Canada: The State of the Federation 2001

Canadian Political Culture(s) in Transition

Edited by

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FOREWORD

This year's *Canada: The State of the Federation* examines the shifts in Canadian political culture over the last couple of decades and their impact on Canadian politics and intergovernmental relations. As with *Canada: The State of the Federation 1998/99: How Canadians Connect*, this volume does not focus narrowly on the conduct of intergovernmental relations; it examines the state of the federation in a more overarching way. Political culture defines the environment within which governments operate, and the constraints and opportunities placed on them by public demands. We believe that the analyses contained herein will shed some light on how the wider world of Canadian politics impacts on the relatively secretive processes of Canadian intergovernmental relations. General observers of Canadian politics as well as intergovernmental relations specialists should thus benefit from the analyses.

Canadian political culture is changing in various ways. The political, economic, and social values of Canadians seemed to have shifted over the past twenty years. Canadians have become more conservative in their economic thinking, but social attitudes have, if anything, become more progressive. These changes have important implications for the federal party system. Moreover, while Canadians overwhelmingly want their governments to cooperate, we also believe that the new political culture in Canada, especially in regard to taxation and public spending, is constraining the space for intergovernmental negotiations and manoeuvring. The chapters here illuminate the difficulties of managing the federation during a time of fiscal retrenchment.

As in other years, a chronology of major events in the federation is provided. It covers the period from January 2000 to December 2000.

The editors would like to thank all the people who contributed to the production of this volume. In particular, I wish to note that Hamish Telford played a leading role in conceiving the volume and seeing it through to publication. This explains why he is the first-named of the two co-editors. Patti Candido and Mary Kennedy applied their expertise to the organization of the conference for the initial dissemination of the chapters and subsequently to the tedious process of preparing the revised chapters for publication. Their unfailing dedication to the project made the production of this volume possible. The conference participants, the discussants and the anonymous reviewers sup-

plied the authors with valuable feedback at critical junctures in the production process. Valerie Jarus, Mark Howes and Marilyn Banting managed the desk-top publishing, cover design and copy-editing and Catherine Côté translated the abstracts for each chapter into French. Collectively, they transformed the rough pages into the book.

Harvey Lazar
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Overview

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Canadian Political Culture(s) in Transition and the State of the Federation

Hamish Telford and Harvey Lazar

Ce chapitre soutient que la culture politique canadienne a effectué un virage particulier au cours des deux dernières décennies. Les Canadiens se sont déplacés vers la droite par rapport aux enjeux économiques, notamment en ce qui a trait aux questions de taxation et de dépenses publiques, alors qu'au même moment, ils se tournaient vers la gauche pour ce qui touchait les questions sociales. Ce déplacement vers la gauche par rapport aux questions sociales explique la fragmentation du système de partis fédéral tandis que les pressions pour un réalignement fiscal et une baisse d'impôt ont réduit la marge de manœuvre intergouvernementale quant au fédéralisme fiscal. Ainsi, même si les Canadiens souhaitent par-dessus tout que leurs gouvernements coopèrent et qu'il y a effectivement collaboration intergouvernementale, ironiquement, cette nouvelle culture politique canadienne contribue aussi à exacerber les tensions entre les paliers de gouvernements quant aux affaires fiscales. Ce tournant particulier de la culture politique a donc un impact important sur les relations intergouvernementales canadiennes.

INTRODUCTION

This volume examines the changes in Canadian political culture over the last two decades and their impact on Canadian politics and intergovernmental relations. Political culture can be a useful instrument to explain a variety of phenomena, such as changing party systems and general trends in public policy. In essence, political culture defines the public environment in which governments operate. "In a substantive sense," Elkins and Simeon suggest, "culture may help to explain the scope and content of government activity."[1] With the dramatic party system change in 1993, increasing continental

integration, and the rise of globalization, one might very well expect Canadian political culture to have changed over the past 20 years.

After assuming office in 1993, Jean Chrétien's Liberal government endorsed the free trade agreement with the United States and Mexico, and it quickly moved to slay the federal government's budgetary deficit, partly by reducing transfer payments to the provinces. Some provinces moved to tackle their deficits earlier than Ottawa and some moved a little later. But during the 1990s, almost all provinces acted forcefully on the fiscal front, including the Conservative governments in Ontario and Alberta, the New Democratic Party (NDP) government in Saskatchewan and the Liberal government in New Brunswick. Many commentators thus concluded that Canadian politics was swinging decidedly to the right toward neo-conservatism.[2]

A number of the chapters in this volume support the contention that Canadian political culture has swung to the right over the past 20 years. Various chapters indicate that a broad consensus has emerged among Canadians that government deficits needed to be eliminated and that overall government debt should be reduced; that freer trade has generally been positive for Canada; that lower taxes are required to stimulate investment, to maintain productivity growth, and to remain competitive with the United States; that governments should relinquish their business enterprises and deregulate important segments of the economy; and generally that governments should be managed in a more responsible and business-like fashion, in accordance with the ideas associated with the new public management. In this process, large cuts were made to major social programs. This all suggests that Canadian political culture has indeed swung to the right.

Political culture, however, is not unidimensional. The evidence presented here suggests that Canadians from coast to coast to coast have embraced the political values entrenched in the *Charter of Rights and Freedoms*; that they have endorsed the principle of official bilingualism, even if they have not figured out how to provide constitutional recognition of Quebec's distinctiveness; that they are comfortable with the advances made by women over the past four decades; that they have accepted the unclosing of homosexuality; that they are broadly sympathetic to Aboriginal peoples, even if there is no agreement on how to provide redress to Aboriginal communities; and that they cherish the multicultural dynamic of Canada. Notwithstanding the contention that Canadians have swung toward neo-conservatism on economic matters in the past two decades, the analyses here also indicate that Canadians have adopted increasingly progressive social attitudes in relation to bilingualism, multiculturalism, and homosexuality. That is, Canadians have stepped a little to the "left" and have become more progressive in their approach to human rights, at least when these rights are expressed in individual terms. Canadians are admittedly still suspicious of the group claims made by Aboriginal

peoples and Quebecers.[3] The new social progressivism in Canada, while very real, thus still has its limits.

While the new political consensus in Canada captures a wide swath of the Canadian polity, it by no means captures everyone. Social democrats who do not embrace the principles of freer trade, deficit elimination, lower taxes and the new public management remain isolated and radicalized. On the other hand, social conservatives continue to feel frustrated by the mainstream consensus around secular, liberal values. Canadians outside the mainstream, especially large numbers of Aboriginal peoples and the more staunch sovereignists in Quebec, are also feeling increasingly isolated, and many are articulating their distinct identities more vehemently than in the past. How the Canadian mainstream will respond to these disaffected groups remains an open question at this time.

Nevertheless, we believe that the analyses in this volume support the contention that the traditional centrism of Canadian political culture has rotated on its axis over the past two decades. It would appear that Canadians have shifted to the right on economic issues and questions of taxation and public spending, while social attitudes seem to have moved to the left at the same time. The inspiration for this argument emerges from Reg Whitaker's discerning chapter on the federal Liberal Party in this volume, which is wonderfully entitled "The Liberal Chameleon: From Red Tories to Blue Grits." Professor Whitaker concludes, "if the Liberals have moved to the right on economic policy as the centre of gravity in the country has shifted rightward, it is also the case that the Liberals have shifted 'leftward' (if that is the correct term) on social and cultural issues as the country has shifted in that direction."

These shifts to the right on economic issues and to the left on social issues are almost certainly not of equal magnitude. In highly unscientific fashion, we would suggest that Canadian political culture has shifted two steps to the right on economic issues and perhaps one step to the left on social issues and human rights. (We use the word "left" here to denote general social progressiveness, as opposed to moral traditionalism.) We believe these shifts have important implications for Canadian politics and intergovernmental relations. We shall argue that the leftward shift on social attitudes helps explain the fragmented federal party system, while the logic of fiscal retrenchment and the pressures for lower taxes have reduced the room for intergovernmental manoeuvring on questions of fiscal federalism. While Canadians overwhelmingly want their governments to cooperate,[4] and there is much evidence of intergovernmental collaboration, the new political culture in Canada, especially in relation to beliefs about taxation and thus public spending, ironically serves to exacerbate intergovernmental tension. Political culture and the wider world of Canadian politics thus have a very real impact on the relatively secretive world of intergovernmental relations.

WHAT IS POLITICAL CULTURE?

Political culture is one of the more nebulous concepts in political science. Nelson Wiseman has reported that more than 250 definitions of political culture exist in the literature.[5] For our purposes, the definition of political culture provided by David Bell is succinct, inclusive, and intuitive. "Political culture," Bell says, "consists of the ideas, assumptions, values, and beliefs that condition political action."[6] Put another way, political culture is a "mindset,"[7] which establishes the parameters of politics in society. In short, political culture defines "the general purposes of government and the kinds of processes and substantive decisions that are acceptable and legitimate."[8]

There are two broad approaches to the study of political culture. The first approach is premised on survey research and statistical analyses. In this approach, a relatively large number of individuals are asked specific questions about their political values and beliefs. The standard replies may be interpreted as political culture. The second approach is more general, and perhaps more holistic. This approach may entail an examination of history, popular culture, literature, geography, education, and other social aspects of society, including political socialization. The holistic approach could also include an examination of political institutions and public policy trends. In terms of their respective strengths and weaknesses, these two approaches to political culture are essentially mirror opposites. The survey approach provides hard data, but it may lack contextual richness; the holistic approach usually provides a richer description of the social context, but it may be impressionistic and not empirically grounded. The combination of both approaches is highly desirable, but usually beyond the means of an individual researcher.

Beyond definition of and approaches to political culture, there is also confusion about the purposes of studying political culture. Part of this confusion stems from the dual character of political culture. On the one hand, political culture may be merely descriptive. In this sense, political culture tells us that a "group exhibits a given range and distribution of (largely unconscious) assumptions about its political life."[9] While these descriptions may be interesting, the real allure of political culture as a concept is its potential to explain political phenomena. The deployment of political culture as an explanatory variable, however, can be problematic. Elkins and Simeon argue persuasively that political culture should only be turned to for explanation after institutional and structural variables have been considered, or in conjunction with such explanations.[10] Furthermore, they warn that political culture should not be asked to explain too much. They suggest that political culture cannot explain macropolitical phenomena such as "stability, democracy, authoritarianism, and level[s] of economic or political development"[11] On the other hand, political culture cannot account for micro-political behaviour such as individual attitudes either. Elkins and Simeon argue that political culture may be useful in

explaining mid-range political phenomena, such as the creation of political institutions and policy-making.

In addition to careful selection of the dependent variable, Elkins and Simeon stress that political culture as an explanation can only be employed in a comparative context.[12] Political culture may explain interesting differences in the political processes among countries. Within countries, political culture may be employed to explain regional variations in the political system. Alternatively, the comparison may be temporal. Variations in the political system over time may be explained by changes in political culture. In this latter sense, "the logic of comparison is maintained," as Elkins and Simeon note.[13]

In our study, all of the contributors work with the idea of political culture at a general and intuitive level, in keeping with the definition provided by Bell above. The majority of chapters adopt a holistic approach of one sort or another. Some are primarily historical, others are more philosophical, while others are more attuned to policy and political economy trends. However, three of the chapters are also statistical in nature. The combination of approaches helps illuminate the many facets of political culture. Some of the chapters are focused on federal politics, while others examine politics and political culture in the different regions of the country. The remaining chapters examine various non-spatial dimensions of Canadian political culture, particularly the role of multiculturalism and the impact of the Charter.

The focus in all of these cases is on the evolution of political culture in Canada from the early 1980s to the present. The year 1982 provides a convenient point of departure. The introduction of the Charter in that year provides the context – though not necessarily the explanation — for many of the social changes witnessed in the country over the past 20 years, but it also roughly demarcates the point of transition from Keynesian economic strategies to a neo-liberal/neo-conservative framework in the Canadian policy process. In other words, the primary line of comparison is temporal. Both in method and objective, we believe that the study falls neatly within the guidelines established by Elkins and Simeon.

DEFICIT REDUCTION POLITICS: THE NEW RIGHT HAND OF CANADIAN POLITICAL CULTURE

It has long been believed that "Canadian politics is regional politics."[14] While more recent studies tend to refute the findings made by Simeon and Elkins,[15] regionalism is still frequently positioned as an explanatory variable in Canadian political science. The Canadian election studies continue to reveal regional voting patterns,[16] and Herman Bakvis has detailed the regional considerations in the formation of the federal Cabinet.[17] Furthermore, Michael Lusztig has argued that the presence of distinct "mega-constitutional orientations" in

the different regions of Canada confounded the attempts at constitutional reform in the 1990s.[18] More recently, in a *Globe and Mail* opinion piece, Michael Bliss essentially resurrected Simeon and Elkins's analysis and provocatively characterized Quebec and the Atlantic provinces as comprising the backward and stagnant "Old Canada," while portraying Ontario and the west as the forward and innovative "New Canada."[19] The studies in this volume, however, suggest that on the level of broad economic values and social attitudes, if not identity, Canadians are now more similar than the traditional regional characterizations of the country imply.

Jennifer Smith explicitly uses Bliss's argument as her point of departure. In her chapter, she argues persuasively that political culture in Atlantic Canada has modernized and is now broadly similar to political culture in the rest of Canada. She notes correctly that the shift toward new public management and fiscal responsibility began with Frank McKenna's Liberal government in New Brunswick, and not in Ontario or Alberta as commonly believed. Smith reports that the other governments in Atlantic Canada have or are in the process of managing their deficits and debts, and that the region is enjoying unprecedented economic growth. Notwithstanding these efforts the Canadian Alliance continues to perpetuate old myths about the region. While some might characterize Nova Scotians' dalliance with the NDP in federal and provincial elections in the 1990s as a longing for traditional government largesse, Smith suggests that the NDP's modest electoral successes in Nova Scotia are indicative of the population's willingness to experiment with political alternatives. In short, it is suggestive of a political culture in transition.

In Ontario, Mike Harris's Conservative Party swept to power in 1995 on the strength of its "common sense revolution." The new government moved quickly to cut taxes and government spending; it reduced the size of the provincial civil service; it restructured municipalities in the name of cost-saving; and it pursued a vigorous agenda of privatization. These policies have become the hallmarks of neo-conservative economic thinking in Canada, and they have been adopted to a greater or lesser extent by most other governments in Canada. In the process of actualizing the common sense revolution, the Harris government soon found itself embroiled in a very public conflict with the federal government, primarily over transfer payments for health care. While Ontario objected strenuously to the transfer cuts, the federal government replied that if Ontario required more funds for health care it should not have made such deep tax cuts.

The rivalry between the Conservative government in Ontario and the Liberal government of Canada was interpreted by many as an intense ideological conflict, and a significant departure from Ontario's traditionally centrist orientation. In his chapter, however, Hugh Segal suggests that this conflict was structurally motivated and not ideological or personal. Segal argues that the conflict was caused primarily by the economic recession in Ontario and the

concomitant decline of revenue, and he maintains that any party that had the misfortune of governing Ontario at this juncture would have pursued the same line with Ottawa. Indeed, he notes that the conflict was set in motion when Bob Rae's NDP government articulated its notion of "fair shares federalism." The conflict deepened when Mike Harris became premier. This was a conflict about sharing money at a time when both governments were working assiduously to eliminate their deficits and reduce taxes. Arguably, however, the primary difference between Ontario's Conservative government and the Liberal government of Canada was strategic: should tax cuts come before or after the elimination of the deficit? The intensity of their dispute demonstrates the difficulty of managing the federation during a period of fiscal retrenchment.

While the Harris government aggressively challenged the federal government on the issue of transfer payments, Segal insists that Premier Harris has maintained Ontario's traditional position of constructive engagement on the question of "national" unity. He points in particular to Harris's insistence that he would not accept a new transfer agreement with Ottawa in September 2000 unless it was acceptable to Quebec.

Nelson Wiseman contends in his chapter that "political culture is stable, enduring, and cross-generational." Notwithstanding the processes of globalization and continental integration, Wiseman argues that the social democratic tradition in Manitoba and Saskatchewan and the conservative tradition in Alberta have endured. This is reflected in the fact that Manitoba and Saskatchewan continue to elect NDP governments, while Alberta votes solidly for the Conservative Party and has been the bedrock for the Reform Party/Canadian Alliance. However, Wiseman also suggests that the social democratic tradition in the eastern prairies is different than in other parts of the country. He argues that social democrats in the prairies have demonstrated an aversion to public debt starting with the Regina Manifesto. Wiseman states "Saskatchewan's CCF-NDP, along with its Manitoba NDP counterpart, have a record of vigilance and probity in public finance," and he notes that Roy Romanow's NDP government in Saskatchewan was "the first in the west to balance its budget." Wiseman also reports that the NDP governments in Saskatchewan and Manitoba have demonstrated a willingness to experiment in public policy, including health care, and they have become somewhat more decentralist in relation to the federation. While Wiseman believes that it is incorrect to describe the NDP in Saskatchewan and Manitoba as "neo-conservative" parties in disguise, it would also seem that the governing ideology of the NDP in these provinces is consistent with the prevailing economic thinking in the rest of Canada.

Gordon Gibson argues in his chapter that British Columbia has historically punched below its weight in the federation, but he anticipates this will change with the election of the Liberal Party in the spring of 2001. Gibson reports that British Columbians are increasingly frustrated with the "absent-minded

gorilla" that governs the nation with scant regard for British Columbia, and he suggests that British Columbians are especially suspicious of the federal government's orientation to Aboriginal policy. Furthermore, he presents evidence that new immigrants to the province are increasingly adopting a "BC-first" attitude, and that the East Asian community in particular is strongly supportive of the pro-market economic policies espoused by the BC Liberal Party and the Canadian Alliance. He thus expects the tension between British Columbia and the rest of Canada, especially the federal government, to grow. While the Aboriginal issue is certainly sensitive, the Campbell government to date has tried to work cooperatively with Ottawa, especially on the softwood lumber issue. On the whole, in fact, the new Liberal government has been preoccupied with its domestic agenda during its first year in office.

While Gibson's analysis may well be borne out in due course, one could also make an alternative argument with the same evidence. In this scenario, British Columbia under the NDP was the outlier in the federation. While the governments in other parts of Canada worked assiduously to eliminate their deficits (primarily through spending reductions), the NDP in British Columbia tried to spur economic growth (and thereby raise government revenue) through public spending. While other governments privatized, deregulated, and introduced user-fees for public services, the NDP government in British Columbia not only maintained public hydro and government auto insurance, it froze hydro and insurance rates as well as university tuition. In short, the NDP strategy in British Columbia was diametrically opposed to the strategies pursued by the other governments of Canada, including the federal government. With the landslide election of the Liberal Party in 2001, British Columbia is now pursuing the public management strategy adopted to greater or lesser extents by the other governments of Canada in the 1990s. In this regard at least, British Columbia has belatedly fallen in line with the rest of the country.

The ebb and flow of Quebec nationalism in the past decade has been dramatic. When Lucien Bouchard assumed the leadership of the sovereignist forces in the last referendum campaign, he very nearly carried the "Yes" side to victory but, when he resigned as premier in January 2001, many commentators pronounced the end of the sovereignty movement. While the claims made by these commentators are certainly exaggerated, Daniel Salée reports that significant changes are occurring in the discourse of Quebec nationalism and in the purportedly distinct Quebec model of governance. The sovereignty movement in Quebec has since the 1980s tried to project a civic nationalism, but it has frequently been perceived and portrayed by others as a crass ethnic nationalism. The movement's cause has not been aided by the unfortunate comments made by prominent sovereignists from time to time, most notably Jacques Parizeau's provocative remarks on the night of the last referendum. In an effort to overcome the negative connotations of ethnic nationalism, sovereignist leaders have striven to present a humane civic nationalism, which "celebrates

diversity, promotes the integrity of minority cultures, and posits at the same time the Quebec state as the rallying point with which all can and should identify." But, Salée writes, "to the extent that [civic nationalism] waters down Quebec's pre-political collective identity ... it also dulls the sense of outrage and injury necessary to galvanize political energies in support of Quebec sovereignty."

If the promotion of civic nationalism weakens the quest for sovereignty, the logic of the North American and global economic market also leads Quebec to adopt economic policies similar to those of other Canadian governments. While the Government of Quebec still seeks to forge a consensus between business and labour on economic policy, Salée writes that many policies of the government "reflect an unequivocal penchant for neo-liberalism. Unmitigated support for free trade, zero deficit in public finance, important budgetary restrictions in public health, social assistance and education, and major structural and administrative changes in the welfare functions of the state, which increasingly require individuals to face the negative consequences of economic restructuring on their own, have been the mainstay of the current government's approach to socio-economic management." While Salée refers to these policies as "neo-liberal," they are virtually indistinguishable from the so-called "neo-conservative" policies pursued by governments in the rest of Canada. The terms would appear to be interchangeable. Salée's analysis accounts nicely for the stunning rise of the Action Démocratique in the spring of 2002.

In sum, Salée indicates that Quebec's distinct style of socio-economic management, which has been a core feature of Quebec's nationalist project since the Quiet Revolution, may be fading in the face of global and regional integration. While the social and economic policies of the Government of Quebec may now be broadly similar to policies pursued in the rest of Canada, nobody should expect the distinct Quebec identity to dissipate. Indeed, as Salée notes, nationalism has been "a permanent fixture of modern Quebec's political imagination and, in all likelihood, will continue to do so," even if it is not clear at this time how that will manifest itself.

Patrick James and Michael Lusztig detail how the burden of fiscal deficits felt by the provinces was also felt by the federal government. They suggest that social spending in Canada was not merely a Keynesian instrument to offset downturns in the economy, but that it was also intended to forge "national" unity. While deficit financing was adopted by most advanced democracies in the 1970s, the unique political situation in Canada may have prevented the federal government from tackling the deficit aggressively until it was an absolute economic necessity. While they acknowledge that the federal Liberal government has now curbed its profligate spending habits, they fear that the retrenchment is not sufficiently deep or institutionalized. Telford's chapter reveals that the neo-conservative discourse of deficit elimination, debt reduction, and tax cuts was introduced to the federal party system by Preston

Manning and the Reform Party, while the chapter by Whitaker details how this agenda was largely and successfully appropriated by the federal Liberal Party.

Governments across the country have all moved to curb their deficits. Most of those that were unable or unwilling to eliminate budget deficits were unceremoniously evicted from office. Opposition parties that articulated alternative economic approaches withered in the polls, most notably the federal NDP. Influential factions of the federal NDP dismiss any proposals to reconcile market principles with social democracy as opportunistic and vulgar "Blairism." While thousands of people in the public sector demonstrated noisily as their jobs and salaries were cut, a broad social consensus emerged that government debt could not accumulate indefinitely, although most Canadians still support publicly financed social programs, especially medical care and education. In crude terms, Canadians abandoned their postwar flirtation with "tax and spend liberalism" and replaced it with an economically more prudent "tough-love liberalism." While most Canadians did not embrace the full set of neo-conservative policy prescriptions, they undoubtedly stepped to the right on the basic questions of taxation and public spending.[20]

The rightward shift in economic thinking in Canada, of course, is consistent with the rise of globalization. Political regionalism in Canada was historically buttressed by distinct regional modes of production, each with their own set of interests and policy preferences. The creation of a continental and global market has seemingly imposed a single economic logic on all the regions and governments of Canada. It is not clear whether Canadians actually embrace this logic or simply believe that it is futile to resist it, but the vast majority of Canadians have accepted trade liberalization and see it as a key component of prosperity.[21] In this sense, globalization appears to be eroding the distinct regional political cultures in Canada.

THE REBALANCING OF MARKET AND STATE

Why did Canadian political culture shift to the right in the 1980s and 1990s, at least in relation to the broad questions of public finances? Beginning in the 1980s, governments across Canada began to re-think the role of the state and the way in which they manage the public sector. The impetus for this change arose from several sources. At the macroeconomic level, there was a growing recognition that significant elements of the post-World War II policy paradigm were no longer providing the expected results. Rates of inflation had risen during the 1970s. By the early 1980s, annual budget deficits had become the norm and public debt was beginning to mount rapidly. Financial markets began to lose confidence in the outlook for the Canadian economy and in the value of the Canadian dollar. By the mid-1980s, reducing deficits

and taming public debt had become a growing part of the rhetoric of governments.

A second source was the concern that government programs were also having unintended consequences. A relatively generous federal system of unemployment insurance, in conjunction with provincial welfare systems, was increasingly criticized as discouraging work effort. There was similarly a growing worry that the combined effect of federal and provincial regulations was acting as a drag on the economy, unnecessarily inflating business costs and discouraging entrepreneurship and innovation. Government ownership of large enterprises — airlines, railways, oil companies, and hydro — also began to seem outmoded. And indeed action was taken on all three fronts, with reforms and large cutbacks to unemployment insurance and welfare, with significant deregulation (e.g., the demise of the National Energy Program) and re-regulation (e.g., financial services, transportation, and energy), and with major Crown corporations like CN, Air Canada, and Petro-Canada being privatized and large airports and some harbours turned over to municipalities and other local authorities.

A third impetus was the recognition that the conditions that had given rise to many government programs no longer prevailed. The postwar welfare state had been premised on the widespread prevalence of two-parent, one-earner families. By the 1980s, family structure was much more heterogeneous and the role of women in society had changed dramatically. There was also a growing view that governments alone lacked the capacity to meet some of the new public policy challenges. Either because of their technical knowledge, or their intimate relationship with clients and customers, the cooperation of non-governmental actors from the business and voluntary sector was seen as increasingly necessary in implementing public policies.

Not all of the change pressures originated from within Canada. Internationally, successive General Agreement on Tariffs and Trade (GATT)/World Trade Organization (WTO) rounds of trade liberalization further opened Canada to the winds of global competition. The Canada-US Free Trade Agreement and the North American Free Trade Agreement added to these pressures. Moreover, by the 1990s, trade agreements were as much about harmonizing internal regulatory regimes as they were about traditional border measures. Changing technology was, at the same time, enabling capital markets to move huge sums of money from country to country in a matter of seconds. Whether one liked or disliked this new efficiency, it became part of the context within which all governments conducted their business.

A common perception within government during these years was that it had become too hierarchical and unduly rigid. The change pressures thus resulted in important adjustments, both in government rhetoric and in programs. With regard to rhetoric, there was much talk of deregulation, privatization, market mechanisms, lower taxes, partnerships, and the like. Within government

structures, flatter organizations became a focal point of discussion, as did a greater interest in arm's length agencies and contracting-out. Behind this, there was a sense that the state was just trying to do too much. Among federal and provincial officials, for example, the "steer, don't row" thesis of Osborne and Gaebler's *Reinventing Government* circulated widely through the corridors of power.[22] As a set of ideas, the New Public Management looked to private initiative and markets to play a larger role in achieving public purposes.

In the 1990s, the Canadian state, at both federal and provincial/municipal levels, stopped growing. And by the late 1990s, it had shrunk substantially as a share of the economy. At the federal level, program spending as a share of gross domestic product (GDP) had fallen from around 18 percent of GDP in the early 1990s to around 12 percent, a drop of one-third. At the provincial/ local level, the drop was from around 29 to 23 percent of GDP over the same period.

Support for these changes came from two overlapping but distinct quarters. On the one hand, there were voices that are variously referred to as neo-liberal and neo-conservative. From this perspective, the goal was to reduce taxes and government spending and make government a much smaller part of the economy and society as a desirable end in itself. Relying much more heavily on the instruments of the new public management fit well with this policy orientation. For those in this camp, perhaps initially well represented by the Reform Party of Canada, government was often the problem and not the solution. And to the extent that government was the solution, it was best to carry out at the provincial and local levels where the public will was more easily ascertained. Provincial governments led by Ralph Klein in Alberta and Mike Harris similarly can be identified with this view. A sharp veer to the political right on matters of political economy was a matter of ideological conviction.

A second group pursued at least a part of this agenda in order to restore public finances and to make the state more efficient and effective in meeting traditional objectives. For this group, the shift to the right was a secular (as opposed to ideological) response to fiscal necessity and the apparent defects of Taylorism and complex and at times bloated public bureaucracies. The objectives of public policy were not being changed, but the means for doing so were being adjusted to reflect current fiscal conditions and new knowledge about what works and what does not work. Thus, for example, de-layering large hierarchical organizations and contracting-out certain services were thought to be promising mechanisms for achieving improved results for every dollar of expenditure. This group includes the federal government under Jean Chrétien and arguably also Brian Mulroney. A number of provincial governments might be included in this camp, including parties with quite different labels, from the New Democratic Party in Saskatchewan and later Manitoba, to the Parti Québécois, to some Liberal and Conservative parties (such as the Newfoundland Liberals led by Brian Tobin).

Whether the move to smaller and less interventionist government was prompted by perceptions of unfortunate necessity or preferences to make government much smaller, the record speaks for itself. During the 1980s and 1990s, program spending was reduced substantially, state corporations were sold off, regulation reviewed and in places cut, programs were out-sourced, and tax burdens began to ease. On matters of political economy, the performance of federal and provincial governments took a significant turn to the right. Given the ability of governments who made this shift to be re-elected, including the federal Liberals, the PQ in Quebec, the Conservatives in Alberta and Ontario, among others, these governments appear not to have been out of step with their electorates.

The rightward shift in Canadian political culture was motivated by the changes in the Canadian economy and the state of public finances, and it was initiated primarily by business groups, governments, and professional economists. Voters across the country, however, apparently were willing to accept that governments needed to be restructured and that deficit elimination was necessary. In other words, voters opted-in to the new government thinking. This new public view toward taxing and spending inevitably has an impact on the federal government's fiscal relationship with the provinces. While there are always tensions about the amount of interprovincial sharing mediated through the federal government, these tensions are easier to manage during periods of fiscal expansion than during periods of fiscal retrenchment.

SOCIAL ATTITUDES: THE PROGRESSIVE LEFT HAND OF CANADIAN POLITICAL CULTURE

From a political economy perspective, Canadian culture has shifted unmistakably to the right. But a political economy analysis alone would overlook significant changes in social attitudes in Canada over the last few decades. After the Charlottetown Accord referendum, Canadians were exhausted by the mega-constitutional debates of the Trudeau-Mulroney era. Suffering from constitutional fatigue, Canadians demanded that governments address the fundamental economic issues confronting the federation, and they made it abundantly clear that they wanted governments to cooperate in intergovernmental matters. At the same time, however, there is considerable evidence that Canadians embraced much of the substance of mega-constitutional politics, especially bilingualism, multiculturalism, and political equality.

