

Conservative Party of Canada Response

Question: If elected, what concrete steps will you take to work with, and support, the aerospace industry?

Conservatives will support the aerospace sector in a variety of ways, particularly when it comes to reducing Canada's regulatory burden and creating the kind of low-tax environment in which Canadian businesses thrive.

One of the first priorities of a Conservative government will be to fix Canada's broken military procurement system. Military procurement in Canada is hyper-politicized to Canada's detriment. In the United States and Australia, as just two examples, there is greater consensus when it comes to national defence. This is not the case in Canada. By playing politics with these matters, political parties have diminished the important responsibility to adequately and expediently equip the Armed Forces. We will act to build a political consensus around the needs of the Canadian Armed Forces in Canada.

We will take steps to depoliticize military procurement. We will reintroduce the cabinet committee on defence procurement and a secretariat within the privy office to ensure projects are progressing on time and on budget. Just as importantly, we will refocus the House of Commons committee on National Defence on matters of military procurement to foster a multi-partisan consensus.

With respect to specifically supporting Canada's world-class aerospace sector, we will not delay in selecting a new fighter jet to replace our aging CF-18s.

In 2015, Justin Trudeau made an ill-considered commitment to run an "open" fighter jet competition, while excluding the F-35. This has left our Air Force, and therefore Canada's national defence, vulnerable. He has repeatedly compounded his errors, first by inventing an alleged "capability gap" that no defence expert agrees exists, then promising to purchase 18 Super Hornets on an "interim" basis, and finally agreeing to purchase a couple dozen 40 year old F-18 Hornets from Australia. This, more than anything, highlights why Canada should look to replicate our allies' success when it comes to military procurement. But it also serves as a painful reminder that as other nations complete competitions within a year or even sooner, Canada's Air Force is left wanting. Where Justin Trudeau has failed, we will act immediately to select a fighter jet in 2020 and see the new fleet enter service by 2025. This will, obviously, be of enormous benefit to Canada's aerospace sector.

Conservatives also recognize the importance that cyber security will be both for our national security but also for Canadian businesses. Canada already has a world class tech sector, especially when it comes to cyber security. But it is often untapped. Canada must act to get industry and government on the same page when it comes to protecting Canada's information technology infrastructure. We also must modernize cyber procurement in Canada, and better align the capabilities of our industry to meet global demand.

Question: Additionally, we would appreciate your comments and support for the following 6 recommendations found in our recently released VISION 2025 report and ask that you specify where in your election platform we can find reference to each recommendation.

RECOMMENDATION 1: Building the most skilled and talented workforce in the world (As per page 28 CPC Platform)

Conservatives recognize that Canadian industry needs to keep and attract the best and the brightest workers. We will ensure government re-training programs meet the demand for skills required for the jobs of today and tomorrow. The biggest competitive advantage that Canada's technology sector has is highly skilled workers and talent. We also hear that critical skills shortages are hurting our tech industry's ability to grow. We will establish success measures for the hundreds of millions of dollars that the Government of Canada currently spends to prepare Canadians for the workforce. A new Conservative government will work with colleges and universities to make sure courses, programs, and academic curricula reflect the demands of today's labour market so that we are setting our students up for success.

To match prospective immigrants with jobs in Canada and to help Canadian employers fill skills shortages, we will reverse Justin Trudeau's policy decision to reduce the number of points awarded for a job offer under the Express Entry Program. We will restructure the program to better match its original intent, attracting the world's best and brightest to help our industries succeed.

A new Conservative government will also work to keep the best and brightest talent in Canada after they finish university. International students educated in Canada are ideal candidates to help fill gaps in the Canadian job market. We will prepare and implement a plan to match students with jobs, focusing on high-demand skills.

To increase opportunities for Canadians to work anywhere in Canada, we will expand the Red Seal Program to recognize common credentials. We will work with the provinces and territories to harmonize apprenticeship training and trade certification in their jurisdictions.

RECOMMENDATION 2: Ensuring small and medium-sized business thrive and grow (as per page 17 & 35 of CPC Platform)

Canada needs a strong, dynamic economy that encourages investment to provide work and opportunity for all Canadians. Justin Trudeau has imposed high taxes and burdensome regulations. He has attacked small business owners, making it harder for them to grow their business and hire Canadians. The promise of potential is what makes Canada unique and special, and this should not be taken for granted. Like many Western countries, Canada will face a massive demographic shift in the coming decade. As our baby boomers retire, we will need workers, innovators, job creators, and risk-takers to sustain a thriving economy and ensure the high standard of living that Canadians enjoy and expect. To create and maintain more good jobs, as Prime Minister, Andrew Scheer will:

- Repeal Trudeau's Carbon Tax
- Stop Justin Trudeau's attacks on small business
- Create a National Energy Corridor
- Boost innovation
- Support economic immigration
- Get infrastructure built
- Promote interprovincial trade
- Support key Canadian industries

To ensure hardworking small business owners are not punished for investing in their business or saving for their retirement, we will repeal Justin Trudeau's tax increases by restoring access to the small business deduction for those companies targeted by Trudeau. In Canada, 8.3 million people are employed by small businesses. A new Conservative government will make sure our small business owners can get ahead and keep driving our economy into the future.

Trudeau promised that passive investments currently held by small businesses would be grandfathered in under the new rules. He broke that promise when he brought in this new tax on their savings.

To recognize the contributions and sacrifices that families make to running a business, we will exempt spouses from Justin Trudeau's new rules that impose significant tax increases on dividends for the partners of hardworking business owners. The contributions of a spouse to a business cannot simply be measured in investments of time and money.

