to create commercial opportunities, are another tool for building our knowledge base. They connect researchers in universities, government, and the private sector and help move leading-edge research out of laboratories and into commercial applications, which is how jobs are created. They work in areas such as bacterial disease, robotics, pulp and paper technologies, and telecommunications.

As announced in the February 1997 budget, a new Liberal government will provide permanent funding for the Networks of Centres

of Excellence at a level of \$47 million a year. These networks have given rise to a number of small and medium-sized businesses. By providing permanent funding, the Liberal government has ensured the continuation of many existing networks and has laid the groundwork for on-going coordination and application of their research.

#### Commercializing Government Research

A new Liberal government will ensure that all Canadians benefit from strategic investments in science and technology research. We must do a better job of getting the results of federal government research out of our labs and research facilities and into the commercial marketplace.

We believe there is a role for government in both nurturing basic research and helping to commercialize research results. This kind of support will generate spin-off enterprises and jobs that will provide employment opportunities for Canadians in all walks of life and all regions of the country. A new Liberal government will ensure that every federal laboratory produces a business plan for technology diffusion, with measures of success, and will require that these plans be submitted annually to the House of Commons.

Better measures of success for government labs and research facilities could be based on the number of new products and services brought to market, or on the number of jobs created. The effectiveness of departments and agencies whose primary mandate is to serve the public good (certain divisions of Health Canada, for instance) cannot be measured by commercial results. But such agencies may, while carrying out their primary mandates, develop new processes or products with commercial possibilities, and these should be exploited.

A new Liberal government will engage science advisors – Canadians with expertise in specific fields of science and technology – to provide expert and independent advice to ministers of science-based departments. This independent expertise will help us improve the value

## Self-Employment



This government strongly encourages entrepreneurship and self-reliance. While self-employment is not the solution for everyone, those who are prepared to take the risk deserve our support.

Tens of thousands of Canadians have taken their search for more stable employment into their own hands, joining the growing ranks of Canada's self-employed. Since October 1993, the Liberal government has helped more than 42,000 Canadians through the Self-Employment Assistance (SEA) program. This program helps people develop and implement their business plans and, in some cases, offers financial support during the time required to get their enterprises up and running. Today, over 70 percent of SEA-assisted businesses are viable and prospering.

This government takes a partnership approach to supporting people who have the vision and the energy to start their own businesses and create their own jobs. In Winnipeg, the first city to have a Self-Employment Coordinating Committee, the YMCA and YWCA joined with the Business Development Bank of Canada to encourage banks

and local lending institutions to provide more start-up loans to graduates of the SEA program. The committee also organized an SEA Trade Show and an awards banquet to showcase the remarkable achievements of these entrepreneurs. After two years, 85 percent of Winnipeg's SEA graduates are still in business, thanks in large part to the support they have received from their community.

Many self-employed people enjoy greater freedom, flexibility, and control than they experienced while working for someone else. But these entrepreneurs are also taking on greater risks in owning and operating their own businesses. This is why self-employed people need strong assurances about their economic and social environment. They want to know that Canada will offer them a stable business climate and that it will continue to safeguard our core social programs, like health care and our pension systems. Knowing that these supports are in place will allow people to start their own enterprises with confidence and to take the kinds of risks that reward us all. ■

## For the Record

“Long-term growth is driven by technological change – that is, by changes in the goods and services we produce and changes in the way we produce them... Technological advance not only raises our incomes: it transforms our lives.”

Richard G. Lipsey, *Economic Growth, Technological Change, and Canadian Economic Policy*, 1996

that Canadians get for our science investment. It will help us transfer technologies to the commercial marketplace and generate jobs, and it will help us better measure the calibre of scientific research carried out in support of departments' other mandates, such as regulating health and safety. We must also improve the regime for intellectual property ownership to clarify who has the right to commercial exploitation of new scientific developments resulting from federal contracts.

### Private-Sector Innovation

Government has an important role to play in supporting strategic industrial sectors, particularly those that generate high levels of employment. Many Canadian companies in these sectors are major exporters who face stiff international competition from foreign companies that are heavily subsidized by their governments. Other companies are working to develop emerging technologies where Canadian firms may have an existing competitive advantage, but whose development may be some years away from commercialization.

The Canadian government is investing in strategic industries through Technology Partnerships Canada. Through this fund, the government co-invests in pre-commercial innovation; these investments will be fully repaid from royalties. For example, Technology Partnerships Canada has invested in the development of new commercial aircraft at Bombardier in Montreal and at de Havilland in Toronto, as well as in the development of a fuel cell invented by Ballard Power Systems of Vancouver. The Ballard fuel

cell converts hydrogen or natural gas into electricity with minimal energy loss and zero emissions, and with many potential applications for environmentally clean vehicles.

Canadian companies benefit from other government initiatives that foster the development of new technology. The highly respected Industrial Research Assistance Program (IRAP) at the National Research Council promotes the diffusion of technologies to small and medium-sized businesses. The program currently provides technical advice to over 10,000 Canadian companies and financial assistance to more than 3,000 firms every year to support research and development projects. The IRAP team has technology advisors working in 190 locations across the country. A new Liberal government will increase technical assistance to small and medium-sized enterprises by increasing the funding for the Industrial Research Assistance Program by \$34 million per year, up to a total funding level of \$130 million per year.

### Environmental Efficiency and Innovation

The Liberal government believes that there need be no conflict between business opportunities and a healthier environment. The world's population is expanding, and many parts of the world face high pollution levels and energy, water, and natural resource constraints. As a result, a booming international market is emerging for products and services that use fewer resources, are non-polluting, and can be easily recycled or reused. The International Standards Organization's new environmental quality standard and the demands of environmentally committed individual and corporate consumers are also driving this market.

These trends offer many opportunities for Canada. The market for environmental goods and services is a potentially huge source of jobs and growth for Canadians in the coming century, but it is highly competitive. Without continual innovation, we risk falling behind and being shut out.

Canada's environmental industry has annual sales of over \$14 billion and is expected

## Kinds of Innovation

Innovation is about finding new knowledge and putting it to productive use, whether in the economy or in our social institutions. Innovation happens in four different ways.

- *Product innovation* brings new or improved goods and services to market.

- *Process innovation* introduces new ways to do things that improve quality, increase effectiveness, reduce costs, or lessen the impact on the environment.

- *Marketing innovation* brings goods and services to market in new ways, or opens up new markets.

- *Institutional innovation* creates new relationships and structures to meet new needs.

Canadians want their communities and companies to use advances in technology and new knowledge of all kinds to maintain a strong economy and a strong society into the 21st century. The Liberal government is committed to helping them do so.

to grow by 10 percent annually to the year 2000. This industry is directly responsible for 200,000 jobs across Canada and is expanding its export capacity. It provides good jobs, especially in small and medium-sized businesses. Production per worker, at \$130,000, is 25 percent above the average in other manufacturing sectors. The international market for environmental goods and services will be 40 percent greater by the year 2000, and will continue to increase exponentially.

The Liberal government has a strategy to assist Canadian environmental industries in exporting to new markets. We are strengthening the infrastructure for environmental research in the new Canada Foundation for Innovation. We have also created a stream for enabling and environmental technologies in the Technology Partnerships Canada program, which makes strategic investments in technologies such as the Ballard fuel cell.

We can and will do more. A new Liberal government will take a number of additional steps to improve Canadian capability and performance in this field. We will assist Canadian business in meeting the growing demand for environmental goods and services by funding the development and sharing of tools to improve the environmental aspects of product design. Along with expanded funding, a new Liberal government will give the National Research Council a mandate to help small and medium-sized businesses to implement state-of-the-art technologies and approaches for using energy, water, and natural resources more efficiently and for preventing pollution. We will ask the

National Round Table on the Environment and the Economy to expand its work with stakeholders and provincial governments to develop eco-efficiency indicators.

Taken together, these steps will help companies to measure the efficiency with which they use energy and raw materials, and to reduce toxic releases and waste in both the production and the use of their goods. These indicators are tools to drive production and design improvements; they can also help with the marketing of products. Our initiatives will help companies to succeed by getting ahead of the curve and ahead of their competitors, rather than simply responding to market forces after the fact.

### Community Access Program

The rapid changes taking place in information technologies present new opportunities to individuals and communities for learning, interaction, and economic development. Business and local development possibilities are becoming less dependent on location and more reliant on access to information technologies.

Industry Canada's Community Access Program is playing an important role in linking Canadian communities to the information highway. On the basis of commitments in the 1996 and 1997 budgets, all 5,000 rural communities in Canada that have populations of between 400 and 50,000 people will be connected to the Internet by the year 2000.

### Young People

Young Canadians face the most formidable challenges in establishing themselves successfully

## Helping Small and Medium-Sized Enterprises

The Liberal government has made capital, export assistance, and information available to small and medium-sized enterprises (SMEs) to help them grow, trade, and develop innovative ideas that create jobs and growth.

We are amending the Small Business Loans Act to increase the total amount available for guaranteed loans from \$12 billion to \$14 billion. In cooperation with the banks, we have established specialized loan funds to make higher-risk long-term loans to companies investing in high-risk new products. We have funded community networks that match local investors with small companies requiring investment.

The Liberal government has encouraged banks to deal more fairly with SMEs. The banks are now appointing ombudsmen and supplying data so that improvements in their small-business lending performance can be monitored. The Business Development Bank of Canada has been refocused to concentrate on small business, particularly in the high-technology and tourism sectors, and to assist businesses started by youth. We have provided additional capital to the Farm Credit Corporation to enable it to finance growth and diversification for farming operations and businesses.

To help SMEs penetrate export markets, we have made funding at the Export Development Corporation more accessible, through a toll-free advisory service. Strategis, Canada's largest business information website, provides export information and market intelligence and links to the International Business Information Network. We support the Forum for International Trade Training, a government partnership with the Chamber of Commerce, the Alliance of Manufacturers and Exporters, and the Canadian Federation of Labour. The forum provides SMEs with advice, training, and information on entering new markets.

The Liberal government has made information more accessible to SMEs through Small Business Information Fairs, which take place across Canada and have attracted over 32,000 small businesses since November 1996. The Strategis website receives 190,000 hits each business day, putting it among the busiest Internet sites in Canada. The Canada Business Service Centres also provide information in one location on services available from both federal and provincial governments. ■

in today's job market. But work-experience opportunities from government-assisted programs, in partnership with community organizations and businesses, have provided almost 240,000 young people since 1994 with better job prospects. These programs build hope for the future by enabling young Canadians to get the work experience they need to secure a permanent place in the labour market.

The Youth Employment Strategy, launched in February 1997, improves access to existing youth programs by offering services and resources for young people through a 1-800 information line, a Youth Resource Network website, and a series of Youth Info Fairs. It also builds on over \$2 billion a year in existing funding to help more young people find work, including \$315 million to create more than 90,000 summer career placements and 20,000 internships for a total of 110,000 additional work experiences.

Youth Internship Canada and Youth Service Canada have helped more than 40,000 young people acquire experience and marketable skills since 1994. Our SchoolNet program is linking all 16,500 Canadian schools, including 400 First Nations schools, and 3,400 public libraries to the Internet to provide young people with access to and vital training and experience in new information technologies.

### Supporting Small Business

Small and medium-sized businesses with fewer than 50 employees account for approximately 42 percent of all private-sector employment. They have generated 70 to 80 percent of all new jobs in Canada over the past three years.

To assist job creation in the short term, we announced in November 1996 that small firms would receive employment insurance premium relief for 1997-98 and 1998-99 through the New Hires Program. This program will virtually eliminate EI premiums for almost 900,000 eligible small businesses hiring new employees in 1997.

The 1997 budget lightened the paper and regulatory burden on the small-business



## For the Record

“It’s very exciting to see what’s going on here in Canada in a number of areas... SchoolNet ... is the leading program in the world in terms of letting kids get out and use computers.”

Bill Gates, founder and president, Microsoft Corp., 1995

community. It increased the amount available under the Small Business Loans Act for small businesses to borrow from \$12 billion to \$14 billion. The 1997 budget also announced changes in the rules for labour-sponsored venture capital corporations, to encourage them to invest more actively in small businesses, thereby helping them create jobs.

### Investing in Infrastructure

Investing in infrastructure – from the roads we drive on to the information highway that links us to the world – makes improvements to the community assets that business needs to be competitive and enhances the quality of life in our communities, as well as creating work for thousands of people.

In December 1993, the Liberal government launched a tripartite \$6-billion infrastructure program, in partnership with the provincial and municipal governments, in response to the widespread need to upgrade and renew municipal infrastructure. Canada Infrastructure Works has financed more than 12,000 infrastructure projects and created 100,000 jobs.

The Liberal government has announced an extension to the program for 1997-98. The federal contribution for 1997-98 will be \$600 million, which will be matched by equal amounts from the provinces and municipal governments. This will mean a total of \$1.8 billion in new investment that will generate more jobs.

### Developing the Tourism Sector

Tourism, a major source of employment in all regions of the country, is particularly important for small business. Canada’s tourism industry directly employs more than 500,000 people in some 60,000 firms, most of which have fewer than 100 employees. The Liberal government created the Canadian Tourism Commission, a public-private partnership for promoting Canadian tourism at home and abroad, and it estimates that 125,000 new jobs can be created over the next decade in this industry.

When the Canadian Tourism Commission

was created in 1995, the Liberal government more than tripled its funding for tourism promotion from \$15 million to \$50 million per year. The February 1997 budget further increased the Canadian Tourism Commission’s allocation, by \$15 million a year over the next three years. Most of these incremental funds will be used for promoting Canadian tourism in foreign markets. The \$65-million federal contribution will be matched by tourism partners in the private sector.

A new Liberal government will also create a tourism financing vehicle to be administered by the Business Development Bank of Canada and financed through \$50 million in new equity, as announced in the 1997 budget. This new financing arm will operate on a commercial basis and will offer loans for expansions or upgrades of tourism facilities outside major urban centres.

## Portfolio

# Rural Canada

Rural communities are home to nearly one third of Canadians. Rural areas are often sparsely populated, remotely located, and made up primarily of small communities. But they are by no means homogeneous. Rural communities differ from east to west and even within regions, each having its own needs and concerns with different problems that require unique solutions. The needs of single-industry towns or areas facing depopulation, for instance, are different from those of rural communities that are close to urban markets. Though rich in natural and human resources, rural areas nevertheless face formidable challenges.

The economies of rural areas are primarily based on agriculture and natural resource industries, such as energy, mining, forestry, fisheries, and hunting. Some 1.25 million Canadians in more than 500 communities are

directly employed in the agriculture, energy, mining, forestry, and fishery sectors, which also provide significant indirect employment in the rest of the country. In 1995 these primary industries represented 44 percent of total Canadian exports, valued at \$109 billion, and added \$73 billion to our positive trade balance. Canada's agriculture and natural resource industries are an important part of Canada's economy, providing social and economic benefits to all Canadians. We must continue to provide an attractive investment climate for these natural resource industries.

Rural Canadians are proud of their way of life and deeply attached to their communities. They want to maintain and expand their local economic opportunities so that their families can continue to thrive in rural Canada.

The Liberal government believes that all

Canadians should have an equal chance to take advantage of new economic opportunities. Innovation is vital for rural Canada, as it is for the rest of the country. As rural Canada deals with such pressures as sustainable resource management, liberalized trade, and technological change, the ability of rural communities to adapt to change and innovate becomes increasingly important.

Rural Canadians need the tools to enable local enterprises to grow, create wealth, and provide jobs for their residents. Local leaders must envision and enact their own economic development strategies to diversify their economies and capitalize on new business opportunities. A new Liberal government will help rural communities take full advantage of economic development opportunities by supporting their efforts to increase the value of their natural resources, to acquire and use

new technology, and to strengthen their small and medium-sized businesses.

The Liberal government is incorporating the needs of rural communities into federal policy and program decisions. We believe that the government of Canada must maintain a strong presence in rural communities to ensure that these areas receive the best possible programs and services. Initiatives like the Community Futures Development Corporations have been very successful in promoting small-business growth and job creation in rural Canada. The federal government is also developing the Rural Policy Initiative to facilitate research and analysis on rural issues. This initiative will support conferences, workshops, and seminars that encourage dialogue and partnership on rural issues. A new Liberal government will continue programs that foster economic development at the community

level, rural development through the Farm Credit Corporation, and successful adaptation to technological change.

#### **Improving Access in Rural Communities**

Advanced telecommunications and information technologies are changing the way people and communities connect with one another. The Liberal government believes that rural Canada needs a strong information technology infrastructure. People living in rural Canada should have access to the same enabling tools and information resources as their urban counterparts.

The Liberal government has created the Community Access Program to give rural areas better access to the Internet. This is a cost-shared initiative that covers up to 50 percent of the costs of establishing public Internet access sites in rural and remote

communities, to a maximum of \$30,000 per location. CAP provides Canada's rural communities with affordable public access to the information highway, which they can use as a tool for economic development, job creation, and community-building. A new Liberal government will expand the Community Access Program by \$30 million over the next three years, as proposed in the 1997 budget, to complete the Internet connection of all 5,000 communities in Canada that have populations of between 400 and 50,000 people.

A Liberal government will continue to break down barriers to communications that put rural communities at a disadvantage. We will work to ensure that modern telecommunications services and infrastructure are widely available to rural Canadians, now and in the future.



## Portfolio

### Rural Canada

Enhanced rural telecommunications services will provide these communities with a direct route to a broad range of federal services now accessible by Internet, including:

- *Strategis* (<http://strategis.ic.gc.ca>) – business and market information for individuals and businesses across Canada.
- *Canadian Rural Information Service* (<http://www.agr.ca/policy/cris>) – information on government programs and services, upcoming workshops and conferences, and rural tourism opportunities, all designed specifically for rural Canadians.
- *GeoExpress* (<http://www.nais.ccm.nrcan.gc.ca:8000/henein/demo/geoexp-e.htm>) – geographically referenced data on natural resources to assist rural communities in planning their economic development.
- *CanWorkNet* (<http://www.canworknet.ca>) – an online one-stop-shopping service providing access to labour market, career, social service, and community information.
- *Youth Info-line* (1-800-935-5555) and *Youth Resource Network* website (<http://www.youth.gc.ca>) – access to the Youth Employment Strategy, and to a range of programs to assist youth across Canada.
- *Canada Business Service Centres* (<http://www.cbcs.org>) – a single-window access point for both federal and provincial small-business programs and services.

Communications technology is providing rural communities with improved access to distance learning and health services. The TeleLearning Network, funded by the federal government and coordinated by Simon Fraser University in Burnaby, B.C., will help provide access to postsecondary education and retraining for people in remote areas. The proposed Canadian Health Information Network will give rural Canadians the same access to information about clinical research, emerging health issues, and best practice models as that available to urban Canadians (see page 76).

#### **Agriculture and Agri-Food**

For many of Canada's rural communities, agriculture is a foundation industry. Since coming to office in 1993, the Liberal government has worked with communities, producers, processors, industry, and other governments to build our agricultural sector into one of the finest in the world. We have invested in measures that will increase agricultural trade, enhance productivity, improve efficiency, attract investment, and promote sustainable growth. As a result, agri-food exports increased by approximately 23 percent between 1994 and 1996, to reach an all-time high of \$18.8 billion.

The agricultural sector has experienced substantial change in recent years. This government has introduced transitional measures to help the industry adjust to changes in long-standing government programs. Now we are working with all stakeholders to create a positive economic climate,

to remove barriers to growth, to expand trading opportunities, and to encourage investment in Canada.

A re-elected Liberal government will concentrate on providing even greater opportunity for rural communities. We will focus on helping rural communities adapt to change, and on assuring the sustainability of our soil and water resources for future generations.

A new Liberal government will build upon the Prairie Farm Rehabilitation Administration and other agricultural resource, environment, adaptation, and rural development programs to create a National Rural Initiative. This initiative will also build on the existing locally based adaptation councils, and will provide funds and technical assistance to stimulate adaptation and sustainable development efforts through community-based initiatives.

#### **Access to Capital**

Businesses in rural communities have different financing needs than businesses in urban centres because their activities are different. But like the cities, rural areas often depend on ready access to capital for business development and job creation.