New social attitudes started emerging in the 1960s; they were re-enforced by the Charter; and they have deepened, and perhaps become entrenched, over the past 20 years. Fifty years ago, the nuclear family, with a working father and stay-at-home mother, was the foundation of social life in Canada; ethnically Canada was more homogeneous (more European and more Christian);

and Aboriginal people on reserves had not yet obtained the right to vote in federal elections. But the second wave of feminism propelled many women into university and subsequently into professional occupations; successive waves of immigration from the non-western world transformed Canada into a visibly multicultural society; and Aboriginal people have become engaged in Canada's constitutional odyssey, although their goals have still not been fulfilled. The recognition these groups received in the *Charter of Rights and Freedoms* indicates that these dramatic social changes were embraced by most Canadians.

Paul Howe and Joseph Fletcher report that public support for the Charter has remained very high, notwithstanding considerable criticism of the Supreme Court by some commentators.[23] Their survey data indicate that 83 percent of Canadians thought the Charter was "a good thing for Canada" in 1987, while in 1999 support was pegged at 82 percent. While their data also reveal support for traditional values and respect for authority, Howe and Fletcher argue that this support is rather more ephemeral in nature and that a strong belief in equality rights drives the overall support for the Charter.

The evolution of Charter values in the past 20 years is perhaps most evident with the acceptance of homosexual rights. Twenty years ago most homosexuals were "in the closet." Now there are support groups for gay and lesbian students in many high schools and even junior high schools. Even primary school children are being taught to accept and tolerate sexual diversity. Homosexuality has also become part of popular culture in Canada. Many entertainers are now open about their homosexuality, and many new television shows portray homosexual characters. Gay pride parades have become one of the largest public events of the year in many Canadian cities.

Homosexual activists have successfully exploited the Charter and the courts to advance their equality claims. Indeed, David Rayside claims that "Canadian lesbians and gays have won more progress through political and legal systems than their counterparts in either Britain or the United States, and for that matter in all but a few countries in the world."[24] In the near future, it is entirely possible that the courts will sanction homosexual marriage under the equality provisions of the Charter. In a recent British Columbia case, Mr. Justice Pitfield ruled that preventing homosexual marriage was an infringement of Charter equality rights, although in this instance he determined that the discrimination was "reasonable" under section 1.[25] In *Halpern et al. v. the Attorney General of Canada*, the Ontario Superior Court of Justice (Divisional Court) ruled in July 2002 that prohibiting same-sex marriages could not be saved by section 1. The Government of Canada is appealing the decision. A recent poll revealed that 65.4 percent of respondents supported same sex marriages. A majority of respondents (53.1 percent) indicated that they supported the adoption of children by same-sex couples. The transformation of Canadian attitudes was underscored by Christian Bourque, the vice-president of

Leger Marketing (which conducted the poll), when he told *The Globe and Mail*, "I don't think a pollster would even have asked the question about same-sex adoption 20 years ago. Nobody would even have considered it."[26]

While the second wave of feminism was initiated in the 1960s, women made considerable advances in the 1980s and 1990s, and they continue to make gains. The proportion of women in Parliament increased from 0.4 percent in 1968 to 18.3 percent in 1993; Audrey McLaughlin became the first woman to lead a federal political party in 1990; Rita Johnston became the first female premier in Canada in 1991, followed by Catherine Callbeck in 1993; Kim Campbell became prime minister in 1993; Bertha Wilson became the first female Supreme Court Justice in 1982; today three of the nine justices of the Supreme Court are women, including the Chief Justice; Jeanne Sauvé became the country's first female governor general in 1984, followed by Adrienne Clarkson in 1999; Jocelyne Bourgon became the first female clerk of the privy council in 1994; Pat Carney became the first female president of the Treasury Board in 1988, followed by Lucienne Robillard in 1999; Marlene Catterall became the first female government whip in 2000; and Sheila Fraser became the first female auditor general in 2001. Women now constitute a majority of students enrolled in Canadian universities. Women have slowly moved into "non-traditional" occupations such as corporate executives, astronauts, airline pilots, and combat soldiers. We do not suggest that women have now obtained substantive equality. To the contrary, there are considerable gains still to be made. The point that we wish to make is that women continued to make advances in Canadian society throughout the 1980s and 1990s and, most importantly, these advances were supported and celebrated by an overwhelming majority of Canadians.

The face of Canada has changed too. While the federal government has promoted official multiculturalism for 30 years, multiculturalism is much more of a reality in Canadian society today than it was in 1970. A large proportion of people living in cities like Vancouver and Toronto identify languages other than English as their mother tongue, and about 40 percent of the people in the city of Montreal identify languages other than French as their mother tongue. Three-quarters of the non-French-speaking population in Montreal are allophones. New Canadians are now participating in Canada's governing institutions. The first turban-wearing Sikh entered Parliament in the 1990s, and in 2000 Ujjal Dossanjh became the first Indo-Canadian premier in Canadian history. Indeed, if one overlooks Joe Ghiz (who was partly of Lebanese origin), Dossanjh was the first visible minority to lead a provincial government, a fact celebrated by many in British Columbia and across Canada. By contrast, when Larry Grossman ran for the leadership of the Ontario Conservative Party in 1985, people wondered openly if Ontario was "ready" for a Jewish premier.[27] The different receptions granted to Grossman and Dossanjh indicate just how significantly Canadian attitudes have evolved within just two

decades. While visible minorities did not always find it easy to settle in Canada, as Bharati Mukherjee makes clear in the preface of *Darkness* (her 1985 collection of short stories),[28] multiculturalism is now celebrated in many aspects of Canadian popular culture, including beer commercials.[29]

Samuel LaSelva argues that the acceptance of multiculturalism in Canada is foundational. LaSelva notes at the start of his essay that "multiculturalism can be part either of a mosaic or a melting-pot." He builds his analysis of these metaphorical models with an examination of multiculturalism in Canada and the United States, and he concludes that each country has produced "radically different brands of pluralism" because they have different "constitutional faiths." These distinct constitutional faiths stem primarily from the fact that "Canada is both a multinational and a territorial federation, whereas the United States has never been a federation of peoples." LaSelva concludes that "fraternity" has played a special role in Canada. The notion of fraternity has not only held English and French Canada together, he argues, it has facilitated the acceptance of multiculturalism.

There is a perception that the new social attitudes concerning feminism, homosexuality, multiculturalism, and Aboriginal people are a phenomena of the large urban centres in Canada. However, Fred Cutler and Richard Jenkins find in their study that the real picture is considerably more complex than commonly imagined. They discovered first that there are conservative and liberal voices in both rural and urban communities. Second, they did find a rural-urban gap on questions concerning "moral traditionalism," especially in relation to homosexuality. In short, urban respondents are more tolerant of homosexuality than rural dwellers. A similar gap exists in relation to urban and rural perspectives on Aboriginal peoples. However, the gap narrows considerably in relation to multiculturalism, and it appears not to exist at all on the accommodation of Quebec in the federation. Much of the gap can be explained by differing levels of education, and the gap that does exist is much smaller than one would imagine; it is in the order of 10 percent on most questions. Cutler and Jenkins thus conclude that "the intolerant rural hick is a straw man."

The conclusions reached by Cutler and Jenkins are in keeping with a modernizing society and globalizing world. The "national" media, both print and television, is now so ubiquitous that rural and urban people in Canada generally obtain their news from the same sources. They watch the same television shows; they see the same movies; and listen to the same music. Rural and urban Canadians can surf the WorldWideWeb from the comfort of their own homes. In short, rural and urban Canadians are bombarded daily with the same cultural messages. This is reinforced by rural-urban migration. For the most part, it is young people who migrate to the cities in search of better education and employment opportunities, and with better communication networks it is easy to stay in touch with family and friends back home on the farm or in the

village. With children and grandchildren in the cities, older Canadians in rural communities now have compelling reasons to visit the city more often, and with better transportation networks it has never been easier to travel back and forth between rural and urban communities. This rural-urban interaction serves to expose rural Canadians to the new social attitudes in the city. The new social attitudes may also be transmitted through provincial education standards, which are established in relatively cosmopolitan provincial capitals. In short, the boundaries separating rural and urban Canada are no longer sharply demarcated. The boundaries are now extremely porous and traversed many times every day. One can only imagine that over time the gap in rural-urban social attitudes will continue to shrink, if it ever existed in the first place.

In sum, Canadians have adopted more progressive attitudes on a variety of social issues over the past 20 years. In contrast to the new neo-conservative attitudes toward the economy and public finances, social attitudes concerning gender equality, homosexuality and multiculturalism have moved perceptibly to the left. This is consistent with Nevitte's finding that "moral permissiveness" has increased in Canada.[30] As the chapter by Reg Whitaker ably demonstrates, the Liberal Party under Jean Chrétien has not only embraced neo-conservative economic policies, it has endorsed the new and more progressive social attitudes and defended the Supreme Court's Charter decisions on these issues, while the Reform Party/Canadian Alliance has struggled with these new social attitudes, as explained in the chapter by Telford.

While some of the more conservative provincial governments have been displeased with Supreme Court rulings, especially in homosexual rights and same-sex benefits cases, none resorted to use of the "notwithstanding" clause of the Charter to override court decisions on matters of human rights. The Charter as a political instrument still evokes some controversy in Quebec, although there is broad public support for equality and individual rights. A conflict may arise between the federal government and British Columbia over Aboriginal rights, as Gordon Gibson discusses in his chapter but, for the most part, there is little intergovernmental conflict on human rights issues. It would thus seem that the leftward shift in social attitudes has helped support relatively harmonious federal-provincial relations on human rights issues.

UNIVERSAL VALUES BUT MULTIPLE IDENTITIES?

The studies in this volume lend support to the claim that Canadian political culture has stepped to the right on questions of economic policy and fiscal management but stepped to the left on social issues (as distinct from social policy). Again, we wish to stress that the movement to the right has probably been greater than the move to the left, but both shifts are perceptible and significant. In every province, voters have expressed a desire for government

to better manage public debt, and support for Charter values, particularly the equality provisions, is comparably high in all regions of the country. Arguably, these are emerging as universal values in the Canadian context. Put another way, Canadian political culture appears to be more homogeneous. It would seem that the processes of globalization and the post-Cold War concern for human rights are eroding the historical regional political cultures of Canada, at least in relation to economic values and social attitudes.

Are we finally witnessing the decline of regionalism in Canada? It would be premature to make that call, and we certainly do not have the evidence to support such a strong claim. Moreover, notwithstanding the convergence of economic values and social attitudes across Canada, regional identities are likely to persist, and some non-territorial identities may well become more pronounced. A number of structural and institutional variables may perpetuate regional and non-territorial identities. Regional political parties, such as the Alliance and the Bloc Québécois, will almost certainly reinforce regional identities; the continuation of distinct provincial party systems may also preserve distinct provincial identities.[31] The forces of globalization, furthermore, do not necessarily lead to economic policy convergence. To the extent that there are distinct regional political economies, or uneven distributions of wealth across the regions, globalization may impact the regions differentially and drive them further apart.[32] And, of course, the historical processes of socialization can work to maintain distinct identities long after the objective differences between groups have vanished. After all, the Scots are still Scots three centuries after the Act of Union, not to mention after many generations since the virtual disappearance of the Gaelic language in Scotland. In short, the issue of identity is distinct from questions of values and attitudes. Regional identities are thus likely to persist in Canada at some level, especially in Quebec.

The status of Canada's Aboriginal people is perhaps the most compelling identity issue in Canadian politics today, as the chapter by Ian Stewart on the fallout from the Marshall decision in Nova Scotia makes abundantly clear. While Howe and Fletcher report that Canadians are very supportive of Charter equality rights, Stewart suggests that there is an "absolutist quality" associated with the discourse of rights. The adjudication of rights is widely interpreted in the general public as a zero-sum contest, notwithstanding the Supreme Court's general disposition to balance contending interests. Disputes over rights thus tend to be polarizing, especially when there are economic rewards to be won and the contesting parties are relatively poor. All too often, First Nation reserves are located in impoverished rural areas and, while the surrounding non-Aboriginal community may be economically better off, these non-Aboriginal communities are frequently dependent on a declining natural resource industry. As resource industries are often the only game in town, Aboriginal peoples are increasingly wanting to participate in these sectors, which means that the ever-shrinking pie now has to be shared more ways.

The conflict over rights, however, goes much deeper, as Stewart elaborates in his chapter. While Canadians support the equality values embedded in the Charter, they understand these rights to apply universally to individuals. In this regard, Canadians are quintessentially liberal, and they have been very reluctant to accept particularistic and collective rights. In short, many Canadians are struggling with the idea of justice based on difference, notwithstanding their support for multiculturalism. For many Canadians, a differential distribution of rights smacks of inequality and injustice. Stewart has documented how these conflicting theories of justice were articulated by Aboriginal and non-Aboriginal communities in Nova Scotia following the Marshall decision, and he doubts that the impasse will be resolved any time soon. The differing identities and experiences have given rise to sharply different perceptions of justice, and this cleavage does not seem confined to Nova Scotia. It is sadly replicated across the country, and it has the power to weaken the strong support for the Charter, as Howe and Fletcher document in relation to Charter support in Quebec and British Columbia, two provinces that have been rocked by conflict with Aboriginal peoples.

The chasm between Aboriginal and non-Aboriginal peoples in Canada may in fact be deepening. Aboriginal peoples, as Stewart notes, are increasingly couching their claims as "inherent" rights. This perspective has been critiqued,[33] and some have tried to find some middle ground,[34] but it does not alter the fact that a crisis of legitimacy now exists between Aboriginal peoples and the Canadian state. If Aboriginal grievances are not redressed satisfactorily, the social and economic costs will be enormous, as the Royal Commission on Aboriginal Peoples argued. On the other hand, many Canadians are reluctant to endorse expensive proposals for Aboriginal self-government, such as the ones made by the Royal Commission on Aboriginal Peoples, especially in this era of fiscal conservatism. In other words, the issue of Aboriginal governance is also partially a fiscal issue as well as a human rights issue.

The chapter by Alain Gagnon and Raffaele Iacovino reminds us again that Quebec is still a distinct society. In particular, they argue that the promotion of multiculturalism in Quebec serves a very different social purpose. Gagnon and Iacovino maintain that Quebec has developed a model of *interculturalism* that is radically different than the model of multiculturalism practised in the rest of Canada. While multiculturalism accepts cultural diversity as an individual responsibility and a private matter, Gagnon and Iacovino suggest that interculturalism promotes a diversity of cultural collectivities in the public sphere, while at the same time sustaining the viability of a French-speaking society on an English-speaking continent. For Gagnon and Iacovino, interculturalism works to reinforce the distinct identity of the Québécois.

In short, while there is evidence of a rightward shift in matters related to the economy and public finances, and a leftward shift in approaches to human rights and social attitudes, it is also the case that this coming together on

values does not equate to an erosion of language-based, regional or other identities. If anything, Aboriginal identities have become much more prominent over the past 20 years; Quebec retains a distinct personality and is more than likely to remain unique; and regional identities persist in Atlantic Canada and the west. The question of accommodation is thus still central to Canadian politics, but Matthew Mendelsohn fears that Canadian political parties have abandoned the traditional models of accommodation. Most distressingly, Mendelsohn argues that the Liberal Party has "since 1968 defined itself in opposition to the accommodation of groups that do not support a strong central government as their patron. It has staked out one well-defined pole on the political spectrum in opposition to all perceived threats to a strong Canadian state, namely Quebec nationalism, western devolutionist sentiment, and, from 1968 until the mid-90s, North American integration." In short, he contends that the Liberal "Party is committed to a particular view of the Canadian nation with little tolerance for alternative conceptions." And he notes, alarmingly, that "the 1993, 1997, and 2000 federal elections are the only elections in Canadian history where a party has formed a majority government but has failed to win a majority of seats in either Quebec or western Canada." Mendelsohn accepts Whitaker's proposition that the Liberal Party has successfully capitalized on the new economic and social consensus, but he fears that the Liberal Party's capacity to broker interregional accommodation has declined. This does not bode well for those groups left outside the new political consensus.

CANADIAN POLITICAL CULTURE AND THE FEDERAL PARTY SYSTEM: BLUE GRITS VERSUS RED TORIES?

As Canadians have shifted to the right on economic values and somewhat to the left on social attitudes, the federal Liberal Party under Jean Chrétien has moved in lock-step with public opinion. Paul Martin was a more successful "conservative" finance minister than Michael Wilson but, at the same time, the Liberal Party has steadfastly eschewed the moral traditionalism advocated by the Reform Party/Canadian Alliance. As Whitaker says, the Liberals under Chrétien have become very successful "blue grits." While the Liberals have undoubtedly benefited from a fractured opposition in the last three elections, the analyses in this volume suggest that they were not elected simply by default.

Preston Manning and the Reform Party can take some credit for influencing the new economic discourse in Canada, but it only provided modest electoral results for the party. As Canadians have moved to the right on economic and fiscal issues, they may be somewhat more in line with the economic philosophy of the Reform Party/Canadian Alliance, but in as much as Canadians have moved to the left in social attitudes, the social conservatism of the Alliance is further away from the Canadian median. The new leader of the

Alliance, Stephen Harper, apparently prefers to campaign on conservative economic issues and avoid questions of moral traditionalism. This strategy may have helped him win the Alliance leadership, but it is not clear that Harper's strategy will propel the party to victory. The left flank of Canadian political culture is probably too robust to ignore.

The federal NDP is positioned as the mirror opposite of the Reform Party/ Canadian Alliance. As Canadians have shifted to the right on economic questions, the NDP is now further away from the Canadian median on economic and public finance issues, although it is now perhaps closer to the median on social issues than it used to be. In the last four federal elections, the NDP has championed itself as the greatest defender of medicare and other social programs. As the polls indicate that Canadians are supportive of medicare, the NDP cannot fathom why they have not been more successful in the polls. Some NDP stalwarts seem to believe that the party has faltered because it has moderated its policies. These activists argue that the party's electoral fortunes can only be improved if it adopts more strident left-wing policies. If the analyses in this volume are correct, these prescriptions are seriously misguided.

The conclusions reached here, however, may provide some succour to the federal Conservative Party. While many social conservatives are loath to support Joe Clark, he appears to have a better read on contemporary public opinion in Canada than any of the contenders in the last two Alliance leadership races. Clark is trying to resurrect a truly progressive conservatism. The party's fiscal conservatism was evident in its election manifesto, while Clark's progressivism was openly displayed when he led Calgary's gay pride parade in the spring of 2001. In short, Clark is trying to create a broad-based party parallel to the Liberals, running from fiscal conservatism to social liberalism. Clark is undoubtedly aware that the Tories are the party of second choice for most Liberal voters.[35]

How the Bloc Québécois fits into this picture is not clear. The chapter by Salée indicates that the same pattern of economic conservatism and social liberalism in Canada exists also in Quebec. The Parti Québécois has certainly sloped in these directions, and the Quebec Liberal Party is apparently on the same angle. The Action Démocratique may in fact be positioned best to capitalize on the new political culture. The Bloc Québécois perhaps styled itself as a somewhat more progressive party on economic issues, but quebecers were not voting for the Bloc for these reasons, but to defend Quebec's interests, irrespective of left- or right-wing considerations. Quebecers' affection for the Bloc appeared to weaken in the 2000 election. The Bloc only obtained half the vote and half the seats in Quebec in 2000, and some *Blocistes* believe that the party should probably be folded if its support drops any further.[36]

The analyses here suggest that the Liberal Party has a lock on the federal party system for the foreseeable future. The Canadian Election Study has arrived at the same conclusion.[37] What are the implications for the federation of continued Liberal hegemony? Under Jean Chrétien, and most of his probable

successors, we would expect "steady-as-she-goes" policy. The Liberals appear committed to a "balanced" approach to tax cuts, spending increases, and debt reduction. The Liberals under Chrétien also appear to prefer a pragmatic "problem-solving" approach to governing the federation rather than governing from first principles. On a large variety of important issues and programs, the Liberal government has worked cooperatively with the provinces, trying to solve problems one at a time through specific intergovernmental agreements.

But on "higher order" questions, the Liberals have been reluctant to engage with the provinces and other groups. And when pushed on symbolic issues or cross-cutting issues, they have tended to push back. The Liberals do not seem to be in any rush to develop self-governance for Aboriginal peoples. The Liberals display no desire to recognize Quebec's distinctiveness constitutionally and they have laid down the law on unilateral secession. The Liberals have also summarily rejected the assertion made by the provinces that there is a vertical fiscal imbalance in the federation.

The weakness of the other parties in the system suggests that the Liberals may again be reading the mood of the country more accurately. There does not seem to be much demand for greater centralization or more decentralization, nor does there seem to be much appetite to recognize Quebec's distinctiveness constitutionally or establish Aboriginal self-government, notwithstanding the public's support for official bilingualism and general sympathy for Aboriginal peoples. If anything, there is pressure to take a tougher line against Quebec and Aboriginal self-government. The Canadian Election Study reports that only 9 percent of Canadians outside Quebec think "more"should be done for Quebec, while 39 percent opted for "less"; 43 percent supported the status quo.[38] Canadians overwhelming rejected the Tories more favourable approaches to Quebec and the provinces generally in 1993, and they have yet to embrace the more province-friendly orientation of the Alliance (apart from Alberta and British Columbia). On the other hand, Canadians have not responded to the NDP's desire to strengthen the social role of the central government or the NDP's more favourable disposition to the First Nations. The general social progressiveness we have described in Canada is thus limited by the staunch individualism displayed by most Canadians and the associated scepticism of group claims. Nevertheless, the opposition parties seem either too fragmented or out of step with Canadian public opinion to launch a serious challenge to the governing Liberals.

CANADIAN POLITICAL CULTURE AND INTERGOVERNMENTAL RELATIONS

Other things being equal, one might expect the general convergence on political values to have a positive impact on the state of the federation and the

conduct of intergovernmental relations. Of course, in the real world, other things are not always equal. For one thing, as already noted, a convergent direction on values does not have anything to say about identities. Perhaps more importantly, the practice of intergovernmental relations in the past decade has been strained by the politics of fiscal retrenchment and the desire for lower rates of taxation. While Canadians overwhelmingly want their governments to cooperate, the new political culture in Canada appears to have given the federal and provincial governments less room to manoeuvre where money issues are concerned.[39]

While many individuals inside government, especially in line ministries, understand the virtue of intergovernmental cooperation, the strong public pressure for intergovernmental cooperation has also undoubtedly helped governments to cooperate in broad areas of public policy. The consensus of federal, provincial, and territorial finance ministers meant that through much of the 1990s, there was little disagreement among governments about the desirability of fiscal restraint, with the possible exception of British Columbia under the NDP. In the aftermath of continental free trade, the broad consensus among governments regarding the need for competitive markets helped facilitate the intergovernmental Agreement on Internal Trade (AIT). There was also little dispute among federal and provincial governments regarding the idea that the state, whether federal or provincial, needed to be made more efficient. This led to a new focus on outcomes (however hard in practice it might be to achieve), accountability, and transparency in federal-provincial agreements. In addition to the AIT, intergovernmental agreements have been reached in other areas, including social policy (e.g., the Social Union Framework Agreement; National Child Benefit; homelessness and social housing arrangements; the labour market development agreements; a new Health Accord), the environment (the Environmental Harmonization Agreement), and the management of natural resources. The media and opposition parties look for disputes, not agreements. This may help to explain why so little attention is focused on these broad areas of intergovernmental cooperation.

Quebecers also want the two orders of government to cooperate, and a great deal of business has been effectively carried out between the Government of Canada and the Government of Quebec in recent years. The Government of Quebec has signed many arrangements with Ottawa, ranging from the AIT, a bilateral labour market training and development agreement, to the February 1999 Health Accord, the September 2000 First Ministers' Agreement on Health, and the autumn 2000 business plan associated with the federal-provincial climate change efforts as a result of commitments at Kyoto (a plan that Ontario did not sign on to). While in general the Government of Quebec declares it is much more open to one-on-one bilateral deals than to multilateral agreements in which Quebec is one government in ten or thirteen (if the territories are included), it is also inevitably influenced by the content of what is on the

table. In the five agreements noted just above, four were multilateral. They were signed because they fit with Quebec's economic agenda (AIT and perhaps the climate change plan) or fiscal needs (the health deals). At the same time, the Quebec government has chosen not to sign several other agreements, including the Canada-Wide Accord on Environmental Harmonization, the National Child Benefit, and the F/P/T Agreement on Early Childhood Development. The continuing salience of Quebec nationalism, and the conventional Quebec interpretation of the 1867 bargain, helps to explain the latter deals that have not been struck. Nonetheless, the number of items on which the governments of Canada and Quebec have been able to reach agreement is significant.

In short, public pressure has helped to support relatively peaceful and co-operative intergovernmental relations over a wide swath of public policy in the post-Charter era. At the same time, however, the public's desire for inter-governmental cooperation has obviously not been sufficient to create an era of complete harmony in the federation or of easy intergovernmental relations. In this regard, a major source of contention is money. Anthony Birch once stated that "The problem of finance is the fundamental problem of federalism."[40] This statement appears to be as true today as it was 50 years ago. Indeed, the problem has undoubtedly intensified over the past two decades as a result of fiscal retrenchment and the public's aversion to further tax increases.

Coming out of the recession of the early 1980s there was a conviction at the federal level that there was a vertical fiscal imbalance in the federation and that it favoured the provinces. Thus, on several occasions in the 1980s the federal government more or less unilaterally reduced the planned rate of increase in its transfer payments to the provinces. Provincial governments received these actions poorly. The 1990 cap on the Canada Assistance Plan transfers to non-Equalization-receiving provinces also furthered the provincial perception that Ottawa was an untrustworthy fiscal partner. By the time of the large transfer reductions associated with the introduction of the Canada Health and Social Transfer (CHST), provincial governments had become deeply convinced that they could no longer trust the federal government on fiscal matters.

Our purpose here is not to discuss in detail the merits or demerits of Ottawa's actions. Rather, it is simply to note that since the CHST, the provinces have worked with one another in a cooperative manner, notwithstanding differences among them, to "get back" the monies they believe to be owed to them.[41] The provinces also attempted to impose some limits on the federal spending power through their initiative that led to the Social Union Framework Agreement. And to varying degrees they have campaigned publicly against the federal government concerning the current division of revenues.[42] Although the federal government responded with large increases in transfer payments to the provinces as its finances improved, the federal actions are

viewed by provinces as an inadequate reply to their needs. There thus remains an atmosphere of profound mistrust among the provinces in respect of fiscal relations with the federal government.

The intergovernmental battle over health care is closely linked to the larger intergovernmental fiscal relationship. The controversy has mainly to do with whether the federal government is paying its fair share of provincial medicare costs. It is, of course, also about other things, including the federal role in interpreting and enforcing the *Canada Health Act* and the possibility of a greater role for the private sector in delivering health services. Both of these items, however, are linked to the fiscal issue.

The division of revenues between federal and provincial governments, at any point in time, is not a zero-sum game in the sense that if one order of government alters its tax revenues, this does not necessarily result in changes in the revenues of the other order of government by an equivalent amount.[43] However, it appears that governments are reluctant to raise taxes these days in the face of tax-exhausted voters, and tax competition from the United States. The result is that governments, especially provincial governments, behave as if the division of revenues is a zero-sum game, and they are demanding that Ottawa explicitly transfer revenues or tax room to them instead of raising more of their own revenues. The word "explicitly" is crucial here. In his 2000 budget, the federal finance minister announced a large five-year program of tax reductions. When Paul Martin made his announcement, an option open to the provinces was to occupy at least some of the room that the federal government was vacating. But none did so. Nor, from the public record, does it appear that any seriously contemplated so doing. In other words, they were not willing to take the political flak or the economic risk for treating Ottawa's tax cuts as a tax transfer in their favour even though they believed the federal government had been treating them very unfairly in relation to intergovernmental transfers.

It is undoubtedly more difficult to sustain harmonious fiscal relations between federal and provincial governments during periods of fiscal retrenchment than during periods of fiscal plenty. The more general hypothesis that emerges from this argument, however, is that the federal government and the provinces have been constrained by the more conservative economic culture, especially on fiscal matters, that has prevailed in the federation over the last decade and longer.

What can we conclude from this analysis? The trends in contemporary political culture help to explain the harmonious intergovernmental relations across a wide swath of public policy in recent years. The extent of what is working well should not be underestimated. But the convergent trend in some important dimensions of political culture has also contributed to a fractious set of intergovernmental relations on the sharing of the fiscal pie. And convergent trends around social attitudes have not taken nationalist and regionalist politics

off the political agenda. With Quebec nationalism relatively quiescent at present, Aboriginal self-governance appears destined to be the major mega-constitutional challenge over the coming few years. This issue affects some provinces more than others, and it may well introduce a new set of inter-governmental tensions over the next decade as the governments of Canada and Aboriginal nations seek a just solution for Aboriginal peoples. As for non-constitutional politics, intergovernmental relations seem destined to swirl around fiscal issues for the foreseeable future.

NOTES

The authors would like to thank Bob Young, Reg Whitaker, Matthew Mendelsohn and Ian Stewart for the helpful comments they provided on various drafts of this chapter.

1. David Elkins and Richard Simeon, "A Cause in Search of an Effect, or What Does Political Culture Explain?" *Comparative Politics* 11, 2(1979):143.

2. Alexandra Dobrowolsky, "Political Parties: Teletubby Politic, the Third Way, and Democratic Challenge(r)s," in *Canadian Politics in the 21st Century*, ed. Michael Whittington and Glen Williams (Toronto: Nelson Thompson Learning, 2000).

3. We want to stress that we distinguish between social attitudes on human rights questions and attitudes on social policy. While attitudes on social issues such as feminism and homosexuality may have shifted somewhat to the left in the past few decades, attitudes toward social policy appear to have swung to the right in accordance with the view that governments need to be more fiscally responsible.

4. See, Centre for Research and Information on Canada, *Portraits of Canada, 2001*, p. 22.

5. Nelson Wiseman, "Provincial Political Cultures," in *Provinces: Canadian Provincial Politics*, ed. Christopher Dunn (Peterborough: Broadview Press, 1996), p. 23.

6. David Bell, "Political Culture in Canada," in *Canadian Politics in the 1990s*, ed. Michael Whittington and Glen Williams (Toronto: Nelson Canada, 1995), p. 105.