Manufacturers are a vital engine of the Canadian economy accounting (directly and indirectly) for 25 per cent of employment and 30 per cent of GDP. However, many in this sector, including the aerospace sector, have struggled with a deteriorating competitive environment because of higher costs, more regulation, and a federal government that has ignored their plight. Worse, Canada has been losing ground to other countries and more manufacturers are moving to the US. Canada's manufacturers are some of the best in the world, but the Liberal government is making it impossible for them to win. To make Canada the premier destination in the world to invest and build a business, we will review the tax system to improve Canada's competitiveness to attract more jobs and investment, including in the manufacturing sector.

We will also reduce the regulatory burden by 25 per cent. Manufacturers have told us that they are struggling under Canada's regulatory burden and need relief in order to compete internationally.

To diversify Canada's trade toward emerging markets and reduce dependence on the US, we will sign free trade agreements with Mercosur, ASEAN, and the UK. We will stand up for Canada's strategic industries and pursue opportunities for Canadian manufacturers to increase growth and exports.

RECOMMENDATION 3: Using innovation to capture new opportunities, including carbon-neutral flight and unmanned vehicles (As per page 22 of CPC Platform)

Research and development in Canada is strong, but we are falling behind in our ability to commercialize and scale up successful companies. Canada is not capitalizing on our innovation, and in a world of great competition and network effects that encourage winner-take-all platforms, this hurts our productivity growth. Canada needs to be aggressive in developing new technology and ensuring that we grow leading companies here at home.

Most importantly, we have to make sure Canadian companies stay in Canada. Other countries have lowered taxes and reduced regulation, while Canada has gone in the opposite direction – increased taxes on business and increased regulation. Too many promising Canadian technology companies have been sold to US investors, taking intellectual property and wealth benefits away from Canadians. Our comprehensive review of the tax system will enable and encourage Canadian entrepreneurs do business, innovate, and create jobs in Canada.

A new Conservative government will make Canada a premier destination to invest and build a business, to innovate and commercialize new technologies. We will review the tax code, reduce regulation, and improve Canadian immigration programs and skills development. We can make a transformative difference to the Canadian investment climate.

Furthermore, to incentivize the green technology sector to do research and development as well as commercialization here in Canada, we will reduce the tax rate to 5 per cent on income that is generated from green technology developed and patented in Canada. This is to encourage Canada to be a destination for green innovation. The increased supply of new emissions-reducing technology will in turn make green technology options more affordable for Canadians.

RECOMMENDATION 4: Investing to maintain Canada's status as a world-class regulator

To make it easier for job creators to succeed, a new Conservative government will reduce the regulatory burden by 25 per cent over our four-year mandate. We will set targets for each minister and each department. To get there, we will implement a 2-for-1 rule whereby the government would have to get rid of two regulations before imposing any new one. This will help to lower unnecessary costs for entrepreneurs and to make it easier to start and run a business.

The Canadian Chamber of Commerce found that there were 131,754 regulations on the federal books in 2015. The Montreal Economic Institute found that they now number 136,000, an increase of 4,300 since Justin Trudeau became Prime Minister. These federal regulations are on top of hundreds of thousands of provincial rules and red tape, many of which are duplicated at the federal level.

To lead government-wide regulatory reduction, we will assign responsibility for red tape reduction to a minister reporting directly to the Prime Minister. This will help to ensure that we meet our red tape reduction targets and eliminate, where possible, regulatory discrepancies and duplication with the provinces. We will call on experts from the private sector, individuals who truly understand the administrative burden of these regulations, to support the cost-benefit analysis.

Furthermore, we will mandate all ministers and regulators to support innovation, economic growth, and competitiveness.

RECOMMENDATION 5: Leveraging Canada's role at the forefront of space

A Conservative Government will continue to invest in the full spectrum of science research, from the fundamental to the applied. We will invest in a review of innovation programs to see what is working, what could be improved. We will go ahead with all previous commitments on space research and exploration including the moon mission.

RECOMMENDATION 6: Maximizing defence procurement and government partnerships to drive new industrial growth

To equip the men and women of the Canadian Armed Forces, a new Conservative government will act and use Parliamentary institutions like the House of Commons Committee on National Defence to build a multi-partisan consensus around the needs of our military. For too long, our military heroes have been underserved by governments promising to deliver equipment only to come up short time and time again.

Military procurement is hyper-politicized to Canada's detriment. Successful military procurement requires focused leadership at the highest levels of the Canadian government. We will ensure that the government consults the House of Commons Committee on National Defence early to solicit advice and input on the future direction of procurement for our military so that no party plays politics with our procurement.

Successful military procurement also requires focused leadership at the highest levels of the Canadian government. To that end, we will restore the Cabinet Committee on Defence Procurement, and create a Defence Procurement Secretariat within the Privy Council Office to ensure that priority projects are progressing on time and on budget.

With respect to specifically supporting Canada's world-class aerospace sector, we will not delay in selecting a new fighter jet to replace our aging CF-18s.

In 2015, Justin Trudeau made an ill-considered commitment to run an "open" fighter jet competition, while excluding the F-35. This has left our Air Force, and therefore Canada's national defence, vulnerable. He has repeatedly compounded his errors, first by inventing an alleged "capability gap" that no defence expert agrees exists, then promising to purchase 18 Super Hornets on an "interim" basis, and finally agreeing to purchase a couple dozen 40 year old F-18 Hornets from Australia. This, more than anything, highlights why Canada should look to replicate our allies' success when it comes to military procurement. But it also serves as a painful reminder that as other nations complete competitions within a year or even sooner, Canada's Air Force is left wanting. Where Justin Trudeau has failed, we will act immediately to select a fighter jet in 2020 and see the new fleet enter service by 2025. This will, obviously, be of enormous benefit to Canada's aerospace sector.