The Business Development Bank of Canada (BDC) provides assistance for small and medium-sized business development. The Farm Credit Corporation supplies specialized and personalized financial services to farming operations, including family farms, and to those businesses in rural Canada, including small businesses, that are related to farming. A new Liberal government will provide \$50 million in additional capital



## Assisting Farmers

More than 8 percent of Canada's gross domestic product comes from the agricultural and agri-food sector, and nearly 15 percent of Canada's employment depends on agriculture or agri-food in some way. Since taking office in 1993, the Liberal government has worked with food producers, processors, industry, and governments to build on the success of the agricultural and agri-food sector and to make it one of the strongest in the world. We have expanded trade and investment by opening new markets through negotiations at the World Trade Organization (WTO). We have also provided the industry with stronger and more effective market information and support services.

The Prime Minister has actively promoted the agri-food sector on Team Canada missions. This government has worked closely with exporters through Canada's International Business Strategy. Federal guarantees of \$1 billion through the Agri-Food Credit Facility help Canadian exports to compete against those of other countries.

To encourage greater economic growth, efficiency, diversification, and added value in the grain and livestock sectors, we

introduced grain transportation reforms. These ended subsidies under the Western Grain Transportation Act on the Prairies and the Feed Freight Assistance subsidy to livestock producers outside the Prairies. To help former farmers and producers adapt to these changes, the Liberal government is providing over \$2 billion in adjustment funds over three years.

This government has vigorously defended the supply management system at the North American Free Trade Agreement Panel and at the WTO. We have acted to ensure that Canada's farmers have the tools they need to adjust to market signals and become self-sufficient. For example, \$600 million is being contributed annually to "whole farm" safety net programs. The Net Income Stabilization Account helps farmers put aside money in good times to use when income is low. Crop insurance is being enhanced to provide a stronger production risk policy for crops.

The Farm Improvement and Marketing Co-operatives Loans Act has been amended to double (up to \$3 billion) the total dollar amount of loans that can be guaranteed by the federal

government. The recently introduced Agricultural Marketing Programs Act provides interest-free cash advances to farmers to help them maintain control and flexibility.

We are improving the food inspection system by consolidating the food inspection and quarantine services into the Canadian Food Inspection Agency. As new technologies dramatically change the way food is produced, processed, transported, and distributed, the Liberal government is helping the Canadian agri-food sector by conducting high-risk, long-term research and development. The Matching Investment Initiative supports industry-led research and commercialization by investing \$42 million in research and development projects, thereby creating opportunities for young scientists.

The Liberal government is working closely with communities across the country to help them adapt, diversify, and develop new strengths for future generations. We have established a Rural Secretariat to coordinate the work of various federal departments on rural economic renewal. The Canadian Adaptation and Rural Development Fund receives \$60 million annually

for both national and local adaptation projects. We have improved the operations of the Farm Credit Corporation.

The Prairie Farm Rehabilitation Administration continues to work in cooperation with other orders of government, farm groups, and industry to protect prairie soils, develop and conserve water resources, and encourage diversification into new crops and value-added processing. We have maintained the Co-operatives Secretariat, and we support the Community Futures Development Corporations, which take a grassroots approach to community and business development in areas outside of major urban centres.

Up-to-date information is vital to any enterprise. Agriculture and Agri-Food Canada's Electronic Information Service (ACEIS) offers one-stop access to information about new government legislation, innovative research and development projects, and the latest departmental publications. The Canadian Rural Information Service, the Agriweb Canada directory of agriculture resources, and the Agri-Food Awareness Program will continue to improve access to information. ■



## Portfolio

### Rural Canada

to the Farm Credit Corporation, as announced in the 1997 budget. This is expected to leverage up to \$500 million in additional available funding for loans.

The rural development programs of Agriculture and Agri-Food Canada are also important influences in the rural economy. The recently created Business Planning for Agri-Ventures program will assist farmers and non-farmers wishing to launch a value-added agriculture business to prepare stronger business plans and increase their chances of success.

A Liberal government will improve the range of appropriate financial products and services available in rural Canada. We will accommodate the needs of rural Canadians by pursuing opportunities for more partnerships, syndications, joint ventures, and other opportunities for cooperation and risk-sharing with private-sector financial institutions and Crown financial corporations.

Through agreements with the BDC and other institutions, new partnership agreements are being developed in Quebec to promote access to capital for small and medium-sized businesses in rural areas. These new agreements will act as models for the federal government in finding new funding sources for rural communities that have little or no access to traditional financial institutions. In Western Canada, new partnership arrangements have been reached with the banks in such areas as value-added, biotechnology, and knowledge-based industries.

#### Fostering Innovation

Canada is recognized internationally as a leading exporter of natural resources – a source of enormous wealth for Canada and jobs for rural Canadians. The potential exists to add value in our natural resource industries by developing the secondary and tertiary industries that use raw materials to make products for Canada and abroad. By selling their technologies and expertise in natural resource production and management, Canadian businesses add to the competitive advantage they already enjoy in foreign markets.

Canada already has some notable successes in upgrading and adding value to resources. Our energy companies successfully provide oil and gas drilling services around the world, and our energy-efficiency services firms have also prospered. Upgraded wood products and pre-manufactured homes are being sold to an exacting Japanese market, while fine metal powders (nickel, cobalt, zinc) are being customized to meet the needs of manufacturers of rechargeable batteries. These emerging technologies and applications mean new businesses and more jobs for Canadians.

The Liberal government has helped Canadian businesses to strengthen their competitive edge and generate more wealth and employment from our natural resource endowment. We will continue and add to these efforts. A new Liberal government will review the constraints facing value-added production in Canada to meet the needs of an evolving manufacturing sector more effectively.

To promote value-added production in

agriculture, the federal government moved responsibility for agri-food and the processing sector to Agriculture and Agri-Food Canada. This shift in policies and programs has encouraged the food sector to expand its value-added activities. A new Liberal government will take a similar integrated approach in other resource sectors to promote value-added production.

The success of the secondary manufacturing sector often depends on the availability of the resources and skilled labour needed to develop competitive production facilities, state-of-the-art technology, and successful export strategies. A new Liberal government will work with industry and other governments to promote exports in areas such as:

- engineered wood products and value-added paper, logging, and forestry services and equipment;
- enhanced mineral and metal product manufacturing and mining, smelting, and refining technology;
- oil and gas, renewable energy, and energy-efficiency services, equipment, and technologies; and
- geoscience and remote-sensing technologies for natural resource development, environmental industries, and other applications.

The remote locations of some rural communities may limit their ability to participate fully in the new economy. Long distances to major centres of production, suppliers, and equipment manufacturers can present barriers to business. Some Canadian enterprises have overcome this problem through

## While the global tourism industry continues to grow, tourism remains an untapped economic opportunity for many Canadian rural communities.

innovative partnerships and delivery of services. Forintek Canada Corp. is an example. This is a federally supported organization conducting research on applied wood products that has recently teamed with the province of British Columbia and other regional partners in B.C. to bring technology transfer assistance to secondary wood manufacturers, wherever they are located. The program provides in-plant technical assistance, gives access to worldwide information sources, and encourages development of rural expertise and manufacturing capability. This support helps companies respond to value-added opportunities. A new Liberal government will extend the Forintek technology transfer program to other provinces at their request.

With the Canada-U.S. agreement on softwood lumber, new export opportunities exist for a variety of engineered wood products not covered by that agreement. Similarly, the reduction of tariffs in both the World Trade Organization and the North American Free Trade Agreement have created new opportunities for value-added products.

The aquaculture industry in Canada has grown at an annual rate of 67 percent over the past 23 years. It currently employs about

5,200 people in every province and Yukon. The aquaculture industry could attain a value of \$680 million in annual revenue by the end of the century. Investment in research and development, access to growing sites, and regulatory reform are critical to the industry's continued success.

This government believes the aquaculture industry could grow faster with improved support from the federal government and its agencies. A new Liberal government will appoint a Commissioner for Aquaculture Development, reporting to the Minister of Fisheries and Oceans, for a four-year term. The commissioner will bring together all appropriate federal government resources, lead required regulatory reforms, and work with the provinces to develop a vibrant, environmentally sensitive aquaculture industry.

A Liberal government will also perform a cumulative impact study of all the cost recovery fees levied on the aquaculture industry, and will work with the provinces and the territories to develop a consistent approach. Furthermore, we will improve the way government agencies deliver assistance and provide regulatory oversight to the aquaculture industry.

### Opportunities for Tourism

Rural Canada is a prime destination for adventure travel and eco-tourism. The remote Canadian wilderness has growing appeal as a world-class tourist destination. Our wilderness areas, Aboriginal heritage locations, adventure sports, hunting, and sports fishing offer visitors an attractive and exciting travel experience.

While the global tourism industry continues to grow, tourism remains an untapped economic opportunity for many Canadian rural communities. A Liberal government recognizes the opportunities that tourism offers rural Canada and is helping small businesses to create jobs and spur economic growth in this sector.

A new Liberal government will implement its 1997 budget commitment to provide \$50 million to the Business Development Bank of Canada to support expansions or upgrades of private-sector tourism infrastructure outside of major urban centres. This additional equity will allow the Business Development Bank to leverage up to \$250 million in new loans for tourism operators outside of major urban areas over the next few years.

## Portfolio

# Environmental Stewardship

Canada's rich and diverse natural heritage is a source of national pride and international acclaim. Canadians are both the beneficiaries and the stewards of a land that holds 9 percent of the Earth's fresh water, 10 percent of its forests, and 25 percent of its wetlands. Our Arctic rivers, Eastern hardwoods, Western rainforests, and Rocky Mountain parks draw tourists from around the world, who come to admire the scenic grandeur and wildlife populating these natural habitats.

By world standards, we have a healthy environment. This is one of many reasons that Canada has consistently ranked as one of the best countries in the world in which to live.

Canadians want to preserve this proud and healthy heritage. They know that clean air, water, and food are essential to good health. They also know that a sound economy depends on the long-term conservation of renewable resources, such as soil, fish, and forests. Canadians want to maintain our air and water quality, our birds, fish, and mammals, and our forests and rivers. Cana-

dians want, above all, to ensure that their children inherit an environmental legacy as clean and plentiful as that enjoyed by their parents.

Canada's environment does face many threats. Our levels of waste and energy and water use are very high by international standards; our air quality standards are too frequently breached; and our greenhouse gas emissions continue to increase. If we are to be true and worthy stewards of our great natural abundance, and if we are to leave this wealth to our children, we must be vigilant in preserving our environment and preventing its deterioration.

## **Custodians of Wilderness and Wildlife**

Canada's natural heritage is both celebrated and protected through our National Parks System. Our national parks preserve Canada's beauty and biodiversity for future generations.

The creation of new national parks will continue under a new Liberal government as we work towards the completion of the National Parks System by the year 2000. As well as creating national parks, we will



also maintain and preserve them for future generations.

Banff National Park, a unique place of breathtaking beauty, has been affected by increasing levels of commercial development and tourism. The Liberal government appointed a task force to find ways of rebalancing ecological values with these social and economic pressures on the park. The ideas of the task force have since been incorporated into a new management plan for Banff National Park.

While Banff is our busiest and most developed national park, other parks also face pressures that threaten their ecological integrity. A new Liberal government will maintain the long-term ecological integrity of our national parks. We will establish a panel of independent and government park professionals to review, on a park-by-park basis, how best to ensure that this objective is met. The panel will be asked to recommend how to achieve this goal by working with the National Parks Act and the 1994 Parks Canada Guiding Principles and Operational Policies, and by

considering other approaches.

Under current government policy, the evaluation of projects under the Canadian Environmental Assessment Act must weigh the impacts of each project on parks and protected areas, and on those areas being considered for protection. In its upcoming five-year review, the government will determine whether the CEAA should be amended to incorporate this policy.

Marine regions are another part of Canada's ecological diversity and richness. The Liberal government is already committed to designating marine conservation areas. A new Liberal government will continue to establish new marine conservation areas and develop legislation and policies for a marine conservation system.

Canada's wildlife is also integral to our natural heritage. Canada has one of the best records in conserving mammal and bird species within the industrialized world. Nevertheless, 8 percent of Canadian mammals and 4 percent of our bird species are currently considered threatened. The Liberal govern-

Environmental stewardship involves more than protecting nature for its own sake. It is also about preserving the ecological systems that support our economy and our quality of life: our air, water, soil, and forests, our plants and animals, and our climate.

ment is dedicated to the long-term health and survival of all species in Canada, including fish, birds, mammals, and plants. We are working with the provinces, territories, and Aboriginal peoples to protect threatened species. To this end, the Liberal government has introduced and is committed to legislation to identify, protect, and recover those species at risk within federal jurisdiction.

#### **Shifting to Sustainable Development**

Environmental stewardship involves more than protecting nature for its own sake. It is also about preserving the ecological systems that support our economy and our quality of life: our air, water, soil, and forests, our plants and animals, and our climate.

Sustainable development means integrating social, economic, and environmental goals. It is a matter of sharing ecological resources fairly within society and between generations. It is also a matter of using natural, human, and economic resources responsibly and efficiently.

Sustainable development requires the

integration of environmental considerations into such economic policies as taxation, development, and trade. In return, it also requires factoring economic considerations into environmental policy through the use of cost-effective and innovative policy tools. Finally, it means considering social factors, such as health, equity, and community sustainability, when making environmental and economic decisions.

To create a solid foundation for sustainable development, the Liberal government is requiring each federal department, by law, to devise and implement a sustainable development strategy. These strategies will be updated every three years and assessed by the newly established Commissioner of the Environment and Sustainable Development in the Office of the Auditor General. The commissioner will report these findings to Parliament, along with an evaluation of the government's success in incorporating environmental considerations into its decision-making.

The Liberal government has supported sustainable development and environmental

priorities with changes to taxes, grants, and subsidies. For example, we have improved the tax treatment for renewable energy and provided a tax incentive for the donation of ecologically sensitive land for conservation purposes. The sustainable development strategies that emerge from each federal department will identify further opportunities to integrate environmental decisions into economic policy. Research to ensure that the tax system supports sustainable development will continue.

#### **Science and Technology for Sustainable Development**

Science, technology, and innovation in all parts of society and the economy are key to sustainable development. They are also a smart business strategy. A 40 percent increase in the market for environmental goods and services is forecast by the year 2000. By 2020, this market will have increased exponentially, making this a trend that Canada cannot afford to ignore.

Since 1993 the Liberal government has actively promoted Canada's environmental industries, which now boast annual revenues of over \$14 billion, annual growth rates of 10 percent, and employment of about 200,000 people. Liberal ministers have led trade missions to South America and Asia to promote exports of green products and services. We are also helping to commercialize promising environmental technologies through our Technology Partnerships Canada program.

There is growing international demand for products and processes that use fewer

resources, are non-polluting, and produce less waste. This demand is driven by the expanding populations, limited natural resources, high pollution levels, increasing consumption, and growing consumer awareness in many parts of the world. As part of our efforts to promote innovation, a new Liberal government will increase support for improving environmental efficiency and innovation in Canadian firms and products, as outlined on page 41. These environmental improvements will help Canadian companies become more competitive and gain access to new markets.

The environmental industry sector also provides promising, challenging, and well-paying jobs for young Canadians. For this reason, as announced under the February 1997 Youth Employment Strategy, a new Liberal government will give young people international internship opportunities with Canadian environmental companies, which will provide them with hands-on work experience in the international environmental industry sector. We will also give young environmental entrepreneurs access to intensive business and management skills training.

### **Strengthening Environmental and Health Science**

The health of Canadians is directly affected by the quality of the environment. Our ability to deal with complex health and environmental problems depends heavily on the scientific resources in government labs and other institutions. These resources enabled us to identify and reduce such health threats as atmospheric concentrations of lead, toxic

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A new Liberal government will increase support for improving environmental efficiency and innovation in Canadian firms and products.

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A new Liberal government will add \$10 million annually in new funding for research on toxic substances.

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A new Liberal government will make the passage of a renewed Canadian Environmental Protection Act an early priority in a second mandate.

effluents into our major water bodies, and sulphur dioxide emissions, the major contributor to acid rain.

Emerging environmental problems require ever more sophisticated scientific research and analysis. We need to understand endocrine disrupters, for example, and how they affect the development and reproductive abilities of organisms. We also need advanced research and analysis to assess the health risks associated with contamination of traditional foods in the Arctic by airborne pollutants from faraway sources.

Our capacity to implement our health and environmental legislation in an efficient manner also depends on the ongoing work of Canadian scientists. A new Liberal government will strengthen our environmental and health science capacity by adding \$10 million annually in new funding for research on toxic substances. We will also seek the advice of pre-eminent environmental scientists outside government to help us make our research efforts more responsive and effective.

These measures will allow for better coordination of research conducted by the federal and provincial governments, universi-

ties, the private sector, and the international community. This government is further supporting the modernization of the Canadian environmental research infrastructure through the Canada Foundation for Innovation (see page 37). In addition, as announced under the February 1997 Youth Employment Strategy, a new Liberal government will match underemployed or unemployed young scientists with experienced scientists and program managers to give them practical opportunities to work on environmental projects. These initiatives will help us maintain a critical mass of environmental and health science expertise in Canada.

### **Pollution Prevention**

Environmental problems caused by pollution threaten the health of present and future generations. We must take steps to prevent pollution before it occurs. Cleaning up the environment after the fact is more costly in economic terms and less effective in practical terms.

That is why, in 1995, the Liberal government adopted an innovative Pollution Prevention Strategy, which suggests changes to the

The costs of inaction on climate change are too high for us not to take thoughtful and effective action now. We must contribute our fair share to international efforts, first by making progress at the domestic level.

way we design and operate manufacturing and industrial operations and to the way we design products. These are changes that will avoid or minimize the creation of pollutants and waste, and thereby reduce the overall risk to human health or the environment.

The first application of our strategy has been in preparing amendments to the Canadian Environmental Protection Act (CEPA); it is now time to apply this strategy more broadly. A new Liberal government will expand the application of the Pollution Prevention Strategy across federal legislation, programs, and policies. We will start by building on the positions established and the progress achieved in our first mandate by making passage of a renewed CEPA an early priority in a second mandate.

#### **International Leadership**

Domestic action alone is not enough to protect Canada's environment. New scientific evidence increasingly indicates that many environmental problems cross borders and so must be dealt with on an international level. Ensuring a healthy environment for Canadians is a major foreign policy goal. We must pursue solutions

to international threats to Canada's environment and speak forcefully in all cases where our environmental security is threatened.

The Liberal government is determined to remain a leader in the international community. By lending our expertise on environmental issues to other nations and using our international reputation as an honest broker to achieve workable solutions, Canada can help resolve global environmental problems.

One way to do so is through scientific research cooperation between countries. Canada is a leader in developing the science to address global environmental threats such as climate change, long-range transport of air pollutants to areas like the Arctic and the Great Lakes, ozone layer thinning, and the loss of biodiversity. We will continue to be a leader in these and other areas.

#### **Climate Change**

In environmental science, "climate change" means the changes in global weather patterns caused by human-generated greenhouse gas emissions into the Earth's atmosphere. International scientists reached a consensus in 1995 that human-induced climate

change is a real and growing threat.

The Liberal government agrees that climate change is one of today's most crucial environmental issues, posing a threat to Canada's ecological and economic well-being. Because of Canada's high northern latitude, we may be disproportionately affected by global climate change, so we need to understand better the impacts of climate change within Canada. In 1996 we completed the Mackenzie Basin Impact Study, a comprehensive evaluation of the impacts of climate change in the Canadian Arctic. We will continue to conduct scientific analyses like this world-class study to determine the regional effects of climate change.

The costs of inaction on climate change are too high for us not to take thoughtful and effective action now. Although Canada emits only 2.5 percent of global greenhouse gases, Liberals believe we have a responsibility as a technologically advanced nation to take progressive measures and play a leadership role, both domestically and internationally, in reducing greenhouse gas emissions. We must contribute our fair share to international efforts, first by making progress at the domestic level. It is through the example we set and the efforts we make that we gain the credibility and authority to encourage other nations to take similar action.