7. Elkins and Simeon, "A Cause in Search of an Effect, or What does Political Culture Explain," p. 128.

8. Bell, "Political Culture in Canada," p. 106.

9. Elkins and Simeon, "A Cause in Search of an Effect, or What does Political Culture Explain," p. 131.

10. Ibid., p. 139.

11. Ibid., p. 140.

12. Ibid.

13. Ibid.

14. Richard Simeon and David Elkins, "Regional Political Cultures in Canada," *Canadian Journal of Political Science* 7, 3(1974):397; see also John Wilson, "The Canadian Political Cultures: Towards a Redefinition of the Nature of the Canadian Political System," *Canadian Journal of Political Science* 7, 3(1974).

15. Ian Stewart, *Roasting Chestnuts: The Mythology of Maritime Political Culture* (Vancouver: University of British Columbia Press, 1994).

16. Neil Nevitte *et al., Unsteady State: The 1997 Canadian Federal Election* (Toronto: Oxford University Press, 2000).

17. Herman Bakvis, *Regional Ministers: Power and Influence in the Canadian Cabinet* (Toronto: University of Toronto Press, 1991).

18. Michael Lusztig, "Constitutional Paralysis: Why Canadian Constitutional Initiatives are Doomed to Fail," *Canadian Journal of Political Science* 27, 4(1994).

19. Michael Bliss, "The Fault Lines Deepen," *The Globe and Mail,* 2 May 2000, p. A15.

20. Nevitte found that support for free market principles and meritocracy has increased in Canada. While this suggests a movement to the right on economic issues, he reports that Canadians do not perceive their rightward shift when asked to place themselves on the left-right spectrum. See Neil Nevitte, *The Decline of Deference* (Peterborough: Broadview Press, 1996), p. 118.

21. Matthew Mendelsohn and Robert Wolfe, "The Aftermyth of Seattle: Public Opinion on Globalization and Trade Liberalization," *International Journal* (June 2001).

22. David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, MA: Addison-Wesley Publishing Company, 1992).

23. F. L. Morton and Rainer Knopff, *The Charter Revolution and the Court Party* (Peterborough: Broadview Press, 2000).

24. David Rayside, *On the Fringe: Gays and Lesbians in Politics* (Ithaca: Cornell University Press, 1998), pp. 105-06.

25. See, *Egale et al.* v. *Attorney General Canada et al.,* BCSC 1365 (2001).

26. Alexander Panetta, "Poll Reveals Doubt on Gay Adoption," *The Globe and Mail,* 16 July 2001, p. A4. The poll actually revealed that support for homosexual equality rights rose to 75.7 percent when the contentious issues of marriage and adoption were excluded from the equation. It is often believed that Alberta is more conservative than other provinces, but even here the government refrained from employing the notwithstanding clause in response to the Vriend case. While the government was under pressure from certain quarters to reverse the court's decision, evidently the government concluded that the majority of Albertans would not tolerate the suppression of equal rights for homosexuals.

27. Rosemary Speirs, *Out of the Blue: The Fall of the Tory Dynasty in Ontario* (Toronto: Macmillan, 1986), p. 43.

28. Bharati Mukherjee, *Darkness* (Toronto: Penguin Books, 1985).

29. The concept of multiculturalism is still the subject of serious critiques from time to time. See Neil Bissoondath, *Selling Illusions: The Cult of Multiculturalism in Canada* (Toronto: Penguin Books, 1994); Richard Gwyn, *Nationalism without Walls: The Unbearable Lightness of Being Canadian* (Toronto: McClelland & Stewart, 1995). For a refutation of these critiques, Will Kymlicka, *Finding Our Way: Rethinking Ethnocultural Relations in Canada* (Toronto: Oxford University Press, 1998).

30. Nevitte, *Decline of Deference*, p. 217.

31. R.K. Carty and David Stewart, "Parties and Party Sytems," in *Provinces: Canadian Provincial Politics*, ed. Christopher Dunn (Peterborough: Broadview Press, 1996).

32. See Harvey Lazar and Hamish Telford (eds.), *The Impact of Global and Regional Integration on Federal Political Systems* (Kingston: Institute of Intergovernmental Relations, forthcoming).

33. Tom Flanagan, *First Nations? Second Thoughts* (Montreal: McGill-Queen's University Press, 2000).

34. Alan Cairns, *Citizens Plus: Aboriginal Peoples and the Canadian State* (Vancouver: University of British Columbia Press, 2000).

35. Nevitte *et al., Unsteady State.*

36. From a personal conversation with a prominent Bloc official.

37. André Blais *et al., Anatomy of a Liberal Victory: Making Sense of the Vote in the 2000 Canadian Election* (Peterborough: Broadview Press, 2002), p. 204.

38. Ibid., p. 104.

39. A recent survey asked Canadians the following question: "Thinking about how governments make decisions, which of the following do you think would be best for Canada: One, the *federal* government should have the final say on some things, the *provincial* governments on others, and they should both stay out of each other's way; or two, both levels of government should *work most things out together.*"

	Final Say (%)	Work Together (%)	Don't Know (%)	Number
BC	13	86	1	325
Alberta	17	82	1	327
Man/Sask	11	88	1	450
Ontario	17	81	2	403
Quebec	30	65	4	1,001
Atlantic	6	93	1	434

These polling numbers are from Fred Cutler and Matthew Mendelsohn, "Unnatural Loyalties? The Governments and Citizens of Canadian Federalism," forthcoming in the edited volume on the work of Alan Cairns.

40. Anthony Birch, *Federalism, Finance and Social Legislation in Canada, Australia, and the United States* (Oxford: Oxford University Press, 1955), p. xi.

41. See, for example, "Redesigning Fiscal Federalism – Issues and Options," paper submitted to premiers by the provincial and territorial ministers of finance, 1999/2000.

42. For example, the Government of Ontario ran newspapers ads and the Government of Quebec appointed a Commission on Fiscal Imbalance.

43. It is worth recalling that both orders of government have a constitutional right to tax what are today the most lucrative tax bases. While it is true that the revenues of provinces that have entered into tax collection agreements with Ottawa will be automatically affected when the federal government adjusts its definition of tax income, it is also the case that the provinces can adjust their tax rates or other parts of their tax system to offset the revenue effects of any tax changes coming from Ottawa.

II

Federal Politics

2

The Liberal Chameleon:
From Red Tories to Blue Grits

Reg Whitaker

Le gouvernement libéral de Jean Chrétien projette une image vraiment floue de sa politique publique. Les libéraux ont toujours prétendu être des centristes pragmatiques, mais depuis 1993, ce gouvernement libéral a été particulièrement difficile à catégoriser. Il a adopté plusieurs des politiques économiques de son prédécesseur conservateur, incluant celles auxquelles il s'était énergiquement opposé lorsqu'il était dans l'opposition: le libre-échange et la TPS en étant deux exemples frappants. Remarquablement, l'adoption de ces politiques, qui avait causé de sérieux dommages politiques au gouvernement Mulroney, lui a procuré un bénéfice politique. Bien que la question du bon moment ait été importante pour expliquer cet état de fait, plus importante encore a été sa capacité de comprendre que le centre politique est une cible mouvante. Les libéraux de Chrétien ont correctement prévu un déplacement vers la droite de l'opinion publique quant à la politique fiscale et ont ainsi substantiellement amoindri l'Alliance canadienne en volant leur plate-forme fiscale, comme l'avaient fait certains gouvernements libéraux passés en devançant le NPD sur la gauche. Cependant, ce serait une erreur de croire que les libéraux sont tout simplement devenus un gouvernement de l'aile droite. Sur les enjeux sociaux et culturels, ils ont été alertes en se plaçant eux-mêmes à la gauche de l'Alliance, au diapason de l'opinion publique. Le succès des libéraux n'est pas seulement attribuable à la faiblesse et à la fragmentation de l'opposition, mais plutôt le résultat d'une habileté extraordinaire à se positionner au centre d'une société canadienne changeante.

The Liberal government of Prime Minister Jean Chrétien has a blurred ideological image. This may be fitting for a centrist party, but it has led to confusion among analysts and difficulties in situating the current government in relation to the Canadian political culture. To some, the Liberals are conservative wolves in liberal clothing, while to others they are liberal wolves in conservative disguise. To others, they seem to lack all direction and definition. Chrétien is no political visionary and the government he leads usually places itself prudently

but closely behind, rather than dangerously in front of, developing public opinion. By examining the Liberal record in the context both of history and of the changing global environment, the Liberal government assumes some shape, although in ways that defy traditional left-right categories. In the early twenty-first century, the Liberals remain what they were for much of the twentieth century, the government party.[1] As such, they are ideological chameleons, taking their colours from their context. But they are hardly monochromatic: given contemporary diversity and turmoil, the Liberal chameleon turns out to be variegated and nuanced in its shading.

A LIBERAL SUCCESS STORY?

As the Chrétien government advances through its third term of office, it is, by many objective standards, a success. Politically, Prime Minister Chrétien has won three consecutive back-to-back majority governments, a feat not matched by any federal leader in peacetime since Sir Wilfrid Laurier almost a century ago. At no time in previous history has the opposition been so fragmented, impotent, and self-destructive.

　- In terms of economic policy, the Liberals turned a serious budgetary deficit situation, which had plagued previous Liberal and Conservative governments, into a budgetary surplus position just past the end of its first term. Having achieved this surplus, the Liberals have been able to restore the provincial transfers on health care they had cut to tackle the deficit, made large tax reductions, sustained moderate increases in spending on social programs, and begun paying down the cumulative debt and thus reducing the debt to gross domestic product (GDP) ratio. Unemployment, the bane of earlier governments for decades, has declined in later Liberal years. Inflation seemed, by the late 1990s, to have become largely a threat of the past. It is a mark of Liberal success in economic policy, that Finance Minister Paul Martin, responsible for executing major cutbacks in the first term, is now the most popular single federal political leader, outstripping the prime minister himself.[2]

　In international trade, Canada moved from consolidation of NAFTA to taking a leading role in the advancement of a broader Free Trade of the Americas Agreement (FTAA). Throughout most of this time, Canada has enjoyed large trade surpluses with the rest of the world. In foreign policy, the former minister of foreign affairs, Lloyd Axworthy, established a distinctive role for Canada abroad with a human security agenda and new notions of "soft power."

　The one policy area that had suggested Liberal weakness was the grave threat of Quebec secession, especially after the near victory of the sovereignists in the 1995 Quebec referendum, and the relative feebleness of the federal Liberals in Quebec confronting the Bloc Québécois in francophone Quebec. Yet by the time of the Liberals' third electoral victory in 2000, the threat of

secession had diminished dramatically. The Liberals had passed the *Clarity Act*, setting relatively tough rules for future referenda, without rousing any pro-sovereignist backlash in Quebec; in the 2000 election, they were able to improve their electoral fortunes somewhat in francophone Quebec at the expense of the Bloc; and Chrétien's formidable adversary, Lucien Bouchard, retired as premier.

In federal-provincial relations, the high-octane — and high risk — era of mega-constitutional revision is over. Smaller scale, piecemeal constitutional changes, such as Quebec and Newfoundland's revisions to the status of denominational schools, or the federal government's transfer of manpower training to the provinces, have been shown by the Liberals to be possible under the constitutional status quo. Moreover, the Social Union Framework Agreement was signed by all provinces save Quebec. There were no conflicts on the order of the Ottawa-Alberta energy battles of the 1970s and 1980s. Although Ontario under Tory provincial rule was emerging as something of an antagonist to Ottawa, this was balanced by the overwhelming propensity of Ontario voters to opt for the Liberals at the federal level.

At a more intangible level, after eight years of Liberal governance, the country seems more tranquil, less agitated and less surly than it was when Chrétien took over — although this may represent a turning away from politics more than a contentment with the political system (declining voter turnout would indicate the latter). The 2000 election campaign, mired in attacks on personal integrity, struck a low and negative tone. Yet this only served to emphasize the lack of substantive issues on which the opposition parties could make any dent on the Liberal record. If the election was unusually petty, it was because the Liberals comfortably held all the big issues. The country, by and large, was unmoved, or repelled, by the personal attacks, and those who did vote produced another mandate for Chrétien.

HOLDING THE CENTRE AGAINST CENTRIFUGAL FORCES

Of course, not everyone would agree with these characterizations. A majority of voters have throughout the Chrétien era supported other parties. Even if regional support was won back in Atlantic Canada in 2000 (after a stinging rejection in 1997, and after restoring employment insurance benefits), Quebec remains a Liberal soft spot, and the west has produced diminishing returns. Sections of the media remain highly critical, ranging from the active, relentless hostility of the *National Post* to a less ideologically driven propensity on the part of other print and electronic media to focus on negative reporting of potential corruption or the "arrogance of power." Nor is there any shortage of complaints about policy failures or shortcomings emanating from the opposition parties, the media, business, unions, social movements, academics, and

the various think-tanks and research institutes. Yet when all the free advice is tabulated, it quickly becomes apparent that much of it is self-cancelling, that is, some call for deeper tax cuts while others call for more social spending; some insist that increased productivity should be at the top of the agenda, while others demand that a decade of lost real wages and benefits be recouped. There are only a few issues that seem to mobilize a clear majority, and when they do emerge, as with deficit elimination and salvaging the health-care system, the Liberals are very adept at getting to the front of the parade. Otherwise, they have been careful to maintain a "balanced" approach in the new era of fiscal surpluses between new spending, tax cuts, and debt reduction, a formula that permits flexibility without commitment to any single overriding priority. In short, the Liberals appear to be a classic centrist government, steering resolutely down the middle.

This centrist formula was cast into sharp relief against the more programmatic opposition parties when Paul Martin announced to the House of Commons in 1998 the "official" demise of the deficit. The opposition party leaders rose in turn to attempt to put their own partisan spin on what was manifestly a triumph for the government. Not surprisingly, each claimed that credit lay elsewhere than with the Liberals, but in each case the choice was ideological. The Reform and Conservative leaders said that it was the long-suffering Canadian taxpayer who had borne the brunt of deficit fighting through a crippling tax burden: now was the time to reward these efforts through immediate tax relief. The Bloc Québécois insisted that it was the provinces, that is, Quebec, that had borne the brunt of the deficit fight through lost transfers and subsidies: now was the time to restore all these monies to the provinces. The New Democratic Party (NDP) leader attested that the deficit had been defeated on the backs of the poor and the working class through deep cuts to social programs: now was the time to restore these programs and extend them. The Liberal response was textbook centrism: each of the opposition parties was, in its own way, right. It was not the Liberals who had killed the deficit, it was "Canadians," and this included taxpayers, the provinces, and those who benefited from social programs. All had done their part, and now all should receive some recompense, but in a balanced way, tempered with sound fiscal prudence, lest there be any slippage back to the bad old days.

THE MOVING CENTRE, FROM MULRONEY TO CHRÉTIEN

Does the Liberal government, as a successful catch-all brokerage party, simply exhibit the virtues of pragmatism, the political utility of sticking to the centre? However alluring this may be as a simple, no-fuss explanation, there are problems. The Progressive Conservative governments of Brian Mulroney, from 1984 to 1993, were constructed along similar lines. Indeed, Mulroney

started from a much more secure base in 1984, with majorities in every region and every province of the country. Mulroney too was notoriously pragmatic, much to the despair of ideologues to his right, as he failed to live up to the exacting standards of Reaganism and Thatcherism in slashing social program entitlements. Yet within nine years, his coalition had splintered spectacularly asunder, with its two main wings — western conservatives and Quebec nationalists — both breaking off to form new, more ideological parties. The equally pragmatic Chrétien Liberals have not only avoided the fate of a brokerage that failed, but today it is the opposition that is splintering and floundering.

One explanation for the greater success of the Liberals is structural. Mulroney's alliance with the so-called "soft" nationalists of Quebec proved to be inherently unstable and ultimately self-destructive. The Liberals have never made deals with nationalists, which has left their Quebec base smaller but more stable, while allowing them to maintain their English-Canadian coalition unencumbered by the need to appease Quebec nationalist demands. Meech Lake was the populist anvil upon which the Mulroney Tories were hammered. When Alliance leader Stockwell Day began overtures to Quebec nationalists in 2000, Prime Minister Chrétien could barely contain his enthusiasm: "go right ahead," he advised, "go again down the path of Meech and Charlottetown — but you won't find the government following you."

The Liberals have also been sensitive to the point that the centre is itself a constantly moving target, that anyone who wants to stay in the "middle" must be prepared for persistent readjustments and policy shifts to keep up with and even to keep just slightly in front of public opinion. This also means that a Liberal government has no scruples about shifting rightward when the centre of political gravity has itself been shifting rightward. Thus the paradox, infuriating as it must be to Mulroney and his former ministers in retirement, that policy initiatives taken in his government were later capitalized upon by the Liberals, despite having generally opposed the same initiatives while in opposition.

In the matter of deficit elimination, the Tories had talked the talk of neo-liberal retrenchment, but shrank from the necessary means to actually achieve results in the face of widespread public backlash — including the Liberals, who painted the Tories as heartless reactionaries, and pledged to defend social programs. In office, the same Liberals took the bold step of eliminating block transfers to the provinces on health, postsecondary education, and welfare, and replacing them by the Canada Health and Social Transfer (CHST), which lopped more than $6 billion off Ottawa's bill from 1996 to 1998. At the same time, Employment Insurance (EI) was overhauled, with reductions in benefits and increases in contributions from workers. There were deep cuts to the public service, with more than 50,000 jobs eventually eliminated. Of course, drastic effects on social programs were widely felt, especially in the health-

care sector, although there is evidence that the provinces had actually made most of the cuts in health care prior to the bite of the CHST.[3] The EI cuts led to retribution against the Liberals by angry Atlantic voters in the 1997 election, although their majority was preserved nationally. But the success of the government in achieving deficit elimination, coupled with clear signs of a general economic recovery by the late 1990s, seemed to have taken the sharp edge off opposition. Except for the transitory regional protest in the Maritimes in 1997, the NDP, which might otherwise have been the natural beneficiary of class-based protest against the contraction of social programs, was barely able to keep its head slightly above water, and indeed has posed such a small political threat to the Chrétien government as to have been almost entirely ignored since 1993.

Two Mulroney initiatives that generated massive popular opposition were the Canada-US Free Trade Agreement (FTA) and the imposition of the Goods and Services Tax (GST). So ferocious was the opposition to these measures that Parliament had to be either bypassed, in the case of the FTA, or restructured, in the case of the GST. When the Liberal-dominated Senate forced the Tories to put the prospective FTA on the agenda for the 1988 election, the three-party, first-past-the-post electoral system resulted in another Tory majority government. But as a quasi-referendum on free trade, 1988 showed that a majority of voters supported the two anti-free-trade parties, everywhere except Quebec and Alberta. Instrumental in galvanizing this anti-free-trade sentiment had been the passionate opposition articulated by Liberal leader John Turner. In 1993, the Liberals promised in their *Red Book* of election pledges to "renegotiate" both the FTA and its proposed extension into the North American Free Trade Agreement (NAFTA), to obtain four major concessions. The *Red Book* went on to state that "abrogating trade agreements should only be a last resort if satisfactory changes cannot be negotiated."[4] Notwithstanding a failure to achieve most of the concessions demanded, one of the first acts of the new Liberal government was to endorse NAFTA. Indeed, wholehearted assent to economic globalization has been a hallmark of the Chrétien-Martin governments, symbolized for publicity purposes in the various "Team Canada" trade missions abroad, and culminating in the enthusiastic leadership shown by the Liberals in encouraging the expansion of NAFTA into the proposed FTAA at the controversial Quebec City meeting in the spring of 2001. The industry minister, Brian Tobin, in a moment of unusual candor, told a conference held to commemorate the original FTA negotiation, that Brian Mulroney had been right in 1988 and the Liberals wrong. Although Mulroney gracefully accepted the apology, it must have been cold comfort.

In order to force the GST through a Liberal Senate which had suddenly awakened to widespread public anger about the new tax, the Mulroney Tories had to resort to the desperate measure of "packing" the upper house with ad-

ditional new senators pledged to vote for the GST. Given the bad image of the unelected Senate in the populist public eye, and concerns over wasteful expenditures and political patronage, this procedure was, depending upon one's point of view, either courageous or foolhardy. It was a contribution to the rapidly deteriorating position of the Progressive Conservative party, which ended in its huge debacle of the 1993 election.

The Liberals, sensing partisan blood, pledged themselves in their 1993 platform to "replace" the GST with a system that "generates equivalent revenues, is fairer to consumers and to small businesses, minimizes disruption to small business, and promotes federal-provincial fiscal cooperation and harmonization."[5] In office, desultory efforts to fiddle with the optics of the unpopular tax were soon abandoned after three Atlantic provinces consented to its "harmonization" with provincial sales taxes. The GST is now as established a part of the federal revenue system as free trade is the centrepiece of commercial policy. Yet apart from the bizarre incident of one minister, Sheila Copps, who had incautiously pledged to resign her seat if the GST were not killed, having to be re-elected in an unnecessary by-election, the political fallout from this Liberal turnabout appears to have been limited.

On the constitutional front, the Mulroney government twice pushed forward boldly, with the Meech Lake and Charlottetown initiatives, only to be rebuffed by provincial and popular antagonism. These turned out to be high-stakes gambles — Meech was later described by Mulroney as "rolling the dice" — and failure cost the Conservatives dearly. The Liberals were somewhat ambivalent at the time: former Prime Minister Pierre Trudeau was the chief antagonist of both initiatives; Chrétien personally failed to endorse Meech, although the Liberals officially backed Charlottetown. Yet in the face of their near-defeat by the sovereignists in the Quebec referendum of 1995, the Chrétien government did embrace constitutional change to recognize Quebec's status within federalism as a "distinct society" (the most controversial aspect of Meech in English Canada), and a Quebec constitutional veto, first via a non-binding parliamentary resolution in November 1995, and then with Intergovernmental Affairs Minister Stéphane Dion's commitment to securing constitutional recognition of Quebec's distinctiveness. While this was never given any priority by a government unwilling to rouse the hornets' nest of constitutional revision, it is also the case that at the philosophical level at least, the Chrétien Liberals have executed a *volte-face* from Trudeau-era doctrine in the direction of at least tepid endorsement of Mulroney's constitutional initiatives for which the Tories paid such a stiff price. The Liberals, as usual, managed to emerge relatively unscathed.

Why did the Conservatives pay such a heavy price for implementing policies that their Liberal successors have conserved and even extended while collecting political credit? There are a number of possible answers to this. One is simply a question of timing, always an important political variable.

Experience of free trade has made Canadians less fearful of its effects than they were at its uncertain outset in 1988, and more aware of its tangible benefits. Despite the sometimes violent demonstrations by anti-globalization activists at Quebec City in 2001, the Chrétien government is quite confident that it has majority support from Canadians for extending free trade to the proposed FTAA, and public opinion data would seem to bear this out.[6] Canadians have hardly learned to love the GST, but they have learned to live with it, and have forgiven, or perhaps forgotten, the Liberals' two-faced response to it, in and out of office. The Liberals' deficit-cutting measures were launched at a time when both elite and public opinion were finally ready for them, which had not been the case when the Tories came into office in the mid-1980s.

It is also a question of style of leadership. The Mulroney Conservatives were vocal and aggressive in pushing their policies at the rhetorical level, even if they were sometimes hesitant and vacillating in execution. Canadians responded resentfully and anxiously to the constant barrage of change being thrust upon them, and especially to the "in-your-face" style of Mulroney. The Chrétien Liberals have been more low-key and managerial in style, eschewing ideologically tinged rhetoric while concentrating on quiet implementation. The Conservatives pushed a deficit-elimination agenda with belligerent neo-liberal rhetoric that belied an ineffective record of performance. Paul Martin, on the other hand, has kept the rhetorical heat rather low, while systematically achieving results. His success thus appears as a triumph of sound managerial pragmatism, rather than as a vindication of an abstract economic ideology that tends to create as many enemies as friends when spelled out.

LIBERALISM'S AMBIGUOUS "CENTRE-LEFT" CREDENTIALS

One characterization of the Liberal government's propensity to steal its Conservative predecessors' policies and make them its own, is to stress an alleged discontinuity in Liberal philosophy after its return to office in 1993. By this account, the Liberals in opposition to Mulroney were in continuity with a moderately left-centrist position that has allegedly epitomized the Liberals in the modern era. The Chrétien Liberals are described as wolves in sheeps' clothing, as a species of "Blue Grits" to match the so-called "Red Tories" of the right. Despite tinges of old left-liberal rhetoric still clinging around the margins of the government, the prime minister, and especially the finance minister, have completed the restructuring of Canadian public policy along outright neo-liberal lines. This is the claim of the NDP leadership, as well as of the various factions within and around the party that seek a renewal of social democracy along more radical lines. It is rejected by the faction in the NDP (represented most clearly by former Saskatchewan Premier Roy Romanow) that is not opposed in principle to some accommodation with the Liberals. It

is an argument that is rarely heard openly on the right, either from the Canadian Alliance or the Progressive Conservatives, but its validity is sometimes tacitly, if unhappily, admitted each time another piece of conservative clothing is brazenly stolen away and tried on for size on the government benches. Right-wing ideologues in and around the Alliance, and in the editorial offices of the *National Post,* used to insist that the Grits were still the same old tax-and-spend socialists, but even they seem reconciled to admitting that their nemesis is "centrist."[7] The Liberals themselves try to obfuscate and elude ideological characterization altogether by describing themselves in banal terms, such as the "radical middle," the "middle way," "balance," etc.

Partisan colouring aside, how good is the evidence for sharp ideological discontinuity post-1993? Upon closer examination, the argument is based upon a number of dubious assumptions about history, about context, and finally, about the actual record of the Chrétien Liberals.

The idea that the Liberals have traditionally followed a centre-left course rests on a certain selective reading of history. Liberal behaviour at certain specific conjunctures is cited. Mackenzie King carefully picked off Progressives in the 1920s, and more dramatically, kicked off the era of the postwar Keynesian welfare state when the old CCF posed a serious electoral threat on the left in the latter years of World War Two. In the mid-1960s, the embattled minority governments of Lester Pearson countered the newly formed NDP with the second wave of welfare state programs, including medicare and the Canada Pension Plan.[8] Pierre Trudeau solved a minority government problem from 1972 to 1974 by governing in tacit coalition with the NDP, and moved in the direction of a more interventionary stance on the economy in his last government, from 1980 to 1984, with the National Energy Program and foreign investment review. As late as 1988, a former Bay Street lawyer, John Turner, led the Liberals into a passionate anti-free-trade campaign fiercely opposed by big business; Turner did not win office, but he did pre-empt the NDP from gaining second place, which had seemed possible at the outset of the campaign. These examples can be set against that of Paul Martin bringing down his tough deficit-fighting budgets while herding the Reform caucus in front of him as human shields, or Martin making huge pre-election tax cuts in his 2000 mini-budget to cut the Alliance's electoral appeal off at the knees.

Selective snapshots can, however, be misleading. It is true that at particular conjunctures in the past, circumstances encouraged the Liberals to move leftward and they were able and willing to take advantages of these opportunities. But it is hardly the case over the longer haul that Liberal governments consistently governed from the left-centre. Mackenzie King's government after 1935 was deeply conservative in the face of the Great Depression, in sharp contrast to the more creative and improvisational New Deal administration in the US. The Liberal governments of Louis St. Laurent, from 1949 to 1957, were managerial, businesslike, and fiscally conservative — by present-day

standards, almost stingy in protecting the public purse against claimants, however deserving. In 1957, for instance, the Tories inveighed successfully against "six-buck Harris," a reference to the small increase cautiously permitted old age pensioners by the finance minister, Walter Harris. For most of the past seven decades, it is the Liberals who have been the pre-eminent party of business, measured by which party receives the lion's share of corporate donations to campaign funds. The period from the late 1970s through the 1980s when the Conservatives assumed that role, appears in retrospect as anomalous. The Chrétien-Martin Liberals of the early twenty-first century are in direct continuity with the St-Laurent-C.D. Howe Liberals of a half century ago.

THE SHIFTING INTERNATIONAL CONTEXT

If present-day Liberalism seems weighted toward the more conservative side of Liberal history, it is important to look at the context. A successful centrist party is like a chameleon, taking its colour from its surroundings. If the Reform/ Alliance have been the CCF/NDP of the post-1993 parliaments, this is a reflection of a shift in the political culture. The dynamic on the margins has shifted rightward, and it is here that many of the new movements and ideas in the 1990s were to be found. The Liberals, always in the past alert to co-opt signs of movement on the left, alertly applied the same strategy after 1993 to the emerging forces to their right. This shift was facilitated by a history of policy failure in experiments in interventionism: the National Energy Program of the early 1980s, for instance, was a disaster, not just for the vituperative reaction it raised and still raises in the west, but in terms of achieving its own announced objectives. Greater public scepticism about the capacity of governments to achieve results through big, bureaucratic, expenditure programs, an attitude assiduously fed by the business media, was also generated by the perception of a long series of statist projects gone awry, or missing their targets. It is particularly among elites that disillusion with governments has proceeded furthest,[9] and it is also the elites that are most sensitive to the effects of government policies on business confidence and international finance. It is not surprising that the Liberals in office have been chary of involvement with big-ticket, *dirigiste* programs, although this hardly distinguishes them from other parties at the federal or provincial levels (including provincial NDP governments).

On the other hand, selective, targeted government support for the private sector to enhance global competitiveness has not been abandoned as a viable policy option. From the 1993 *Red Book* through to the Speech from the Throne in 2001, the Liberals have emphasized a strong federal role in enhancing the "innovative economy" through education and skills training, tax inducements to encourage research and development, and provision of infrastructural support

for the "innovative" sector.[10] This is the new Liberal model of how government should operate in relation to the "new" economy, which has gone hand in hand with further privatization and deregulation (extending and deepening a trend begun under the Mulroney Tories).