According to current projections, Canada, like most other industrialized nations, will not meet its international commitment to stabilize greenhouse gases at 1990 levels by the year 2000. A new Liberal government will redouble our efforts to stabilize emissions

of greenhouse gases and to develop new approaches to meet targets set through international negotiations.

The Liberal government is committed to strong federal action and to working with the provinces, the private sector, and the environmental community to decrease greenhouse gas emissions. We will also continue to support municipal and community-based actions to reduce these emissions.

Efforts to build public awareness of the problems and solutions presented by climate change will be strengthened. In addition, a new Liberal government will advance a new national transportation strategy that addresses fuel economy standards, fleet procurement policies, inspection and maintenance programs, and urban demand-side management. Striking alliances with our major trading partners and working with the provinces, territories, and municipalities will be key to the success of this strategy.

Canada's action plan on climate change includes a challenge to governments and the private sector to reduce greenhouse gases on a voluntary basis. These efforts, which must meet certain criteria, are then recorded in a public registry. In a second mandate, a Liberal government will reinforce and broaden this initiative by challenging every greenhouse gas emitter – public, industrial, commercial, or individual – to implement all energy-efficiency improvements that pay for themselves within five years.

Governments around the world are looking at using more innovative, flexible, and economically efficient policy tools that encourage reduction of greenhouse gas emis-

sions. The international community is weighing the use of emissions trading as one cost-effective method of achieving this goal. Emissions trading allows firms to trade the right to emit greenhouse gases, working within a ceiling imposed by the government. In considering this option, Canada must take into account both the realities of our economy and the strategies of our major trading partners. In consultation with stakeholders, a new Liberal government will design options for an emissions trading program for greenhouse gases that work within a Canadian context, while respecting the international framework.

New technologies are essential to alleviating climate change. The Liberal government will continue to promote renewable energy and energy efficiency through research and development support and tax policies. We will also help these emerging industries through our purchasing power. This means relying more on power produced from renewable energy for meeting the government's own electricity needs, using alternative transportation fuels in our own vehicles, and continuing to improve energy efficiency in our own facilities. These measures will result in the development of new technologies that will help Canada meet its targets and form the basis for export opportunities.

#### **Working Cooperatively on Environmental Solutions**

For Canada to be a responsible steward of our natural heritage, we need commitment from all orders of government and participation from all Canadians.

In 1996 the federal and provincial ministers of the environment established the Canada-Wide Accord on Environmental Harmonization, an agreement that builds on the strengths of all governments to achieve the highest standards of environmental quality. This agreement will result in greater efficiency and streamlining of the efforts of all governments. A new Liberal government will continue to take a leadership role in working with the provinces to develop and implement the highest environmental standards, define the necessary measures and policies to meet these standards, and follow through with decisive action.

Canada's young people are among our strongest and most dedicated allies in the protection and promotion of a healthy environment. Because of their keen interest and unequivocal support, the Liberal government has formed a Youth Round Table to advise the Minister of the Environment on environmental policy. This will give Canadian youth a stronger voice in deciding what kind of world they will inherit.

security  
opportunity  
fairness  
stability

Chapter Four

## A Supportive Society

We believe that Canada can afford a fair and effective system of social supports, both now and in the future, but reforms are needed. These include not only changes to existing programs but the introduction of new initiatives to meet emerging needs that Canadians have identified as priorities.

dialogue  
balance  
partnership  
values

Canadians have always striven to maintain a successful balance between taking responsibility for themselves and sharing responsibility for others. While we honour individual independence and achievement, we also believe strongly in compassion and fairness. We see this balance in momentous national achievements like medicare and in the individual contributions of over 6 million dedicated volunteers in our communities.

Canadians look to their governments to ensure that the key elements we all need to thrive and build a secure future are available to everyone. These determine the opportunities open to us as individuals and include a safe and healthy childhood, access to quality education, universal health care, participation in the labour market, support in the event of job loss or disability, and a secure retirement.

Canadians, with the help of our families and communities, also take individual responsibility for making the most of these advantages and for seizing the opportunities before us. Despite the changes our society has undergone and the increased uncertainty many Canadians are facing, these values and expectations have not changed.

The Liberal government remains committed to these values and to securing opportunity for present and future generations, and we have acted accordingly. The first step was to put our fiscal house in order. Left unchecked, growing interest payments on a burgeoning debt would have steadily consumed our spending and drastically cut our capacity to provide social programs. This possibility was unacceptable to us. By eliminating our budget deficits, we can stem the flow of public dollars now servicing the national debt and put some of that money back into programs that Canadians value.

Achieving fiscal health has meant making tough decisions that have been difficult for many Canadians. But these decisions are paying off. For the first time in decades, a new era of fiscal stability and growth will enable us to reinvest in the services and programs that are the very foun-

ation of the opportunity and security we value.

The second major task of this government has been to respond to the unease that has developed in recent years regarding some of our key programs. Canada is undergoing a period of dramatic economic change. Coupled with the social changes of the past few decades, this transformation has left Canadians concerned that some programs may no longer reflect our values, achieve our goals, or fit within our means.

Canadian Policy Research Networks, a non-profit public policy research organization, recently asked Canadians what core values they believe should underlie Canada's social programs. Its report concluded: "Deeply held Canadian values concerning social objectives have not changed dramatically over time, despite new doubts about how to realize values in social programs... What has changed is certainty that our social programs continue to realize our values. Economic instability has generated concern, anger, ambivalence and questions about affordability and appropriateness of the social safety net." (*Exploring Canadian Values: A Synthesis Report*, 1995)

We believe that Canada can afford a fair and effective system of social supports, both now and in the future, but reforms are needed. These include not only changes to existing programs but the introduction of new initiatives to meet the emerging needs that Canadians have identified as priorities. The Liberal government is changing our social supports to fit our values, to do a better job, and to remain affordable. We are making these changes because today's generation deserves the security of knowing that the opportunities all Canadians value will continue to be there for them and their children.

#### **Ensuring Fairness, Stability, and Security**

Canadians value fairness and rely on stability. They want to know that social services and supports will be there when they need them, regardless of where they live.

The Liberal government is committed to ensuring this fairness and stability. We currently

provide the provinces and territories with \$35.7 billion annually in equalization payments, cash and tax points through the Canada Health and Social Transfer, and territorial financing to achieve this goal.

The right of all provinces to a fair share of our national resources is enshrined in the Constitution and embodied in federal equalization payments. Equalization is an unconditional cash payment that enables provinces to provide their residents with comparable levels of public services at reasonably comparable levels of taxation. No conditions are attached to equalization payments, and provinces are free to spend them on programs like health, education, and social services, according to their priorities.

Because this government recognizes that equalization is one of the central pillars of federalism, one of our first acts was to renew the equalization program for five years. In 1996-97, we provided \$8.5 billion in cash payments to the provinces of Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec, and Saskatchewan.

The federal government also plays a major role in supporting provincial and territorial health, postsecondary education, and welfare-related programs through the Canada Health and Social Transfer (CHST). Totalling more than \$25 billion annually in cash and tax points, these payments enable the provinces and territories to provide a broad range of services in accordance with their own priorities.

In 1996 the Liberal government legislated a five-year CHST funding schedule guaranteeing that the cash component of the transfer would never fall below \$11 billion a year. This represented a floor, not a ceiling. With six provinces expected to balance their budgets or bring in surpluses this year, this five-year funding guarantee provided provinces with the additional stability and predictability they need to continue on this course and secure the services that Canadians value. A new Liberal government will raise the CHST cash floor to \$12.5 billion beginning in 1998-99 (see page 72).

#### **A Healthy Start for Children**

Supporting families to give Canadian children a good start in life is one of the most important investments Canada can make in its future. Many families today are struggling to provide their children with the nurture, care, and material requirements needed for a safe and healthy childhood. High unemployment, the changing nature of work and workplaces, and the increasing number of single-parent families and families with both parents working all contribute to the stress experienced by modern families.

We cannot afford to deny our children the very things they need to grow and develop early in life, if these same children are to grow into healthy, competent adults. Canadians have made it clear that meeting the needs of low-income families with children is a critical priority, and we are working aggressively to achieve this goal. These problems are complex, however, and will not be solved overnight. They require a concerted effort by federal and provincial governments alike, with the cooperation and support of the private and voluntary sectors and individual Canadians.

Research has proven consistently that investing in early support for families and children at risk yields real results. Community-based services play a critical role in helping parents ensure the healthy development of their children. By helping young children get off to a good start and preventing problems before they occur, these programs significantly decrease the need for far greater spending in future.

A new Liberal government will increase funding for the Community Action Program for Children and the Canada Prenatal Nutrition Program by \$100 million over the next three years, as announced in the 1997 budget. The Community Action Program focuses on children under age six, while the Prenatal Nutrition Program works to decrease the incidence of low-birth-weight babies among high-risk groups of women. This funding will allow more community organizations to work with families to raise healthy babies and foster sound child development.

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A new Liberal government will increase funding for the Community Action Program for Children and the Canada Prenatal Nutrition Program by \$100 million over the next three years, as announced in the 1997 budget.



## Investing in Children for a Stronger Society

### *Combating Child Poverty*

Too many Canadian children are growing up in poverty. Poor children are at greater risk of permanent developmental setbacks, physical and mental health problems, emotional disturbance, low academic achievement, and delinquency. The price for growing up in poverty is high. It manifests itself in lost opportunity and fewer chances for a healthy, secure, and happy life. All Canadians pay this high price, as these children often place additional demands on our health, education, social service, and correctional systems as they grow older.

The federal government currently spends \$5.1 billion annually on support for families with children through the Child Tax Benefit and the Working Income Supplement. About \$3 billion of this goes to low-income families. The provinces spend an additional \$2 billion, mostly in the form of welfare payments and related benefits for children in families receiving social assistance.

More needs to be done, however, including restructuring our federal and provincial programs to do a better job of supporting low-income working families. Many children in families receiving social assistance are better off than those with parents working at low-paying jobs because these families receive child allowances and benefits like drug plans and vision and dental care, while low-income working families do not.

This difference in treatment, known as the “welfare wall,” discriminates against low-income working families, discourages parents from leaving welfare to take jobs, and drives some parents in low-wage jobs to turn to welfare. The federal Working Income Supplement and provincial measures to help low-income working families only partially offset these effects.

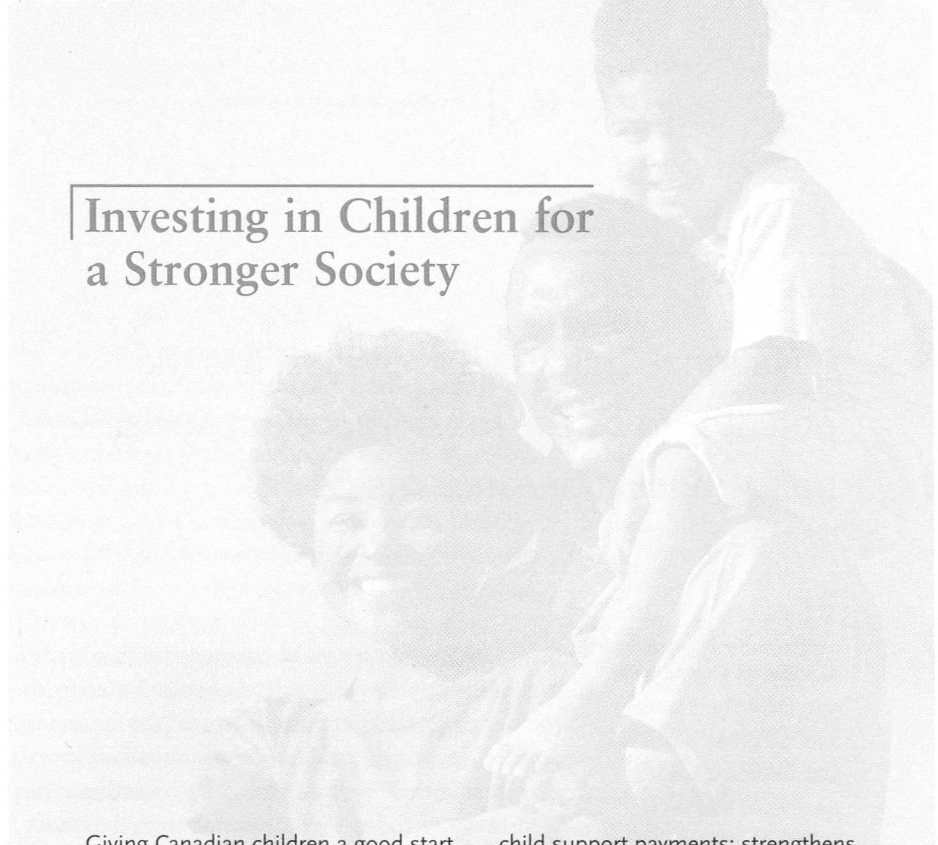
A consensus has emerged on the need to replace the current mixed bag of federal and provincial child benefits with a new National Child Benefit System – a comprehensive, national system of coordinated and effective supports for families at risk. When fully estab-

Giving Canadian children a good start in life is the most important investment we can make in building a stronger society. Since taking office, the Liberal government has launched a broad range of initiatives in support of Canada’s children. In addition to those described in this chapter, they include:

- *Canada Prenatal Nutrition Program* – Provides \$14.6 million annually to community organizations working to improve the health of pregnant women at risk and prevent low birth weight.
- *Aboriginal Head Start* – An early intervention program serving 3,000 Aboriginal, Métis, and Inuit children under age six and their families each year in urban centres and large Northern communities.
- *Family Supplement* – A supplementary benefit based on family size, paid weekly to low-income Employment Insurance recipients with children.
- *Working Income Supplement* – A \$250-million supplement for low-income working families, which will be doubled by 1998. This investment will be combined with the \$600-million increase in the Child Tax Benefit announced in the 1997 budget and rolled into the new \$6-billion Canada Child Tax Benefit.
- *Child Support Guidelines* – A comprehensive reform of the child support system that ends unfair taxation of

child support payments; strengthens enforcement measures to ensure full payment of support on time; and introduces new child support guidelines to help parents and the courts establish fair and consistent payment levels.

- *Preventing Family Violence* – Legislation that permits broader use of peace bonds and introduces a new judicial restraint order to protect individuals at risk of violence. This prevention initiative also involves a national public awareness and education campaign to reduce family violence.
- *Fighting Child Prostitution* – Legislation that establishes tougher sentences for adults who exploit children sexually for pleasure or financial gain; new changes that permit Canadian courts to prosecute adults exploiting children sexually outside of Canada; and new rules that make it easier to apprehend and prosecute johns and pimps.
- *Promoting the Rights of Children Internationally* – Ongoing funding for international development projects through the Canadian International Development Agency and Health Canada’s Partners for Children Fund; leadership on a United Nations resolution banning the production and use of anti-personnel land-mines; and a review of child labour by the Commons Subcommittee on Sustainable Human Development. ■



## For the Record

“A National Child Benefit System has the potential to be the most important social policy innovation since medicare.”

— Ken Battle, Caledon Institute of Social Policy, February 1997

As resources become available, a new Liberal government will at least double the \$850-million increase in spending on the Canada Child Tax Benefit announced in the 1997 budget.

lished, this system would remove children from the welfare system entirely, significantly reduce the depth of child poverty, reward low-income families for working, and go a long way towards eliminating the “welfare wall.” By investing in the well-being of today’s children, we simultaneously improve the long-term health of our society.

The foundation of a National Child Benefit System is a single, enhanced federal benefit payment to all low-income families in Canada. It would replace provincial welfare supplements for children and serve as a platform upon which provinces could build more benefits for working families, together with additional children’s services for all low-income families.

In its 1997 budget, the Liberal government announced an \$850-million increase in the support it will provide to families with children, together with the creation of the new Canada Child Tax Benefit. This is a significant federal down-payment in the battle against child poverty. Including the \$250 million set aside to double the Working Income Supplement in the 1996 budget, this investment will increase federal funding to families with incomes under \$26,000 by an estimated 30 percent and provide 2.5 million children in 1.4 million low-income families with increased federal child benefits.

The new Canada Child Tax Benefit will be established by July 1998. It will combine the current Child Tax Benefit for families with children and the Working Income Supplement for low-income working families, in order to enhance the benefit received by all low-income families with children.

The additional \$850 million we will be investing in the Canada Child Tax Benefit is the first step in building a comprehensive and effec-

tive National Child Benefit System. Because investing further in families and children is a good investment for Canada, we will continue to build on this foundation. Many Canadians have made sacrifices in the effort to put our fiscal house in order, but none more so than low-income families with children. We believe that they must receive benefits from the success of our fiscal policy. As resources become available, a new Liberal government will at least double the \$850-million increase in spending on the Canada Child Tax Benefit announced in the 1997 budget (see chapter 2). This added investment will help improve the life chances of children in low-income families and bring greater fairness to Canada’s child benefit system.

A National Child Benefit System is not something the federal government can achieve on its own, however. Over time, the new enriched Canada Child Tax Benefit will gradually replace provincial welfare benefits for children. The provinces and territories have committed themselves to reinvesting these resources into the expanded benefits and services for children that are needed to achieve a national system. This commitment to reinvest will be formalized and monitored through a National Reinvestment Framework, currently being developed with the provinces and territories.

A number of provinces – Alberta, British Columbia, New Brunswick, and Saskatchewan – are already leading the way with complementary new child benefit initiatives, while Quebec’s new family policy is moving in a similar direction. Success in implementing a National Reinvestment Framework and the Canada Child Tax Benefit together would constitute the establishment of Canada’s National Child Benefit System.

### *A National Children’s Agenda*

The introduction of the new Canada Child Tax Benefit and related changes to provincial programs are tangible evidence of what Canada can achieve when the federal, provincial, and territorial governments work together in partnership. In January 1997, at a meeting of the Ministerial Council on Social Policy Renewal,

the federal, provincial, and territorial governments agreed to work together to develop a National Children's Agenda, a collective strategy to improve the well-being of Canada's children.

The federal government welcomes this opportunity to develop a broader, more comprehensive framework for federal, provincial, and territorial children's initiatives. Given the strength of the current consensus on children's issues, there is every reason to believe that together we can establish clear national objectives for Canada's children, as well as a plan to achieve them. A new Liberal government is committed to working in partnership with Canada's provincial and territorial governments to develop a National Children's Agenda.

As we undertake to establish this framework, it is critical that we set tangible objectives and benchmarks for the future, and measure our progress accordingly. In 1994 Statistics Canada in collaboration with Human Resources Development Canada launched the National Longitudinal Survey on Children, an in-depth survey conducted every two years to track the health and well-being of 23,700 Canadian children. This survey is a powerful tool that allows us to assess the current situation of Canada's children and gauge how well we are meeting their needs over time.

Experts on children agree that readiness to learn as a child reaches school age may be the best indicator of whether we are meeting our obligations to Canada's children. With some adjustments, a comprehensive measure of readiness to learn can be built into the existing National Longitudinal Survey of Children. A new Liberal government will undertake to measure and report, on a regular basis, the readiness to learn of Canadian children as they enter school. These results will help to guide our policy and investment decisions concerning children and make them more effective.

Canada has some of the world's leading programs in children's health. These are substantially improving our understanding of children and what they need to develop in a healthy way. There is a great deal more to learn, however,

and we need to ensure that current knowledge is disseminated more broadly among families, community-based organizations, educators, health professionals, and government decision-makers. Building on the successful example of the Centres of Excellence for Women's Health, a new Liberal government will establish Centres of Excellence for Children's Well-Being with the overall purpose of enhancing our understanding of, and responsiveness to, the physical and mental health needs of children and the critical factors for healthy child development. Funding of \$20 million will be provided over five years for this initiative.

These centres will collect and analyse health information and data; conduct research on key child health and development issues; provide policy advice to governments and health and social service organizations; generate information and communicate it to a wide range of audiences; and build networks of individuals and groups involved in children's well-being – locally, nationally, and internationally.

#### **Supporting Youth in Transition**

Young people today face significant challenges in pursuing an education and making the transition from school to work. For some youth, just staying in school is an achievement. For others who have successfully completed their education, finding and keeping a job is proving to be more difficult than anticipated.