There has also been an important international context for this shift. The Trudeau Liberals in their final, interventionary phase in the early 1980s, were actually moving diametrically away from the policy directions of Canada's closest neighbours and allies, the US and the UK, which by 1981 were both under the neo-liberal regimes of Reagan and Thatcher. The Chrétien governments coincided from 1993 to 2000 with the Democratic administrations of Bill Clinton, and by 1997 with the "New" Labour government of Tony Blair in Britain. This time there was considerable Liberal policy congruence with ruling parties with whom the Liberals feel very comfortable. In the American and British cases, centre-left parties had succeeded to office after forceful, innovative right-wing "revolutions" had transformed the policy landscapes. They accepted the changes, by and large, making no particular effort to reverse or even amend most of their predecessors' innovations. Various formulations, such as the Third Way[11] have been put about to explain (or rationalize) why there was to be no going back on the core elements of neo-liberal governance in the era of globalization. Left-wing critics excoriate this "betrayal," while others justify it as sensible realism, but the 1990s do seem to have marked a turning point, the consolidation of neo-liberalism under social-democratic or liberal, rather than conservative, auspices. There are historical precedents. Liberal or social-democratic Keynesianism triumphed in the immediate postwar era, after the traumas of worldwide depression and world war, but was presided over by Republican and Conservative governments in the US and UK by the early 1950s. Neither Eisenhower nor Churchill/Eden/Macmillan saw fit to reverse many of the changes brought about by their somewhat more leftish predecessors, forming a consensus that would eventually give way only to concerted and radical neo-liberal onslaughts in the late 1970s and 1980s. In the shift toward the "new economy" and globalization at the end of the millennium, political parties are similarly adapting, and in the process shifting the centre of political gravity. The Chrétien Liberals are fully in step with these wider trends. But this is not the end of the story.

WINNING THE CULTURAL WAR

The "wolf in sheep's clothing" characterization of the shift of the centre-left misleads if taken too literally. To take the US example: if the Clinton Democrats accepted much of the legacy of the Reagan revolution in relation to fiscal and monetary policy, they rejected the other, socially conservative, side of the Reagan revolution. The religious right, with its intolerant attitudes toward

multiculturalism and feminism, its anti-abortion and anti-homosexual zealotry, and its persistent dabbling on the fringes of racism, had pitted itself in a "cultural war" against an America of multi-ethnic diversity and cultural pluralism. The Republican party had brazenly and successfully played the "race card" in national politics from the Nixon era in the 1960s through to the use of the infamous Willie Horton ad in the 1988 campaign of George Bush, Sr. In general, it could be said that throughout the Reagan-Bush era, the Republican Party was divided between free-market and "moral majority" wings, which managed to coexist for the most part, but which were mutually contradictory on a number of issues. The Clinton Democrats accepted much of the neo-liberal economic agenda, but strongly rejected the moral majority agenda on the cultural and social front. In opposition, it was the moral majoritarians who first gained ascendancy in the Republican Party under the congressional leadership of Newt Gingrich. But ultimately, they overplayed their hand disastrously in the attempted impeachment of Clinton in the Lewinsky affair. That was the biggest battle of the cultural wars, and the right was routed. The "real" America had decisively moved on and away from the conservative model of the religious right. It is fascinating to note that in the 2000 Republican campaign for the White House, social conservatism was largely downplayed, if not in some cases, abandoned altogether. Diversity and multiculturalism had become keywords in the new symbolic discourse of Republicanism, and the newly elected president was quick to make racial and cultural diversity one of the leading standards for his political appointments. American experience thus indicates that ideological shape shifting is by no means a one-way process.

In the Canadian case, the Chrétien Liberals may have assiduously stolen the policies of the right on deficits and tax cuts, but on cultural and social issues, they have differentiated themselves from their right-wing rivals at every opportunity. The Mulroney Conservatives could not be described as strongly motivated by social conservative causes, even if their caucus possessed a "family values" group. This relative indifference to the moral crusades of the religious right was itself one of the causes of the breakdown of the Tory party in the west and the rise of the Reform Party. Opponents of multiculturalism, large-scale immigration, abortion, and homosexuality, wanted a vehicle to express their views and concluded that they needed to go outside the traditional Conservative Party structure to do so. Since 1993, the Canadian right has been split between two parties that espouse neo-liberal economics but are divided over social conservatism. The Tories under Joe Clark eschew all identification with the religious right, and on social issues may well deserve the old appellation of "Red Tories." The Reform Party under Preston Manning was wary of giving too much ground to its social conservatives, but when the Canadian Alliance opened up its leadership in a primary-style election, religious conservatives and "right-to-lifers" flocked to put one of their own, Stockwell Day, in charge of the new party.

In the 2000 election, the Alliance Party and Day were ambushed by the Liberals on the social conservative issues, the acceptability of which within the Alliance was not matched among voters outside the party. When the Liberals stressed a campaign of "values" — especially diversity, tolerance, and multiculturalism — they knew they had a winner. They also had a distinctive record to submit to public scrutiny. From the beginning, the Chrétien Liberals have embraced identification with social liberalism, especially when it does not carry a huge price tag. For instance, one of the important acts of their first term was to pass the national gun registration legislation, which was defended explicitly in the feminist context arising out of the massacre of 14 women at the Montreal École Polytéchnique. Extension of gay rights was another achievement (even if falling short of explicitly altering the definition of marriage).[12] And the very idea of a referendum to re-criminalize abortion was used as a club with which to bludgeon Stockwell Day during the election. Moreover, the Liberals have selected for government support certain target groups, as with the $2 billion promised the cultural industries by Sheila Copps in 2001, some of whom constitute veritable red flags to the social conservatives. The Axworthy foreign policy was another component of the "liberal" Liberal record, projecting onto the international stage ideas of human security that resonate very strongly with many Canadians, and mobilizing public support for such causes as peacekeeping missions and the landmines treaty that speak to liberal social values.[13]

This kind of political differentiation, if not pushed too far in front of public opinion, as the prudent Liberals are careful to avoid, is a win-win situation for the Chrétien government. It serves to indicate to women, to minorities, and to liberal urban voters generally, that the government is defending tolerance and diversity against enemies on the opposition benches. At the same time, with their fiscal record, they can defend their right flank with fiscal conservatives who are themselves dubious about evangelical social conservatism. Finally, another welcome by-product is that by being seen to block the religious right, the Liberals also pre-empt some of the space on the left otherwise available to the NDP. So effective have the Liberals been with their "values" agenda that in the aftermath of the 2000 election, Stockwell Day's leadership of the Canadian Alliance is being severely challenged by dissident forces within the caucus and the party who, among other things, see Day's social conservatism as an albatross around the Alliance's neck. It is also clear that any prospective merger between the Alliance and the Conservative Party will only happen if the social conservative agenda is cast aside, or at least buried very deeply.

CONCLUSION

If the Liberals have moved to the right on economic policy as the centre of gravity in the country shifted rightward, it is also the case that the Liberals

have shifted "leftward" (if that is a correct term) on social and cultural issues
as the country has shifted in the same direction. Unlike their Conservative
predecessors, the Liberals have proven to be extremely adept in their tradi-
tional role as chameleons of the political centre. It is a mark of Liberal
absorptive capacity and adaptability that, in the first year of their third major-
ity mandate, political criticism of the government has tended to shift toward a
critique of a nascent "one-party state," and lamentations over the lack of any
credible or effective opposition. There are indeed very real questions to be
addressed to the Liberal hegemony and its implications for Canadian democ-
racy, but until any one group in opposition can find the means to construct as
faithful a replica of mainstream public opinion as can be glimpsed in the Lib-
eral Party, the questions will remain unanswered.

POSTSCRIPT: AFTER SEPTEMBER 11

The terrorist attacks on the World Trade Center and the Pentagon on Septem-
ber 11, 2001 radically altered the policy agendas of all western countries,
including Canada. National security has once more become the highest prior-
ity, as in two world wars and the early stages of the Cold War. Canada
immediately joined in the coalition formed to prosecute a new war on terror-
ism, and dispatched 2,000 servicemen and women to the Afghan theatre of
operations. A sweeping package of anti-terrorism legislation was rushed be-
fore Parliament, including provisions for preventive arrest and investigative
hearings that greatly extend the powers of the state at the expense of indi-
vidual rights. Calls for a "security perimeter" around North America that would
establish harmonized immigration security rules and enforcement between
Canada and the United States became irresistible, despite the clear challenge
this poses to Canadian sovereignty.
    In this crisis atmosphere, in which one dominant policy paradigm was be-
ing suddenly superceded by another, the federal Liberals have once again
demonstrated the requisite degree of agility and flexibility to maintain their
hegemonic position in national politics. The prime minister's cautious but firm
approach, eschewing rhetoric but laying the groundwork for substantive ac-
tion, was initially denounced by the opposition and condemned by media
pundits — until polls came in showing strong public approval. The Liberals
have once again struck a balance between the conservative opposition, inside
and outside Parliament, who attributed softness and lack of resolve to the
government, and on the other side, a minority — among them the NDP — that
opposed military responses to terrorism in favour of the United Nations and
international courts.
    An inner, or war Cabinet, under the direction of Foreign Affairs Minister
John Manley has taken charge of instituting the new national security priority.

Here, the Liberals can draw on long traditions of governance in times of national security crisis: World War Two, much of the Cold War, and the October 1970 Crisis, were all managed by Liberal governments that balanced national security with civil liberties. While that balance has sometimes been a matter of controversy in the past, the Liberals have been adept at negotiating this always difficult passage, and it would seem that once again the Canadian public is willing to entrust their confidence in a party that avoids extremes in either direction. For instance, the pressures from the Americans for perimeter security have been cautiously met in Ottawa, despite demands from the right for instant and unconditional acceptance, and cries from the nationalist left that any cooperation would constitute a sellout of sovereignty. The Liberals know that elements of perimeter security are unavoidable, but will seek to negotiate *quid pro quos* with the US that will retain some safeguards for Canada.

Even in times of great crisis, perhaps especially in such times, the Liberal chameleon demonstrates an adaptability and staying power that is the despair of its opposition, left and right.

NOTES

1. This was a phrase I coined a quarter of a century ago to describe the Liberal Party in the Mackenzie King-Louis St. Laurent era (R. Whitaker, *The Government Party: Organizing and Financing the Liberal Party of Canada, 1930-1958* (Toronto: University of Toronto Press, 1977). I used the term then mainly to describe the organizational relationship between party and state, but I also pointed to an apparent ideological tendency of Liberal governments to depoliticize politics, to strive for an ideal of an apolitical public life. This observation certainly resonates with the current Liberal government.

2. In a COMPAS poll, 19 June 2001, Martin, with 31 percent, led all other contenders for the Liberal leadership, including Prime Minister Chrétien, who came in second with only 17 percent.

3. See Katherine Fierlbeck, "Cost Containment in Health Care: The Federalism Context," in *The Canadian Social Union: Canadian National Health Goals and Objectives*, ed. Duane Adams (Kingston: Institute of Intergovernmental Relations, 2001), pp. 131-78. Fierlbeck does indicate that the CHST cuts had a "chilling effect" on federal-provincial relations and seriously disrupted planning for the medium- and long-term future of health care.

4. The Liberal Party of Canada, *Creating Opportunity: The Liberal Plan for Canada* (Ottawa, 1993), p. 24.

5. Ibid., p. 22.

6. COMPAS, 10 April 2001, found that supporters of the proposed FTAA at the Quebec City meeting led opponents by 2 to 1 (54 percent to 22 percent, with one-quarter of the sample undecided). Matthew Mendelsohn and Robert Wolfe, "Probing the Aftermyth of Seattle: Canadian Public Opinion on International

Trade, 1980-2000," Working Paper No. 12 (Kingston: Queen's University, School of Policy Studies, 2000) make a much more subtle case that Canadians accept that trade liberalization provides economic benefits, but are more doubtful and hesitant about the potential social, cultural and democratic impacts of expanded free trade arrangements. They conclude that governments can capture public support if they can provide a credible narrative to explain trade liberalization in non-threatening terms. This is what the Chrétien government has been trying to accomplish.

7.   For example, in a recent editorial lamenting Liberal dominance, the *National Post* editor-in-chief argues that "A one-party state, even when that one party is as electorally successful and *as resolutely centrist* as the Liberals, cannot adequately represent all Canadians." Kenneth Whyte, "One-party rule isn't an option," *National Post*, 25 June 2001 [emphasis added].

8.   Penny Bryden, *Planners and Politicians: Liberal Politics and Social Policy, 1957-1958* (Montreal: McGill-Queen's University Press, 1997) downplays the electoral threat of the CCF as instigating Liberal action in implementing medicare and the Canada Pension Plan.

9.   Frank Graves, "Rethinking Government as if People Mattered: From 'Reaganomics' to 'Humanomics,' " in *How Ottawa Spends, 1999-2000: Shape Shifting: Canadian Governance Toward the 21st Century*, ed. Leslie A. Pal (Toronto: Oxford University Press, 1999), pp. 48-50.

10. *Creating Opportunity*, pp. 42-61; Liberal Party of Canada, *A record of Achievement: A Report on the Liberal Government's 36 Months in Office* (Ottawa, 1996), pp. 36-55; Liberal Party of Canada, *Opportunity for All: The Liberal Plan for the Future of Canada* (Ottawa, 2000), pp. 7-13; Speech from the Throne to open the 1st Session of the 37th Parliament (Ottawa, 30 January 2001). Leslie Pal suggests that "innovation and research were among the key themes" of the Speech. Leslie A. Pal, "How Ottawa Spends 2001-2: Power in Transition," in *How Ottawa Spends, 2001-2002: Power in Transition*, ed. Leslie A. Pal (Toronto: Oxford University Press, 2001), p. 14.

11. Anthony Giddens, *The Third Way: The Renewal of Social Democracy* (Cambridge: Polity Press, 1998).

12. Miriam Smith, "The Liberal Government and Rights Claims: The Lesbian and Gay Case," in *How Ottawa Spends, 1998-99: Balancing Act: the Post-Deficit Mandate*, ed. Leslie A. Pal (Toronto: Oxford University Press, 1998), pp. 293-314. In 2001, a Leger Marketing poll indicated that 75.7 percent of Canadians agreed that homosexuals deserve the same rights as heterosexuals, and 53 percent agreed that they should have the right to adopt children. An executive of the polling firm declared that "if we had done the poll 15 years ago — my God, how different the results would have been!" Alexander Panetta, "Poll reveals doubt [*sic*] on gay adoption," *The Globe and Mail*, 16 July 2001.

13. Fen Osler Hampson, Norman Hillmer, Maureen Appel Molot (eds.), *Canada Among Nations 2001: The Axworthy Legacy* (Toronto: Oxford University Press, 2001).

Four Dimensions of Political Culture in Canada Outside Quebec: The Changing Nature of Brokerage and the Definition of the Canadian Nation

Matthew Mendelsohn

Dans ce chapitre, l'auteur analyse le conflit de valeurs au Canada en dehors du Québec et distingue quatre dimensions à ce conflit, soit les politiques économiques, les valeurs sociales, la définition de la démocratie et la définition de la nation. Cette dernière dimension est particulièrement complexe et peut se manifester de différentes manières, que ce soit au niveau du soutien envers «l'esprit d'accommodement», surtout en ce qui a trait au Québec, en attitudes envers les minorités ou les Autochtones ou encore en termes de vision du rôle du gouvernement fédéral. Selon l'analyse des données, les débats quant aux définitions de la nation canadienne et de la démocratie auraient été nettement décisifs lors des derniers choix électoraux. Qui plus est, toutes les disputes quant à la définition de la nation canadienne se rejoignent en un désaccord commun en ce qui a trait à la force du gouvernement fédéral et des élites fédérales, que ce soit pour les tenants du nationalisme québécois, du sentiment régional, du populisme ou encore de l'intégration nord-américaine. Depuis 1968, les libéraux ont manœuvré afin de monopoliser un côté de ce débat, mais actuellement, aucun parti n'occupe l'autre côté et ne semble parler pour tous les opposants. Le point de rupture du conflit politique au Canada se situe entre les centralisateurs pan-canadiens et les décentralisateurs, formés des nationalistes québécois, des populistes de l'Ouest et des supporteurs d'une plus grande intégration nord-américaine. La grande difficulté pour l'Alliance canadienne est qu'en dehors du Québec, ceux qui soutiennent le plus l'intégration nord-américaine et la décentralisation en faveur des gouvernements provinciaux sont également ceux qui supportent le moins le nationalisme québécois. Ceux qui instinctivement supportent les mesures pour aider le Québec sont aussi ceux qui supportent instinctivement un gouvernement fédéral plus fort. L'auteur avance que la nature du compromis s'est transformée de multiples façons et explique comment cela prend place à l'intérieur des partis libéral et de l'Alliance canadienne, et soutient qu'aucun d'eux ne représente le parti du compromis et de l'intégration.

It is generally believed that an important element of Canadian political culture historically has been support for compromise. Canada's most pressing existential challenge has been the management of centrifugal forces, and a variety of processes and institutions, such as "brokerage" parties, elite accommodation, and executive federalism, are all infused with the belief that one must integrate diverse communities in the governing process and ensure that no group is permanently excluded from political power. While these integrative elite processes have been important for managing conflict and governing, whether mass opinion supports integrative processes remains unclear and unmeasured. In fact, the frequent rationale for elite-driven integrative processes is that mass opinion would not appreciate the need for the subtle compromises necessary for keeping the country together. It has therefore been assumed that Canadian political culture is characterized by elite processes designed to manage centrifugal forces, and by mass opinion that refuses to demonstrate a spirit of accommodation. This paper challenges both of these assumptions, arguing that elite processes have not promoted accommodation in a traditional sense, and speculating that mass opinion may be more accommodating than often presumed.

In section one, I map out the patterns of value conflict that characterize political culture in Canada outside Quebec. I will be interested in four dimensions of conflict: economic policy, social values, elitism, and conflicts over the definition of the nation. This latter may manifest itself in a variety of ways, such as support or opposition for "the spirit of accommodation," particularly in regards to French Canada (and, more recently, Quebec) or in terms of the role of the federal government in thwarting regionalism or North American integration.

In the second section, I discuss how the nature of "brokerage," "accommodation," and "the definition of the nation" are being transformed. At first blush, the rise of the Reform Party in 1993 seemed to imply that an ideological type party had emerged from the right to contest the brokerage of the Liberals and Conservatives and the integrative forces at work in the political culture. Upon closer examination, we will see that it is also the putative brokerage party — the Liberals — that had rejected the notion of the accommodation of groups in favour of an alternative conception of brokerage. This has gone relatively unnoticed because many confuse the notion of a "centrist" and "catch-all" party (which the Liberals certainly are on many issues) with the notion of a "brokerage party." Since 1968, the Liberals have not sought to accommodate those with differing views of the Canadian nation, the element within the political culture most in need of careful management by a brokerage party. The Liberals and Alliance both make appeals based on a pan-Canadian civic nationalism that integrates citizens as individual rights-bearers, rather than as members of subnational communities, but they differ on some issues related to the definition of the Canadian nation. The Liberals accept a more diverse cultural tradition, while the Alliance appeals to a more unified, common

Canadian tradition.[1] But the Liberals' understanding of brokerage has changed since 1968. As the party of the centre, it rejects provincial claims and is prepared to offer accommodation to only those groups that share its definition of the nation and look to the federal government as champion, namely, linguistic minorities and ethno-cultural communities. The Alliance, on the other hand, has been seeking to transform itself into a brokerage party, but one that offers accommodation only so long as citizens reject group and collectivist claims and accept a common, undifferentiated Canadian tradition, though for its part it is prepared to represent diverse regional and provincial communities and the periphery. Both parties' appeals leave out significant sections of the Canadian population.

In the third section, I test whether I am right that these four dimensions exist in Canada outside Quebec and how they relate to vote choice in 1997 and 2000. The evidence presented will suggest that conflicts over definitions of the Canadian nation and democracy, particularly the former, are the enduring features of the political culture that distinguish Reform/Alliance supporters from Liberal voters, and, to a lesser extent, Tories and New Democrats. Debates about Quebec, the role of the federal government, and the power of the Canadian political establishment have been crucial factors affecting party performance. The Alliance has failed to make significant breakthroughs east of Manitoba or in multicultural urban Canada in part because of socially conservative positions, but also because of their treatment of questions related to the definition of the Canadian nation. It is not that their positions on Quebec are far from those of the average voter in English-speaking Canada — they are not — but that these positions prevent the coalition-building with forces in Quebec necessary to win national elections in Canada. These positions in regards to Quebec also prevent national success because they inhibit the ability to build alliances with key groups in Ontario and Atlantic Canada. This is because a sufficiently large number of Canadians support brokerage and accommodation under most circumstances to prevent an ideological type party from having national success, even if this party's positions with regard to Quebec or immigration are not far from those of the average voter.

I advance a number of cascading arguments. First, it has often been demonstrated that one of the hallmarks of Canadian political culture has been its centrism, moderation, and lack of ideology.[2] This is true, as far it goes, on issues of economic policy. But Canada has been characterized by deeply ideological, divisive disagreements over the role of the federal government, the recognition of the periphery, and the place of French Canada.

Second, the emergence of the Reform Party along with the decline of the Conservatives in 1993 has highlighted important realities of Canadian political culture. The diverse nature of Canada's political culture created the need for brokerage parties that transcend regional or ethnic interests. The emergence of Reform has been a damaging decade-long distraction because the party could not integrate diverse groups, and the lack of a real brokerage

alternative to the Liberals allowed the latter to indulge in some of its worst instincts and abandon accommodation with relative impunity. There are only two possible winning coalitions in Canada, and Reform/Alliance represents neither. The Liberals continue to articulate a vision of brokerage governed by diversity, individualism and the recognition of groups that look to the federal government — linguistic minorities and ethnocultural communities — for protection. The other winning coalition is less coherent but is also broadly acceptable to Canadians: it makes similar appeals as the Liberals but contends that the federal government and federal elites have become too powerful. Since 1968, the Liberals and Tories were both brokerage parties, differing on the definition of the Canadian nation, with the Liberals' coalition a fairly coherent collection of those who looked to the federal government as their champion and the Conservatives a somewhat less coherent coalition of those who looked to their provincial governments. These are the two potential winning coalitions in Canada, and Reform rose to prominence by attacking the compromises, coalition-building, and deal-making of both variants of brokerage. The party's position is not sustainable because it owes its initial success to the rejection of the very brokerage that one must embrace in order to win national elections and govern. There are intense moments of political conflict when parties that make majoritarian appeals can have some success in the periphery, as witnessed in the 1990s, but such parties are not sustainable because they do not appeal to the spirit of moderation that is usually present throughout the country. Moreover, appeals to one unified Canadian cultural tradition are doomed to fail because they push away too large a constituency of Canadians, and make inroads into Quebec impossible.

Third, although the battle within the Alliance during the summer of 2001 was in part over the leadership of Stockwell Day, it was more substantively a debate about accommodation. It is not clear that those MPs who left the Alliance caucus and later branded themselves the Democratic Representative Caucus, were any more centrist on questions of economic or social policy than those who remained. However, they were prepared to accept watered down versions of these policies in a partnership with the Conservatives if it meant that they were more likely to form a government. It was a disagreement over what *type* of party it should be — ideological or brokerage? Those prepared to moderate their platform for the purposes of building a partnership with the Conservatives had come to believe that in order to have a chance of electoral success, they had to embrace the *sine qua non* of Canadian political culture: compromise and brokerage. The great challenge for the Canadian right is that the Liberals have a monopoly on the brokerage of pluralism. The Conservatives of Stanfield, Clark, and Mulroney made appeals to those who rejected the dominance of the federal government and federal elites, but the coalition was revealed as incoherent when it came to power because it had offered specific accommodations for Quebec nationalism. The alternative for

any second brokerage party must be to articulate a vision that appeals to both devolutionists and nationalists, one that offers collective protections to Quebec without using the language of differential treatment. One of the two forms of brokerage must be embraced in order for a party to win national government.

DIMENSIONS OF POLITICAL CULTURE IN CANADA

POTENTIAL DIMENSIONS

Students of elections have identified a large number of underlying ideological dimensions to electoral politics. The two most consistently cited are economic policy and cultural values. Within the realm of economic policy, one can think of state intervention in the economy, the distribution of the tax burden, and support for social programs. Within the realm of cultural values, one can think of issues such as abortion, treatment of crime, moral traditionalism, and the place of ethnic minorities.[3] The economic dimension is easily interpreted through a traditional left-right conceptualization, while cultural politics can be characterized as a communitarian conflict between "left-libertarian" secular and "right-authoritarian" traditional values.[4] The comparative literature has been quite explicit that these two dimensions structure European political conflict, with Kitschelt contending that he, "[does] not see *any other dimensions*" (italics in original).[5] Canadian observers would certainly see echoes of these two dimensions in the 2000 Canadian election during debates on issues of "economic" and "social" conservatism. In most European countries, these two dimensions in fact become unidimensional because parties to the right on economic policy tend also to be to the right on social values,[6] while in the US, there also appears to be a single "liberal/conservative" dimension on social and economic questions in congressional voting patterns.[7]

The Canadian literature has not been as explicit as the comparative literature. For the 1988 election, Johnston and his colleagues identify three elements within the political culture that provoke conflict: commercial policy, "class issues," and conceptions of nationality and the place of French Canada. Attitudes toward Quebec have been particularly important in structuring the Canadian party system.[8] Yet this is clearly fuzzy because commercial policy and class issues overlap, while commercial policy includes (in 1988) feelings about the United States, potentially a measure of conceptions of nationality. Moreover, at least according to the 1988 data presented by Johnston and his colleagues, the issue of abortion was not related to any of these questions, suggesting that moral traditionalism may be a different dimension.

Nevitte and his colleagues have clarified which dimensions are key to political conflict in Canada, including free enterprise, moral traditionalism, the place of women, the place of Quebec, attitudes toward outgroups, Canada's relationship with the United States, cynicism, and regional alienation.[9] These

are plausible, and Nevitte and his colleagues provide some evidence for their importance,[10] but again, some may be related to each other (moral traditionalism and the place of women for example, or cynicism and regional alienation). A categorization of two dimensions oversimplifies the complexity of Canadian political culture, while a categorization of innumerable dimensions makes the concept of "dimension" difficult to apply.

In addition to the dimensions dealing with economic and cultural politics, I suggest two others must be considered if one is to understand the nature of Canadian political culture and party competition today. First, disagreements about the definition of the Canadian nation have manifested themselves in a number of interrelated ways. They are in part a debate over the role of the federal government: Does Canada need a strong central government? They have also manifested themselves in a debate over differentiated equality and the character of the Canadian identity: Is Canada binational (or multinational)? Are Canadians really just individual members of one nation? Should this nation be thought of as pluralistic? What these elements have in common — the role of the federal government, as well as the place of Quebec, Aboriginal peoples and multicultural communities — is actually an overriding disagreement in regard to how one should accommodate groups that do not identify strongly with the federal government or a "common Canadian tradition."

Attitudes toward elites and "the public" must be considered as a fourth dimension of conflict. This dimension relates to issues of populism, anti-elitism, party democracy, and public participation, what Nevitte *et al.* refer to as "cynicism." Throughout Canadian history, the Progressives, the Cooperative Commonwealth Federation (CCF), and the Reform/Alliance have all at various times appealed to innate populism — particularly in the Canadian periphery — and rejected elite decision-making and some of the principles of party government. The issue has been central to the success of many new parties.[11] Frontier societies traditionally have little respect for traditional institutional procedures, and this cultural tradition is still present in the western periphery.

I thus suggest we think of political culture and conflict in Canada outside Quebec as structured by four dimensions. The economic dimension of political conflict is well understood, but a large number of issues — direct democracy, immigration levels, abortion, same-sex benefits, the policies of the parole board, gun control, Aboriginal fishing rights, recognition of Quebec as a distinct society — have been lumped together as part of a dimension of "cultural politics." I suggest they represent three additional underlying dimensions: first, support for moral traditionalism and order as opposed to secular values and social permissiveness; second, attitudes toward elites; and third, attitudes toward the definition of the Canadian nation, which itself can be complex because it encompasses issues such as the place of ethnocultural communities, the place of Quebec, the place of Aboriginal peoples, relations with the United States, and accommodation more generally. All of these issues

come together in a disagreement over the strength of the federal government and federal elites in opposition to their challengers, namely Quebec national-ism, regional sentiment, populism, and North American integration. Since 1968, the Liberals have managed to monopolize one side of this divide, but currently no one party occupies the other.

The issue of social permissiveness figured prominently in the 2000 elec-tion, but, unlike its frequent prominence during American elections, it has not historically been an issue during Canadian elections. The presence of the Re-form Party, and even more so Stockwell Day, proved to be a glorious opportunity for the Liberals and a distraction from the real choices facing Canadians within the mainstream of Canadian political culture. It is a reality of Canadian political culture, understood in its broadest terms as the interac-tion between political parties, the mass media, and mass opinion, that issues of social conservatism cannot be successfully mobilized by Canadian parties. Issues related to elites and the definition of the nation can, as long as one accepts the principle of accommodation in some capacity, either the Liberals' or Tories' variant. Once in office, neither party has been particularly success-ful at accommodating diverse communities, but, nonetheless, a successful Canadian party must evoke one of these two traditions of accommodation in voters' minds. Issues related to the definition of the nation are likely to be placed back on the agenda, as the issues related to morality and the renuncia-tion of human impulse, placed on the agenda by the Reform Party, fade.

THE IMPORTANCE OF ACCOMMODATION AND ELITISM IN CANADA

Brokerage has been crucial to the successful governing of Canada, and atti-tudes toward brokerage have been an implicit fault line of Canadian politics. Although voters would not express their feelings in the terms I use here, the clash between those who believe in brokerage parties and those who do not has been a theme of Canadian politics and an important disagreement over the definition of the nation. This clash over brokerage has historically manifested itself in attitudes toward French Canada. It has also manifested itself in terms of affective reactions to "compromise," with some voters adamantly rejecting the spirit of compromise that often characterizes political decision-making and others happily accepting the deal-making process. Those parties that do not believe in brokerage, however, have never been able to come to power federally because they are not able to build successful coalitions. A large part of the motivation for individuals' voting decisions during the 1992 Charlottetown referendum was predicated on attitudes toward the deal-mak-ing and compromise process.[12] But while it has been documented that Americans do not like the messy deal-making that characterizes the real world of decision-making,[13] it is not at all clear that Canadians share this same an-tipathy. Although some characterize the defeat of the Charlottetown Accord

as evidence that a majority of Canadians are not prepared to go along with delicate compromises, there are a variety of other credible explanations for its defeat,[14] and it is well-established that parties can rarely win office during an election without embracing moderation and some form of brokerage (the election of Unionists in 1917 being the one exception).

Attitudes toward the political elite were also crucial in influencing the 1992 referendum vote.[15] Populist discourse in third-party platforms regularly emerges in Canada, directed toward issues of public participation and anti-elite sentiment.[16] The 1997 election study team found that the dimension that they labelled "cynicism," conceptually very similar to what I have called "attitudes toward elitism," was the strongest ideological predictor of Liberal voting (with those professing less cynicism far more likely to vote Liberal) and, along with attitudes toward Quebec, the strongest ideological predictor of Reform voting. On the face of it, much of the popular and media interpretation of the 1997 election as a disagreement between economic policy and social values was misguided. Although these issues may have been the source for some vote switching among less committed partisans, what distinguished Reform from Liberal voters were questions about the definition of the Canadian nation and the role of elites, increasingly, elites associated with the federal government. The inherent regionalism within the political culture of Canada[17] has facilitated the creation of strong provincial governments often in opposition to federal actions. Between 1968 and 1993, it was the Conservative Party that allied itself with these regionalizing forces and provincial governments. Reform/Alliance has not been able to construct a wide coalition to appeal to the very real provincialist sentiments in Quebec and Atlantic Canada, because the party has shunned brokerage.

It is widely acknowledged that in the 1990s Canadians became "increasingly disenchanted with elite-dominated, consensus-driven politics."[18] The implication is that Canadian political culture is currently characterized by a populist rejection of elite decision-making and a majoritarian rejection of accommodation, a shift therefore in mass opinion on both dimensions. There is some survey evidence that the public has organized its views in this way, with attitudes toward accommodation of Quebec correlated with cynicism and attitudes toward elites.[19] And at the level of basic personality types, cynicism and a rejection of outgroups likely go together. However, it is possible that the correspondence in public opinion between the two dimensions — attitudes toward accommodation and toward elitism — may be a product of how elites have structured political conflict in Canada by linking the two values in the concept of "elite accommodation."[20] It is possible to formulate a coherent discourse that appeals to the participatory and the integrative dimensions.[21]

In Canada, "elite" and "accommodation" have gone together for a variety of historical reasons. The Loyalists who came to Canada had no faith in "the people" and the democratic movement. In Quebec after 1840, populist democratic elements were an unimportant force for over a century. The English,

loyal to Britain, along with French Canadians had little faith in popular democracy and *simultaneously* had to figure out how to live together politically. Elite and accommodation became the way things got done in the United Canadas.[22] Later patterns of settlement in western Canada were different and more conducive to a populist, plebiscitarian, anti-elite sentiment. These contrasting cultural origins of Ontario and the Maritimes as opposed to the western provinces continue to find echo in electoral politics today. This cleavage — support or opposition to elitism — is conceptually distinct from the cleavage regarding accommodation, in particular, accommodation of Quebec, although the two have gone hand in hand for legitimate, historical reasons. When western populists have rejected elites, they have also by historic necessity had to reject the brokerage undertaken by these elites. Although Canada is now characterized by a less deferential political culture than it was 30 years ago,[23] there is no evidence of which I am aware that documents a similar decline in support for accommodation. In fact, if one believes that citizens are now more likely to manage complex information and engage in negotiation in increasingly non-hierarchical organizational structures (both in the family and at work), support for the value of accommodation may in fact be increasing. Unfortunately, such values have not been systematically measured and tracked over time, so this must remain speculative at this point.

THE CHANGING NATURE OF BROKERAGE IN CANADA

As Carty and his colleagues have pointed out: "The pattern that has emerged in Canada requires that much of the accommodation between ... clashing identities take place within parties rather than between them."[24] Two forces in the postwar period that facilitated this task of intra-party brokerage were Red Tories and Business Liberals, both of whom prevented their respective parties from becoming ideological on economic questions. Both factions believed in elitism and brokerage, both sought to suppress the regional and linguistic cleavages through pan-Canadian appeals, and both were infused with the ideology of elite accommodation. Although both groups may have had class interests, these were muted by their participation in wider, catch-all parties. It will be my contention that since 1968, with the exception of a brief time during the Mulroney interregnum in the Conservative Party, no party has successfully made appeals using the language of accommodation as traditionally understood in Canada. In particular, both the Liberals and the Alliance reject recognition of Quebec's national status.

THE LIBERAL PARTY AND BROKERAGE

Because the Liberal Party is a catch-all, centrist party, prepared to move strategically to the right or left on the economic dimension depending on the

appeal of their main rivals, some have confused its recent incarnation for a traditional brokerage party. This confusion is also a product of the fact that on the social dimension, the Liberals have clearly followed rather than led public opinion on issues such as abortion rights, same-sex marriage, and euthanasia, albeit while embracing secularism. On the economic and social dimension, then, the Liberals have been centrist. On the other two dimensions, however, the claim that the Liberals are a brokerage party is exaggerated. The two dominant ideological commitments of the Liberals for over three decades have been the defence of a strong central government — a vertical rather than a horizontal vision of federalism — and a rejection of Quebec's national status. If historically the two major groups in Canada most in need of accommodation by an effective brokerage party, that is, those two major groups most likely to become disaffected from the federation, have been Quebec francophones and western Canadian Protestants of northern European origin, the Liberals have failed to offer any type of accommodation.

The party thought of as the *sine qua non* of brokerage has in fact since 1968 defined itself in opposition to the accommodation of groups that do not support a strong federal government as their patron. It has staked out one well-defined pole on the political spectrum in opposition to all perceived threats to a strong Canadian state, namely Quebec nationalism, western devolutionist sentiment, and, from 1968 until the mid-1990s, North American integration. As in most countries, the great nationalizing and centralizing projects have been met with resistance in the periphery, and the Liberals have been the party of the centre. The party is committed to a particular view of the Canadian nation with little tolerance for alternative conceptions. During the Pearson era there was a great deal of discussion about how best to accommodate the collective aspirations of Quebec, and the formal recognition of duality was considered, along with elaborate opting-out procedures for Quebec. These efforts were abandoned by Trudeau and then Chrétien, because they believed that the best way to keep Canada together was through a vigorous defence of federal institutions against what they saw as the forces of disintegration. Although it is true that a more accommodating wing exists within the party, reflected in the Pepin-Roberts Commission and by those who supported the Meech Lake Accord, the Liberals have not been successful at winning government with this wing in power.[25] The Trudeau/Chrétien wing, which believed that their vision would promote accommodation, misread the political culture. The ideology is too narrow to offer real accommodation to the periphery, although it is sufficiently expansive to keep them in power and thus discourage innovation.

Since 1968, the Liberals have evolved from a party of accommodation to a party of diversity. By embracing diversity and rejecting one overriding Canadian tradition, the party has managed to make itself barely acceptable to some francophone Quebecers who are rightly concerned about the discourse of an undifferentiated Canadian nation. In English-speaking Canada, this evolution

enabled the party to retain its base among those who manifest a spirit of accommodation and reject a unified cultural Canadian tradition, but it has proved unable to respond to the majority's aspirations in either Quebec or western Canada. The party was prepared to accommodate diversity, as long as this diversity was expressed within the framework of loyalty to a strong central government. The party's discourse thus appealed to the spirit of accommodation inherent in many Canadians, while being rejected by the very groups supposedly in need of accommodation. The great misfortune of Pierre Trudeau's discourse was that he appealed to those in English-speaking Canada who were open to accommodating Quebec, and directed this goodwill toward an ideology that rejected accommodation.

The irony, then, is that the putative national brokerage party has had a narrow definition of the Canadian nation and has opted for a vision of accommodation that is at odds with the reality of the political culture. While it is no doubt true that "Reform, along with the Bloc Québécois ... shattered the old brokerage-style system, which had been predicated on bridging the national divide and neutralizing the national question,"[26] it was the Liberal Party that abetted this destruction. While the Liberal Party officially supported the Meech Lake and Charlottetown Accords, powerful forces within the party did not offer support to the Tories' accommodation, but instead adopted a discourse similar to that of the Reform Party's rejection of compromise-building. Carty *et al.*[27] are certainly right that Canada's three most recent elections demonstrate a rejection of intra-party brokerage, but they exaggerate when they lay the blame solely on the Bloc and Reform/Alliance who "exist to articulate, and even exacerbate, ethno-linguistic and regional tensions,"[28] while letting the Liberals off the hook: "The Liberal party has remained firmly in the accommodative tradition, trying to encompass as diverse a coalition as possible."[29] Since 1968, the Liberals have been full participants in the Canadian game of exacerbating ethno-linguistic and regional tensions. The Liberals may continue to see themselves as a party of elite accommodation but they do not use a discourse of accommodation and have demonstrated little tolerance for those with different views of the country.

The party has, however, using the discourse of the Charter, attempted to accommodate individual Canadians of diverse backgrounds to the Canadian federation through shared rights and a pan-Canadian identity. This has been the discourse of civic Canadian nationalism, with some allowance for multiculturalism and Aboriginal nationalism, which has appealed to Canadians' moderation. Within this discourse there is little place for recognition of Quebec's national status or demands from the periphery for a more horizontal style of federalism. The 1993, 1997, and 2000 federal elections are the only elections in Canadian history where a party has formed a majority government but has failed to win a majority of seats in either Quebec or western Canada. On occasion, the most successful Canadian governments have won

majorities in both the west and Quebec; at a minimum, they have had majority representation from one of these two regions. To have relatively thin representation from both areas reveals a governing party incapable of responding to the aspirations of citizens most in need of accommodation. As we will see, the Alliance also claims to reject the accommodation of groups, appealing instead to an undifferentiated liberal individual. One is therefore left with no dominant party that makes appeals to the brokerage and accommodation of national groups.

THE CANADIAN RIGHT

The presence of Red Tories in the Conservative Party acted as an important check against their emergence into an ideological type party in the postwar period. Their presence in the Conservative Party acted as an important reassurance to many voters, who could then feel comfortable voting Tory when they grew tired of the Liberals. The rise of the Reform Party changed this dynamic, with the party lacking a faction that tempered the neo- (and theo-) conservatives. Since 1993, the major "conservative" party has been an ideological party with no tradition of, or support for, brokerage and explicitly built on attacking brokerage. Although previous parties in Canada have also on occasion presumed that Canada features a majoritarian and homogenous political culture, they have not been able to have success at the federal level.

It has been well-documented elsewhere[30] that the "unite the right" efforts seem to have missed the underlying ideological foundations of party politics in Canada. When asked directly, most Conservative voters in 1997, particularly in Ontario, preferred the Liberals to Reform as their second choice. Conservative voters were closer to Liberal than Reform voters on cultural, economic, and social issues, particularly the latter. What the analysis of the CES team hints at, but does not make explicit, is the question of brokerage. The Alliance is not only "too conservative" on social issues for a strong majority of Canadian voters; it is my suggestion that they are also too ideological in their approach and too unwilling to engage in brokerage.

The fact that we have not properly measured "attitudes toward accommodation" as one key element of the debate over the definition of the Canadian nation has potentially led to incomplete conclusions about the motivations of voting decisions. The 1997 election study team concluded that Ontario voters and western voters had basically the same attitudes toward Quebec, and therefore, ideological differences on this question could not explain Reform's inability to break through in Ontario. They concluded that the difference between voters in Ontario and the west was that Ontario voters simply did not accord much importance to the question. Voters in the west used their attitudes toward Quebec as an important determinant of their vote, while those in Ontario did not.[31] However, it is possible that there was another dimension, namely, attitudes toward compromise, that went unmeasured. The story told

by Nevitte and his colleagues may need to be qualified: Ontario voters did not use these attitudes toward Quebec to influence their vote because their ideological commitment to compromise and brokerage trumped the former. The CES team found that 28 percent of Ontario voters said that the Reform Party was "too extreme" to even consider voting for. This contrasts with 1 percent for the Liberals, 2 percent for the Tories, and 7 percent for the NDP. The 28 percent who found Reform "too extreme" is virtually identical to the percentage of Ontario voters who found the secessionist Bloc too extreme to consider voting for, a damning fact for the party. All citizens have a variety of competing considerations battling for prominence. Even those voters who do not much like Quebec may also want to vote for a party that does not, in their view, "threaten national unity," and by a margin of 49–30 percent, Ontario voters felt that Manning was a threat to national unity.

Attempts by the Reform Party in the early 1990s to supplant the Conservatives and transform the party of the right from a traditional brokerage party to a party of ideology dominated by two competing forces — moral traditionalists and neo-conservatives — could not succeed within the context of Canadian political culture because the party had not come to terms with the complexity of the Canadian nation and accommodation. The notion of a united right denies the extreme moderation of many voters whose natural home is the political centre and who have no interest in continually choosing between stark options. But this comfort with the political centre is more than simply economic or social "moderation"; it is in fact a comfort with brokerage and a deep instinct toward accommodation. It is a real commitment to a particular definition of the Canadian nation and its identity. This commitment is occasionally punctuated by issues which call to mind Canadians' tribal loyalties, such as occurred in the debate over conscription or the Meech Lake Accord. But these moments are interruptions and cannot exist for long in duration; if they do, the country does not survive. So, by definition, any party that succeeds due to the mobilization of these powerful tribal emotions cannot come to power (though the Unionist government of 1917 managed to pull off this trick). It is, of course, possible for a centre-right coalition to come to power in Canada, but only once it first articulates a credible vision that is accommodating of the many facets of Canadian nationhood.

The challenge for the Alliance since the 1997 federal election was often framed as one of ridding itself of the image of social conservatism. This oversimplifies the problem, and assumes a two-dimensional space. In fact, opinion leaders in central Canada are secular, adopt a conciliatory and accommodative language, and resist more popular democracy. The appeal that the Alliance's economic policies may have for some central Canadian opinion leaders is dwarfed by not one but three countervailing dimensions.

In the period following the 2000 federal election, many in the Alliance came to recognize the importance of brokerage. Although the Alliance is likely

to continue to reject all form of group rights, and argue that new immigrants, Aboriginal peoples, and Quebecers should be integrated into an undifferentiated Canadian nation, a successful brokerage party will likely need to avoid these issues because they detract from efforts at re-branding. There is room on the Canadian landscape for a second brokerage party to rival the Liberals that argues that the interests of provincial communities need to be better accommodated through better respect for the federal principle. By so doing, it may be able to appeal to Quebec nationalists, without ever speaking directly to the question of Quebec specifically. For any centre-right, centre, or centre-left coalition to come to power in Canada, it must come to terms with this fault line and navigate it successfully. Since 1968, those Canadians who have not accepted primary loyalty to a strong central government have found a home in the Conservative Party, and, on occasion, regional third parties. A successful alternative to the Liberals must appeal to all groups that do not identify with the national project of the Liberals, and the Alliance has proved unable to do so.

THE NEW CONTOURS OF BROKERAGE

On most questions related to the definition of the Canadian nation and brokerage, the Liberals and the Alliance are remarkably similar: they both articulate a discourse of individual rights, pan-Canadian civic nationalism, and no national recognition of Quebec. Where they differ is, first, on issues related to the protection of collective rights for ethno-cultural communities, Aboriginal peoples, and linguistic minorities, with the Alliance more supportive of one unified common Canadian tradition;[32] and second, on the role of the federal government. The Liberals and Alliance currently define themselves in opposition to each other on the question of the federal principle, interest group politics, and a common Canadian tradition. By embracing a definition of the nation characterized by one common Canadian tradition, the Alliance cannot succeed in Quebec and cannot make headway in other communities that support the spirit of accommodation, but because of its defence of a strong centre, the Liberals can have little success in francophone Quebec and Protestant western Canada.

Johnston and his colleagues[33] have remarked that "Incoherence has always been the price of successful brokerage." Although the Conservatives' coalition of the 1980s was infused with incoherence, the Liberals' coalition is quite coherent in its defence of the federal government and federal elites. What is particularly incoherent is that somehow many have looked to the Liberal Party to be a party of accommodation, when, since 1968, it has been the party that most explicitly rejects the accommodation of differing definitions of the Canadian nation. The Liberal Party's definition of brokerage and the Canadian nation remains coherent, yet the primary challenge — the accommodation of Quebec rather than French Canada — has gone through a dramatic evolution.

Our confusion — seeing the Liberal Party as the party of accommodation despite its adamant rejection of the principle — may stem from the fact that the Liberals have been the party of French Canada and diversity for most of the twentieth century. Those voters outside Quebec instinctively supportive of French Canada and multiculturalism have seen the Liberal Party as their home. When the accommodation of Quebec, rather than French Canada, became the country's central issue, many Liberal voters sympathetic to French Canada became prepared to accommodate Quebec, despite the fact that the party leadership became increasingly sure in its rejection of this approach. The Liberals have continued to remain barely viable in Quebec because they reject a unified cultural tradition and continue to have an accommodative wing, despite the fact that this wing has not been able to win power.

Questions related to social conservatism, like abortion, which were quite prominent in the 2000 federal election, are not likely to play as large a role in the future. All parties have now made it clear that they are secular, competing for a similar pool of voters. Even the Alliance, which can count on the support of social conservatives, has no room to make gains among social conservatives and must expand its appeal to an increasingly secular population. The political culture cannot support a party that directs its appeal to moral traditionalism. Instead, a successful alternative brokerage party must be seen to be secular and articulate a vision of the Canadian nation that appeals to those disenchanted with the Liberals' national project. A second credible brokerage alternative to the Liberals will adopt a discourse of respect for the federal principle, in an attempt to rebuild the Conservative alliance of the 1980s, a discourse that remains attractive to Tories.

The debate over the character of the nation will pit the Trudeau vision against the provincialist vision, without this debate being clouded by a debate over Quebec's national status or by a debate over social conservatism. This debate will also coincide perfectly with the Alliance's appeal to democratic and populist values in opposition to an elitist federal government. The natural fault line for political conflict in Canada is between the pan-Canadian centralizers and the devolutionists, made up of Quebec nationalists and western populists (as well as those supportive of greater North American integration). The great difficulty for those who supported the Meech Lake Accord has been that the constituency in Canada outside Quebec that is naturally sympathetic to Quebec, and which has been prepared to recognize Quebec as a distinct society, is also more supportive of a strong federal government and weaker provinces. Therefore, those who instinctively support measures to help Quebec are also more likely to instinctively support a stronger federal government. The Trudeau/Chrétien Liberal coalition is coherent because one can simultaneously support a strong federal government and accommodation with French Canada in the form of national bilingualism and protection of linguistic minorities.

EXPLORATORY ANALYSIS

The best way to resolve the question of how many dimensions of conflict exist is through empirical investigation. This must begin with correlation and factor analysis between a large number of well-constructed measures. Unfortunately, well-crafted items on all of the issues I have discussed have not been asked in one survey. This necessitates an exploratory empirical analysis, some of which will remain speculative. I will make use of the best available data: the 1997 Canadian Election Study (CES), which asked a large number of relevant questions — though no ideal measure of what I describe as support for accommodation — and the 2000 Centre for Research and Information on Canada (CRIC) survey, which asked a large number of questions on Canadian values and the Canadian nation. I will highlight how parties' voters differ, and, by so doing, I am not suggesting that the parties or their platforms are entirely consistent: many in the Alliance leadership have sought to attenuate their rejection of multiculturalism and many in the Liberal leadership have shown more flexibility toward Quebec. These observations are correct, but by identifying the enduring ideological differences between partisans, I will highlight key features of Canadian political culture.

Table 1 presents the results of an exploratory factor analysis conducted on a large number of variables from the 1997 CES. Factor analysis is highly influenced by which variables are included, and one should consider these results suggestive only. Five underlying dimensions emerged, and I have labelled them populism, accommodation, social conservatism, deficit, and taxes. The most important point to take out of this table is that social conservatism, populism (or cynicism about elites), and accommodation (or attitudes toward minorities) do not load on the same factor, but remain separate. This provides some evidence that one should avoid lumping all of these issues together in a dimension of "cultural politics." Note that two different factors emerge on the economic dimension. This may have been particular to the 1997 election and the unique role played by the issue of the deficit, or, alternatively, economic reasoning may be more complex than is generally presumed. For my purposes, however, I will continue to think of the economic dimension as one dimension and retain my fourfold conceptualization.

In Table 2, I regressed the underlying factors onto the vote from 1997. From this table, one should retain the extreme polarization between Liberals and Reform, particularly on the question of populism. On the question of accommodation, the polarization also clearly exists, but it is the NDP that is the party of minority accommodation. What is also striking is the far more muted polarization on the economic and social dimensions between the Liberals and Reform. The Conservatives present a particularly interesting pattern in 1997: their voters are the least distinct ideologically, and the combination of ideology, region, and social structure explain far less of the Tory vote. The

Table 1: Exploratory Factor Analysis: What are the Dimensions of Political Conflict in Canada Outside Quebec?

	Populism	Accommodation	Moral Traditionalism	Deficit Reduction	Tax Reduction
Do parties keep their promises?	**0.56**	-0.09	-0.02	0.00	0.06
Satisfied with democracy in Canada?	**0.53**	-0.19	0.06	-0.16	0.10
MPs soon lose touch	**0.63**	-0.06	-0.14	0.11	-0.01
People like me have no say	**0.69**	-0.08	0.12	0.00	0.09
Government doesn't care	**0.77**	-0.11	0.10	-0.04	0.11
Politicians are ready to lie to get elected	**0.68**	-0.07	0.07	0.00	0.04
How much should be done for Quebec?	-0.18	**0.68**	0.03	-0.02	-0.04
How much should be done for racial minorities?	-0.04	**0.70**	-0.16	0.00	0.02
How much should be done for Aboriginals?	0.01	**0.67**	-0.04	-0.14	-0.01
Should we accept more immigrants?	-0.20	**0.44**	-0.12	0.03	-0.12
Support distinct society	-0.16	**0.61**	0.03	0.05	-0.13
Only married people should have children	0.02	-0.08	**0.83**	0.07	0.06
Women should stay home with kids	0.09	-0.10	**0.81**	0.04	0.01
Social programs/deficit trade-off	0.02	0.00	0.12	**0.81**	0.11
Reducing deficit is important	-0.06	-0.08	0.00	**0.82**	0.07
Cutting taxes is important	0.16	-0.07	0.03	0.07	**0.80**
Social programs/tax cut trade-off	-0.01	0.14	-0.04	0.10	**0.78**
Eigenvalue	3.40	1.80	1.40	1.20	1.00
Cumulative percent of explained variance	20.30	31.20	39.50	47.10	53.10

Note: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
Source: Data from Canadian Election Study, 1997.

Table 2: Ideological Dispositions and the Vote in Canada Outside Quebec: 1997

	Liberal	Reform	NDP	Conservative
Populism	-0.61 (0.06)[a]	0.62 (0.08)[a]	0.17 (0.08)[c]	-0.10 (0.07)
Accommodation	0.21 (0.06)[a]	-0.64 (0.08)[a]	0.53 (0.08)[a]	0.08 (0.07)
Social Conservatism	-0.04 (0.06)	0.30 (0.08)[a]	-0.21 (0.09)[c]	0.15 (0.07)[c]
Deficit Reduction	-0.12 (0.06)[c]	0.25 (0.08)[a]	-0.46 (0.08)[a]	0.06 (0.07)
Tax Reduction	-0.15 (0.06)[b]	0.28 (0.08)[a]	-0.39 (0.08)[a]	0.17 (0.07)[c]
Atlantic	-0.18 (0.27)	-0.87 (0.42)[c]	-0.27 (0.35)	0.94 (0.33)[b]
Ontario	0.41 (0.23)	-0.28 (0.33)	-0.61 (0.32)	0.19 (0.31)
Manitoba/Saskatchewan	-0.18 (0.27)	-0.08 (0.36)	0.46 (0.34)	0.06 (0.35)
Alberta	-1.00 (0.28)[a]	1.20 (0.33)[a]	-0.91 (0.39)[c]	0.72 (0.32)[c]
British Columbia	0.16 (0.26)	0.72 (0.34)[c]	-0.43 (0.36)	-0.74 (0.39)
Catholic	0.71 (0.13)[a]	-0.53 (0.18)[b]	0.19 (0.19)	-0.44 (0.16)[b]
No religion	0.27 (0.17)	-0.14 (0.20)	0.19 (0.23)	-0.33 (0.21)
Income	-0.01 (0.02)	0.02 (0.02)	-0.03 (0.02)	0.02 (0.02)
Female	0.03 (0.03)	-0.13 (0.04)[a]	0.12 (0.04)[b]	-0.03 (0.03)
Constant	-1.00 (0.27)[a]	-1.60 (0.35)[a]	-2.10 (0.37)[a]	-1.70 (0.34)[a]
-2 log likelihood	1748.346	1157.151	1010.952	1346.283
Cox and Snell R sq.	0.13	0.18	0.09	0.05

Note: Logit coefficients reported, standard errors in parentheses.
[a] $p < 0.05$; [b] $p < 0.01$; [a] $p < 0.001$.

Source: Data from Canadian Election Study, 1997.

Conservatives continued to make pan-Canadian brokerage-style appeals (or at least the composition of their electorate so suggested). On the economic dimensions, the NDP electorate was very different than other parties' supporters. Across the board, populism and accommodation were the most pronounced fault lines, highlighting that both the Reform and the Liberals were appealing to fairly coherent constituencies in regards to their views on the definition of the Canadian nation and public participation.

The evolution of the party system is apparent in these results. Tory voters and Reform voters point the same way on the economic and social dimensions, while Liberal and NDP voters point the same way on these two dimensions. However, on populism, it is Liberals and Tories who point the same way, while Reform and NDP supporters also point the same way. Here we have a clear demonstration that the Tories and Liberals share similar dispositions on elitism, while Reform has challenged that consensus. We also see that NDP supporters are more sceptical of elitism, much like Reformers. However, on the dimension of accommodation, NDP and Reform partisans diverge dramatically. We therefore clearly see that NDP partisans are simultaneously more participatory and accommodating of diversity.

One final thing deserves mention in Table 2: on each of the five factors, the Reform Party controls one pole. The Tories never control even one pole, while the Liberals and the NDP control some (Liberal voters are the most elitist, while NDP voters are the most accommodationist, socially liberal, and economically liberal). This is in part why Reform — and to a lesser extent the NDP — are often portrayed as extreme. On each of the four dimensions of political conflict — economic, social, populism, and accommodation — Reform controls one pole. While the Liberals may be at one extreme on one question, they are centrist on others. The Tories were in the difficult position in 1997 of controlling no pole, and hence having no loyal electorate. The Liberals have been in an excellent position: control a pole on one or two dimensions so that they can count on a loyal electorate with a commitment to a well-defined conception of the Canadian nation, but avoid the "extremist" label by centrism on the economic and social dimensions which have figured prominently during recent election campaigns.

Table 3 reports correlations from the 2000 CRIC survey on a large number of questions central to our understanding of accommodation and the definition of the Canadian nation. The first thing to point out is that the populism variable and the accommodation variables are *not* correlated, highlighting again the distinctiveness of these dimensions. However, the variables which measure support for devolution and the federal government are highly related to the populism variable. This is an important finding about the evolving nature of Canadian political culture. Some have suggested that the 1990s featured a rejection of elite accommodation, a simultaneous rejection of elitism and accommodation. I have argued elsewhere that the public rejected elitism but

Table 3: Correlations Between Variables (2000)

	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
No private health care (1)	0.19[a]	-0.03	0.03	0.04	0.17[a]	0.07[c]	0.14[a]	0.11[a]
Canada should be less like US (2)		-0.03	0.02	-0.09[b]	0.16[a]	0.06[c]	0.11[a]	0.08[b]
Treat Natives exactly the same (3)			0.11[a]	0.04	-0.05	-0.10[b]	-0.06[c]	-0.11[a]
Accept fewer immigrants (4)				0.04	-0.09[b]	-0.16[a]	-0.11[a]	-0.11[a]
Public should be involved in decisions (5)					-0.15[a]	0.00	0.04	-0.13[a]
Feds should have more power (6)						0.02	0.10[b]	0.28[a]
Quebec can be satisfied with goodwill (7)							0.08[b]	0.08[b]
Social programs, not tax cuts or debt (8)								0.10[b]
Trust feds to protect programs (9)								

Note: [a] $p < 0.05$; [b] $p < 0.01$; [c] $p < 0.001$.

Source: Data from Centre for Research and Information on Canada, 2000.

was still quite open to accommodation.[34] The findings presented in Table 3 clarify what has been going on. It is not a rejection of elites and a rejection of accommodation that have gone hand in hand, but elites and the federal government. This distinction is crucial. Those who believe in public participation are more likely to distrust the federal government — personified by the Liberals since 1993 — and support devolution, but are *not* more likely to support lower levels of immigration, Aboriginal rights, or accommodation toward Quebec. The debate concerning the definition of the Canadian nation in the early 1990s was characterized by discussions of Quebec's national status. Today, the debate is far more likely to focus on the role of the federal and provincial governments more generally, and on these issues there *is* a relationship between populism and the definition of the Canadian nation, with populists calling for devolution. The federal government is today understood by many Canadians as representing the Canadian elite, and those who reject this elite are more likely to simultaneously reject the elite's definition of the Canadian nation — a strong federal government — and its definition of democracy — party discipline and little public participation. Other correlations of note include the strong relationship between variables measuring accommodation toward Quebec and Aboriginal peoples, as well as support for immigration. This provides evidence that many Canadians continue to use affective responses to outgroups to structure their thinking about politics.

Table 4 presents regression results from the 2000 election. Although CRIC did not ask a vote intention question, I was able to combine the CRIC survey on issues related to federalism with the Environics' vote intention question asked as part of their omnibus survey.[35] Several results central to my argument should be noted. First, the Alliance vote is by far the most heavily structured by these ideological dimensions, highlighting that its voters are far more ideologically pure than one would find in a traditional brokerage party. Second, attitudes toward the federal government and the distribution of powers provide the sharpest distinction between the Liberal and Alliance vote, suggesting that disagreements over the definition of the Canadian nation and the role of the federal government continued to be important elements of the political culture structuring political conflict. Third, the Alliance continues to be very much the party of those who support increasing the role of the public, while the Liberals and the Tories represent the older party model, appealing to those with less trust in the public. Fourth, attitudes toward Quebec remain very important for Alliance supporters. Fifth, while Alliance supporters have a distinct set of attitudes with regard to Quebec, their attitudes toward Aboriginal issues and immigration are far less distinct.