Canadians want their children to have more opportunities for education and success than they had. Instead, young people and parents alike are frustrated by rising education costs, a persistent lack of jobs, and the obstacles youth face as they compete for those jobs that are available. This government recognizes the particular difficulties that young people encounter and is working to eliminate the barriers that prevent youth from getting the education they need and making a successful transition from school to work.

Education and training form the best career development strategy for young people today. Young Canadians who are unable or unwilling

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A new Liberal government will establish Centres of Excellence for Children's Well-Being to enhance our understanding of the health needs of children and the critical factors for healthy child development.

## Helping Canada's Youth Achieve Their Goals



Since 1994 the Liberal government has helped over 240,000 Canadian youth to develop job skills, gain work experience, and secure jobs through such programs as Youth Service Canada, Student Summer Jobs Action, and Youth Internship Canada. But too many young Canadians are still not making a successful transition from school to work, and the youth unemployment rate continues to be unacceptably high.

Following a year of extensive consultation with youth, parents, educators, and employers and a review of existing youth programs, the government responded with a new Youth Employment Strategy in February 1997. This strategy consolidates \$2 billion in existing funding for programs and services for young people. It also includes \$315 million set aside in the 1996 budget for the creation of new work-experience opportunities.

The strategy has three key elements: improving access to information, building on programs that work, and creating new internships.

Information on all government programs and services for youth, as well as many private-sector and voluntary initiatives, will be made more accessible through a new website

(<http://www.youth.gc.ca>) providing a convenient, single point of entry on the Internet. Youth can also call a new national, bilingual toll-free line (1-800-935-5555) for information on government programs; obtain a copy of *Youth Link*, a printed publication listing programs, services, and resources; or visit a local Youth Info Fair in their community.

Existing federal programs are being strengthened to help young people bridge the gap between school and work. Youth Service Canada and Youth Internship Canada are being refocused on youth who face the most serious barriers to entering the work force, while Student Summer Jobs Action is receiving increased funding in 1997 to help more than 60,000 youth find jobs each summer.

The government will work in partnership with the private sector, non-profit organizations, and community groups to create over 20,000 additional work opportunities for youth in promising fields that offer good long-term job prospects. These include high-growth sectors of the economy like science and technology, the environment, international trade, and international development. ■

The Youth Employment Strategy has three key elements: improving access to information, building on programs that work, and creating new internships.

to stay in school severely limit their chances of finding and keeping steady, well-paying jobs.

In a time of escalating tuition fees and related costs, the Liberal government is providing assistance to students and their families to help keep young people in school longer. The 1996 and 1997 budgets helped to pay for higher education through tax assistance to students. By enriching the education credit, extending the amount covered under the tuition tax credit, and allowing tuition and education tax credits to be carried forward against any future tax liability, we are making higher education more affordable for young people and their families.

Graduating students who are unable to find work quickly can now defer student loan payments for up to 30 months while the federal government covers their interest charges. This measure, combined with a six-month grace period following graduation, means that students can rely on up to three years of federal government help in managing their loan repayments.

Parents saving for their children's education will be able to more than double their annual contributions to their Registered Education Savings Plans, to a maximum of \$4,000. If a child chooses not to pursue higher education, parents can transfer the RESP income to the unused portion of their RRSPs, or take the investment income directly.

Grants are currently available to help students with special needs meet their education costs. Students with dependants have needs of another sort: 40 percent of them are already at the federal loan limit, making them among the neediest students in Canada. Helping them to complete their education is an investment in the economic strength of their families for the long term. A new Liberal government will expand assistance to students with dependants by providing grants of up to \$3,000 per year to assist them with their education costs. This \$60-million annual investment will help up to 20,000 students continue their studies.

Even young people with a degree or diploma encounter many barriers to employ-

ment. In a highly competitive labour market, many educated and skilled young people are finding themselves caught in the job-experience conundrum – they need experience to get a job, and a job to get experience.

Canada's Youth Employment Strategy, introduced in February 1997, gives young people better access to the information, services, and resources they need to acquire job-ready skills and experience. (See the box opposite.) As we continue to get our fiscal house in order, we will be able to invest more resources to help young people participate fully in the modern economy.

#### **Building an Active Employment Insurance System**

By 1993, Canada's unemployment insurance system was in need of reform. Changes in Canada's labour market, escalating program costs, and concerns about program effectiveness all pointed to the need for major reforms. Canadians wanted a more active system that would provide people with adequate income support but would also contain stronger incentives to work and more effective assistance for people seeking jobs or trying to create their own.

The new Employment Insurance Act, which came into effect on June 30, 1996, fundamentally changed and modernized Canada's outdated unemployment insurance system. Employment Insurance now responds to current labour market realities by extending coverage to 500,000 part-time workers for the first time and treating multiple job holders and workers in seasonal industries more equitably. It also protects the incomes of those most in need, with provisions for phasing in the new system to allow high-unemployment communities time to adjust.

By the year 2000, we will be investing an additional \$800 million a year in active employment benefits, while reducing the overall cost of the program. In the spirit of renewed federalism and greater cooperation, provinces now have the opportunity to deliver these active measures themselves through labour market agreements with the government of Canada. These agree-

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A new Liberal government will expand assistance to students with dependants by providing grants of up to \$3,000 per year to assist them with their education. This \$60-million annual investment will help up to 20,000 students continue their studies.



## Moving to an Active Employment Insurance System

Reforms introduced in 1996 modernized Canada's employment insurance system by adding work incentives, new active employment measures, and more assistance to low-income families. These reforms also cracked down on fraud and extended coverage to part-time workers.

Some 14 million Canadians are eligible to receive basic income protection against job loss through the new Employment Insurance program. Between 2.5 million and 3 million people use these benefits annually.

Changes to Employment Insurance have given the system the capacity to meet the needs of today's labour market. As well as providing basic income support to unemployed Canadians, EI is an active employment program that helps people move back into the work force.

Key changes to the system include:

- A shift to an hours-based system that credits workers for all hours worked, offering stronger incentives to work as many hours as possible and extending eligibility for EI benefits to half a million part-time workers for the first time.
- A new Family Supplement, effective July 1997, that will provide additional support to low-income claimants with families, based on the number of children they have and up to a maximum benefit of \$413 per week.
- A \$300-million Transitional Jobs Fund, designed to create 15,000 new jobs in high-unemployment regions.
- A new annual maximum of \$39,000 for insurable earnings, and the elimination of weekly minimum and maximum earnings.
- Stricter requirements for claimants guilty of prior fraudulent claims.
- Reduced EI costs to create a more affordable and sustainable system.
- Reinvestment of \$800 million of savings into re-employment benefits that have been proven to work: wage subsidies, income supplements, support for self-employment, job creation partnerships, and skills loans and grants where provinces request them.
- Provision for interested provinces to assume responsibility for delivering active employment measures in order to respond more effectively to local priorities and enhance service coordination. Agreements have been signed with several provinces, and discussions are under way with others. ■

The new employment insurance system meets the needs of today's labour market, providing income protection and helping people to move back into the work force.

ments will allow more coordinated services and greater responsiveness to local and regional needs. This reinvestment will bring total annual investments in the employment insurance system – on active benefits and other labour market measures – up to \$2.7 billion a year.

#### **Security for Seniors**

One of Canada's greatest achievements is its retirement income system for seniors. Once among the poorest members of our society, Canada's seniors now have access to a public pension plan and complementary benefits for those most in need. Still, many other Canadians are concerned that the retirement security that seniors enjoy today may not be there for them as they grow older.

In response to these concerns, this government has successfully forged a consensus among the provinces and territories on the changes needed to place our public pension system on a stable and sustainable footing. As well, we have consolidated and streamlined complementary benefits for seniors into a single new benefit that will assist those who need it most.

Old Age Security (OAS) and the Guaranteed Income Supplement (GIS), two major programs that support the income of retired seniors, will be replaced in 2001 with a new Seniors Benefit designed to ensure that seniors with low and modest incomes will be able to count on adequate federal retirement assistance. Today's seniors and people aged 60 or over as of December 31, 1995, will not be affected by these changes unless they choose to move to the new system.

Benefit levels and thresholds will be fully indexed to inflation under the new system. Seventy-five percent of single seniors and couples will receive either the same benefits or higher amounts, and 90 percent of senior women will be better off than they were under the former system. Single seniors with an annual income above \$52,000 and couples with an annual income above \$78,000 will not receive benefit payments.

When the Liberal government took office in 1993, it was clear that the Canada Pension Plan needed restructuring. In February 1997, this

government reached a federal-provincial agreement on a plan that would continue to ensure working Canadians a decent and secure retirement. This plan is based on the belief that safeguarding the national public savings plan that working Canadians now rely on – one that shares risks as well as benefits – is the fairest, most secure way to build sustainability.

The approach we are taking will respect the key features Canadians value in the current system: benefits remain fully indexed to inflation; the retirement age remains unchanged; and no current recipient of benefits or person over 65 as of December 31, 1997, is affected.

The debate about these changes is not about contribution rates, because these would rise under any viable option. It is about values. We have chosen to preserve this system because we believe that Canadians value a public pension system that works for us all.


#### **Equal Participation for Canadians with Disabilities**

Canadians with disabilities desire full and equal participation in the social and economic life of this country. But barriers to mobility, employment, and independence have long prevented them from realizing the full range of opportunities that other Canadians enjoy as a matter of course.

This government has worked hard to break down barriers that Canadians with disabilities face. In 1995 we created Special Opportunity Grants to assist permanently disabled students with their education costs. We doubled the tax credit for families caring for disabled relatives at home in 1996. That same year we established a federal task force to consult widely with Canadians with disabilities and prepare a blueprint for immediate federal action.

The task force report, tabled in October 1996, contains recommendations for comprehensive action on a broad range of disability policy issues. In less than six months, the Liberal government has acted on a number of these recommendations. We extended \$168 million in funding for the Vocational Rehabilitation of Disabled Persons Program for an additional

## Putting Retirement Income on a Sustainable Track



Canadians want a fair and sustainable retirement income system. Reforms to the Canada Pension Plan and the creation of a new Seniors Benefit restore sustainability and ensure that our pension and benefits system will continue to be there for all Canadians when they need it.

Like most major industrialized nations, Canada faces the challenge of securing its retirement income system for current and future generations. The 1996 budget began by consolidating the current Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) programs into a single new Seniors Benefit, designed to help those most in need. The Seniors Benefit will come into effect in 2001.

Measures were introduced to secure the future of the Canada Pension Plan in February 1997. These measures were the result of extensive consultation with Canadians and were developed jointly by the federal and provincial governments. CPP is a federal-provincial program that can be modified only by federal-provincial agreement. The following changes will ensure that Canadians can continue to rely on their public pension system now and well into the future:

- transforming CPP from pay-as-you-go financing to fuller funding;
- limiting government access to CPP

funds and charging government borrowers interest at market rates;

- investing in a diversified portfolio of securities to earn higher returns and help pay for benefits; and
- capping premium rates at 10 percent or below.

Putting Canada's pension system back on a sound footing required tough choices. The contribution rates will rise over the next six years to 9.9 percent but will remain steady after that. This rate is far lower than the 14 percent or more that workers and employers together would have had to contribute had these changes not been made. As well, pensions will be calculated on a five-year average of maximum pensionable earnings at the time of retirement, instead of the current three-year average. The administration of disability benefits will be tightened to ensure that benefits go only to those entitled to them.

The approach we are taking, in partnership with the provinces, is a balanced one that respects key features of the current system that Canadians value: benefits will remain fully indexed to inflation, the age of retirement will remain unchanged, and no current recipient of CPP benefits or person over 65 as of December 31, 1997, will be affected. ■

year, enabling us to work on the program's redesign with the provinces and organizations representing Canadians with disabilities. We also renewed funding for the organizations that help people with disabilities and speak on their behalf, ensuring ongoing community supports and the continued ability of people with disabilities to participate in shaping policies that affect them.

The 1997 budget built on these initiatives by introducing over \$70 million in tax reductions to help individuals and families cope with the costs of disability. The budget also established a \$30-million Opportunities Fund to support strategies that enable Canadians with disabilities to participate in the labour force and achieve greater financial independence.

Legislation to amend the Canadian Human Rights Act to include a duty to accommodate persons with disabilities was introduced in the spring of 1997. This legislation is consistent with provisions already found in the Ontario Human Rights Code. It should result in greater flexibility in accommodating the workplace needs of people with disabilities, without undue hardship to employers. We also introduced legislation to amend the Canada Evidence Act and the Criminal Code to improve access to the courts and the participation of persons with disabilities in the justice system. This legislation also establishes sexual exploitation of persons with disabilities as an offence under the Criminal Code.

Although these bills did not complete their passage before the end of the last legislative session, the Liberal government is committed to these changes. A new Liberal government will reintroduce legislation to amend the Canadian Human Rights Act, the Criminal Code, and the Canada Evidence Act on a priority basis within the first legislative session of a new mandate.

The freedom to live and work anywhere in Canada is an essential right of every citizen. Canadians with disabilities, however, are often denied this right because the services and supports they need are not available in all parts of Canada. For people with disabilities, moving



from one community to another can mean losing important income benefits and services, or engaging in a lengthy and costly assessment process to requalify for the same supports.

Federal, provincial, and territorial governments have recently agreed on the need to improve opportunities for Canadians with disabilities and to create a seamless and coordinated system of supports and services across Canada. A two-stage approach to achieving this goal was adopted by the Ministerial Council on Social Policy Renewal. In the short term, federal and provincial governments will work to harmonize initiatives that provide tangible results for Canadians with disabilities and will move towards single-window delivery of services. In the longer term, federal, provincial, and territorial governments will pursue a more integrated approach to ensuring adequate income support systems. This will involve looking at all income supports currently provided, including Workers' Compensation, the disability provisions of CPP, and private insurance.

A new Liberal government will work in partnership with our provincial and territorial counterparts to further the national agenda on disability issues. We will also work with organizations representing Canadians with disabilities, whose guidance and expertise will be needed to inform the federal government's participation in this process. The federal government will continue to move forward on the recommendations made by the task force and will work to ensure that federal legislative, policy, and tax structures enable Canadians with disabilities to participate fully and equally in Canadian life.

#### **Engaging the Voluntary Sector**

Canada's ability to offer opportunity and security to its citizens is tied to the vitality and capacity of our voluntary sector. Alongside the public and private sectors, the voluntary sector constitutes the third pillar of Canadian society and its economy. Despite its importance, policy-makers are not sufficiently aware of the actual size and nature of the sector, how it functions, the value it adds, and the challenges it faces.

**The federal government will work to ensure that federal legislative, policy, and tax structures enable Canadians with disabilities to participate fully and equally in Canadian life.**

Consequently, opportunities to develop fruitful and effective partnerships with the sector are often overlooked. Today a new balance is emerging, based on the growing recognition that all three sectors are integral to our quality of life, the vibrancy of our communities, and the vitality of our civic and democratic institutions.

Enhancing the capacity of the voluntary sector is a key objective of this government. In 1996 discussions began with the Voluntary Sector Roundtable, a group of national voluntary organizations seeking to improve the regulatory and tax framework governing their sector. These discussions led to significant enhancement of tax incentives for charitable donations in the 1996 and 1997 budgets, providing the voluntary sector with new ways to raise revenues, build its financial capacity, and create jobs.

The voluntary sector would like to expand this dialogue to include enhancing the public accountability of the sector. Charities are pressing for more up-to-date measures to preserve the integrity of the sector and to give members of the public assurance that their donations are serving authentic needs.

Plans announced in 1996 to establish a Canada Revenue Agency and consequent changes to Revenue Canada offer an ideal opportunity to undertake a structural review and modernization of Revenue Canada's Charities Division. A new Liberal government will work in partnership with the voluntary sector to explore new models for overseeing and regulating registered charities and enhancing their accountability to the public.

The government is also working to enhance its own understanding of the voluntary sector

## Strengthening the Capacity of Charities

Improved tax incentives strengthen the capacity of charities to meet community needs, while measures to ensure greater accountability reinforce public confidence.

Since 1994, tax incentives for charitable donations have been steadily increased in recognition of the critical role charities play in enhancing the quality of life of all

Canadians. Changes introduced in 1995 and 1996 provided tax incentives to donors with modest or middle incomes. The 1997 budget continued these reforms by moving the donations limit to 75 percent of net income for all charities and reducing the capital gains tax on donations of publicly traded securities to encourage larger gifts of capital. The budget also provided

Revenue Canada with resources to monitor charitable organizations better and provide the public with more information about the charities they help support. Overall, these changes will encourage donors of all income levels to increase their charitable giving, while enhancing the accountability of charities to the public.

and the critical role it plays. One way to do this is to provide public servants with the opportunity to participate directly in voluntary activities and organizations. A new Liberal government will encourage the direct participation of federal government employees in volunteer and exchange programs.

This government is expanding the voluntary sector's technological capacity through Industry Canada supports like the Computers for Schools Program, SchoolNet, the Community Access Program, and the Student Connections program. Under a new mandate, a Liberal government will extend the support we currently provide to small and medium-sized businesses to the voluntary sector, recognizing that these organizations are also an integral part of our economy and labour market.

A new Liberal government will establish Voluntary Sector Network Supports, a program to enhance the capacity of voluntary organizations by providing access to computer equipment, the Internet, new information technologies, network supports, and training. An investment of \$20 million over four years will provide these services to approximately 2,500 voluntary organizations a year. Many services will be delivered by young people, providing them with employment opportunities and skills valued in today's economy.

### *Creating Community Jobs*

Despite its magnitude, the economic and

employment potential of the voluntary sector is often overlooked. The Canadian Centre for Philanthropy estimates that in 1993, the voluntary sector employed 1.3 million Canadians, or 9 percent of Canada's labour force. In the same year, according to the centre, the activities of registered charities constituted 13 percent of Canada's gross domestic product, while 6 million volunteers were mobilized to contribute an additional 1 billion hours of labour.

The voluntary sector has a tremendous capacity to rally both people and resources. This capacity has been relatively untapped for the purposes of economic development and job creation, traditionally seen as private-sector and government functions. This is changing as voluntary groups in disadvantaged communities begin to identify ways they can use the community resources at their disposal to tackle local joblessness.

Some organizations use their capacity as employers, hiring only members of the local community or their service users. Other groups sponsor local economic development projects, mobilizing local resources, expertise, and participation. This is referred to as community-based or collective entrepreneurship. Still others offer self-employment programs, providing micro-loans, mentoring, and other resources to individuals who want to create their own jobs.

In Quebec, the private sector and the

A new Liberal government will seek more ways to support community-based entrepreneurship and enable the non-profit sector to foster local economic development and generate more jobs.

provincial government have played a leading role in recognizing and building on the economic development and job creation potential of community-based organizations. This has had a significant impact on the level of entrepreneurship in Quebec's voluntary sector. For example, not-for-profit cooperatives currently provide 30 percent of the province's ambulance services at comparable quality and lower cost than the private and public sectors. Organizations in other provinces are piloting similar community economic development and collective entrepreneurship initiatives.

Many federal programs pay non-profit community organizations to provide services on their behalf, thereby generating jobs in the voluntary sector. Others, like Youth Service Canada, actively support local development efforts initiated by voluntary groups. The proposed community-based crime prevention strategy (page 88) is another example of a partnership with the federal government that can create community jobs.

However, more can still be done to make use of the voluntary sector's capacity to stimulate local entrepreneurship. A new Liberal government will seek more ways to support community-based entrepreneurship and enable the non-profit sector to foster local economic development and generate more jobs. Federal programs that currently support small business and entrepreneurship will be reviewed with a view to extending their mandate to include the

voluntary sector. At the request of voluntary organizations, we will facilitate a dialogue between the non-profit sector and financial institutions on concrete ways to promote community economic development, including support for micro-lending initiatives.

This government has already moved to enhance the capacity of the voluntary sector and is involving it more fully in the public policy process. We are actively strengthening our partnerships with voluntary organizations in the knowledge that Canadians will benefit from this more collaborative approach.