Figures 1 and 2 map these dimensions of political conflict and party positions. The positioning of the parties is based on where their own partisans fall on these dimensions.[36] Figure 1 presents the economic and social dimensions, based on two questions from the 1997 CES (a question measuring opinion on

Table 4: Ideological Explanations of the Vote in 2000 in Canada Outside Quebec

	Liberal	Alliance	NDP	Conservative
No private health	0.37 (0.16)[c]	-0.76 (0.18)[a]	0.64 (0.32)[c]	0.05 (0.27)
Less like US	0.03 (0.11)	-0.45 (0.12)[a]	0.24 (0.21)	-0.06 (0.19)
Natives no different	-0.31 (0.16)[c]	-0.24 (0.19)	-0.41 (0.27)	0.98 (0.34)[b]
Fewer immigrants	-0.01 (0.12)	0.13 (0.15)	-0.09 (0.20)	0.36 (0.21)
No public involvement	0.26 (0.10)[b]	-0.32 (0.13)[b]	0.16 (0.16)	0.34 (0.16)[c]
Centralize powers	0.60 (0.12)[a]	-0.70 (0.15)[a]	-0.34 (0.20)	0.01 (0.21)
Goodwill to Quebec	0.09 (0.15)	-0.62 (0.19)[a]	0.29 (0.26)	0.26 (0.26)
Social programs	0.10 (0.16)	-0.96 (0.24)[a]	0.14 (0.26)	-0.09 (0.29)
Trust feds	0.89 (0.19)[a]	-0.83 (0.31)[a]	0.20 (0.31)	1.10 (0.46)[c]
Constant	-2.50 (0.61)[a]	4.00 (0.74)[a]	-4.00 (1.10)[a]	-5.70 (1.10)[a]
-2 log likelihood	1036.176	743.311	437.144	458.494
Cox and Snell R sq.	0.12	0.16	0.06	0.03

Note: Logit coefficients reported, standard errors in parentheses.
[c] $p < 0.05$; [b] $p < 0.01$; [a] $p < 0.001$.

Source: Data from Environics' Omnibus, supplemented by Centre for Research and Information on Canada, 2000.

Figure 1: A Rough Mapping of Economic and Social Politics in
Canada Outside Quebec (correlations based on 1997 CES)
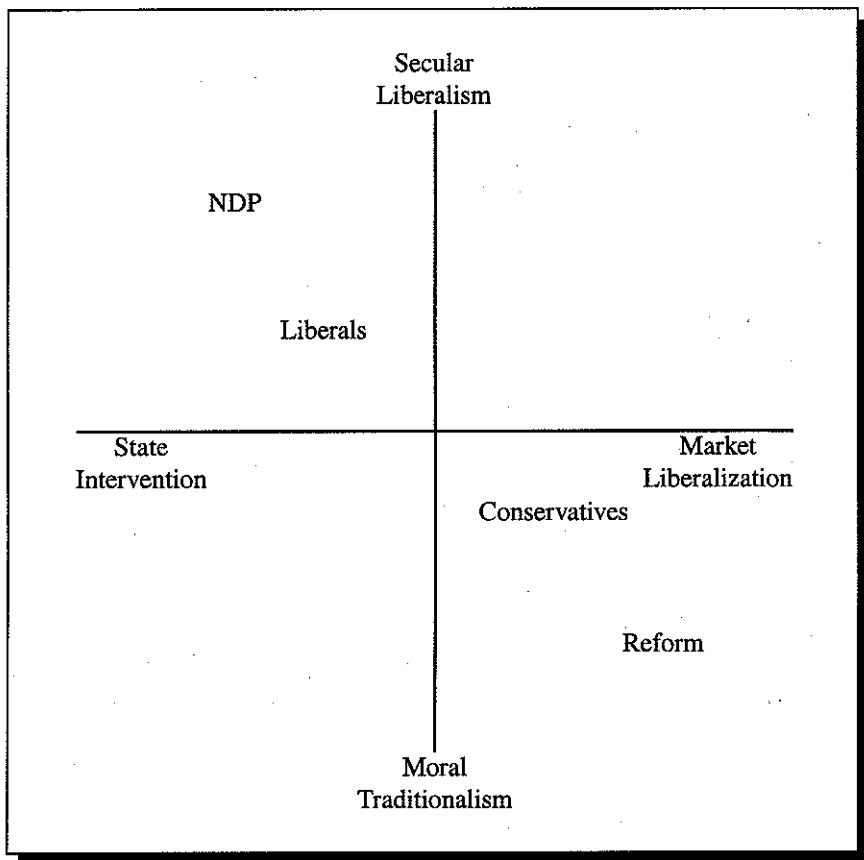
taxes versus social programs, and a question measuring whether only married people should have children). The positioning is exactly as many might expect. By looking at this figure alone, one might conclude that the competitive space in 1997 was in fact unidimensional, moving from the NDP, which was on the left on both dimensions, to the Liberals, then the Tories, and finally to Reform, which was the most to the right. This unidimensional mapping, however, fails to depict the complexity of the Canadian ideological landscape; recall that it was the other two dimensions that allowed us to most clearly distinguish different partisans.

***Figure 2: A Rough Mapping of Populist and Integrative Politics in
Canada Outside Quebec (correlations based on 2000
Environics survey)***

Accommodation of Quebec (A)
Accommodation of Provinces (B)

Alliance (B)

NDP (A)

NDP (B)   Liberals (A)

Populist   Conservatives (A, B)   Elitist
Democracy   Democracy

Liberals (B)

Alliance (A)
No Accommodation Toward Quebec (A)
No Accommodation Toward Provinces (B)
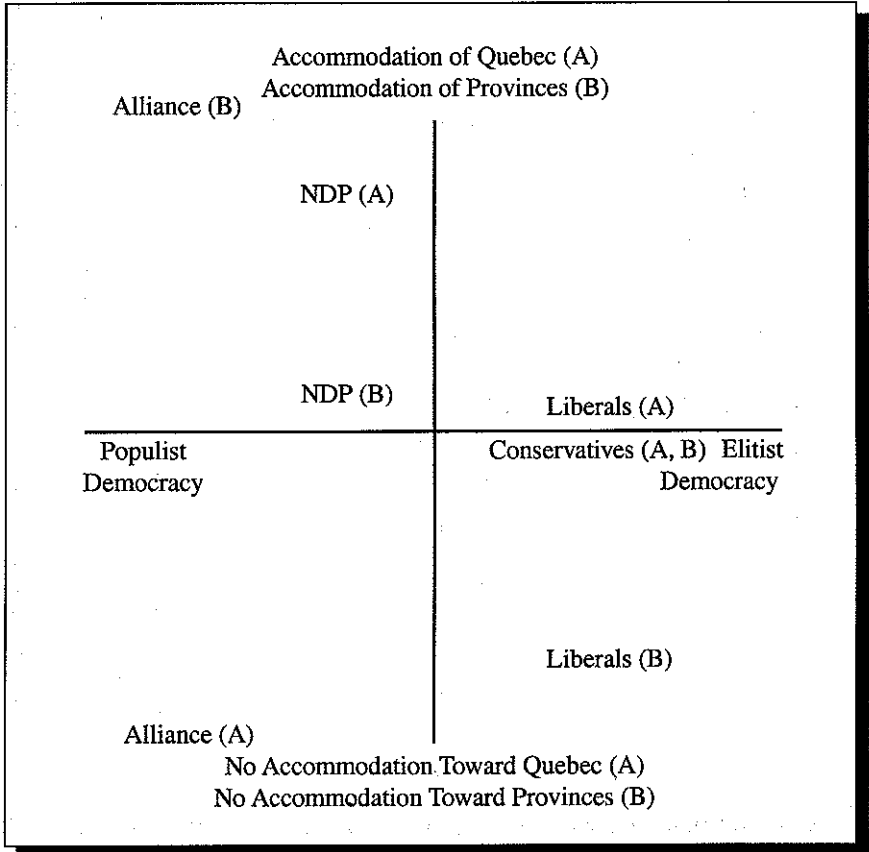
Figure 2 presents results from questions in the 2000 CRIC study, using the
question regarding public participation in decision-making to tap into the
populism dimension, and using two different questions regarding the defini-
tion of the nation, one based on support for accommodation of Quebec, the
other based on support for devolution of powers toward the provinces. The
placement of Alliance and Liberal partisans changes dramatically depending
on which question regarding the definition of the Canadian nation is at play.
The Liberals are clearly the party of a strong central government, while the
Alliance supports devolution. But the Alliance also is quite resistant to Quebec
accommodation. The dysfunction of the Conservative coalition of the 1980s

is apparent: those most supportive of stronger provincial governments were also those who were least supportive of accommodating Quebec. This coalition, however difficult to sustain, is the natural brokerage alternative to the Liberals. Within an electoral context, it remains viable so long as its focus remains the role of the federal government rather than the special place of Quebec. Simply because neither Preston Manning nor Stockwell Day were able to build a successful coalition with parties in Quebec in no way negates the fact that this is the only natural governing alternative to the Liberals.

The 2000 election appears to have given us a prelude to coming debates, with the Liberals defending a strong federal government against all those who might attack it. Whether the NDP has a place in this debate is far from clear. At first glance, they have the potential to occupy a quadrant on their own: those who are generally supportive of accommodation toward Quebec and other minorities, and those who support public participation — an ideological grouping that has had no real spokesperson in Canada. However, this grouping is comparatively small. Moreover, the evidence suggests that in Canada, public participation is closely associated with devolution, and devolution has been historically resisted by the NDP that saw a strong federal government as being key to the protection of national social programs. On questions of economic and social policy, and the accommodation of Canadian diversity, the NDP has natural allies in the Quebec nationalist movement, yet the party remains closely associated with a strong federal state. Yet the evidence presented in Table 4 suggests that the remaining NDP partisans are not as committed to a strong central state as they once were, and the path ahead for the NDP may lie in advocating devolution, public participation/democracy, secular values, and the accommodation of groups.

It is also striking that the upper-right quadrant — the quadrant that represents the ideology of elite accommodation — remains virtually vacant, although the Tories come closest to situating themselves in this space. Where Tory and Alliance supporters are most likely to differ is on questions of public participation in decision-making. Looking only to Figure 1, one might come to the conclusion that party leaders could easily split their differences on social and economic issues and arrive at something of a consensus. However, on questions of populism, as well as questions of the definition of the Canadian nation, their respective partisans are wide apart. It is on these questions where the greatest challenges lie, and it is these questions that have meant doom for previous Blue coalitions.

The Appendix presents results from a number of survey questions that could be understood as tapping attitudes toward accommodation. In 1996, Canadians outside Quebec by very strong majorities accepted the idea that different provinces might be allowed to exercise different powers (questions 10 and 11). However, in 1999 and 2000, when questions were asked which attempted to mirror the debates over differentiated equality and Aboriginal peoples,

Canadians outside Quebec by sizable majorities rejected Aboriginals' differential status (questions 3 and 12). These results are suggestive: the discourse of undifferentiated equality is deeply anchored and parties challenge this philosophy at their peril. At the same time, Canadians are sensitive to the different situations of different provinces, and provided that asymmetry does not imply formal "special status," a highly flexible federalism is consistent with Canadians' values. The Meech Lake Accord was understood as a "special deal," and Canadians outside Quebec are very resistant to this idea. They are not, however, resistant to the idea that different provinces, cities, and communities may develop their own unique institutional and procedural arrangements to respond to their own challenges — what could be understood as functional, instrumental, or generalized asymmetry.

CONCLUSION

Writing about party competition and public opinion is perilous during this period of fluidity, as discussions continue between the Alliance and the Conservatives regarding cooperation, the NDP considers its future, and the Liberal Party considers a change of leadership that may turn power over to a leadership team more open to Quebec nationalism. Yet all actors have to confront a number of fairly stable elements of the political culture as they consider their options, and my goal has been to highlight these realities.

A primary conflict within the Canadian political culture is over the definition of the nation and what role the federal government should play in national life.[37] The Liberal Party has established hegemony by occupying one pole of this debate and attracting the loyalty of the many Canadians supportive of a continuing strong role for the federal government, its close relationship to the Canadian elite, and an affirmative representation of diversity and pluralism. This coalition, despite some internal tensions, has remained largely coherent because of a shared conception of the Canadian nation and an overriding commitment to compromise and brokerage on economic and social questions, despite their rejection of compromise on issues related to the definition of the nation itself, particularly the place of Quebec and the provinces in confederation, and the role of the public in decision-making.

The alternative coalition is less coherent because its manifestation can take place in one of a number of different ways, each of which places different strains on this coalition. So long as the coalition merely reflects the periphery and those who have less allegiance to a strong federal government, it remains coherent and a credible alternative government. However, when this coalition focuses on other elements within the political culture, namely Quebec, but also potentially multicultural communities, its coherence breaks down. It

breaks down in part because it loses key allies, but also because it appears to reject brokerage and compromise and becomes an ideological party, one that can hold its base but frightens moderate elements within the Canadian political culture who prefer to vote for a brokerage party.

Both the Alliance and Liberals attempt to communicate to Canadian voters that they are pan-Canadian parties who believe in finding accommodation and compromise between all regional and national groups, though both have histories that belie these pretensions. To many in the west and in Quebec, the Liberals' claim that it is a party capable of representing all Canadians is not credible. Likewise, the Alliance's appeal to one undifferentiated Canadian cultural tradition communicates to voters in Quebec and ethnocultural communities that they are not welcome, and in 2000 the Alliance continued to have difficulty in western Canada attracting francophones, those of non-European background, and Catholics. The Liberals claim that the Alliance does not respect the diversity of Canada, while the Alliance claims that the Liberals do not respect the regions. Neither, however, speaks for the recognition of subnational communities. In order for any alternative to the Liberals to have national success it must clear a high hurdle: it must re-brand itself as a brokerage party that combines a belief in devolution with populism, and present a program that offers accommodation to Quebec all the while avoiding issues that make specific mention of Quebec's status. It must avoid these issues not because it is far away from the median Ontario voter, but because the articulation of these issues prevents bridge-building with potential allies in Quebec and threatens its chances in Ontario because many of these voters support accommodation as a fundamental value.

The elections of 1887, 1891 and 1896 offer parallels. At the time, the Conservatives were the party of the centre and the Liberals represented the periphery, provincial rights, and North American integration. But the Liberals could not win national government because they lacked a key element of that coalition, namely Quebec. It was only by gradually bringing francophone Quebec voters into this coalition, a coalition that sought to accommodate Quebec as well as the western periphery by avoiding sectional politics, that the Liberals were able to secure national government in 1896. This required a delicate balancing act. In particular, the Liberals needed to downplay the nationalism of Honoré Mercier when campaigning outside Quebec, much like Mulroney had to mute the nationalism of his Quebec representation when campaigning in the west. But Laurier's 1896 coalition was viable, it appealed to accommodation, and this coalition — which now finds its home in the right-of-centre parties — represents the natural governing alternative to the brokerage of the present-day Liberals.

NOTES

1.   See Telford, this volume.

2.   Harold D. Clarke, Jane Jenson, Lawrence Léduc and Jon Pammett, *Absent Mandate* (Toronto: Gage Publishing, 1984).

3.   A leading American scholar includes the following hotly debated issues in the realm of cultural politics: "the legality of abortion, government funding of controversial forms of artistic expression, the place of gays and lesbians in society, policies aimed at promoting equality for women and minorities, the defense of traditional values in education and the family, concerns over violence and sex in films and television." Dennis Chong, *Rational Lives: Norms and Values in Politics and Society* (Chicago: University of Chicago Press, 2000).

4.   Herbert Kitschelt, *The Transformation of European Social Democracy* (Cambridge: Cambridge University Press, 1994).

5.   Ibid., p. 296.

6.   Ibid., p. 140.

7.   Keith T. Poole and Howard Rosenthal, "D-NOMINATE after 10 Years: A Comparative Update to Congress: A Political-Economic History of Roll-Call Voting," *Legislative Studies Quarterly* 26, 1(2001):5-29.

8.   Richard Johnston, André Blais, Elisabeth Gidengil and Neil Nevitte, *The Challenge of Direct Democracy: The 1992 Canadian Referendum* (Montreal: McGill-Queen's University Press, 1996), p. 172; See also Richard Johnston, "Canadian Elections at the Millennium," *Choices* (Montreal: Institute for Research on Public Policy, 2000).

9.   Neil Nevitte, André Blais, Elisabeth Gidengil and Richard Nadeau, *Unsteady State: The 1997 Canadian Federal Election* (Toronto: Oxford University Press, 2000), pp. 48-65.

10. Ibid., pp. 138-42.

11. David Laycock, *Populism and Democratic Thought in the Canadian Prairies, 1910 to 1945* (Toronto: University of Toronto Press, 1990).

12. Johnston, Blais, Gidengil and Nevitte, *The Challenge of Direct Democracy.*

13. John R. Hibbing and Elizabeth Theiss-Morse, *Congress as Public Enemy: Public Attitudes Toward American Political Institutions* (Cambridge: Cambridge University Press, 1995).

14. Matthew Mendelsohn, "Public Brokerage: Constitutional Reform, Public Participation, and the Accommodation of Mass Publics," *Canadian Journal of Political Science.* 33, 2(2000):245-73.

15. Johnston, Blais, Gidengil and Nevitte, *The Challenge of Direct Democracy.*

16. Laycock, *Populism and Democratic Thought in the Canadian Prairies, 1910 to 1945.*

17. David Elkins and Richard Simeon, *Small Worlds: Provinces and Parties in Canadian Political Life* (Toronto and New York: Methuen, 1980).

18. R. Kenneth Carty, William Cross and Lisa Young, *Rebuilding Canadian Party Politics* (Vancouver: UBC Press, 2000), p. 8.

19. Nevitte, Blais, Gidengil and Nadeau, *Unsteady State: The 1997 Canadian Federal Election*, p. 92.

20. Matthew Mendelsohn and John McLean, "Reconcilable Differences: Federalism and Public Consultation," in *Federalism and Democracy*, ed. David Stewart and Paul Thomas (Winnipeg: University of Manitoba Press, 2001).

21. John Forester, *Critical Theory, Public Policy, and Planning Practice: Toward a Critical Pragmatism* (Albany: State University of New York Press, 1993).

22. Gordon Stewart, "The Origins of Canadian Politics and John A. Macdonald," in *National Politics and Community in Canada*, ed. R. Kenneth Carty and P. Ward (Vancouver: UBC Press, 1986).

23. Neil Nevitte, *The Decline of Deference* (Toronto: Broadview, 1996).

24. Carty, Cross and Young, *Rebuilding Canadian Party Politics*, p. 84.

25. The division between the Paul Martin and Jean Chrétien wings of the party is bitter and personal. But it is easy to exaggerate the personal aspect to these conflicts. The animosity between their respective partisans stems from a conflict not over economic or social values, but over the Meech Lake Accord. It is this disagreement in regard to accommodation that animates conflict within as well as between parties.

26. Neil Nevitte, André Blais, Elisabeth Gidengil, and Nadeau, *Unsteady State: The 1997 Canadian Federal Election*, p. 90.

27. Carty, Cross and Young, *Rebuilding Canadian Party Politics*, p. 6.

28. Ibid., p. 35.

29. Ibid., p. 85.

30. Nevitte, Blais, Gidengil and Nadeau, *Unsteady State: The 1997 Canadian Federal Election*, chap. 8

31. Ibid., pp. 94-95.

32. See Telford, this volume.

33. Richard Johnston, André Blais, Henry E. Brady and Jean Crête, *Letting the People Decide: Dynamics of a Canadian Election* (Montreal and Kingston: McGill-Queen's University Press, 1992), p. 73.

34. Matthew Mendelsohn, "Public Brokerage: Constitutional Reform, Public Participation, and the Accommodation of Mass Publics."

35. One should also note that CRIC did not ask a question that measured social conservatism.

36. The placement of the parties is based on the percentage point difference between those who intend to vote for the party and the mean. The end points of the axes are fixed at 20-point divergences from the mean.

37. How parties deal with economic questions, such as taxation and social programs, will, of course, remain crucial to their potential success, although the Liberals, Tories, and Alliance have tended to converge on these issues in important ways. Parties' positioning on moral questions related to the family will become increasingly less relevant to parties' discourse as the Alliance is forced to recognize that dealing with these issues within the context of an election campaign is unsustainable given the value structure of Canadian voters.

APPENDIX
CRIC Questions, October 2000

1) In your opinion, should Canada allow privately-owned companies to deliver some health-care services in Canada, or should the health-care system be operated entirely as a public program?
Allow private 33%; Keep public 63%; DK 4%.

2) In the future, would you like to see Canada become more like the United States, less like the United States, or would you like things to remain as they are?
More like 11%; Less like 49%; Remain unchanged 37%; DK 2%.

3) Do you think that Aboriginal peoples should have some type of preferential access to hunting and fishing grounds in areas where they have traditionally lived, or do you think that when governments regulate access to hunting and fishing grounds they should treat everyone the same?
All equal 66%; Preferential access 31%; DK 2%.

4) Do you think Canada should accept more immigrants, fewer immigrants, or about the same number as we accept now?
More 12%; Fewer 31%; Same 55%.

5) If the general public was more involved in decision-making on our big national problems, do you think we would be more likely to solve our problems, less likely to solve our problems, or that it would make no difference?
More likely 47%; Less likely 19%; No difference 32%; DK 2%.

6) In your opinion, does the federal government have too much power, do the provincial governments have too much power, or is the balance between them about right?
Feds have too much 29%; Provinces have too much 12%; About right 52%; DK 5%.

7) Which of the following statements more closely reflects your own opinion?
Almost nothing will satisfy Quebec; it wants everything and will always keep asking for more 52%; With some effort on the part of the rest of Canada, Quebec can be made to feel happy within Canada 44%; DK 4%.

8) If governments have budgetary surpluses, which of the following three things should be the highest priority?
Cutting taxes 25%; Paying down the debt 43%; or Putting more money into social programs 31%; DK 1%.

9) Which government do you trust more to protect the programs you care about? Is it:
   The federal government 20%; The government of your province 28%; Both equally 31%; or Neither 20%; DK 1%.

10) Sometimes people talk about "equality of the provinces." Some people say this means that each province has to be treated identically, otherwise we don't have true equality. Others say we can still have true equality even if different provinces have different powers to meet their specific circumstances. This could mean special powers for Quebec over the French language. Insight, 1996.
    Identical treatment 32%; Different treatment is possible 64%; DK 4%.

11) Sometimes people talk about "equality of the provinces." Some people say this means that each province has to be treated identically, otherwise we don't have true equality. Others say we can still have true equality even if different provinces have different powers to meet their specific circumstances. This could mean special powers for Quebec over the French language, BC over the fisheries, or Alberta over oil. Insight, 1996.
    Identical treatment 24%; Different treatment is possible 72%; DK 4%.

12) Which of the following two statements comes closest to your own view: As Canada's first people, Aboriginal peoples should be entitled to special consideration in some areas, such as access to hunting and fishing grounds; or: All Canadians should have exactly the same rights, otherwise we do not have true equality. CRIC, 1999.
    Same rights 68%; Special consideration 31%; DK 2%.

4

Say Goodbye to the Dream of One Canada: The Costly Failure to Purchase National Unity

Patrick James and Michael Lusztig

Une composante importante de la vision du Canada de Trudeau était la notion qu'une société juste devait fournir des compensations financières pour ses membres les moins privilégiés. Même si l'État-providence fut mis en place avant l'ère Trudeau, sa vision d'une communauté nationale florissante, notamment grâce à de généreuses dépenses publiques, fait maintenant partie intégrante de la politique culturelle canadienne. Trudeau croyait également que les dépenses reliées aux programmes sociaux parviendraient à diminuer les clivages et rapprocher les diverses communautés ethniques du Canada. Cependant, dans ce chapitre, James et Lusztig soutiennent qu'il existe aussi des effets pervers importants quant à l'utilisation de l'État-providence pour créer et maintenir un sentiment fort de communauté nationale.

With the exception of Sir John A. Macdonald, and possibly William Lyon Mackenzie King, no Canadian prime minister made a greater mark on Canadian politics than Pierre Trudeau. Trudeau governed at a time when the country faced its greatest constitutional crisis since Confederation. The means by which he sought to address this crisis — wide-scale cultural, constitutional, and economic reform — left a seemingly indelible mark. In brief, Trudeau sought to institutionalize his vision of the "Just Society," an exercise that bound constitutional issues with those of political culture and public spending. The latter is of immediate interest here. This chapter seeks to evaluate the success of Trudeau and his successors to achieve social cohesion through the national coffers.

At its core, Trudeau's vision of the "just society" was the idea that circumstance should not distort any individual's ability to participate in, and benefit from, the fruits of the national community. It built upon a prevailing sense of pan-Canadian nationalism that had been developing through the postwar era

and had found a home in the Liberal Party of Canada (although the basic concept also was embraced by some within the Progressive Conservative Party, most notably John Diefenbaker).[1] According to this pan-Canadianism, all Canadians, regardless of mother tongue, ethnicity, region of residence or social class, were to have a common sense of what it meant to be Canadian. Not only was this just, but it would build bonds of nationhood strong enough to withstand the centrifugal forces associated with ethno-linguistic dualism, Canada's traditionally dominant line of social cleavage. Similar to John Diefenbaker's conception of Canada,[2] Trudeau envisioned a nation of "unhyphenated Canadians" whose primary loyalty would be to a commonly held sense of what it meant to be Canadian. Canada would not be a community of communities. Instead, there would be "One Canada" to which all other loyalties would be subordinated.[3]

Among the most important components of this pan-Canadian vision was the notion that a just society would provide *financial* compensation for its least privileged members. Obviously Trudeau was not the architect of the welfare state in Canada. Save for regional development and multicultural initiatives, he did not provide impetus for a great deal of new social spending, at least in comparison to historically prominent and expensive programs such as universal pensions and publicly insured health care.[4] Nor was he the first to conceive that social cohesion in Canada might be purchased through public spending. Universalism in social programs was a cornerstone of what Jenson[5] calls the citizenship regime of the early postwar era.[6] However, Trudeau came to power just as the real threat of separation emerged in Quebec. This confluence of events — the existence of a generous welfare state, the emerging threat of Quebec separatism, and Trudeau's articulation of the Just Society — conspired to create a virtual path dependence for successive governments' strategies with respect to economic and social policy.

This vision of a national community bound together, in part, through the generosity of the public purse, has become an integral part of Canadian political culture.[7] Equally important was the sense that, consistent with the modified evolutionary welfare hypothesis (to be discussed below), public spending could help to bind the dominant ethnic cleavage in Canada. As this chapter argues, however, the use of social program spending as a means of creating and maintaining a sense of national community has generated grave side effects or, as they are known to students of political economy, negative externalities.

While social program spending has a palliative effect in the short term, it eventually becomes more than optimal and thus harmful. The law of diminishing returns, in other words, mandates that more and more spending is necessary to create less and less social cohesion. Indeed, public spending in an age of post-materialist, "Charter politics" attracts ever greater demands on the state.[8] These demands actually create a centrifugal dynamic of their own. Increasingly, groups such as feminists, Aboriginals, "third-force" Canadians[9]

and those of alternative sexual preferences have mobilized to parlay constitutional recognition into a moral imperative to be compensated, at least in part, out of the commonweal.

In addition, public spending becomes increasingly difficult in an age of globalization. The North American Free Trade Agreement (NAFTA) in particular has coincided with, if not necessarily exacerbated, the productivity gap between Canada and the United States. This disparity, we argue below, is at least in part a function of supraoptimal public spending. Other countries have recognized the relationship between globalization and the limitations on public spending. The political economy of inefficient allocation is straightforward: because capital (necessary for the construction of a viable tax base[10]) is mobile, whereas clientele groups of the state are not, governments have responded to globalization by creating more capital-friendly environments. Indeed, over the past 20 years, a number of societies with generous levels of public spending (including Australia, Britain, Denmark, New Zealand and Sweden) have recognized the economic imperative of welfare state retrenchment. In Canada, however, the link between national cohesion and public spending aimed toward redistribution of income, especially in the aftermath of a series of controversial constitutional initiatives, has limited the government's manoeuvrability in this regard. While the recent reforms of the Chrétien government suggest that the federal government may also recognize these imperatives, it is too early to suggest that welfare state retrenchment in Canada has been institutionalized.

What are Canada's options in response to the externalities generated by the use of social program spending to purchase national unity and constitutional peace? One option, which has been apparently favoured in a sustained way within some quarters of the Liberal Party, is to expand public spending. However, economic reality suggests severe long-term limitations for this option. Another idea is to examine the successful free-market reforms that have taken place in other "small states in big trouble."[11] In Australia, Denmark, New Zealand and Sweden, left-wing governments engaged in welfare state retrenchment in response to economic imperatives. Meaningfully for present purposes, these reforms, which partially entailed devolving greater responsibility for welfare to local governments, were realized without serious political backlash against the national governments. While the Chrétien government has largely followed the second option, we argue that it could, and should, go further. Specifically, the Chrétien reforms appear insufficiently institutionalized. A return to difficult times, or even a shift within the Liberal Party power structure, could see a return to traditional high-spending ways.

This chapter unfolds in six sections. The first outlines Trudeau's (pan-Canadian) philosophy of nation-building in the context of the so-called modified evolutionary welfare hypothesis. The second focuses more directly on evolutionary theory in relation to the political economy of the welfare state.

Section three discusses the history of social welfare provision in Canada through the Mulroney era. The fourth section examines the role of the Chrétien government, acknowledging the difficult spending decisions that it has made, but demonstrates also the fact that further retrenchment is necessary. The fifth and penultimate section is prescriptive, demonstrating the political and economic benefits that accrue to national governments that stop using public money to purchase social cohesion. Finally, the sixth section summarizes the findings.

NATIONAL UNITY AND PUBLIC SPENDING

Trudeau's vision of a Just Society mandated construction of an overarching sense of national community designed to meet a number of threats that militated against a universal commitment to Canadian nationalism. The most prevalent were the cultural influence of the United States; regionalism, as manifested in the movement toward province-building in the postwar era; and most importantly, the growing nationalism and isolationism that emerged from the Quiet Revolution in Quebec. Trudeau's response to these threats consisted, in the main, of four initiatives.[12]

First, as a cultural "protectionist," Trudeau attempted to forge a national culture by distancing Canada from the United States, both in terms of domestic and international politics.[13] This nationalism was most evident in policies such as the Third Option, in which Canada sought to pursue a foreign policy independent of the United States, the creation of the Foreign Investment Review Agency (FIRA) and the Canadian Radio-Television and Telecommunications Commission (CRTC), and the increased presence of the federal government in the oil patch following the National Energy Program (NEP).[14]

Second, Trudeau sought to undercut the role of provincial governments by attempting to create a direct relationship between individual citizens and the federal state through the constitutionalization of a charter of rights. From the genesis of this policy as a position paper when Trudeau was minister of justice,[15] through the failed 1971 Victoria Charter, until entrenchment in 1982, Trudeau's political career was characterized by his desire to entrench constitutional rights.[16]

Third, even as he sought to ensure that the Just Society provided a universal and homogenous set of rights, he was equally concerned that it not enforce ethnic or linguistic homogeneity. This commitment to pluralism was realized through bilingualism and multiculturalism,[17] and was manifested most obviously through the 1969 *Official Languages Act*, as well as numerous provisions in the *Charter of Rights and Freedoms*.[18]

Finally, and most pertinently for present purposes, Trudeau sought to make use of high levels of social program spending in Canada, as well as to expand and entrench critical features of the welfare state in Canada. For Trudeau, social program spending was the mortar that bound the Just Society. Indeed, Banting is quite authoritative upon the point of social program spending constituting the basis of a unique Canadian national identity:

> In Canada, social programs have been seen primarily as a means of integration across territorial lines. Social programs represent one of the few spheres of shared experience for Canadians, an important aspect of our lives which is common, irrespective of our language and religion. Moreover, the inter-regional transfers underpinning these programs have represented an affirmation that — despite geography, economics, and demography — we are a single people, with a common set of benefits and obligations.[19]

A more sinister interpretation, however, is that the government merely sought to set itself up as the "national paymaster." In this capacity, it sought to replace the market as the ultimate arbiter of decisions regarding resource allocation. Indeed, this centralization-of-power theme, the ability to act as social engineer, epitomizes Trudeau's entire meta-constitutional agenda.[20] On the other hand, independent of Trudeau's political philosophy, there was also a strong institutional incentive for Trudeau and his successors to follow what we call the modified evolutionary welfare hypothesis.[21]

EVOLUTIONARY THEORY AND THE POLITICAL ECONOMY OF THE WELFARE STATE

Two general paradigms predominate in the literature on the distribution of public resources. The first, evolutionary theory, is based upon the assumption that governments have an incentive to distribute resources narrowly, that is, in a way that is ethnically exclusionary. Put differently, evolutionary theory anticipates that people will be more disposed toward providing support for those they perceive as kin, fictive or otherwise.[22] Thus, within the theory, social spending for those who appear similar to oneself is justified as a positive act in terms of inclusive fitness. By contrast, the more diverse the society, the less obvious it is that, on average, members of one's own group — real or fictive — will be the beneficiaries of social program spending. Therefore, from an evolutionary perspective, the basic hypothesis is that *more* ethnically heterogeneous societies should feature *lower* levels of welfare provision because of the role expected for ethnic nepotism in diminishing altruism.[23]

The second, more familiar, general paradigm is known as consociation. The logic here is precisely the opposite of evolutionary theory. While governments may have a narrow incentive to engage in parochial distribution of public

resources, this is nested within a larger imperative to maintain systemic stability. Thus, governments are expected to engage in broad, proportional distribution of public resources to all politically relevant (however this is determined) social groups.[24] At its core, consociational theory mandates four main rules: (i) elites must construct universally inclusive (however defined) grand coalitions; (ii) each member of the grand coalition must have a veto; (iii) public resources must be divided proportionally; (iv) each relevant societal subsection must be allowed a high degree of autonomy.[25]

An examination of the Trudeau and post-Trudeau years suggests that neither general paradigm fully captures reality, although the consociational model comes closer. However, it is difficult to argue that Canada fulfills all the conditions associated with consociation. Indeed, conditions (i) and (ii) are realized only through a very relaxed definition of the term "grand coalition." Moreover, although the logic of federalism allows for condition (iv) to be met, federalism alters the consociational compromise in a way that causes public spending to be not only proportionally distributed (condition (iii)), but also *accelerated*. This is an important point for the issue at hand and suggests a further conceptual distinction between consociation and what we observe in Canada during the Trudeau and post-Trudeau years.

Thus, it may be argued without a great deal of controversy that federalism creates the potential for conflicting loyalties among citizens.[26] Where national and subnational governments have radically different meta-constitutional philosophies, moreover, potential for fragmentation is magnified. As Meadwell[27] notes, subnational governments provide excellent vehicles for the mobilization of alternative visions of the country. This occurred during the US Civil War; it also captures nicely the separation crisis in Quebec. Belgium is another excellent case in point.[28]

Under these conditions, there emerges a strong incentive for the national government to use its spending power to bind the wounds of the nation. Subnational governments, in turn, might have no incentive to oppose increments in federal spending if they benefit from such allocations as well. Thus a very *diverse* federation might be the most obvious candidate of all for social program spending in excess of the optimal. As Richards notes: "When major interests in particular regions threaten secession, it is an understatement to say that politicians have difficulty in exercising the discipline necessary to achieve fiscal balance. Reliance on deficits as a tactic to patch over social divisions is a strong temptation."[29]

As such, we posit that the Trudeau and post-Trudeau years are consistent with what we call the modified evolutionary welfare hypothesis (MEWH), which suggests that diversity (ethnic or otherwise) actually will lead to *increased* distribution of public resources. Moreover, where socially relevant subgroups enjoy institutionalized autonomy, as in federal systems, the potential for public spending to compensate for the perceived centrifugal effects of

diversity will be higher still. More important than the conceptual tweaking associated with the MEWH, however, is the prescriptive lesson it provides.

The MEWH provides the best perspective from which to understand social program spending during the Trudeau years. Social program spending increased dramatically in Canada until, and perhaps even beyond the time, it encountered upper limits based on economic viability. This is to be expected, since the federal government would have an incentive to believe that the strategy would work but only at somewhat higher levels of welfare provision. In other words, continuing failure to achieve national unity and constitutional cohesion could be rationalized as a function of inadequate supply of key public goods such as health, income-maintenance, and education. The inability to recognize that further increases in spending ultimately would result in futility does not distinguish federal leaders from the many other people who deal with persistent problems by doing more of what has not worked so far. Given the amount of time and money already invested in national integration through social program spending, the federal government's refusal to abandon the strategy until forced into that decision by economic necessity actually becomes quite understandable.

THE DEVELOPMENT OF SOCIAL WELFARE PROVISION IN CANADA

Regional disparity traditionally has been the defining characteristic of Canadian political economy. The Atlantic provinces long have lagged behind the rest of the country in living standards. While generally better off in economic terms, the western provinces have a history of resenting what they view as excessive control over the Canadian economy by the central provinces of Ontario and Quebec.[30] In response to this tension, Canadian governments have engaged in equalization payments to the "have-not" provinces since the 1950s. These transfers by the federal government are intended to help the poorer provinces provide public services at levels equivalent to those of their wealthier counterparts.[31] The magnitude of the payments is considerable; in 1994–95, for example, 23 percent of total federal transfers to the provinces took the form of equalization.[32]

With respect to social spending, the Great Depression represents the first major turning point in Canadian history. Prior to the difficult economic times of the 1930s, the federal government had a limited role in social programs. It started with regulatory policies intended to create a national market and later provided limited workers' compensation, mothers' pensions and federal/provincial pensions to veterans and the needy among the elderly. The hardships endured by millions during the Depression reduced inhibitions about "social engineering" by the federal government. By 1940, as recommended by the Rowell-Sirois Commission, the federal government had assumed

responsibility for unemployment insurance and federal leadership continued in the development of social welfare policies through the mid-1960s.[33] The *Unemployment Insurance Act* (1940) was followed by the *Family Allowance Act* (1944) which, according to a study that generally favours welfare spending, "opened the door to demands for more programs of this type.[34]

Pensions came under concurrent jurisdiction (albeit with provincial predominance) in 1951. In 1965 the Canada/Quebec Pension Plan came into being and went into force across all provinces in 1967. In the health-care sector the federal government produced a National Health Grants program in 1948. The *Hospital Insurance and Diagnostic Services Act*, passed in 1957, enunciated four basic principles about coverage. In order to qualify for federal cost-sharing of eligible provincial expenses, coverage had to be comprehensive, universal, portable, and publicly administered. Finally, in the late 1960s, Ottawa passed the *Medical Care Act*, which established public medical care insurance with a 50 percent cost-share by the federal government.[35]

Financing of postsecondary education evolved in much the same way as health care. Beginning in 1952, federal support for postsecondary education took the form of block grants. Each province received a sum of money for operating costs of postsecondary education "without any detailed conditions or strings attached." From 1967 through 1977 the federal grants were based on a formula that provided 50 percent of expenditures.[36]

Two other important federal welfare programs came into being during the 1960s. Introduced in 1966, the Canada Assistance Plan (CAP) established that Ottawa would pay 50 percent of expenditures on social assistance to people identified by the provinces as being in need. In that same year, in addition to Old Age Security and the Canada/Quebec Pension Plan, the Guaranteed Income Supplement (GIS) transferred extra funds to old age pensioners whose income was below a certain threshold level. The GIS represented an especially major change because the federal government in effect had instituted a negative income tax for at least some of its citizens.[37]

The Liberal governments of the 1960s and early 1970s "revised and expanded" unemployment insurance, family allowances, assistance programs and pensions.[38] The Pearson and Trudeau regimes also created programs for housing.

Trudeau, in particular, introduced a *qualitative* change in social welfare through development of highly targeted programs that moved dramatically into new areas. The Local Initiatives Program (for public works), Opportunities for Youth (in which young people "invented" jobs), Youth Perspectives (a summer employment program) and New Horizons (a program providing "leisure activity for the aged"), all came into being in close proximity near the start of the 1970s.[39] The overall impact of these and other social programs is summed up by Noël and Graefe:

This multiplication of programs and interventions entailed a sufficiently large increase in public spending to speak of a qualitative change. Indeed, while government spending on health, welfare and education stood at 6.5% of GNP in 1951 and 11.6% in 1961, by 1971 it had reached 19.4%.[40]

All of this occurred against the backdrop of Trudeau's commitment to "left-wing" projects that, in his words, "I had been dreaming about for a long time."[41] The series of programs upgraded and created by the Trudeau minority government from 1972 to 1974 represented the high-water mark of the Canadian welfare state.[42]

This is a natural point at which to revisit the metaphor of the federal government in general and Trudeau in particular as the would-be national paymaster. Is there reason to see what has just been reported as an attempt to purchase national unity? Obviously, at a certain level, this assertion is beyond proof. It would not have been in the interest of either Trudeau or his inner circle ever to acknowledge such a connection. The next best thing is circumstantial evidence, and some of it is very compelling.

Consider, for example, the establishment of the Department of Regional Economic Expansion (DREE) in 1969. The DREE provided grants and loans "to develop infrastructure and attract industry to low-income regions."[43] Trudeau appointed Jean Marchand, a close friend who also happened to be from Quebec, as the first minister for the new portfolio. The creation of this ministry, which distorted natural economic processes in the interest of regional equalization, almost certainly worked to the relative advantage of Quebec and other provinces with failing industries in remote areas. Unemployment Insurance (UI) reform in 1971 had much the same character. Benefits rose from about 40 percent of insured earnings to about two-thirds, with the qualifying period being reduced to as little as eight weeks and the benefits period being increased to as long as 51 weeks. Even Jim Coutts, a great admirer of Trudeau and liberal welfare policies, acknowledged that the plan had "faults," one of which was to "discriminate against unemployed people in high-employment areas."[44] As in the case of DREE, the UI reform tended to redistribute benefits toward Quebec, which had a traditionally higher rate of unemployment than some other provinces.

While neither of the preceding examples can prove a tendency toward "buying support," the huge deficits that began in the Trudeau era and program creation point in the direction of motivated bias.[45] The regime did not try to legislate in the direction of efficiency. Instead, the policies of the Trudeau era emerge as redistributive in both time and space. First, funding social programs through deficits amounts to an "inter-generational transfer,"[46] in which living (and voting) beneficiaries are privileged at the expense of those who are either members of future generations or at the very least are not as yet voting. Second, the content of certain high-profile programs, such as DREE

and UI reform, points to an attempt to redistribute revenue toward marginal supporters in areas most likely to benefit from the new initiatives, including Quebec, where Trudeau's regime competed for public favour against an increasingly hostile separatist movement.

By the mid-to-late 1970s, federal spending — regardless of what motives it had — appeared to be out of control. From 1964 to 1975, the federal civil service increased from 200,000 to 330,000, or by 65 percent.[47] Social spending, in particular, assumed a high profile: hospital insurance, medicare and postsecondary education had become so costly that a sense of crisis prevailed in Ottawa. No longer did the federal government see it as feasible to support essentially open-ended spending programs through a commitment to cost-sharing. As a product of federal-provincial negotiations, Ottawa passed the Federal-Provincial Fiscal Arrangements and *Established Programs Financing Act* (EPF) in 1977, which set up tax transfers and a cash transfer connected to the gross national product.[48] In order to limit its commitments and discourage drastically increasing provincial outlays that had been driving the upward spiral, the federal government under the EPF no longer committed to a specific share of the cost of hospital, medical, and postsecondary education programs.[49]

By the mid-to-late 1980s, deficit reduction had become a federal priority. In 1973, the federal government ran a deficit and the deficits continued into the 1980s. By 1984, the deficit had reached $38 billion, with a national debt of over $200 billion.[50] This leads naturally into a discussion of the Mulroney years, that is, 1984 to 1993.[51] Did this regime, from the Conservative rather than Liberal Party and strongly supported by business interests, interrupt the long-term upward spiral in the public sector? Overall, the answer turns out to be "no."

Brian Mulroney came to power at a time when the mind-set of the western world already had shifted considerably away from the Keynesianism of the post-World War II era. Stagflation in the 1970s had opened the door to new ways of thinking.[52] By the end of 1980, neo-conservative governments had come to power in the two countries with the greatest influence in setting trends for Canadian public policy, namely, the United States and United Kingdom. Thus Mulroney took office in 1984 against the backdrop of an international environment that demanded greater government efficiency *and* a domestic setting with traditions that supported the continuation of an activist federal government. Sentiments in favour of social programs and against deregulation did not hold sway only among those identified with the Liberals and NDP; rather, even prominent Cabinet ministers, such as Joe Clark and Flora McDonald, put forward such views and constituted a *de facto* "Red Tory" faction within the new government.[53]

Conservative policy over the two mandates can be described, for such reasons, as cross-pressured. The Tories created the Atlantic Canada Opportunities Agency (ACOA) in their first term, a regional development agency intended

to deal with at least some of the lingering regional complaints about economic disparity.[54] This looks, at least on the surface, to be in the same tradition as DREE. Yet the same federal government moved early in its first mandate toward trade liberalization with the US — a response to international imperatives in favour of more limited government and less regulated commerce — and achieved that goal with the Free Trade Agreement (FTA) of 1988. Even with such a momentous change, however, the Mulroney government could not achieve a level of economic performance sufficient to make lasting progress on deficit control. The factors contributing to the large Canadian deficit included "increasing interest payments on the debt, increases in cyclical expenditures such as unemployment insurance, and various tax breaks and deferrals that have resulted in a significant loss of federal revenues relative to GDP."[55] Although it did make incremental progress during the first term in office, the Mulroney regime ultimately either could or would not make spending cuts at the levels required to bring the deficit under control.

Figures from the second Mulroney government (1988–93) reveal that major restrictions in government spending, at least in relation to revenue, would not be forthcoming. Graham's authoritative tracking of budgetary expenditures in 1990–91, for example, shows a 3.4 percent increase from the preceding year.[56] Furthermore, the provinces continued to disapprove of efforts to make significant reductions in income-tested programs and unemployment insurance. This view — and the perceived need to respond to it — comes out clearly in more specific figures from the 1990–91 budget expenditures. While the budget froze the per capita EPF transfers to all provinces at the 1989–90 level for the next two fiscal years, equalization payments remained untouched and the so-called "have-not" provinces (i.e., all but Alberta, Ontario, and British Columbia) escaped the 5 percent ceiling placed on CAP transfers.[57] In response to regional concerns, members of the Mulroney Cabinet voiced strenuous objections and managed to discourage any decisive actions in each budgetary season.[58] Budgetary pressures, however, continued to build in the 1990s.

While the deficit had been reduced on a yearly basis in the first Mulroney mandate, that success ended with the onset of recession in 1990. Revenues dropped and interest charges on the deficit increased.[59] As the recession intensified, spending pressures began to build; ministers had proposed about $15 billion in policy initiatives by the fall of 1992 and wanted action. The failed Charlottetown Referendum in October 1992 generated increased political uncertainty and contributed to the downward economic spiral, and the deficit increased to almost $15 billion above the projected level. The Conservative government had to increase its EPF cash transfers to several provinces by approximately $2 billion to meet its obligations.[60] Thus, by the end of the Mulroney regime in 1993, it became obvious that no genuine reversal in deficit spending had been achieved.

Mulroney, as a bridge between Trudeau and Chrétien, shares some traits with each but also seems different in at least one important way. All three of these prime ministers came from Quebec and each made great efforts to purchase the support of that province. Mulroney's record, for instance, included the extremely expensive bilateral immigration deal, the above-noted "cap on CAP" (which did *not* affect Quebec), the CF-18 contract and so on. Mulroney, however, also differed from Trudeau in terms of at least a stated adherence to more conservative economic principles, embodied most directly in the FTA with the US and the later North American Free Trade Agreement. This difference, however, makes Mulroney's own spending practices all the more noteworthy. He did not engage in a frontal assault on the Canadian welfare state, as would have been expected from a genuine neo-conservative. In short, the power of the MEWH appears to be sustained even when someone qualitatively different, at least in ideological terms, sits in the Prime Minister's Office. Neither Mulroney nor his pro-business supporters in the Tory caucus ultimately dared to take hold of the "third rail" of Canadian politics — the welfare state.

A SEA-CHANGE?

During the early years of his administration, Chrétien's government took measures to control spending, most notably with respect to social services. The Canada Health and Social Transfer (CHST) in the 1995 federal budget suggested that Ottawa was moving toward a reduction in its commitment to medicare, which produced tensions with anxious provincial leaders. The CHST merged the EPF and CAP into one block transfer program and ended the practice of requiring availability of welfare services to all in need.[61] Medicare constituted a centrepiece in the government's successful attempt to reduce the federal deficit. Between 1994 and 1997, it is estimated that the Chrétien government trimmed $7 billion from its health-care budget.[62]

The obvious effect was to create a new source of federal-provincial tension. Diminished federal funding of health care generated a centrifugal demand for greater provincial autonomy. For example, Alberta, Manitoba, Newfoundland, and Nova Scotia all began to allow clinics to engage in extra-billing of patients (known as "facility fees") in defiance of Ottawa's prohibition of such practices. More systematically, the provinces began to clamor for more input into the administration of new and existing spending initiatives in areas of provincial jurisdiction under the auspices of the so-called Social Union Framework Agreement (SUFA).[63]

The SUFA, announced in early 1999 and signed by every province except Quebec (which supported the plan to the extent that it served to devolve greater control to the provinces, but did not accept it in its final form), established a

new framework for social program spending in Canada. SUFA, which contains a three-year review clause, contains a number of provisions. First, the federal government agrees not to introduce new joint spending initiatives without the agreement of a majority of the provinces. Second, each province will have the authority to design its own blueprint for the administration of the new initiative. Thus, Ottawa might propose the broad parameters of a new program, but the details will be left to the individual provinces. Third, although not part of the SUFA *per se*, but as part of a related agreement, the provinces will receive more funding for health care in return for a commitment to spend the extra money on medical care. The federal government will retain the ability to influence the administration of health care, but will allow for mediation over conflicts such as those concerning extra-billing and the establishment of private clinics.

It is too soon to determine whether or not social spending reductions of the 1990s represent a social policy "realignment." However, it is safe to conclude that the SUFA will not serve as a great deterrent to the federal spending power. There is no population floor for the provincial majority needed for new federal spending initiatives. Moreover, the federal government retains the right to penalize provinces that fail to conform to national standards for social programs (although such standards themselves are the product of federal-provincial agreement). As Dunn notes: "To a remarkable extent — at least when one considers all the discussion on the social union — the *status quo ante* prevailed."[64] Thus, it is possible to conceptualize the "collaborative federalism" of the Chrétien years as "pan-Canadianism with a bit of regional diversity." If we have witnessed a sea-change in Canadian social policy, in other words, it has not been accompanied by a great deal of institutional change.[65]

With respect to program-spending reductions, the Chrétien government has had a generally responsible record, although, again, the results feature some interpretive ambiguity. Program spending across all levels of government as a percentage of gross domestic product (GDP) fell markedly from its peak in 1992 (46 percent) to 36.4 percent in 1999.[66] While this is impressive by Organisation for Economic Co-operation and Development (OECD) standards, and indeed places Canada below the OECD average for the second half of the 1990s, it is worth noting that Canada continues to commit a significantly higher portion of its GDP to program spending than does the US. Indeed, the US committed only 27.3 percent of GDP to program spending.[67] Given that the US is far and away Canada's leading trading partner, not to mention the reservoir of Canada's "brain-drain," it represents the most meaningful baseline of comparison.[68]

Whether the Chrétien government will continue to reduce program spending is an open question. In September 2000, the federal government committed to increase spending on health care. Moreover, while the government backed off of its commitment to a national daycare program, in the run-up to the 2000

election it launched the Early Childhood Development Initiative that pledges $2.2 billion over five years to a variety of programs including child care.[69] Indeed, according to some in the Liberal Party, increased social program spending is the optimal means for the party (and hence federalists) to regain political support in Quebec.[70] In other words, at least for some, the time is ripe for a renewed commitment to purchasing national unity out of the public purse. Prime Minister Chrétien's trial balloon in the aftermath of the 2000 election, which floated the old idea of a national guaranteed annual income, is a good illustration of this point. On the other hand, at least for now, fiscal conservatives appear to be ascendant within the government. Tax cuts, and not an increased fiscal burden, appear to be the order of the day.

While the Chrétien government may have tamed the budget deficit, and thus the most obvious negative consequences of overspending, it is important to bear in mind that Canada still suffers from a large public debt and attendant service charges which, as noted earlier, eat up a significant percent of total federal public spending. In turn, debt-servicing has obligated Canada to maintain a large annual revenue stream in the form of a prohibitive tax structure. This generates two negative externalities: an incentive structure that leads highly educated Canadians to seek work south of the border, and tensions between the federal government and the provinces, most perniciously Quebec.

Globalization, and particularly NAFTA, have exposed serious flaws in Canada's profligate spending patterns. For example, large numbers of highly skilled, mostly young, Canadians educated at the expense of the Canadian taxpayer are finding that the US economy provides opportunities they could not realize at home.[71] As Serge Nadeau, chief economist for Industry Canada, recently noted, real income per capita in Canada is roughly 25 percent less than in the United States.[72] Moreover, if one considers that far more Americans than Canadians are living below the poverty line, it is logical to posit that Nadeau's figures understate the national differential in living standards for the middle class. In other words, those who qualify for readily available Temporary NAFTA (TN) visas, on average will see their living standards increase by more than one-fourth as a function merely of crossing the border for employment. For some professions, the figures are considerably higher.[73] Moreover, while average after-tax incomes in Canada fell by roughly 5 percent in the 1990s, US incomes rose by an average of 10 percent.[74] While precise measurements are difficult to obtain, there is sufficient evidence to generate suspicion about the Chrétien government's oft-repeated position that there is no "brain drain" from Canada to the United States.[75] At the very least the problem is visible enough to have been recognized in the first page of Canada's entry in *Nations of the World* (2000), a handbook published in the UK.

The brain-drain question remains controversial and is an important corollary to the MEWH. Helliwell, for example, finds that the number of Canadian-born US residents has declined markedly since 1980, which would

seem to cast doubt on the idea of a brain drain. Aside from that study, which focuses on aggregate numbers, the evidence is very much in the opposite direction.[76] Schwanen shows that in the critical area of science and engineering university graduates, a quality gap is emerging, with many of the most qualified (often most senior) of Canada's graduates heading to the United States and being replaced by immigrants who require a number of years of language and skills training before being able to match the performance of native North Americans.[77] As Schwanen notes, "although immigration is beneficial to the Canadian economy, it does not, by itself, negate the cost of science and engineering emigration."[78]

The most recent and authoritative study sums up emigration from Canada to the US in the following way:

> The country does, however, appear to be losing a significant fraction of its labour market elite, at least as judged by individuals' incomes, with fully 0.89 percent of all tax payers earning $150,000 or more in the last full tax year preceding their departure leaving the country, which contrasts with the .12 departure rate for all tax filers taken together…. The evidence presented above shows that the brain drain is not particularly large in terms of the total numbers involved [i.e., consistent with Helliwell] or the general "quality" of the majority of leavers, but that there are a number of important types of "knowledge workers" who are leaving in substantial numbers, whose departures represent the loss of substantial public investments in terms of those individuals' education and job experience, and whose skills will be missed. These include health sector workers, especially physicians and nurses, university professors, cutting edge R&D and high-tech workers, and high income individuals in general.[79]

As more professionals head south of the border in search of higher returns on their (educational) investments, so too have numerous other investors (and, less obviously, potential investors). As a consequence, there is an emerging productivity gap between Canada and its largest trading partner, the United States.[80] In the 1970s and 1980s, productivity differentials between Canada and the United States narrowed; the past decade has seen a reversal of that trend. Higher levels of taxation in Canada have contributed to the fact that investment by businesses in machinery and equipment is lagging behind that in the United States and other developed countries. In turn, this has undermined the relative efficiency of worker output in Canada. Put differently, according to Nadeau, lower productivity explains 96 percent of the variance in cross-border living standards.[81]

Perhaps even more pernicious is that declining living standards exacerbate problems of social cohesion in a country that is already badly divided after more than three decades of experimentation with the MEWH. As times get harder, more and more groups make demands on the state, further taxing the ability of the government to satisfy special interests. In the 1970s, alarmists called this phenomenon "post-pluralist malaise" or the "crisis of ungovernability."[82] Two decades

of hindsight suggest that the condition is controllable through austerity mea-
sures such as those practised in Britain under Margaret Thatcher, or in the
"small states in big trouble" discussed below. Even so, the problem is poten-
tially politically destabilizing.

The danger in Canada is that the most relevant special interests are prov-
inces, some of which are increasingly unhappy with the economic status quo.
Regional resentment in Canada does not appear to have diminished in the
wake of Trudeau's attempt to create "One Canada." A 1997 POLLARA poll,
for example, found that roughly 50 percent of British Columbians believe that
their province is the victim of a raw deal from Confederation; one-quarter
believe that BC would be better off economically if it separated from Canada.[83]
Similarly, the governments of Alberta and Ontario have been at the forefront
of a running battle with Ottawa about their dissatisfaction with the inequity of
their share of transfer payments.

OPTIONS

While the Chrétien government appears to have taken advantage of good eco-
nomic times to distance itself from the MEWH strategy, two dangers remain.
The first is that upon the manifest restoration of economic health, the govern-
ment will seek to use surplus revenues to its own political ends. While the
proposed cuts to the federal income tax make this unlikely, it is also clear that
tax remissions are a source of division within the government. The second,
more likely, danger is that as economic times get tougher, the government
will revert to the familiar strategy of using federal dollars to purchase politi-
cal peace. We suggest that the Chrétien reforms would be less vulnerable to
reversal if Canada were to devolve more fully to the provinces the capacity to
provide social programs. This would entail, broadly speaking, shifting tax
points and other revenue-generating capacities to the provinces as a means of
allowing them to meet their constitutional obligations.

The experience of other "small states in big trouble"[84] provides important
prescriptions for Canada. One reason why welfare retrenchment is so difficult
politically is that the state's policy manoeuvrability is, in the words of Cairns,[85]
embedded in a network of vested interests.[86] Policies, in other words, remain
static even as the environment in which they operate is dynamic.

An obvious example is the set of policies associated with the welfare state
in an age of globalization. Indeed, this disequilibrium was recognized by the
small states and led to their attempts to "create more autonomy for the central
state by breaking up the broad social base of support for the welfare state."[87]
More specifically, this autonomy was realized by devolving responsibility for
social welfare provision to subnational governments as a means of shifting
the locus of political backlash. Again, in the words of Schwartz:

Decentralizing operational authority forces local agencies and localities to use their new operational autonomy to prioritize activities within global budgetary constraints. This disperses political conflict away from central government and to the localities, where small groups will fight over their particular interests.... Put crudely, if the former system of quasi-monopoly provision of state services encouraged the use of voice by making exit difficult, the new system is intended to encourage consumers to exit from specific providers in order to prevent them from using voice on the central state.[88]

What are the advantages to devolution of welfare responsibility to the provinces? Most patently it would eliminate an important source of conflict between the federal government and Quebec. Quebec has long argued that the Constitution provides the provinces with exclusive jurisdiction over the provision of most social welfare, and that the provinces' autonomy is undermined by too much federal control in that area. Satisfying a long-standing constitutional demand of Canada's least satisfied province cannot be a bad thing for national unity, especially since doing so has attendant benefits.

The first such attendant benefit is that devolution of authority for welfare provision would necessarily obligate the federal government to transfer revenue-generating capacity (probably in the form of taxation points) to the provinces. Limiting the federal revenue stream, then, would help to "tie the hands" of the historically profligate federal government. Concomitantly, it would provide fewer areas of jurisdiction for the creative spending of federal tax dollars.

A second, and more important, benefit is that it would shift the locus of conflict from the federal to the provincial arena. Given the tough reforms necessary to maintain economic viability (all the more worrisome against the backdrop of Quebec separatism) it is preferable that the provinces be in the front lines of the battle over fiscal reform. This would undermine the rather effective argument advanced by separatists that, economically speaking, Confederation is not working.

This leads to the third attendant benefit: it would force the provinces, including Quebec, to better get their economic houses in order. This is more productive than having provinces sit on the sidelines taking "potshots" at the federal government. Moreover, in the case of Quebec, it would underscore to residents of that province that hard decisions regarding public spending are not merely a function of intergovernmental politics. Moreover, making such hard economic choices is not conducive to a successful referendum on separation. Indeed, it would further exacerbate tensions within the Parti Québécois among those who wish to postpone the referendum until Quebec resolves its economic difficulties and those who demand an immediate referendum.