Securing Our Future  
Together

Chapter Five

## Good Health and Quality Care

We are committed to maintaining a universal health care system, in which Canadians are assured equal access to appropriate, high-quality care as needed. We must build a public medicare system that will meet the emerging needs of the 21st century.

One of Canada's proudest achievements as a society is our universal health care system, which guarantees necessary care to all Canadians, regardless of their personal circumstances.

Good health is fundamental to the quality of life of every Canadian. In this century, we have learned a great deal about the effective treatment of illness and disease, which requires early access to appropriate and high-quality health care services. We have also learned a great deal about what makes people healthy. We now understand that a clean environment, decent housing, and meaningful work as well as adequate levels of education, income, nutrition, and social support are the key determinants of good health.

#### **Quality Care for All Canadians**

Canada's publicly funded medicare system is widely recognized as one of the best in the world. It contributes significantly to the superior quality of life we enjoy in this country. It also constitutes a major competitive advantage in today's global marketplace.

Medicare is founded upon principles that reflect our shared Canadian values. We are committed to fairness, compassion, and collective responsibility. We believe that all Canadians should have equal opportunity to achieve health and well-being, and to receive quality health care according to their needs. Canadians want to work together for the common good and, above all, for a health care system that will continue to guarantee equal access and quality care to all. Nowhere is our shared commitment to one another more evident than in the basic principles of medicare. For this reason, perhaps, medicare is often considered to be a defining feature of our national identity.

Medicare was introduced and developed by a succession of Liberal governments. It is a cherished legacy that we will never abandon. The Liberal government remains firmly committed to the five fundamental principles of health care in Canada: it must be universal, accessible, comprehensive, portable, and publicly administered.

Liberals cannot and will not accept a health care system that offers a higher quality of care for the rich than for the poor.

While Canadians are proud of their medicare system, they are also concerned about its future. They are apprehensive about the pace and direction of recent changes in the health care system that could compromise quality of care and universal access. They are worried about the increased burden of care that is now being shouldered by individuals and families.

Canadians need to know that medicare will be there for them and for their children in years to come. While they recognize and support provincial responsibility in the area of health service delivery, Canadians expect the federal government to play an active role in maintaining the basic principles and core values that will protect and sustain their health care system now and into the future.

At times, federal transfer payments have been withheld to enforce compliance with these principles. When extra-billing by physicians was introduced and when facility fees were being charged in private clinics for medically necessary services, the Liberal government stepped in to ensure full compliance with the letter and the spirit of the Canada Health Act. On the whole, however, Canada's health care system remains one of the best examples of the strong working relationship between the federal government and the provinces and territories.

It is a fact that, during our first mandate, this government reduced transfer payments to the provinces. This was done out of necessity, in order to get the finances of the country under control. As long as the government had to pay more interest on an ever-growing national debt, it was simply not possible to invest more in the programs Canadians cherish. As we continue to get our fiscal house in order, a Liberal government will commit new resources to address priority needs in health care (see chapter 2). We must modernize and expand our health care system to meet the needs of the 21st century.

It is also a fact that when provincial governments asked for stability and predict-

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We will increase the cash floor for payments to the provinces and territories for health and social programs to \$12.5 billion per year, beginning in 1998-99.

ability in federal cash transfers, this government delivered them. The new Canada Health and Social Transfer (CHST) has established a guaranteed level of federal support for medicare and other social programs for five years, through 2002-3.

Legislation passed in 1996 also guaranteed that the cash component of this transfer would never fall below \$11 billion per year. This figure represented a floor rather than a ceiling. Because of our success in exceeding our fiscal targets, and as recommended by the National Forum on Health, we will increase the cash floor to \$12.5 billion per year, beginning in 1998-99. This funding ensures that the federal government will have the authority to continue monitoring, defending, and enforcing the five principles of medicare. We will continue to make cash payments to the provinces, so that we retain this authority under the Canada Health Act.

But transfer payments are only one aspect of our involvement in the health care system. Canadians expect the federal government to work with the provinces to make our health care system more integrated, flexible, and responsive to emerging needs.

In 1993 we made a commitment to spend \$12 billion over four years to mobilize Canada's wealth of talent and knowledge in the areas of health and health care. In fulfilment of this commitment, the Prime Minister launched the National Forum on Health in October 1994. Its mandate was twofold: to inform Canadians and involve them in discussions of the key issues ahead for medicare, and to advise on ways to improve the health system and the overall health of Canadians. In carrying out this task, the forum's 24 members were able to draw upon their considerable experience and expertise as health professionals, consumers, and volunteers.

The forum reported in February 1997, under budget and ahead of schedule, offering timely and valuable advice for Canadians and their governments. The central conclusion of its work is that our medicare system is fundamentally sound, and indeed sustainable, provided

that steps are taken to accommodate the many advances in technology and treatment that will allow our health care system to meet the needs of Canadians more effectively.

National medicare, the forum pointed out, was not born overnight. Building the health care system was a lengthy, difficult, and sometimes confrontational process. It is worth recalling the occasionally troubled evolution of our medicare system as we consider the changes needed to ensure that it endures and grows stronger in the future.

The National Forum on Health argued that, as a society, we are spending enough on health care. At just under 10 percent of gross domestic product (roughly \$72 billion annually, or \$2,500 per capita), we spend more per person on health care than most countries in the world.

The issue is not how much we spend, but how well we spend our health care dollars. In certain cases, making wiser investments in health care means reallocating resources from the private sector to the public sector. In other cases, it means shifting funds from one area of public spending to another, based on evolving needs. The National Forum on Health found that changes in how the health care system is funded are most urgently required in three areas: primary care, home care, and medically necessary prescription drugs.

#### **Primary Care**

Primary care is a person's first point of contact with the health care system. It is provided to patients by an array of health care professionals, including family physicians, nurse practitioners, pharmacists, and physiotherapists. Ideally, primary care is where the various disciplines and services are brought together to promote health, prevent illness, care for common ailments, and manage chronic health problems.

Canadians believe that health services should be delivered in the most cost-effective fashion possible. Our medicare system should achieve the health outcomes Canadians want at the lowest reasonable cost, providing good value for the money we spend. Innovations in health

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Medicare is a cherished legacy that we will never abandon. The Liberal government remains firmly committed to the five fundamental principles of health care in Canada: it must be universal, accessible, comprehensive, portable, and publicly administered.

care delivery should be based on the best available evidence. All provinces are currently considering or introducing structural reforms to improve coordination of primary care services. Many of these reforms emphasize prevention, recognizing that preventive measures can help reduce both the incidence and the costs of illness.

The Liberal government supports ongoing efforts to achieve greater efficiency in health service delivery, provided that such efforts do not diminish quality of care or equality of access, the twin pillars of our health care system. Effective reform of primary care holds the promise of improved treatment at reduced cost to the system. Canadians will benefit from a broader and more integrated range of preventive, diagnostic, acute, and long-term care services. Some of the more promising steps that provinces are taking or considering to improve health services include:

- offering Canadians broader access to multidisciplinary teams of providers;
- adopting funding arrangements tied to patients rather than services, and to populations rather than institutions; and
- initiating pilot programs offering greater public coverage for home care and prescription drugs.

Preparing Canada for the 21st century means ensuring a public medicare system that meets the needs of the future. That is what the National Forum on Health recommended. A new Liberal government will establish a Medicare Transition Fund, as recommended by the National Forum on Health and as announced in the February 1997 budget, to help the provinces test new approaches to primary care delivery. The fund will offer support for pilot projects and evidence-based innovation designed to improve the efficiency and effectiveness of health services.

The results of the pilot projects will be of great importance. They will enable us to modernize our health care system for the new realities of the 21st century. Our objective is to respond to emerging issues such as the expanding need for home care and the cost of medically

necessary drugs, working entirely in conjunction with the provinces.

#### Home Care

Anyone who has ever been admitted to hospital knows that what patients want above all is to receive effective treatment and to return home as soon as they are well enough to do so. Recent advances in technology and treatment have reduced hospital admissions and the length of hospital stays, encouraging planners to shift resources from institutional care to community-based services like home care.

This shift from hospital to home care is happening in many countries and offers important benefits. It has enabled people to move from hospital to home sooner, where they tend to be happier and recover more quickly. It has also allowed many people who are completely or partly incapacitated to continue living at home rather than entering chronic care facilities, enhancing their quality of life and often improving their health. Home care also costs less to the system.

When the appropriate support is available, home care for post-acute, chronic, and palliative care patients can work well. Home care raises concerns, however, about the burden it places on friends and family members (most often women), and the added expenses involved in providing for loved ones at home.

This government recognizes that Canadians need help in adjusting to the changes and assuming the new responsibilities that home care entails. If we, as a society, are to take advantage of the potential benefits of home care, caregivers will need financial assistance to pay for such things as medical supplies and home support services like personal care, cleaning, homemaking, and transportation.

To help with these expenses, the Liberal government increased tax relief in 1996 for Canadians who care for infirm dependants at home. Many caregivers remain ineligible for this relief, however, because the seniors they care for receive Old Age Security (OAS) and Guaranteed Income Supplement (GIS) benefits that put them

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A new Liberal government will create a caregiver tax credit that will provide new or increased tax relief to Canadians caring for infirm family members – including seniors receiving OAS or GIS – at home.

## Women's Health



In June 1996, the Liberal government allocated \$12 million over six years to establish five research Centres of Excellence for Women's Health in Halifax, Montreal, Toronto, Winnipeg, and Vancouver. Also that year we required that women be represented in clinical trials for new drugs and announced three research studies related to senior women's health as part of the Canadian Study on Health and Aging. Researchers at Health Canada have also launched an extensive study of the health effects of breast implants.

The Liberal government is helping women to maintain and improve their health by supporting programs, services, and laws that reduce health risks to women. We have introduced legislation prohibiting thirteen unacceptable uses of new reproductive and genetic technologies. Our Canada Prenatal Nutrition Program has funded nearly 300 projects across the country. These projects provide food supplements, nutritional advice, and counselling on

lifestyle issues such as drug and alcohol use, stress, and family violence to pregnant women in high-risk situations.

As part of our Tobacco Demand Reduction Strategy, we have launched strategic initiatives on tobacco use by women, particularly pregnant women and new mothers. We have also brought forward legislation to regulate the manufacture, sale, labelling, and promotion of tobacco products.

In August 1996, we held the first-ever Canada-U.S. Women's Health Forum to examine health issues common to women in both countries – issues such as breast cancer, smoking, stress, and violence against women. A program of cooperation on women's health, including joint initiatives on a range of women's health concerns, was agreed upon at this forum. A new Liberal government will sustain this level of commitment to helping Canadian women maintain and improve their health. ■

beyond the net income threshold for dependants. In accordance with the recommendations of the National Forum on Health, a new Liberal government will support the shift to home care by creating a caregiver tax credit that will provide new or increased tax relief to Canadians caring for infirm family members – including seniors receiving OAS or GIS – at home.

### Prescription Drugs

New drug therapies have replaced many earlier forms of treatment, making it possible to reduce the amount of time that patients spend in hospitals. Our current system provides full coverage for institutional care, including all drugs administered during a hospital stay. Once patients go home, however, they are not guaranteed public coverage for medically necessary drugs.

Although some public coverage is provided for specific groups and situations, prescription drugs have yet to be fully incorporated into provincial health insurance schemes. Many Canadians have limited drug coverage through their employers, but a full 12 percent of Canadians have no coverage at all for prescription drugs.

This situation is plainly inconsistent with the values upon which Canadian medicare is based. It is both unfair and illogical to guarantee access to medical diagnosis but not to the associated treatment. Neither does it make economic sense. Those who cannot afford to fill their prescriptions tend only to get sicker and require more costly treatment later from the public system. The Liberal government is committed to maintaining a universal health care system, in which Canadians are assured equal access to appropriate, quality care as needed.

Public coverage of medically necessary prescription drugs, as recommended by the National Forum on Health, would not only ensure universal access to treatment, it would also reduce the amount of money that Canadians are already spending on drugs by extending the proven advantages of the single-payer system. These advantages include simplified administration, volume discounts for bulk



purchasing, and improved monitoring of best practices in prescribing and dispensing.

Public coverage would thus help to control overall drug costs, which are rising faster than the costs of any other part of the health care system. It would also reduce the amount of money Canadians spend on premiums and co-payments at the pharmacy, and on private insurance and employee drug plans. These reductions would in turn extend the competitive advantage that medicare offers to Canadian employers in the global marketplace.

The Liberal government endorses pharmacare as a long-term national objective. Some provinces are already developing a system of drug coverage. We will work with our provincial partners to ensure that all Canadians have access to medically necessary drugs within the public health care system. The federal government has a role to play in bringing together its provincial and territorial partners and a range of other interests to develop a national plan and timetable for introducing prescription drugs into our medicare system.

A new Liberal government will pursue a strategy – together with representatives of provincial and territorial governments, health service providers, private payers (employers and unions), and consumers – to address the fact that drugs have become an essential component of health care. We will develop with these groups a timetable and fiscal framework for the implementation of universal public coverage for medically necessary prescription drugs. When this plan and timetable have been devised, and when a sufficient number of provinces have agreed, a new Liberal government will be able to make a significant financial contribution to bringing pharmacare into reality.

#### **Promoting Good Health**

The health gains that Canadians have made in recent years are attributable in large part to an excellent health care system built on sound principles and strong partnerships between federal and provincial governments. But health care is just one of a much broader set of factors that

have a profound influence on the health status of individual Canadians and the population as a whole.

There are many non-medical determinants of health that we cannot choose or change: things like our genes, our natural environments, and our early childhood development. But we can make choices about other factors that influence health. These include lifestyle decisions on diet, exercise, hygiene, smoking, alcohol and drug use, and sexual activity.

Canadians have also come to recognize that social and economic factors play a significant role in determining health. Employment, education, income and social status, self-esteem, and sense of control over one's life are often closely related to both health status and life expectancy. The social safety net that successive Liberal governments have created in Canada provides income support, employment insurance, social assistance, and a range of other programs designed to even out social and economic disparities.

A range of initiatives designed to address these broader determinants of health are outlined in more detail on pages 58-61 and 80-81. These include early intervention programs to foster healthy child development in Canada's Aboriginal communities and non-Aboriginal families at risk, increased support for community-based prenatal nutrition initiatives, and significantly enhanced income support for low-income families with children, to be accompanied by greater provincial investments in services for children.

Over the past few decades, Canadians have succeeded in building a health care and social support system that is one of the best in the world. Now we need to set our sights on an even higher goal: developing the healthiest population in the world. To achieve this goal, we must work in close partnership with provincial and territorial governments and in cooperation with other sectors.

The federal government works every day to help Canadians maintain and improve their health in a variety of ways that are easily taken

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Together with key partners, a new Liberal government will develop a national plan and timetable for introducing universal public coverage for medically necessary prescription drugs.

for granted. These involve looking after the safety of foods and products; the regulation of drugs, cosmetics, consumer products, and the environment; prevention and control of diseases; funding of public health research and policy analysis; health promotion activities among vulnerable groups; and delivery of health services to First Nations and Inuit people. An additional and increasingly important way for the federal government to help Canadians maintain and improve their health is by encouraging the widest possible dissemination of reliable health information.

#### **Developing a Health Information Infrastructure**

Decisions in the health sector, whether they concern product regulation, resource allocation, or clinical practice, have important consequences for us all. We cannot make wise investments in our health without improving the way we collect, spread, and use health information.

Public policy-makers, caregivers, and medical practitioners must draw upon the latest information about emerging health issues, advances in clinical research, and best practice models in health promotion and illness prevention. They also need access to quality information about evidence-based innovations in the delivery of health services.

Governments need information that gives them the tools to assess the health impacts of their policies. Health care providers and administrators need timely, accurate information to make informed decisions that lead to better outcomes for people in their care. Indeed, every Canadian should have quick and ready access to reliable information on health and health care.

Recent advances in information technology have made it possible to develop a comprehensive national health information infrastructure that responds to these needs. The construction of such an infrastructure is already well under way through provincial initiatives. By pooling our resources and sharing our knowledge, we will all benefit.

A new Liberal government will work with

provincial and territorial partners to develop a national strategy for the creation of a Canadian Health Information Network, as recommended by the National Forum on Health and as announced in the February 1997 budget. This strategy, to be developed in collaboration with key industry and health care stakeholders, will support decision-making in clinical settings, in policy development, and in health services management by giving Canadians access to standardized, high-quality information about health and health care. It will also protect the use of personal information in accordance with established privacy standards. In addition, we will establish an independent National Population Health Institute, as recommended by the National Forum on Health, to report to the public on national health status and the performance of the health system.

#### **Meeting Urgent Health Needs**

The federal government's role also includes taking action on major health threats to Canadians. The growing rate of breast cancer, the high mortality rate associated with tobacco use, and the HIV/AIDS epidemic are three areas we have identified as critical health issues and targeted for national action.

Breast cancer is a disease that affects an estimated one in nine Canadian women over their lifetimes. As our population ages, the number of cases of breast cancer is expected to rise dramatically. Although the causes of this disease are unknown, we do know that early detection and treatment significantly increase the life expectancy of those who are affected.

This government currently dedicates \$5 million annually to the Canadian Breast Cancer Initiative, a program to inform Canadian women of the importance of early detection and to educate physicians on communicating with and counselling patients. This program enhances research into the causes and effective treatment of breast cancer, and into ways of managing the psychological and social dimensions of the disease to improve the quality of life of its survivors.

This investment has helped to further breast cancer treatment and to build community support networks for thousands of affected women throughout Canada. A new Liberal government will expand the Canadian Breast Cancer Initiative to \$35 million over the next five years.

Smoking-related diseases also present a major health threat. Each year 40,000 Canadians die prematurely from tobacco-related illness, costing Canadians \$3.5 billion in direct health care costs. In response, this government has advanced an aggressive tobacco reduction strategy to regulate the manufacture, sale, labelling, and promotion of tobacco products.

In addition, we have continued the anti-smuggling initiatives launched in February 1994, extended the surtax on tobacco manufacturers' profits, and allocated \$50 million over five years to enforce new tobacco legislation and provide public health education. Still, smoking remains the number one cause of preventable death in Canada.

Tackling the sale and promotion of tobacco is one facet of the Liberal government's strategy. The other is stopping smokers before they start. Young people today constitute the fastest-growing market for cigarettes. If we can prevent them from becoming smokers, or help them quit early on, we will significantly reduce the incidence and cost of smoking-related disease and death in Canada.

More intervention is needed at the community level to educate young people about the risks associated with smoking and to help the two-thirds of smokers under the age of 19 who have tried quitting to succeed in doing so. A new Liberal government will double funding for the Tobacco Demand Reduction Strategy from \$50 million to \$100 million over five years, investing the additional funds in smoking prevention and cessation programs for young people, to be delivered by community organizations that promote the health and well-being of Canadian children and youth.

The HIV/AIDS epidemic is a third critical health challenge facing Canada today. An esti-

mated 20,000 Canadians now suffer from AIDS, while close to 45,000 Canadians are infected with HIV. The bulk of the AIDS epidemic lies ahead of us, not behind us; another 10,000 to 20,000 Canadians are expected to contract AIDS by the year 2000.

In 1993 this government launched Phase II of the National AIDS Strategy, providing \$40.7 million annually for five years to combat the AIDS epidemic. This investment – together with the efforts of provinces, the medical and research community, community organizations, and people living with HIV and AIDS – has led to tangible progress in research, education, prevention, care, and treatment. Canada now has an effective community support network, while research and fast-tracking of drug approvals has led to improved drug therapies and new hope for those living with HIV and AIDS.

As the incidence of HIV and AIDS continues to increase, however, it is clear that we must continue our efforts. A new Liberal government will extend the National AIDS Strategy at current funding levels for an additional five years.

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A new Liberal government will:

- expand the Canadian Breast Cancer Initiative to \$35 million over the next five years;
- double funding for the Tobacco Demand Reduction Strategy from \$50 million to \$100 million over five years; and
- extend the National AIDS Strategy at current funding levels for an additional five years.

## Portfolio

# Expanding Opportunity for Aboriginal Peoples

The strength of First Nations, Métis, and Inuit peoples continues to grow, despite the persistent challenges they face on and off reserve in health care, housing, education, economic opportunity, land claims, and culture. The Liberal government is committed to seeing Aboriginal communities become stronger and healthier, and to furthering their progress towards self-government, well-being, and economic independence. We affirm the Inherent Right of Self-Government as an existing Aboriginal and treaty right, and we are actively recognizing it in concrete and practical ways. This policy now guides all federal government partnerships with Aboriginal peoples as well as the ongoing negotiation of self-government agreements in every region of the country.

This government will continue to include

consideration of the special needs and circumstances of Métis and off-reserve peoples in these negotiations. Trilateral negotiations with the provinces and Métis and off-reserve Indians will carry forward, as will our commitment to cost-share Métis enumeration projects with the provinces.

Recognizing Aboriginal peoples means working with them to improve their quality of life and to expand the opportunities available to them. Economic development, health care, programs for healthy child development, alternative community-based justice initiatives, youth employment opportunities, and many other services are critical elements of our efforts to ensure that Aboriginal peoples can participate fully and equally in Canadian society.

**The Royal Commission on Aboriginal Peoples**

In finding ways to support the aspirations of Canada's Aboriginal peoples, a new Liberal government will draw from the valuable work of the Royal Commission on Aboriginal Peoples and from its report, tabled in November 1996. This five-volume, 4,000-page report has been called the most comprehensive examination ever of the realities facing Aboriginal peoples in Canada.

The commission's 440 recommendations call for the involvement of federal, provincial, territorial, and Aboriginal governments and local communities. While we are already implementing a number of the report's recommendations, a full analysis of the commission's findings and the opportunities they offer for broader action is needed. A new Liberal government will review all recommendations of the Royal Commission on Aboriginal Peoples and will develop a plan, in

partnership with Aboriginal peoples and provincial and territorial governments, to respond effectively to the report's findings and proposals.

**Faster Resolution of Land Claims**

The Liberal government did not wait for the Royal Commission to complete its work before moving quickly to address the backlog in land claims. In the 20 years before our election to office, 96 Aboriginal land claims were settled under the Specific Claims Policy established in 1973. In less than four years, we have settled 61 specific land claims and five comprehensive claims. During this same period, we reached a historic agreement-in-principle with the Nisga'a people and the province of British Columbia, and talks continue towards a final treaty. In Manitoba, we are still at work on the ratification of a land entitlement agreement that will fulfil all

The Liberal government has moved quickly to address the backlog in Aboriginal land claims.



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outstanding treaty obligations between 19 First Nations and the federal and provincial governments.

As the number of land claims grows, however, so does the existing backlog. Delays in resolving these claims are a fundamental barrier to achieving the full potential of many Aboriginal peoples and their communities. First Nations and others are calling on governments to settle claims faster. This government recognizes that we must speed up the claims process and will continue to work with First Nations to do so.

A new Liberal government will expand the mandate of the Specific Claims Commission to render binding decisions on the acceptance or rejection of claims for negotiation. In consultation with Aboriginal organizations, we will also determine whether the commission should have the authority to facilitate, arbitrate, or mediate disputes that may arise between Canada and the First Nations in the negotiation process.

The broadened Specific Claims Commission will ensure that claims are accepted for negotiation only when there are sufficient funds to settle those claims. As a result, binding decisions will be rendered within an accountable fiscal framework.

### Fostering Economic Development

The Liberal government strongly supports the desire of Aboriginal peoples to develop a strong and resilient economic base, capable of growing and meeting their changing needs. New federal programs are helping to realize this goal by creating jobs in Aboriginal

communities in building and construction, the manufacturing and resource sectors, and science and technology. More must be done, however, to improve economic opportunities for Aboriginal peoples in Canada.

Aboriginal people currently own and operate more than 15,000 Canadian businesses. These enterprises vary in size from small one-person operations to oil and gas resource businesses employing hundreds of people and owned by 110 First Nations. These enterprises have flourished, despite difficulties that Aboriginal business owners often experience in acquiring credit for business loans and breaking into local and national markets.

A new national procurement policy is helping to ensure opportunities for Aboriginal businesses to bid on government contracts. Many have done so successfully. The federal government also invests approximately \$400 million annually in Aboriginal-owned ventures through a variety of Aboriginal business and investment programs. By better focusing and coordinating these resources, we can make them easier to use and more effective for Aboriginal businesses.

A new Liberal government will consolidate Aboriginal business investment programs, currently spread across a variety of

federal departments, into a single program focused on more long-term, strategic regional investment opportunities for First Nations, Inuit, and Métis business people. This integrated and flexible approach will facilitate the development of more partnerships among federal, provincial, and Aboriginal governments and the private sector.

### Investing in Aboriginal Children and Youth

The future of Aboriginal communities depends as much on their human capital as on their financial capital. It is important to ensure that Aboriginal children get off to a healthy start and are ready to learn when they enter school. Aboriginal youth must also have the confidence and skills they need to stay in school and later make the transition into their first jobs.

More than 30 percent of the Aboriginal population is below the age of 15. This means there is a need to emphasize programs for children, youth, and mothers at a time when the rest of Canada is placing a heavy emphasis on problems of aging.

Research has shown that failure to provide young children (up to age six) with the care and nurturing necessary to ensure their healthy early development significantly increases their risk of developing long-term

**The future of Aboriginal communities depends as much on their human capital as on their financial capital.**

## Honouring Aboriginal Peoples

Our knowledge of the history of Canada is incomplete without an understanding of the role of First Nations, Inuit, and Métis peoples. We will create opportunities to celebrate and mark that history.

June 21, 1996, was Canada's first National Aboriginal Day, established to celebrate Aboriginal heritage and

enhance Canadians' understanding of Aboriginal peoples and their role in shaping Canadian culture and history. The Aboriginal Veterans Scholarship Trust is a fund established by this government to support Aboriginal people engaged in studies that contribute to Aboriginal self-governance and economic self-reliance.

As well, the federal government is providing support for the creation of a monument to the Aboriginal men and women who volunteered to join in Canada's efforts in the First and Second World Wars, the Korean War, and more recent international peace-keeping missions.

and costly problems later in life. With a poverty rate of over 50 percent, Aboriginal children are at greater risk than any other group in Canada. Infant mortality among Aboriginal children is 1.7 times the rate of Canadian infants generally, and the death rate for young Aboriginal children is three to four times higher.

Early child development programs for children up to age six, like Head Start in the United States, have proven successful in counteracting many of the risks associated with poverty and in reducing the likelihood of behavioural problems, poor physical and mental health, dropping out of school, delinquency and incarceration, and reliance on welfare in later life. They have also increased the likelihood of participants securing stable employment as adults and owning their own homes.

In 1995 the Liberal government established Aboriginal Head Start, an early child development program that prepares young Aboriginal, Métis, and Inuit children for school by providing social supports to their families and involving their parents in cultural, health promotion, education, and nutrition programs. By the spring of 1997, over 90 off-reserve Aboriginal Head Start programs will be up and running in Canada's

urban centres and large Northern communities. A Liberal government will continue to provide funding of \$22.5 million annually for this critical program.

Children on Canada's Aboriginal reserves require these same supports. Together, children and youth constitute 57 percent of the on-reserve population, compared with 37 percent of the total population elsewhere in Canada. Meeting their needs is critical if Aboriginal on-reserve communities are to thrive in the longer term.

In response to the recommendation of the Royal Commission on Aboriginal Peoples and because of the need to ensure the healthy early development of all Aboriginal children, a new Liberal government will expand the current Aboriginal Head Start program to First Nations children on reserves. This will give young Aboriginal children on reserves a healthy start in life and ensure that they begin school ready to learn. The program will cost \$25 million annually when fully implemented.

Today more than 150,000 Aboriginal people are postsecondary graduates. Despite this achievement, some Aboriginal youth are experiencing problems. Poverty, high dropout rates, acute unemployment, and the accumu-

lated pressures of growing up in conditions of economic, cultural, and personal hardship mean Aboriginal youth, the fastest-growing segment of Canada's youth population, are among the least likely to acquire the educational and life skills they need to lead stable and rewarding adult lives.

Compared with other Canadians, only half as many Aboriginal youth complete the first two years of high school, according to 1991 census data. Although there has been progress since 1991 in addressing this challenge, Aboriginal youth continue to experience severe unemployment and are far more likely to commit suicide than their non-Aboriginal peers. Programs like Head Start can do a great deal to prevent some of these problems before they begin, but more must be done for the youth of today. Those facing particularly severe barriers to both education and employment need more targeted strategies to assist them.

The Liberal government's Youth Employment Strategy includes an investment of \$50 million over the next two years to help about 23,500 on-reserve First Nations and Inuit youth secure jobs with a future. Initiatives include work in science and technology education programs, cooperative education



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placements, work-experience programs for youth who are unemployed and out of school, and business entrepreneurship programs to help young Aboriginal people create their own jobs.

Under the Youth Employment Strategy, new resources will fund First Nations and Inuit internship programs to help Aboriginal youth on reserves and in Northern communities to develop skills and obtain the work experience they need to succeed in the labour market. Young Aboriginal people living in cities will also receive assistance in making this transition.

In addition, a new Liberal government will establish a network of urban multipurpose Aboriginal youth centres, linked to Friendship Centres or other Aboriginal community organizations and focusing on encouraging youth to stay in school and complete their education. When fully implemented, these centres will be granted \$25 million annually. Programs offering career planning, employment opportunities, anti-gang measures, alternative dispute resolution, health promotion, and sports and recreational activities in a culturally relevant and supportive environment will also be provided.

### **A Healthier Aboriginal Population**

Poor health continues to be one of the greatest challenges facing Aboriginal Canadians. In comparison with Canada's non-Aboriginal population, Aboriginal life expectancy is lower by more than seven years, and rates of suicide, infectious disease, and accidental death and injury are far higher. Diabetes, in

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Because of the need to ensure healthy early child development, a new Liberal government will expand the current Aboriginal Head Start program to First Nations children on reserves.

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A new Liberal government will conduct health research together with Aboriginal people to focus on their needs, and will support training of Aboriginal health workers.

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A new Liberal government will work with Aboriginal peoples to preserve, protect, and teach Aboriginal languages.

particular, has reached epidemic proportions.

The government of Canada currently invests over \$520 million annually in providing non-insured health services to Canada's Aboriginal communities. In addition, in 1994 we established Building Healthy Communities, a \$243-million national strategy to respond to urgent health concerns in First Nations and Inuit communities. This initiative provided additional resources and programs to address health priorities identified by these communities, including mental health, solvent abuse, and home care nursing.

In order to successfully address these and other health challenges, Aboriginal Canadians must be more involved in the design and delivery of appropriate health services in their communities. We must encourage more Aboriginal students to enter health professions and ensure that their training incorporates approaches to health and healing that are relevant to their culture and communities.

A new Liberal government will work with Aboriginal groups to establish an Aboriginal Health Institute, as recommended by the

National Forum on Health. This institute will conduct health research focused on the needs of Aboriginal peoples, gather and disseminate information on the practice and efficacy of culturally appropriate medicines and treatments, support basic and advanced training of Aboriginal health workers, and serve as a support system for health workers in Aboriginal communities.

### **Alternative Justice Systems**

In May 1996, the Liberal government launched a five-year plan to establish alternative justice systems for Aboriginal peoples.

Community-based approaches like family group conferencing, peacemaker tribunals, and sentencing circles are being developed as alternatives to the regular judicial process. An Aboriginal Justice Learning Network will provide community support and training and develop a manual of best practices in community-based justice. Police, Crown attorneys, judges, and other participants in the justice system will be trained and encouraged to refer appropriate cases to these alternative



## The rich and varied cultures of Canada's Aboriginal peoples are an integral part of our national heritage.

processes. The government will ensure that Aboriginal women are involved in the development and implementation of these practices.

Thirty agreements to provide community-based justice have already been reached in eight provinces and one territory. This alternative will continue to be made available to all appropriate Aboriginal communities as part of this government's commitment to work in partnership with the provinces, territories, and Aboriginal groups to enable Aboriginal peoples to assume greater responsibility for the administration of justice in their communities.

### **Sustaining Aboriginal Languages**

Respect and support for cultural diversity is a hallmark of Canadian society. The rich and varied cultures and languages of Canada's Aboriginal peoples are an integral part of our national heritage. In Canada today, there are 11 different First Nations and Inuit language families, encompassing 53 to 70 languages. Although some of these languages – Cree, Chipewyan, Mohawk, and Inuktitut, for

instance – are in regular use today, most Aboriginal languages are spoken less and less each year.

The decline of these languages would lead to an irretrievable loss of Canadian and world heritage and is of serious concern to Aboriginal peoples and other Canadians. Their loss can be prevented, as proven by the successful revival of the Cree language. A Liberal government will work to preserve Aboriginal languages, both as a link to our collective past and as a promise for the future of Canada's Aboriginal peoples. A new Liberal government will work with Aboriginal peoples to establish a program to preserve, protect, and teach Aboriginal languages, and will help to ensure that these languages, which are a vital component of Aboriginal culture and Canada's heritage, are kept alive for future generations.

## Portfolio

# Safe Communities

Safe communities are among the hallmarks of our Canadian identity. The Liberal government is working tirelessly to ensure that Canada remains a place where Canadians feel secure in their homes and on the streets of their communities.

Ensuring public safety and dealing with crime, especially violent crime, is a priority of this government. We will protect the right of all Canadians to live in healthy, safe communities.

Canadians are understandably concerned about crime. It creates fear for both personal and community safety and undermines our quality of life. Although the reported crime rate has decreased for four consecutive years, dropping by 13.1 percent since 1991, it is still 6.8 percent higher than it was 10 years ago. These crime levels are too high.

The costs of crime in Canada, estimated at between \$35 billion and \$46 billion annu-

ally, are an enormous burden for Canadians to bear. Public spending on the criminal justice system has reached almost \$10 billion a year, an increase of 13 percent since 1988-89. But this staggering figure represents only a small portion of the total cost of crime. Other costs, harder to tally but no less important, include those associated with the pain and suffering of victims, medical care, lost productivity, property loss, and private security systems.


The Liberal government is taking a balanced but determined approach to reducing crime in Canada. Along with traditional legal responses, such as law enforcement, the court system, and incarceration, the government has been dealing with the underlying factors that lead to criminal behaviour.

The Liberal government has made solid gains in enhancing public safety. We have

reformed sentencing laws, amended the parole and corrections system, enacted tough gun control legislation, strengthened the Young Offenders Act, limited access to early parole hearings, and introduced strong new measures to deal with high-risk offenders. We have also acted to help victims of crime, protect women and children from crimes of violence, and manage non-violent, low-risk offenders more effectively.

### **New Sentencing and Parole Measures**

Minor, first-time offenders should be treated differently than serious, violent offenders. We have made changes to sentencing laws to encourage courts to distinguish between serious, violent crime requiring prison time and less serious, non-violent crime that can be handled more effectively in the community. A new Liberal government will propose alternatives to incarceration for low-risk, non-



violent offenders, such as sentencing reforms, community diversion programs, greater use of risk assessment techniques, and alternative sanctions.

Meanwhile, the Liberal government has adopted new sentencing measures to ensure that those who commit crimes of hate receive harsher sentences. In addition, we have reinforced victims' rights by strengthening the restitution process, and other changes will allow victims to make presentations at applications for early parole hearings.

This government has improved the

parole and corrections system to help protect the public from repeat sex offenders. We have strengthened our ability to detain sex offenders in penitentiaries until the end of their sentences, and we have strengthened the rehabilitation and treatment programs for these offenders. We have expanded the list of crimes for which offenders can be detained until the end of their sentences to include serious drinking and driving, criminal negligence resulting in bodily harm or death, stalking, and conspiracy to commit serious drug offences.

We have tightened the rules for early parole hearings under Section 745 of the Criminal Code so that offenders who apply for early parole consideration after January 9, 1997, no longer have an automatic right to such a hearing. Some offenders, including multiple murderers and serial killers who have not already applied prior to January 9, 1997, are no longer permitted to apply at all. These new measures eliminate jury proceedings for murderers who, in the opinion of a judge, have no reasonable chance of early parole.

The Liberal government is taking a balanced but determined approach to reducing crime. Along with traditional legal responses, we are dealing with the underlying factors that lead to criminal behaviour.



## Portfolio Safe Communities

# A new Liberal government will continue to mount a strong and vigorous campaign to eliminate organized crime, using every legislative and regulatory measure at its disposal.

### **Protecting Canadians Through Gun Control**

There is no better example of the Liberal government's forceful action against crime than the new gun control legislation. Canada's gun control law is now one of the toughest in the Western world. It creates a new firearms registration system, introduces measures to deal with smuggling and illegal importation, and imposes harsher sentences for the criminal use of firearms. These and other features of the new gun control law offer more protection to all Canadians. But since firearms are the weapons most commonly used in spousal homicides, this legislation affords Canadian women an extra measure of protection from violent crime.

The new gun control legislation enjoys widespread public support. Citizens and law enforcement officers alike regard it as a vital resource for police in fighting crime. The Canadian Association of Chiefs of Police and the Canadian Police Association have voiced their unqualified support for this legislation, which the Liberal government passed despite fierce opposition. This landmark law will help prevent violent crimes and save countless lives.

### **Wiser Management of Young Offenders**

The Liberal government recognized the need

to strengthen the Young Offenders Act to ensure that the punishment better matches the severity of the crime. We introduced longer sentences for young people convicted of first- and second-degree murder and new measures that require 16- and 17-year-olds charged with serious violent crimes to be transferred to adult court, unless they can prove that society would be better served by having them tried in youth court. Meanwhile, the government has continued to support efforts to rehabilitate non-violent young offenders in the community.

Crimes committed by youth gangs are disturbing and growing occurrences in many of our communities. As a first step, a new Liberal government will support projects to identify why young people are drawn into gangs and how to help them leave these groups. We will then develop measures to help protect children and youth from victimization and to discourage them from starting criminal careers in neighbourhood youth gangs.

### **Dealing with Violent, High-Risk Offenders**

To keep our homes and communities free of crime, the Liberal government has placed particular emphasis on protecting the public from violent, high-risk offenders. We launched

a national "flagging" system to help Crown attorneys identify high-risk offenders at the time of prosecution. We introduced new legislation to make the dangerous offender provisions in the Criminal Code much stronger, including a new "long-term offender" designation for sex offenders that adds a period of supervision of up to 10 years following release from prison. In addition, the Liberal government introduced a new judicial restraint provision, which imposes further controls on those who pose a high risk of committing a serious personal-injury offence.

We will build on these efforts to continue protecting the public from high-risk offenders. A new Liberal government will intensify the efforts of Correctional Services Canada and the National Parole Board to develop accurate and effective tools to support decision-making about releasing offenders into the community. A new Liberal government will also work with the provinces to develop agreements to notify communities when high-risk offenders are released.

### **Protecting Women and Children from Violent Crime**

Protecting women and children in Canada from violent crime is a high priority for the Liberal government. We enacted amendments to the criminal law to give women and children increased protection against violence:

- We eliminated self-induced intoxication as a defence for violent crimes like sexual assault.
- We made peace bonds more effective in keeping abusers away from women and children.

## Protecting Women and Children from Violent Crime

- We authorized peace officers to obtain DNA samples from persons reasonably believed to have been a party to serious crimes involving physical violence, including sexual assault, incest, and obtaining the sexual services of a child.
- We introduced changes to the laws on child prostitution, child sex tourism, stalking, and female genital mutilation to make it clear that these abuses will not be tolerated.

The Liberal government has also introduced legislation to strengthen the privacy rights of victims of sexual assault by restricting access to medical, counselling, and other personal records in sexual offence cases.

### Fighting Organized Crime

The Liberal government has introduced laws and regulations to combat organized crime. We passed witness protection legislation to ensure that potential witnesses and sources have the best possible protection. We also launched an Anti-Smuggling Strategy to combat the illegal trade in tobacco, firearms, and alcohol.

Our government's new Proceeds of Crime Initiative is reinforcing these efforts to stop smuggling by attacking the profits that criminal organizations derive from illegal activity. Under this initiative, the government will establish 10 new integrated proceeds-of-crime units in major cities across Canada. Under a new mandate, a Liberal government will continue to mount a strong and vigorous campaign to eliminate organized crime, using every legislative and regulatory measure at its disposal.

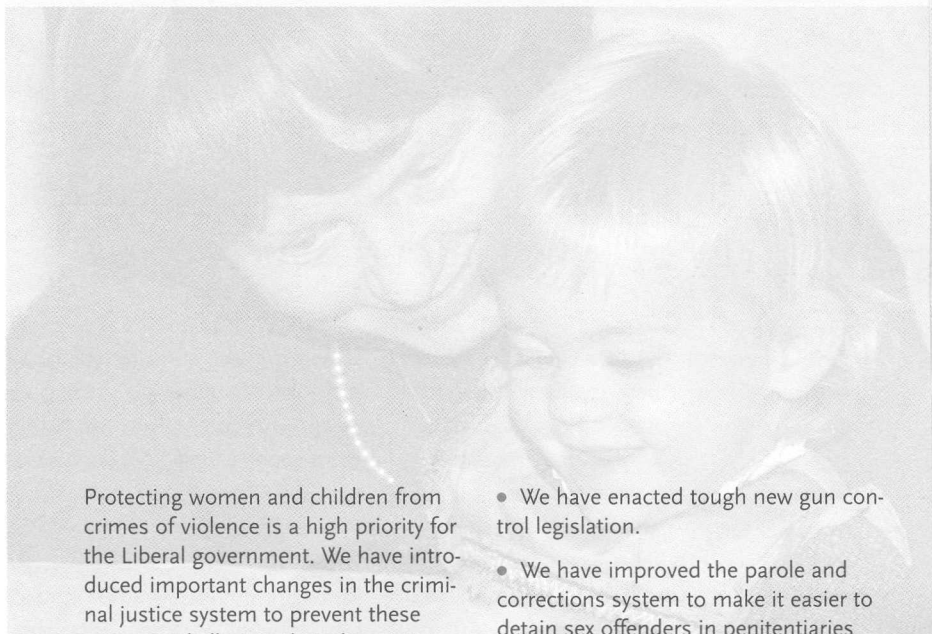
Protecting women and children from crimes of violence is a high priority for the Liberal government. We have introduced important changes in the criminal justice system to prevent these crimes and alleviate their devastating impacts. We have:

- eliminated self-induced intoxication as a defence for violent crimes like sexual assault;
- strengthened the effectiveness of peace bonds in keeping abusers away from women and children;
- introduced new measures to deal with child prostitution, child sex tourism, stalking, and female genital mutilation;
- introduced measures to restrict access to counselling records and other personal files to protect the privacy rights of sexual assault victims; and
- authorized peace officers to obtain DNA samples from persons reasonably believed to have been a party to serious crimes, such as sexual assault, incest, and obtaining the sexual services of a child.

In Canada, a woman is killed by a firearm every six days on average – often in a private residence and by a person she knows. Firearms are the weapons of choice in spousal homicides. The Liberal government has taken action to help curb crimes of domestic violence:

- We have enacted tough new gun control legislation.
- We have improved the parole and corrections system to make it easier to detain sex offenders in penitentiaries until the end of their sentences.
- To deal with high-risk offenders, we have brought in new legislation that strengthens the dangerous offender provisions, creates a “long-term offender” designation targeting sex offenders, and contains a judicial restraint provision for individuals at high risk of committing serious personal-injury offences.
- We have launched a new National Information System on Child Sex Offenders, which enables employers and volunteer agencies to determine whether an applicant has a criminal record for sexual offences.

The Liberal government's strategy for reducing family violence goes beyond these essential changes to the justice system. It is an ongoing, long-term, comprehensive effort to improve the response to family violence of the health, social service, and justice systems. We are coordinating policies and programs across government departments and agencies; promoting public awareness and involvement; developing programs for those at risk; and supporting research and evaluation to identify effective interventions. ■





## At the heart of Liberal policies on crime is the belief that a safer Canada is one where crime is not only punished but prevented.

### Sharing Information Across the Justice System

Public safety can depend on the timely sharing of information about offenders and crimes among the various partners in the criminal justice system. Failure to share information when it is available and when it is needed results in suspects slipping through the cracks and public safety being compromised.

The Liberal government is dedicated to eliminating the obstacles to quick and effective information-sharing across the justice system. To enhance public safety and improve the cost-effectiveness of information systems, a new Liberal government will work with the provinces to integrate the information systems of all the partners in the criminal justice system.

### Focus on Prevention

A safe society depends on strong crime prevention efforts as well as traditional justice responses. At the heart of Liberal policies on crime is the belief that a safer Canada is one where crime is not only punished but prevented.

The likelihood of turning to criminal behaviour increases when certain risk factors are present in people's lives. Unemployment, poverty, inequality, family violence, illiteracy, lack of affordable housing, and poor education

– these are among the factors that increase the probability of a person committing a crime. Lessening the impact of these risk factors can divert many young people from criminal activity.

The Liberal government introduced the National Strategy on Community Safety and Crime Prevention and created the National Crime Prevention Council as important first steps in addressing the underlying causes of crime. Since its inception, the council has been working on strategies to help governments and communities to head off crime. The council advocates the prevention of crime through a social development approach and focuses on children and youth as priorities.

The Liberal government agrees with this approach to crime prevention. Among the social development initiatives in the 1997 budget and in this platform document are the Community Action Plan for Children (page 58), the new Canada Child Tax Benefit (page 60), the Centres of Excellence for Children's Well-Being (page 61), the Aboriginal Head Start program (page 81), and the multi-purpose Aboriginal youth centres (page 82).

### Crime Prevention at the Community Level

Governments at all levels and in all parts of the world are adopting community-based

crime prevention programs that rely on certain essential principles for their success:

- First and most important, the community must identify its own short-term and long-term needs.
- Crime prevention programs must bring together the whole community, particularly those responsible for housing, social services, public health, recreation, schools, and policing.
- Reducing levels of crime must be viewed as a process of community-building and local involvement that deals with a range of issues. One-time solutions will not make communities safer or prevent crime.

Strong communities lessen the isolation of individuals, enhance community spirit, and develop a sense of belonging. The Liberal government is committed to building strong communities and helping them in their efforts to prevent and reduce crime. The government supports an integrated approach that brings together various prevention strategies that reduce opportunities to commit crime, strengthen community-based policing, and divert criminal activity through social development.

To foster the development of community-based crime prevention projects, a new Liberal government will increase funding for crime prevention initiatives to a level of \$30 million per year, or a dollar for every Canadian. The cost of detaining a young offender is about \$100,000 a year. If prevention programs result in 300 fewer young people in custody each year, the \$30-million investment in prevention will have paid off.

Most of this \$30 million would fund community-level crime prevention projects created by local governments and community organizations. To help put this commitment into action, a new Liberal government will appoint a senior official to head a unit dedicated to crime prevention policy and program development. To help communities develop crime prevention programs, we will also develop resource materials, promote best and promising practices, and support innovative projects.

The private sector must become an active partner, leader, and resource within the community. The better the quality of life in a community, the better the environment for business. A new Liberal government will work in partnership with the private and non-profit sectors to establish a body to help prevent crime. A similar body in the United Kingdom has proven successful at providing consulting and training services, managing crime prevention programs, developing new approaches to practice and policy, and promoting public education.

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A new Liberal government will increase funding for community-based crime prevention initiatives to a level of \$30 million per year.



## Gun Control

Effective gun control is central to the Liberal government's strategy to reduce and prevent violent crime. Canada's new gun control law is one of the toughest in the Western world. It is solidly supported by Canadians, including the police, who see the new gun control program as an essential resource in ridding our communities of crime.

The criminal misuse of firearms will not be tolerated by this government. New Criminal Code offences and penalties have been enacted, including mandatory four-year minimum sentences for violent offences committed while in possession of a firearm. The creation of new offences for illegally importing and trafficking in firearms will help combat smuggling and illegal importation. Military and paramilitary firearms and handguns with no proven legitimate purpose have been banned.

A national registration system will enable Canada to control the flow of firearms across its borders, deal with the criminal misuse of firearms, enforce prohibition orders, and help police fight crimes ranging from domestic violence to robberies. Registration will be simple, cost-effective, and user-friendly.

A User Group on Firearms was created to help ensure that the new system is sensitive to the interests of firearms users, including hunters, dealers, outfitters, competitive and recreational shooters, and collectors. To respect the treaty rights and traditional lifestyle of Aboriginal peoples, Aboriginal groups will be involved in all aspects of the new program.

Sustenance hunters and trappers, both Aboriginal and non-Aboriginal, will be exempt from fees for registration and licensing but not from the requirement to register guns. The gun control regulations confirm the Liberal government's commitment to reasonable fees.

To help prevent family violence, the new regulations require notification of the spouse or common-law partner when a person applies for a licence to acquire a gun. In cases where the marriage or partnership has broken up in the previous two years, former spouses and partners will also be notified of the application. This provides people with an opportunity to voice their concerns about their safety or the safety of others. These new measures will deter crimes of violence and save many lives. ■

## Portfolio

# Voicing Our Identity

Canada's culture is rooted in shared experience, values, landscape, and geography. Our culture unites us as citizens of one country and distinguishes us as citizens of the world.

Today, Canada is home to at least 30 professional orchestras, over 160 publishing houses, and some 30 dance companies. We have 65 organizations producing and distributing films and videos, at least 600 independent film and television production companies, more than 50 artists' centres, over 80 public art galleries, and roughly 100 cultural periodicals.

Canada's cultural presence is strongly felt by our international neighbours. Any visitor to London, Paris, or New York today will see the names of Canadian performers on marquees and compact disc covers, and the works of Canadian authors in the bookstores. Toronto is the third-largest centre for live theatre in the world, Montreal has redefined and revived circus arts for the world, and Vancouver has become a North American centre for film production. Canada now sells more television programs abroad than any other nation except the United States. In many cultural industries, Canada has become a net exporter. SOCAN, the organization that collects royalties for the use of Canadian music, now collects more

royalties in foreign countries than in Canada.

Canadian culture is selling and succeeding in the domestic and global marketplace because of our unique national character, which was forged by our ancestors and today expresses simultaneously our proud citizenship in this country and our openness to the world. Bilingualism and diversity continue to enrich our cultural experience. Aboriginal culture continues to provide the vibrant voice for Canada's first peoples. Immigrants, past and present, bring new perspectives and traditions that feature prominently in every artistic field.

The Liberal government recognizes that the success of Canadian art and culture cannot be judged in commercial terms alone. What we invest in culture and the rewards we reap in turn cannot be reduced to profit and loss equations. But global forces are changing the environment in which Canadian culture exists. In the borderless world of new communications technologies, Canadians can gain access to culture in every conceivable form at the click of a button or the flick of a switch. Thus the challenge for a new Liberal government is to create the conditions that allow our culture to flourish locally, regionally, and internationally.





Just as it presents opportunities, Canada's close relationship with the United States, the world's dominant force in cultural industries, presents us with a challenge. We must develop approaches to support Canadian creators and cultural products in a way that enhances our cultural sector while preserving our economic and trading relationships. Canada will continue to play a leadership role in building international rules that will support domestic cultural expression within a global marketplace.

At the same time as we are bringing the nation's finances under control, the Liberal government has made judicious investments in securing a strong future for cultural expression in Canada. In keeping with past practice, we will continue to seek new partnerships with the private sector to promote and enrich cultural development.

Over the past 80 years, a mosaic of federal government programs has emerged to support cultural activity in Canada. These programs involve partnerships with the provinces, private individuals, corporations, foundations, and the public to promote cultural growth and development. Canadians have played a central role, as volunteers, consumers, and participants, in developing

and sustaining our cultural networks.

But the greatest contribution to the arts in Canada comes neither from government nor from private-sector patrons, but from the artists and creators themselves. These are the people who risk and sacrifice the most to create their works and then display or perform them publicly. A new Liberal government will adopt a more artist-centred approach to the development of cultural policy to provide greater support for the creative process and its expression in various forms, domestically and internationally.

#### **Building Support for Creativity**

The Liberal government is committed to supporting the cultural creativity of Canadians with the means at our disposal. For this reason, our government has progressively reformed the tax system since 1993 to encourage support for cultural industries. The system now provides incentives for arts patrons to direct charitable donations to eligible national arts service organizations. These measures result in an allowance of approximately 50 percent for contributions. Together with the continuing tax and grant provisions for investment in film or sound recording, the allowance makes Canada's

tax regime much more favourable for the arts. In addition, the Liberal government's film and video tax credit system provides a fully refundable tax credit of up to 12 percent of the eligible costs of production for qualified Canadian corporations. This combination of actions will strengthen the capacity of the cultural sector to raise money for production and distribution.

The Liberal government continues to support the network of federal cultural institutions that have grown out of enlightened cultural policy. One priority will be the Canada Council for the Arts. Created in 1957 as an independent agency at arm's length from the government, the council's main mission is to support artists and arts organizations. Most of its funds are enhanced by partnership with the provinces, the municipalities, and the private sector, along with Canadian audiences. Because we are committed to an artist-centred approach to Canadian culture, a new Liberal government will provide \$25 million a year in new funding to the Canada Council for the Arts to enhance the important work of the council and the artists it supports.

#### **Broadcasting, Multimedia, and Publishing**

In 1993 Liberals made a commitment to stable multiyear funding for national cultural



## International exposure for Canadian artists and artifacts is more than good diplomacy; it also provides substantial artistic and economic benefits.

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institutions such as the Canadian Broadcasting Corporation (CBC). Given the severe constraints the government has faced in dealing with the deficit, we have not fulfilled this commitment. The Liberal government did restore \$10 million in annual funding for CBC Radio and is providing further support for Radio Canada International. The creation of the Canadian Television and Cable Production Fund in September 1996 benefits CBC Television, which can draw on the fund to produce new Canadian programming.

The Liberal government's unqualified support for Canadian public broadcasting is demonstrated in the \$858 million a year in public funding that goes to the CBC. As we restore health to the nation's finances, our financial commitment to Canada's public broadcasting system will grow.

The Canadian Television and Cable Production Fund greatly enhances Canadian content on television while supporting job creation and skills development in Canadian broadcasting. The fund, with a total of \$200 million a year available, was established to recognize the far greater role that independent television producers and private financing play in supporting the cable and television industry than they have played in the past.

Multimedia brings together the talents of our creative community, our film and video industries, and our software developers. It is a new industry in which Canadian creativity and initiative have achieved many early successes. The challenge is to ensure that multimedia products, as well as the contents of the information highway, reflect our cultural makeup and are widely available in both official languages. A new Liberal government will provide \$15 million over five years to be used for loan guarantees under the Cultural Industries Development Fund to support the production and availability of multimedia products and content on the information highway in both English and French.

Book publishing is an important cultural activity, not only because of its direct role in culture but also because books are often the source for plays, films, and television programs. However, the Canadian publishing industry suffers from several competitive disadvantages. It is an undercapitalized industry in a relatively small market that is exposed to unlimited competition from outside the country. Canadian publishers are also finding it more difficult to find the capital necessary to run their businesses. The fact that our publishers continue to beat

the odds is a result of several factors, including their own tireless efforts to meet the demands of a widely dispersed community, the growing critical acclaim for Canadian literature, and the steady demand for Canadian published materials in commercial markets.

A new Liberal government will create a Canadian Publishing Development Corporation (CPDC) that will implement market support programs for the publishing industry. Funding for publishing support will increase by \$15 million a year. All publishing support programs at the Department of Canadian Heritage and some at the Canada Council for the Arts will be transferred to the new corporation. The CPDC will support existing programs and provide loan guarantees, risk capital for development, export and distribution support, retail initiatives, research into technological innovations, and other assistance to the publishing sector. This structure will allow for greater collaboration between the government of Canada and the private and non-profit publishers.

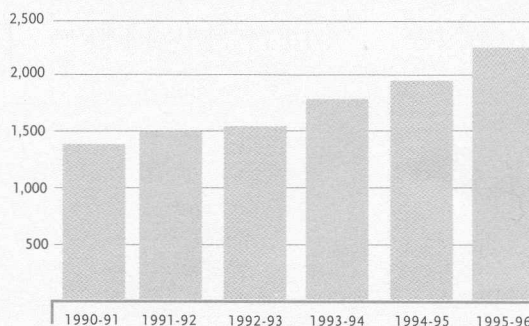
#### Canada on the International Stage

The Liberal government is committed to celebrating and promoting Canadian culture as an important way of advancing our international interests. We are making Canada's artists part of our fundamental rethinking of the way we promote ourselves and our products abroad. International exposure for Canadian artists and artifacts is more than good diplomacy; it also provides substantial artistic and economic benefits.

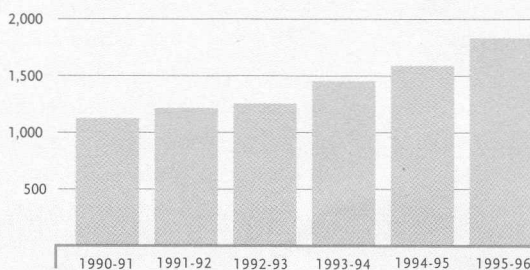
## Dossier: Canada's Cultural Industries

Strong exports of cultural goods and services contribute to the success of Canada's cultural industries.

**Exports of Cultural Services**  
(current \$ millions)



**Exports of Cultural Goods**  
(current \$ millions)



Cultural equipment, print media products, visual arts, and sound recordings.

Source: Department of Canadian Heritage

Canadian culture is in high demand around the world. A new Liberal government will provide support to our cultural industries in selling their goods and services abroad through a new Trade Promotion Agency.

The cultural sector directly contributes more than \$25 billion to Canada's GDP. This translates into more than 900,000 workers, or 6.9 percent of total employment.

## Voicing Our Identity

We are proud of Canadian cultural achievements and believe that sharing them more broadly will enhance Canada's reputation in the world. A new Liberal government will reinforce the ability of our cultural sector to market its products internationally. We will build on efforts to position Canada more prominently at various international festivals and trade forums. The proposed Trade Promotion Agency (page 34) will have a special mandate to market Canadian cultural and educational products and services.

Just as culture can explain and showcase the Canadian identity for international audiences, it also expresses and interprets Canada to Canadians. The works, songs, images, dances, and words created by Canadian artists help shape our national identity and celebrate our country.

To mark the beginning of a new century, a new Liberal government will give the Canada Council for the Arts a mandate and \$10 million to commission works of art. Selected by competition, these works in the visual arts, dance, theatre, music, film, new media, and literature will be presented across the country throughout the year 2000 and will enrich permanent collections and repertoires

long after the year of celebration has passed.

As the next century approaches, global competitive pressures and new technologies are changing the way people around the world relate to one another and the way in which they conduct their business. New markets create opportunities for Canada's artists and performers to continue to grow and to bring the Canadian voice to the world.

But this new global economy presents significant problems as well as opportunities. Every country provides for the protection and promotion of its culture and the means for expressing that culture. Canada is no different. Liberals believe that now more than ever, Canada needs strong cultural supports that will promote dialogue and interaction among Canadians, as well as with people in the rest of the world. A new Liberal government will ensure that Canadian artists and cultural industries participate in and benefit fully from a changing global economy. At the same time, a priority of the government will be to preserve and enhance Canada's domestic cultural sector. A strong cultural identity for Canada is the foundation on which we confidently and successfully participate in the cultural markets of the world.

### Funding for Amateur Athletes

The summer of 1996 will be remembered as the time when Canadians cheered our Paralympic and Olympic teams to Canada's best-ever performances. Seeing our athletes wear the Maple Leaf and represent Canada so capably on the world stage always provides Canadians with a strong source of national pride.

Liberals support the excellence of our athletes. We believe that a healthy Canadian sport system contributes to a healthy Canadian identity. The best way to build upon our success in sport is by providing financial support to our amateur athletes, and by supporting those organizations that make it their business to train and develop the champions of tomorrow. A new Liberal government will provide an additional \$50 million over five years to amateur athletes and national sports organizations.

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A new Liberal government will create a Canadian Publishing Development Corporation and expand funding for the publishing industry by \$15 million a year.

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A new Liberal government will provide an additional \$50 million over five years to amateur athletes and national sports organizations.

Chapter Six

## Canada: Looking Outward

Canadians live in an increasingly interdependent world.

Our security, environment, economic prosperity, and cultural awareness are all shaped to some extent by forces that originate beyond our borders. Canada must be actively involved in influencing the international conditions that affect us.

We will promote among other countries those ideals that we value in our own society.

Canadians want their government to play an active, independent, internationalist role in the world. Canadian foreign policy should reflect and advance Canada's commitment to values such as peace, tolerance, cooperation, and respect for democracy, human rights, and the rule of law. Canadians are justifiably proud of the constructive contributions that their country has traditionally made to international affairs.

Canada occupies a unique position in the world, one that has accorded us influence disproportionate to our population, economy, or military might. We are not a superpower, but our geography, history, and values have allowed us to exercise considerable influence on the world stage. Our status as a non-colonial power and our own cultural diversity have brought us an extraordinary understanding of the countries and cultures of the global community. With this history and this singular position comes a special responsibility. Canada has become a mediator in world affairs, a broker of solutions. These efforts have given us access to the highest decision-making bodies.

Our proximity to the United States has conferred many advantages on both countries. Both have benefited from relations that have allowed for the abundant exchange of ideas and people, as well as goods and services. Canada's close ties with our continental neighbour have sometimes posed challenges for us in preserving our identity. While continuing to nurture a healthy relationship with our closest ally and largest trading partner, Liberals believe it is in Canada's strategic interests to look beyond North America to forge connections with nations around the world.

Canada is a country of outward-looking people. Our diverse cultural heritage gives us privileged access to the anglophone and francophone worlds, and to the homelands of our citizens who have come from every part of the globe. We are a historical and cultural bridge between Europe and the United States, and we are increasingly aware of our importance in the Pacific Rim and Western Hemisphere.

We are a country with a proud military tradition. Canadians and our wartime allies remember the bravery of our soldiers in battle and our sacrifice in lives lost in two world wars and Korea. Today we are recognized for our leadership and expertise in peacekeeping operations around the world, including Haiti, Bosnia, Cambodia, and the Golan Heights.

We as Canadians have also succeeded in building an admirable federal union, which we should preserve not only for ourselves and our children, but also as an inspiration to others. More and more nations are turning to federalism as a system that better unites people of different languages and cultures. We have much to share with these other federations. A new Liberal government will propose the creation of an international forum of federations, where federal countries can exchange ideas and information, compare their experiences, and devise new solutions to common problems.

Canadians live in an increasingly interdependent world. Our security, environment, economic prosperity, and cultural awareness are all shaped to some extent by forces that originate beyond our borders. Canada must be actively involved in influencing the international conditions that affect us. A new Liberal government will promote among other countries those ideals that we value in our own society.

The Liberal government is poised to take up the global challenges of the next century. Under a new mandate, we will continue to promote sustainable human security in its broadest sense. A re-elected Liberal government will continue to work actively for a world in which conflict is resolved through peaceful negotiation, our natural environment is protected, human rights and the rule of law are respected, and such basic human needs as food, shelter, health, and education are provided for all.

The development of our own flexible federalism highlights our skills in forging alliances, accommodating differences, and building bridges. There are many opportunities for Canada to exercise its leadership and its "soft" power – the power to negotiate rather than force

solutions – in international affairs. In Africa, for example, Canada led the way in responding to the urgent needs of hundreds of thousands of refugees during their return from Zaire to Rwanda. Canada continues to be vigilant in addressing the still pressing needs of the region.

#### Partnerships for a Secure and Stable World

The foreign policy of the Liberal government is one of active engagement in multilateral institutions, from the North Atlantic Treaty Organization to the international financial institutions and the United Nations and its agencies. It is in Canada's best interests to support an international system based on rules – rules that are defined and respected by the international community.

Canadians want to foster peace and help bring justice to the world. A new Liberal government will promote the establishment of an International Criminal Court to try individuals for genocide, crimes against humanity, and serious war crimes. We will help gather all concerned actors to the decision-making table. The participation of the least developed countries is essential to ensure universal support for an International Criminal Court.

The Liberal government supports a strong and effective United Nations, a multilateral forum in which Canada can exercise its peacekeeping and mediation skills. Canada will continue to encourage the United Nations and the international community to support a peacebuilding strategy that reaches beyond traditional peacekeeping efforts, one that will support sustainable human security. Humanitarian crises in recent years have prompted Canada to emphasize the need for conflict prevention, rapid reaction to limit conflict when prevention fails, and the reconstruction of countries ravaged by war.

For this reason, the Liberal government has established the Pearson Peacekeeping Centre at the former military base in Cornwallis, Nova Scotia. This international peacekeeping training centre serves as a focal point for peacekeeping information and activities. The centre extends the traditional concept of military peacekeeping to

## An Independent Foreign Policy



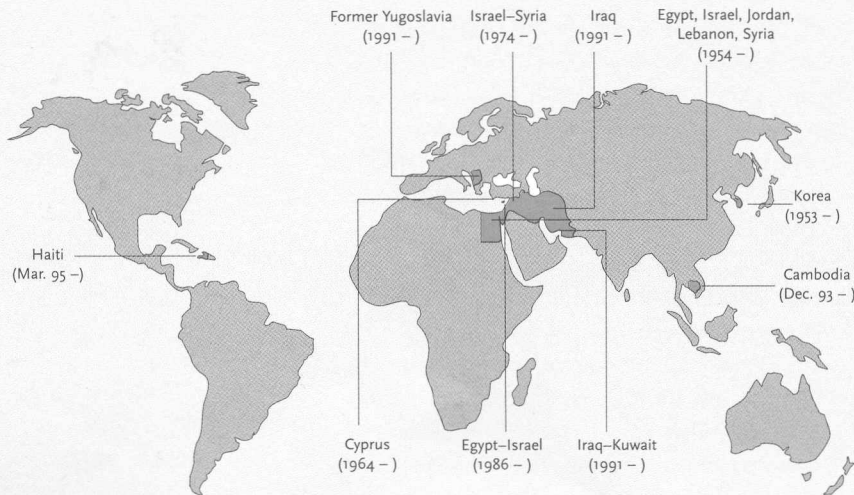
Through its trade and diplomatic relations, Canada has traditionally pursued an independent foreign policy that protects Canadian sovereignty. Unlike past governments, some of which have tended to align Canada too closely with the United States, the Liberal government has restored Canada's independent foreign policy and focused on multilateral cooperation and trading relationships with countries outside North America.

In 1996 American legislators passed the Helms-Burton Act, which imposes sanctions on foreign companies and individuals conducting legitimate business in Cuba, including barring entry to the U.S. for some persons. The Liberal government has taken the lead in rallying nations in Europe and Latin America to fight this unprecedented effort by the U.S. to impose its domestic trade laws and political agenda on other countries. We are supporting an appeal against the Helms-Burton Act in the World Trade Organization and have introduced changes to the Foreign

Extraterritorial Measures Act to assist Canadian companies and individuals in fighting this legislation.

As a middle power, Canada has an interest in building a rules-based international system. This government has concentrated on emerging global issues that require urgent international attention and collective action. As chair of the 1995 G-7 Summit in Halifax, Prime Minister Chrétien focused the G-7 leaders on the need to reform international financial institutions, such as the World Bank and the International Monetary Fund, to attune these bodies to today's global economies and the struggles of developing nations. As a result of Canada's initiative at Halifax, changes have been introduced to the IMF to help prevent future crises like the 1994 Mexican peso devaluation. More recently, Canada led the humanitarian response to the pressing needs of thousands of refugees during their return from Zaire to Rwanda. ■

## Serving Canada and the World



### Current Canadian Peacekeeping Operations

Throughout this century, Canada has been engaged in international peacekeeping operations. Although trained for combat, members of the Canadian Armed Forces have been asked to maintain peace in some of the most dangerous conflicts around the world. This they have done with quiet professionalism.

Members of our Air Force, Army, and Navy have monitored cease-fire agreements, opened transportation and relief lines, and provided humanitarian aid while on peacekeeping duty. They have also carried out the safe withdrawal of arms and land-mines from war-torn regions and offered their expertise in engineering, training, and medical care.

In Cambodia, Canadian peacekeepers have arranged communications relating to the cease-fire and established mine awareness and de-mining programs that enabled the resettlement of refugees. In the former Yugoslavia, a battalion of Canadian soldiers successfully opened the Sarajevo airport and provided the security needed for the delivery of humanitarian relief supplies into the city.

This contribution to international security and human development is a source of tremendous pride for all Canadians and has won Canada the respect of the United Nations and its member countries. ■

include the other dimensions of modern peacekeeping and peacebuilding, such as civilian assistance to refugees and reconstruction of war-torn societies.

A re-elected Liberal government will support the expansion of NATO because it will ensure the security of Europe, including Russia. We will also work vigorously for the elimination of nuclear and chemical weapons and anti-personnel mines from the planet. Canada has assumed international leadership in the effort to rid the Earth of anti-personnel mines. Over 110 million of these deadly land-mines remain in the ground today, threatening the safety of innocent civilians.

A new Liberal government will continue to pursue a fast-track process to achieve a global ban on the use, production, stockpiling, and transfer of anti-personnel mines. Canada will host an international conference on this issue in December 1997. We will also accelerate our work with Canadian non-governmental organizations, the private sector, and the academic community to develop and provide humanitarian de-mining products and services and to assist in the rehabilitation of land-mine victims.

Humanitarian aid policies aimed at creating a more stable international environment will continue under a new Liberal government. We will ensure that aid programs contribute to the building of democratic institutions in recipient countries. Our aid programs will respect and advance the rights of women and children, and the principles of sustainable development.

A re-elected Liberal government will pursue the implementation of international environmental protection initiatives, for example on the ozone layer, climate change, biodiversity, and desertification. Our international commitments on these issues will be backed by effective domestic action.

We will also protect Canada's environment by preserving important fishing resources on the East and West Coasts. The Liberal government is working at the international level to maintain global fish stocks and is pursuing the ratification of the United Nations Convention on Straddling Stocks.



### Playing to Canadian Strengths

Canada's influence lies in persuasion rather than coercion. Our power flows from our reputation as a bilingual, multicultural, and open society and from the international recognition we enjoy for innovative leadership and the ability to broker consensus within the forums in which we participate.

The respect for Canada in the world community has been hard-won and cannot be taken for granted. We must continue to earn it, through creative responses to new challenges. That is why the Liberal government has undertaken a Canadian International Information Strategy as a central component of our foreign policy. Under the Canadian International Information Strategy, a new Liberal government will develop a policy framework for using information and communications technologies to advance our foreign policy interests. This framework will focus on the strategic use of information, through international broadcasting and electronic networks for trade, education, and development.

Canadians clearly gain from the commercialization of our information and communications technologies internationally. But the tools, teachings, and benefits of the information revolution are not readily available to the world's poor. In a world increasingly divided between communications haves and have-nots, we must find new ways of sharing our wealth in information and communications technologies with countries whose development could be significantly enhanced by participating in the information age.

Our government sees a role for Canada as a knowledge broker, helping developing countries to acquire the skills and means to improve their circumstances. Canada has the experience, sophistication, and capacity to gather and disseminate knowledge. It is not surprising that Canada, a large country with a widely dispersed population, has developed into a world leader in community radio, public broadcasting, satellite communications, and distance education. By adapting and transferring these technologies to the needs of developing countries, Canada can provide the

means to help improve the education level of their populations. This will ultimately improve their economies and their trading capacity.

As more countries develop a stronger trading capacity, the market for Canadian skills and services grows. Pages 34-35 describe our strategic Team Canada approach to international trade promotion.

### A World of Canadian Culture

The world is now closely linked by new information and communications technologies. A re-elected Liberal government will use Canada's strengths in these fields to promote our cultural values internationally. For example, the Liberal government is leading its partners in the Francophonie by helping to steer the global francophone community onto the information highway. Through our support of the Centre international de développement de l'information en français, Canada is fostering cultural diversity on the Internet and a French presence on the information highway.

In early 1997, Prime Minister Chrétien inaugurated the Canadian Cultural Centre in Paris, the largest Canadian cultural institution outside of Canada. It includes an innovative Media Centre that showcases the best of Canadian cultural and technology products. We will open a second cultural centre, the newly renovated Canada House in London, in 1998.

### Protecting Human Rights

Canadians take pride in their significant contribution to the 1948 United Nations Universal Declaration of Human Rights, which was drafted by a Canadian, John Peters Humphrey. As the 50th anniversary of this landmark event approaches, Canada must explore ways of addressing new international threats to human rights.

Violence and social turmoil threaten human rights. A new Liberal government will continue to promote peace by providing police and judicial training to such countries as Haiti and the former Yugoslavia. We will also ensure that aid programs advance human rights in recipient countries by helping them build democratic

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A new Liberal government will continue to place high priority on the rights of children around the world.

## Taking Action on Anti-Personnel Mines

There are over 110 million deadly anti-personnel mines in the world today. In October 1996, Canada hosted an international conference in Ottawa to map out strategies to deal with this heinous threat to human life and safety. At this conference, Canada invited every country in the world to return to Ottawa in December 1997 to sign a treaty banning the use, production, stockpil-

ing, and transfer of anti-personnel mines.

Now known internationally as the "Ottawa Process," Canada's crusade against anti-personnel mines is gaining momentum. The number of countries now supporting a total ban on anti-personnel mines is increasing exponentially, spurred into action by Canada's challenge.

Canada is destroying its

own stockpiles of these mines and will continue to urge the world community to take similar action. In addition, the Liberal government has pledged to accelerate research into new and more effective technologies to remove anti-personnel mines from the ground. ■

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A new Liberal government will promote the establishment of an International Criminal Court to try individuals for genocide, crimes against humanity, and serious war crimes.

institutions. We recently revised the guidelines for new bilateral aid projects to include an analysis of the impact of each project on children.

A new Liberal government will continue to place high priority on the rights of children around the world. Policies that focus on the elimination of the child sex trade and that promote international norms to eliminate employment practices that exploit children will be vigorously pursued.

Canada's strong commitment to human rights serves as a model for many other countries. Legislation concerning hate crimes and child sex exploitation and amendments to the Canadian Human Rights Act send strong signals to the world that Canada is abiding by the same human rights standards that we champion internationally.

### A Democratic Foreign Policy

An independent, effective Canadian foreign policy cannot be achieved without the active participation of Canadians, through public and non-governmental organizations. Under this Liberal government, Parliament and committees of Parliament are offering Canadians more opportunities than ever before to participate in the formulation of foreign policy.

In 1996 the Liberal government created the Centre for Foreign Policy Development. The centre presents a new opportunity for Canadians, through institutions or as individuals, to engage in consultation processes that lead to foreign policy decisions. A new Liberal government will continue to seek inclusive ways of giving all Canadians a voice in shaping those

foreign policies and initiatives that have a direct bearing on their well-being and daily lives. We will continue to keep Canadians informed of and involved in decisions affecting them domestically and internationally.

Canada has been at the forefront of the movement to bring non-governmental actors into partnership with nation-states. The Arctic Council, inaugurated in Ottawa in 1996 and chaired by Canada until 1998, is an example of a new model of international organization whose purpose is to bring together states and indigenous groups to participate in the sustainable development of the circumpolar Arctic region. Recent United Nations conferences in Rio de Janeiro, Vienna, Cairo, Copenhagen, Beijing, and Istanbul also benefited from broader representation by groups speaking to the interests of women, children, indigenous people, and people with disabilities. A new Liberal government will promote the increased participation of non-governmental actors in United Nations agencies and in international financial institutions, such as the World Bank.

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As Canadians, we share the values of fairness, tolerance, and compassion. In a world too often shaken by turmoil and conflict, we make our contribution towards peace by acting on these values. Liberals believe that collaboration and partnership based on mutual respect, both within Canada and among the nations of the world, is the best way for governments to meet the needs of people. Internationally, Canada must maintain its independent voice.

## Appendix

## Costing

**PLATFORM SPENDING BY PRIORITY AREA (\$ millions)**

This document deals with specific platform commitments and items from our last budget. Below is a costing of the platform commitments only, since the 1997-98 federal budget items have been tabled and accounted for in our fiscal framework. For commitments described in the text as covering a five-year period, costing is given only up to the end of a second mandate.

The federal government sets deficit targets on a rolling two-year basis. It also establishes a contingency reserve to allow for changes in economic conditions. This government will not spend any of the contingency reserve on new programs or tax cuts. The commitments below will be funded by exceeding our deficit targets by more than the contingency reserve, or by reallocations within the fiscal framework if necessary.

**HEALTH**

	1997-98	1998-99	1999-2000	2000-01	2001-02
Increase in transfer payments (CHST)	–	700.0	1,400.0	1,400.0	1,300.0
<b>Selective tax cuts</b>					
Caregiver tax credit (pages 73-74)	–	25.0	100.0	100.0	100.0
<b>Programs</b>					
Aboriginal Health Institute (page 82)	–	5.0	5.0	5.0	5.0
Canadian Breast Cancer Initiative (pages 76-77)	–	7.0	7.0	7.0	7.0
Tobacco Demand Reduction Strategy (page 77)	–	10.0	10.0	10.0	10.0
National AIDS Strategy (page 77)	–	40.7	40.7	40.7	40.7
Strengthen and accelerate research on toxic substances (page 53)	–	10.0	10.0	10.0	10.0
Subtotal	–	797.7	1,572.7	1,572.7	1,472.7

**KNOWLEDGE AND POSTSECONDARY EDUCATION**

<b>Programs</b>					
Grants for students with dependants (page 63)	–	60.0	60.0	60.0	60.0
Subtotal	–	60.0	60.0	60.0	60.0

**CHILDREN AND YOUTH**

	1997-98	1998-99	1999-2000	2000-01	2001-02
<b>Programs</b>					
Expansion of Aboriginal Head Start to reserves (page 81)	-	25.0	25.0	25.0	25.0
Urban Aboriginal youth centres (page 82)	-	25.0	25.0	25.0	25.0
Centres of Excellence for Children's Well-Being (page 61)	-	4.0	4.0	4.0	4.0
Subtotal	-	54.0	54.0	54.0	54.0

**ECONOMIC DEVELOPMENT**

<b>Programs</b>					
Expand Program for Export Market Development (page 37)	-	5.0	5.0	5.0	5.0
Expand Industrial Research Assistance Program (page 40)	-	34.0	34.0	34.0	34.0
National Rural Initiative (page 46)	-	5.0	5.0	5.0	5.0
Extend Forintek model (page 49)	-	1.0	1.0	1.0	1.0
Commissioner for Aquaculture Development (page 49)	-	0.5	0.5	0.5	0.5
Subtotal	-	45.5	45.5	45.5	45.5

**OTHER**

<b>Programs</b>					
<i>Crime Prevention</i>					
Community crime prevention (page 88)	-	30.0	30.0	30.0	30.0
Public-private body to help prevent crime (page 89)	-	2.0	2.0	2.0	2.0
<i>Culture</i>					
Increase funding to the Canada Council for the Arts (page 91)	25.0	25.0	25.0	25.0	25.0
Help availability of multimedia and information highway products in English and French (page 92)	3.0	3.0	3.0	3.0	3.0
Increase funding for the publishing industry (page 93)	15.0	15.0	15.0	15.0	15.0
New works of art to celebrate the new century (page 94)	-	4.0	4.0	2.0	-
Increase funding to amateur athletes and national sports organizations (page 94)	-	10.0	10.0	10.0	10.0
Voluntary Sector Network Supports (page 68)	-	5.0	5.0	5.0	5.0
Preserving and teaching Aboriginal languages (page 83)	-	5.0	5.0	5.0	5.0
International forum on federalism (page 96)	-	0.5	0.5	0.5	0.5
Miscellaneous small initiatives	-	2.3	2.3	2.0	2.0
Subtotal	43.0	101.8	101.8	99.5	97.5
<b>TOTAL</b>	<b>43.0</b>	<b>1,059.0</b>	<b>1,834.0</b>	<b>1,831.7</b>	<b>1,729.7</b>

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13 JUN 1997

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