All of this leads back to the assertion from Banting,[89] noted at the outset of this chapter, about the deep and abiding commitment to social welfare as a form of "negative nationalism" directed toward the United States (or perhaps,

"Toryism"[90]). This mind-set will continue among elites regardless of what specific quantitative indicators might say about spending at any given time. Consider just two examples from academe, where, for better or worse, the ideas translated into policy ultimately will tend to originate. In an otherwise analytical essay on the Canadian case, Noël and Graefe assess studies that characterize provision of social welfare as substantial as focusing on "what went right in Canada, rather than on what went wrong."[91] Finnie's evaluation of various possible responses to the Canadian brain drain is another instance: reduced public spending as a result of tax cuts, for example, presumably would jeopardize "the ability to walk the streets almost anywhere at any time, the advantages of better public health, the full insurance aspect of a more generous safety net, and other such benefits."[92] Furthermore, "significant cuts in social spending would also diminish the deep satisfaction which many Canadians feel by being part of a society where equality of opportunity, compassion for the disadvantaged, cultural identity and other goals related to common purpose and social justice are given more central place." All of the preceding assertions by Finnie are put forward with neither evidence nor acknowledgment of counter-arguments; for advocates of the Just Society — regardless of what it might be called now — some truths are just self-evident.

CONCLUSION

This chapter has explored Canada's commitment to use public spending to maintain constitutional cohesion. It has argued that the MEWH, while theoretically appealing, ultimately cannot be sustained. National unity and constitutional peace based on the provision of social program spending ultimately obligates the government to engage in levels of welfare provision that become supraoptimal and ultimately have a destabilizing effect. This problem is exacerbated, or at least hastened, by globalization. Given these facts, then, the lesson derived is that any re-commitment to the MEWH in the aftermath of a successful battle against the budget deficit appears to be destined to failure.

Despite 30 years of high social program spending, the conflict between Quebec and the rest of the country persists. The pronouncements of the new premier of Quebec, Bernard Landry, at least as of this time of writing, would appear to reinforce that point dramatically.[93] Indeed, provincial governments cooperated with exaggerated welfare provision for many decades because cost-sharing with Ottawa made it possible to pile up debt and postpone the consequences of fiscal irresponsibility. Only in the last decade, when both internal and external pressures combined to indicate that an upper boundary on debt accumulation grew imminent, did the federal government begin to put limits on new spending. It is not yet clear that these limits have been institutionalized.

What, then, are the implications of this study? Decades of overspending have not produced a higher degree of national integration.[94] Instead, as might be expected, provincial and federal governments are at odds over how to deal with the fallout from long-term supraoptimal provision of various public goods. It almost goes without saying that such conflict is only exacerbating regional tensions that already exist. The national parliament is now almost fully "balkanized" and another referendum on Quebec sovereignty remains a distinct possibility. It is ironic that decades of profligate spending serve to limit the federal government's current room for manoeuvre in trying to address regional concerns. Moreover, we are no closer now than we were 30 years ago to meta-constitutional consensus.

The unfortunate experiences of successive Canadian federal governments, especially as contrasted to those of the "small states in big trouble," suggest that a fundamental reorientation of Canadian welfare provision may be essential to protect against economic forces that easily could exacerbate regional tensions. Speaking more generally, based on the Canadian experience, throwing money at ethno-linguistic tensions is a tempting course of action but one that ultimately will not succeed. Ethno-linguistic conflicts, it would seem, cannot be resolved through pork barrel politics. The harsh reality is that the Dream of One Canada is over; that of a united and prosperous one, however, need not perish as well.

NOTES

1. David E. Smith, "Party Government, Representation and National Integration in Canada," in *Party Government and Regional Representation in Canada*, ed. Peter Aucoin (Toronto: University of Toronto Press, 1985).

2. John G. Diefenbaker, *One Canada: Memoirs of the Right Honourable John G. Diefenbaker, The Years of Achievement 1956 to 1962* (Toronto: Macmillan, 1976).

3. Pierre E. Trudeau, "Say Goodbye to the Dream of One Canada," in *With a Bang, Not a Whimper*, ed. Donald Johnston (Toronto: Stoddard, 1988); Guy Laforest, *Trudeau and the End of a Canadian Dream*, translated by Paul Leduc Browne and Michelle Weinroth (Montreal: McGill-Queen's University Press, 1995).

4. As Moon and Sayers point out in a study of Australia, aggregate indicators such as expenditures and public employment may not be the most accurate measurements of the *scope* of government activity. A focus on state government in Australia reveals that ministerial portfolios can provide a more meaningful assessment of scope. See Jeremy Moon and Anthony Sayers, "State Government Convergence and Partisanship: A Long Run Analysis of Australian Ministerial Portfolios," *Canadian Journal of Political Science*, forthcoming 2002.

5.   Jane Jenson, "Reading the SUFA Through Policies for Children: Towards a New Citizenship Regime," *Policy Options* (May 2000):48-50.

6.   See also Smith, "Party Government, Representation and National Integration in Canada," pp. 29-33. Indeed, the case can be made that nation-building was one of the objectives of postwar welfare state construction. Absence of a separatist threat subordinated national unity to the more immediate objectives of safeguarding against the economic pathologies of the 1930s. Still, the federal government articulated the relevance of welfare spending to national unity in its proposals to the 1945 Dominion-Provincial Conference on Reconstruction. Upon noting the importance of "social security proposals" to both humanitarian and macroeconomic concerns, the proposal suggests: "Less tangible, perhaps, but in some ways most important of all, they would make a vital contribution to the development of the concept of Canadian citizenship and to the forging of lasting bonds of Canadian unity." Canada, *Dominion-Provincial Conference on Reconstruction. Proposals for the Government of Canada* (Ottawa: King's Printer, 1945), p. 28.

7.   Keith Banting, "The Social Policy Divide: The Welfare State in Canada and the United States," in *Degrees of Freedom: Canada and the United States in a Changing World*, ed. Keith Banting, George Hoberg and Richard Simeon (Montreal: McGill-Queen's University Press, 1997), p. 267.

8.   For a discussion of the effects of post-materialism and/or the Charter on Canadian politics see Ian Brodie and Neil Nevitte, "Evaluating the Citizens' Constitution Theory," *Canadian Journal of Political Science* 26(1993):235-59 and Alan C. Cairns, "A Defence of the Citizens' Constitution Theory: A Response to Ian Brodie and Neil Nevitte," *Canadian Journal of Political Science* 26(1993):261-67.

9.   See Alan C. Cairns, "Constitutional Minoritarianism in Canada," in *Canada: The State of the Federation 1990*, ed. Ronald L. Watts and Douglas M. Brown (Kingston: Queen's University Institute of Intergovernmental Relations, 1990); Patrick James, "Rational Choice? Crisis Bargaining Over the Meech Lake Accord," *Conflict Management and Peace Science* 16(1998):51-86; Patrick James, "Evolutionary Theory and the Provision of Public Goods: The New Science of the Canadian Constitution" (Werner Reimers Institute, February, 1999); Patrick James, "The Chain Store Paradox and Constitutional Politics in Canada," *Journal of Theoretical Politics* 11 (1999):5-36.

10.   Charles E. Lindblom, *Politics and Markets: The World's Political-Economic Systems* (New York: Basic Books, 1977).

11.   Herman Schwartz, "Small States in Big Trouble: State Reorganization in Australia, Denmark, New Zealand, and Sweden in the 1980s," *World Politics* 46(1994):527-55.

12.   Many of these ideas are articulated in Trudeau's early writings; see, for example, Pierre Elliot Trudeau, *Federalism and the French Canadians* (Toronto: Macmillan, 1968).

13.   Pierre Elliot Trudeau, *Memoirs* (Toronto: McClelland & Stewart, 1993), pp. 358, 360.

14. Eric M. Uslaner, *Shale Barrel Politics: Energy and Legislative Leadership* (Stanford, CA: Stanford University Press, 1989); Patrick James, "The Canadian National Energy Program and Its Aftermath: A Game-Theoretic Analysis," *Canadian Public Policy/Analyse de Politiques* 16(1990):174-90; Patrick James, "Energy Politics in Canada, 1980-1981: Threat Power in a Sequential Game," *Canadian Journal of Political Science* 26(1993):31-59; Patrick James, "A Reply to "Comment on 'Energy Politics in Canada, 1980-1981: Threat Power in a Se-quential Game,'" *Canadian Journal of Political Science* 26(1993):65-68; Jeffrey Church, "Comment on 'Energy Politics in Canada 1980-1981: Threat Power in a Sequential Game,'" *Canadian Journal of Political Science* 26(1993):60-64.

15. Canada. Department of Justice. *A Canadian Charter of Human Rights* (Ottawa: Queen's Printer, 1968).

16. Trudeau's commitment to the idea that individual liberties must be respected in a just society predates his political career. As early as 1959 Trudeau was quoted as saying: "The Just Society is the kind of society freedom would establish.... A Just Society is one toward which every citizen must work, and the first condi-tion of such a society is that of respecting the liberty of individuals." Pierre Elliot Trudeau, *Conversations With Canadians*, ed. Ivan Head (Toronto: Univer-sity of Toronto Press, 1972), p. 12. Even more explicit is a quote from one of Trudeau's closest advisors: "The attachment of Canadians to a sense of national community, and to a belief in the strength of shared values, claims, obligations and opportunities, is a fundamental objective of a nation-building quest. The Charter was the Ark and the Covenant in the federal vision." Thomas Axworthy, "Colliding Visions: The Debate over the Charter of Rights and Freedoms, 1980-81," in *Litigating the Values of a Nation: The Canadian Charter of Rights and Freedoms*, ed. Robin Elliot and Joseph Weiler (Toronto: Carswell, 1986), p. 14.

17. The antecedents of this initiative are to be found in the Royal Commission on Bilingualism and Biculturalism. Canada. Royal Commission on Bilingualism and Biculturalism, *Report* (Ottawa: Queen's Printers, 1967). Trudeau himself declared in a 1971 House of Commons speech that: "National unity, if it is to mean anything in the deeply personal sense, must be founded on confidence in one's own individual identity; out of this can grow respect for that of others and a willingness to share ideas, attitudes and assumptions. A vigorous policy of multiculturalism will help create this initial confidence. It will form the base of a society which is based on fair play for all." Trudeau, *Conversations With Ca-nadians*, p. 32.

18. Specifically sections 16–23, 28.

19. Banting, quoted in Melville McMillan, "Economic Threats to National Unity: from Within and Without," in *Beyond Quebec: Taking Stock of Canada*, ed. Kenneth McRoberts (Montreal: McGill-Queen's University Press, 1995), p. 286.

20. See Michael Lusztig, "Canada's Long Road to Nowhere: Why the Circle of Com-mand Liberalism Cannot be Squared," *Canadian Journal of Political Science* 32 (1999):451-70.

21. James, "Rational Choice? Crisis Bargaining Over the Meech Lake Accord."

22. Evolutionary theory is generally consistent with the primordial interpretation of ethnicity. Ethnic identity, from this perspective, supersedes instrumental concerns and continues to be relevant even in the face of supranational economic integration. The most sustained and effective application of primordialism as a concept to the analysis of inter-ethnic cooperation and conflict appears in John Stack, ed., *Ethnic Identities in the Contemporary World* (Westport, CN: Greenwood Press, 1981). See also John Stack, ed., *The Primordial Challenge: Ethnicity in the Contemporary World* (New York: Greenwood Press, 1986) and John Stack, "The Ethnic Challenge to International Relations Theory," in *Wars in the Midst of Peace: The International Politics of Ethnic Conflict*, ed. David Carment and Patrick James (Pittsburgh: University of Pittsburgh Press, 1997).

23. Salter sums up the results of research on social spending (and altruism more generally) as related to ethnic heterogeneity and places it in the larger context of evolutionary theory: "The negative relation between racial diversity and contribution to public goods might be a more tenacious version of the problem faced by emerging polities, that of *including* families and clans to extend their loyalty to the civic sphere." Frank Salter, "Symposium Idea," unpublished manuscript, 1999. Masters also notes the consensus among empirical studies that higher levels of diversity ultimately have negative consequences for a society's commitment to welfare spending. Roger D. Masters, "Why Welfare States Rise — and Fall: Ethnicity, Belief Systems, and Environmental Influences on the Support for Public Goods," unpublished manuscript, 1999. The most widely accepted study appears to be R.E. Hero and C.J. Tolbert, "A Racial/Ethnic Diversity Interpretation of Politics and Policy in the States of the U.S.," *American Journal of Political Science* 40 (1996):851-71, which suggests that hostility to ethnic minorities plays a major negative role in provision of social welfare benefits. The finding is given further credibility by the results obtained by Sanderson. Stephen K. Sanderson, "Ethnic Heterogeneity and Public Spending: A Cross-National Study," unpublished manuscript, 1999.

    On the basis of a sample of 121 states, welfare spending appears to be linked negatively to ethnic heterogeneity when controls are included for the standard positive factors: GNP, labour unionization and level of democracy. The findings of Schubert and Tweed produce an interesting curvilinear effect with respect to support for the United Way in a sample of localities in the US. A threshold effect appears to exist with respect to the negative effects of diversity on charitable donations. Only when a minority reaches 10 percent of the overall population is a further increase in its size associated with a decline in altruism as measured by support for the United Way. James N. Schubert and Michael Tweed, "Ethic Diversity, Population Size and Charitable Giving at the Local Level in the United States," unpublished manuscript, 1999.

24. Consociational theory was first articulated by Lijphart. Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands* (Berkeley: University of California Press, 1968). Some perceived theoretical relevance in a number of countries, including Canada. For a discussion of consociation in Canada, see Kenneth McRae, ed., *Consociational Democracy: Political Accommodation in Segmented Societies* (Toronto: McClelland & Stewart, 1974);

for an application to Canadian constitutional politics see Michael Lusztig, "Constitutional Paralysis: Why Canadian Constitutional Initiatives are Doomed to Fail," *Canadian Journal of Political Science* 27(1994):747-71 and Michael Lusztig and Colin Knox, "Good Things and Small Packages: Lessons from Canada for the Northern Irish Constitutional Settlement," *Nations and Nationalism* 5 (1999):543-63.

25.　Arend Lijphart, *Democracy in Plural Societies: A Comparative Exploration* (New Haven: Yale University Press, 1977), p. 25.

26.　Of course, it could be argued just as reasonably that a highly divided polity will opt for federalism, to prevent sweeping changes in favour of whatever faction takes power. These arguments are not contradictory; rather, the two together might be regarded as components of a reinforcing cycle of causation.

27.　Hudson Meadwell, "When Voice Encourages Exit: Nations and Legislatures in the Developed West," in *Regionalism and Party Politics in Canada*, ed. Keith Archer and Lisa Young (Toronto: Oxford University Press, 2001).

28.　John Richards, "Now That the Coat Fits the Cloth ... Spending Wisely in a Trimmed-Down Age," *C.D. Howe Institute Commentary* (June 2000), p. 143.

29.　Ibid., p. 13.

30.　Quebec and Ontario are seen by many residents of the other provinces and the territories as being economic beneficiaries of long-standing political hegemony. This was especially true in the aftermath of the NEP, and is the basis of what has commonly been called western alienation; see Roger Gibbins, *Prairie Politics and Society: Regionalism in Decline* (Toronto: Butterworths, 1980), ch. 5; J.F. Conway, *The West: The History of a Region in Confederation*, 2d ed. (Toronto: Lorimer, 1994), ch. 8.

31.　In fact, the federal government has provided grants in support of provincial governments dating back to Confederation. The importance of these grants, however, has been eclipsed by equalization payments.

32.　William W. Joyce and Richard Beach, eds., *Introducing Canada* (Washington, DC: National Council for the Social Studies, 1997), p. 86.

33.　Canada. Royal Commission on Dominion-Provincial Relations, *Report* (Ottawa: Queen's Printers, 1940); Donald V. Smiley, "Introduction," in *The Rowell-Sirois Report*, ed. Donald V. Smiley (Toronto: McClelland & Stewart, 1963); Carolyn Tuohy, "Social Policy: Two Worlds," in *Governing Canada: Institutions and Public Policy*, ed. Michael Atkinson (Toronto: Harcourt Brace Jovanovich, 1993), p. 287.

34.　Alain Noël and Peter Graefe, "Aus dem Schatten des Nachbarn: Der Wohlfahrtsstaat in Kanada," in *Der Gezügelte Wohlfahrtsstaat. Sozialpolitik in Reichen OECD-Demokratien*, ed. Herbert Obinger and Uwe Wagschal (Frankfurt and New York: Campus Verlag, 2000), p. 6. This study appears in German and quotations from it follow the English translation provided by Alain Noël.

35.　Joan Price Boase, "Social Security to Social Insecurity," in *Profiles of Canada*, ed. Kenneth G. Pryke and Walter C. Soderlund (Toronto: Irwin Publishing, 1998),

pp. 200-01; Paul Barker, "The Development of the Major Shared-Cost Programs in Canada," in *Perspectives on Canadian Federalism*, ed. R.D. Olling and M.W. Westmacott (Scarborough: Prentice-Hall, 1988).

36. Rand Dyck, *Canadian Politics: Critical Approaches*, 2d ed. (Toronto: Nelson, 1996), p. 78.

37. Boase, "Social Security to Social Insecurity," p. 202; Barker, "The Development of the Major Shared-Cost Programs in Canada."

38. Noël and Graefe, "Aus dem Schatten des Nachbarn: Der Wohlfahrtsstaat in Kanada," p. 6.

39. Jim Coutts, "Expansion, Retrenchment and Protecting the Future: Social Policy in the Trudeau Years," in *Toward a Just Society: The Trudeau Years*, ed. Thomas S. Axworthy and Pierre Elliott Trudeau (New York: Penguin, 1990), pp. 192-93. Trudeau, *Memoirs*, p. 156.

40. Noël and Graefe, "Aus dem Schatten des Nachbarn: Der Wohlfahrtsstaat in Kanada," pp. 6-7.

41. Trudeau, *Memoirs*, pp. 164-65.

42. Jim Coutts, who served as Principal Secretary to Trudeau, described the 1973 Orange Paper on social policy as a "sweeping review, tantamount to a blueprint for the future." The document included "major strategies" for employment, social insurance, income supplementation, income support, and employment and social services. (Coutts, "Expansion, Retrenchment and Protecting the Future," p. 186.)

43. Lloyd Axworthy, "Regional Development: Innovations in the West," in *Towards a Just Society: The Trudeau Years*, ed. Axworthy and Trudeau, p. 242.

44. Jim Coutts, "Expansion, Retrenchment and Protecting the Future: Social Policy in the Trudeau Years," p. 189.

45. The accumulated budget deficits, which continued under Brian Mulroney, contributed to Canada's large public debt. By 1996, Canada's debt-to-GDP ratio was third highest in the OECD (Richards, p. 1). Indeed, Canada's debt-servicing cost rose to 15.4 percent of total spending by 1996-97. By 1999–2000, it was still 14.8 percent (Canada. Statistics Canada, *The Daily*, 26 July 2000).

46. Todd Sandler, *Global Challenges* (Cambridge: Cambridge University Press, 1997).

47. Kenneth McDonald, *His Pride, Our Fall: Recovering from the Trudeau Revolution* (Toronto: Key Porter Books, 1995), p. 47.

48. Trudeau, *Memoirs*, passim.

49. George E. Carter, "Financing Health and Post-Secondary Education: A New and Complex Fiscal Arrangement," in *Federalism in Canada: Selected Readings*, ed. Garth Stevenson (Toronto: McClelland & Stewart, 1989), p. 436; Boase, "Social Security to Social Insecurity," p. 202.

50. McDonald, *His Pride, Our Fall: Recovering from the Trudeau Revolution*, p. 48.

51. The brief governments of Prime Ministers John Turner and Kim Campbell are excluded from the analysis because neither lasted long enough to establish an identity in terms of social policy.

52. Isabella Bakker, "The Size and Scope of Government: Robin Hood Sent Packing?" in *Canadian Politics in the 1990s*, 3rd ed., ed. G. Whittington and Glen Williams (Scarborough: Nelson Canada, 1990), pp. 425-26.

53. Ibid., pp. 427-28.

54. Katherine A. Graham, "Discretion and the Governance of Canada: The Buck Stops Where?" in *How Ottawa Spends, 1989-1990: The Buck Stops Where?* ed. Katherine A. Graham (Ottawa: Carleton University Press, 1989), p. 5.

55. Bakker, "The Size and Scope of Government: Robin Hood Sent Packing?" p. 425.

56. Katherine A. Graham, "Tracking the Second Agenda: Once More with Feeling?" in *How Ottawa Spends, 1990-91: Tracking the Second Agenda*, ed. Katherine A. Graham (Ottawa: Carleton University Press, 1990), p. 9.

57. Ibid. p. 11.

58. Tuohy, "Social Policy: Two Worlds," in *Governing Canada: Institutions and Public Policy*, p. 301.

59. David McLaughlin, *Poisoned Chalice: The Last Campaign of the Progressive Conservative Party?* (Toronto and Oxford: Dundurn Press, 1994), p. 41.

60. Ibid., p. 43.

61. Daniel Cohn, "The Canada Health and Social Transfer: Transferring Resources or Moral Authority Between Levels of Government?" in *Canada: The State of the Federation 1996*, ed. Patrick C. Fafard and Douglas M. Brown (Kingston: Institute of Intergovernmental Relations), pp. 169, 175.

62. *Toronto Star*, 9 December 1997.

63. See Jenson, "Reading the SUFA through Policies for Children: Towards a New Citizenship Regime," pp. 48-50; Harvey Lazar, "The Social Union Framework Agreement and the Future of Fiscal Federalism," in *Canada: The State of the Federation 1999/2000, Toward a New Mission Statement for Canadian Fiscal Federalism*, ed. Harvey Lazar (Montreal: McGill-Queen's University Press, 2000).

64. Christopher Dunn, "FYI: SUFA? DOA," *Policy Options* (May 2000):50.

65. Ibid.; Antonia Maioni, "The Social Union and Health Care," *Policy Options* 2000(April):39-41.

66. John Richards, "Now That the Coat Fits the Cloth ... Spending Wisely in a Trimmed-Down Age," p. 3.

67. Ibid., p. 3

68. This chapter will not attempt to answer the question of whether Canada, at any given phase of its development, should be regarded as a relatively high or low spender on social welfare in a cross-national sense. The reason is the incredibly

high level of complexity that results from efforts to quantify *net* social expenditure at the national level. A recent and compelling study by Adema identifies three kinds of social expenditure (public, mandatory private and voluntary private), discusses a wide range of issues that arise in calculation (such as the tax system and indirect benefits) and includes an overview of how to derive net social expenditure that includes no less than eleven steps, several of which include relatively arcane and even arbitrary components that are much more familiar to economists than political scientists. Even after all of these complicated steps, Canada ranks ahead of the US (the most salient point for comparison) in terms of gross public social expenditure — 18.6 percent versus 15.8 percent of GDP factor costs for 1993–95. More general statements about where Canada would stand relative to other OECD states should be made (if at all) with extreme caution, given the sensitivity of the data to different measurement regimes. Willem Adema, "Net Social Expenditure," Labour Market and Social Policy Occasional Papers No. 39 (Paris, France: Organisation for Economic Co-operation and Development, 1999), pp. 13, 18, 24, 28, 31.

69. Liberal Party of Canada, Official Website, at <www.liberal.ca> (2000).

70. *National Post*, 5 October 1999.

71. Daniel Schwanen, "Putting the Brain Drain in Context," *C.D. Howe Institute Commentary* (April 2000):140.

72. *National Post*, 24 September 1999.

73. See Don Wagner, "Do Tax Differences Cause the Brain Drain?" *Policy Options* 2000(December):33-41.

74. *National Post*, 30 September 1999.

75. See Mahmood Iqbal, "Are We Losing Our Minds?" *Policy Options* (September 1999):34-38; Don DeVoretz, "The Brain Drain is Real and it Costs Us," *Policy Options* (September 1999):18-24; Wagner, "Do Tax Differences Cause the Brain Drain?"

76. John F. Helliwell, "Globalization: Myths, Facts and Consequences," *C.D. Howe Institute Benefactors Lecture* (23 October 2000).

77. Schwanen, "Putting the Brain Drain in Context."

78. Ibid., p.10; see also Iqbal, "Are We Losing Our Minds?"

79. Ross Finnie, "The Brain Drain: Myth and Reality — What It Is and What Should Be Done," School of Policy Studies, Working Paper No. 13 (Kingston, Ontario: Queen's University, 2001), pp. 4, 5.

80. Productivity rates capture aggregate economic output net of costs.

81. *National Post*, 24 September 1999.

82. Samuel Brittan, "The Economic Contradictions of Democracy," *British Journal of Political Science* 5 (1975):129-59.

83. *National Post*, 20 December 1997.

84. Herman Schwartz, "Small States in Big Trouble: State Reorganization in Australia, Denmark, New Zealand, and Sweden in the 1980s," pp. 527-55.

85. Alan C. Cairns, "The Embedded State: State-Society Relations in Canada," in *State and Society: Canada in Comparative Perspective*, ed. Keith Banting (Toronto: University of Toronto Press, 1986).

86. Ikenberry makes a similar argument in the context of the United States during the oil crisis of the 1970s. G. John Ikenberry, *Reasons of State: Oil Politics and the Capacities of American Government* (Ithaca: Cornell University Press, 1988); see also Paul Pierson, "The New Politics of the Welfare State," *World Politics* 48 (1996):143-79.

87. Schwartz, "Small States in Big Trouble: State Reorganization in Australia, Denmark, New Zealand, and Sweden in the 1980s," p. 529.

88. Ibid., p. 530.

89. Banting, "The Social Policy Divide: The Welfare State in Canada and the United States."

90. See Hamish Telford, this volume.

91. Noël and Graefe, "Aus dem Schatten des Nachbarn: Der Wohlfahrtsstaat in Kanada," p. 26.

92. Finnie, "The Brain Drain: Myth and Reality – What It Is and What Should Be Done," p. 7.

93. These statements include surreal, even bizarre, assertions about economic relations with the rest of Canada. For example, Landry regards the $1.5 billion received by his province in the latest transfer of funds from Ottawa — with the overall total for so-called "have-not" provinces being $1.8 billion — as proof that Confederation has impoverished Quebec. At no point is the possibility that Quebec's own history of deficit spending and huge public sector might have weakened its long-term economic competitiveness. In sum, it would be difficult to imagine more compelling evidence in favour of the MEWH than these recent assertions by the premier of Quebec.

94. For a comparative assessment of Canada's profligate spending in the fourth quarter of the twentieth century, see Richards, "Now That the Coat Fits the Cloth ... Spending Wisely in a Trimmed-Down Age."

5

The Reform Party/Canadian Alliance and Canada's Flirtation with Republicanism

Hamish Telford

Gad Horowitz avait très bien démontré que le socialisme canadien représentait une synthèse des formes distinctives canadiennes du conservatisme et du libéralisme. Ces idéologies ont traditionnellement été représentées dans le système de partis canadien par les progressistes-conservateurs, les libéraux et les néo-démocrates et ont collectivement été perçues comme la constellation complète des idéologies de la culture politique canadienne. L'arrivée du Parti réformiste (devenu par la suite l'Alliance canadienne) au début des années 1990 a représenté un important défi pour les analystes de la politique canadienne puisque ce parti ne semblait pas correspondre à la typologie élaborée par Horowitz. Ce chapitre examine la question selon laquelle le Parti réformiste/Alliance canadienne pourrait être considéré comme une toute nouvelle synthèse du libéralisme et du conservatisme. On pourrait qualifier cette nouvelle idéologie de néoconservatrice ou encore de néolibérale, mais il semble plus approprié de la qualifier de néoconservatrice. De plus, le Parti réformiste/Alliance canadienne semble représenter une forme canadienne distincte de républicanisme. Ce parti a mis l'accent sur une définition particulière de l'égalité politique, et il a offert aux Canadiens une nouvelle compréhension des traditions politiques canadiennes. La présence d'un quatrième pôle idéologique en politique canadienne a toutefois contribué à rendre encore plus difficiles les tentatives d'accord constitutionnel durable au Canada. Finalement, l'auteur de ce chapitre soutient que l'institutionnalisation du républicanisme néoconservateur du Parti réformiste/Alliance canadienne contribuera probablement à diviser la droite politique au Canada.

INTRODUCTION

In his famous essay "Conservatism, Liberalism, and Socialism in Canada: An Interpretation," Gad Horowitz presented a provocative analysis of (English) Canadian political culture and its relationship to the Canadian party system. In brief, Horowitz employed Louis Hartz's founding fragment thesis to suggest

that the first British settlers in Canada, especially the United Empire Loyalists, brought with them a peculiar "tory touched liberalism." Over time, socialism emerged dialectically in Canada as a synthesis of Canadian liberalism and the "tory touch." Horowitz suggested finally that conservatism, liberalism, and socialism were institutionalized in Canada's main political parties, the Progressive Conservatives, the Liberal Party, and the New Democratic Party (NDP).

Horowitz was roundly criticized through the 1970s, and he addressed his critics in a subsequent article.[1] However, he has come under attack again more recently. Janet Ajzenstat and Peter J. Smith have declared that "the tory touch thesis is bad history and poor political science."[2] They contend by contrast that Canada's political culture has been influenced by an indigenous form of *republicanism*. While Ajzenstat and Smith make a valuable contribution to our understanding of Canadian political culture, they may have thrown the baby out with the bath water with their critique of Horowitz. The main problem with Horowitz's analysis is that it is now outdated. As it stands, the Horowitz thesis does not seem to account for the presence of *neo-conservatism* in Canada, as manifested in the Reform Party, now the Canadian Alliance.

It will be argued in this chapter, however, that neo-conservatism in Canada can be explained in Horowitz-like fashion as a new synthesis of liberalism and Tory conservatism. Once a fourth ideological pole has been added to the Horowitz model, the theoretical gap between Horowitz and his recent critics, such as Ajzenstat and Smith, may not be so great. In short, the neo-conservatism of the Reform Party/Canadian Alliance can be interpreted as a modern manifestation of Canadian republicanism. It appeared in the early 1990s that the Reform Party and its particular brand of conservatism republicanism was set to transform Canadian political culture but, as a new decade unfolds, it seems that the Reform Party/Canadian Alliance is destined to be just another episodic flash of republicanism. Nevertheless, the analysis will also demonstrate that strong differences of opinion remain between Alliance republicans and Conservative Tories, especially on the constitutional question, which will make uniting the right a serious political challenge.

CANADIAN POLITICAL CULTURE: THE HOROWITZ THESIS

Gad Horowitz's interpretation of Canadian political culture rests on the "fragment" thesis developed by Louis Hartz in his studies *The Liberal Tradition in America* and *the Founding of New Societies*. For Hartz and Horowitz, the key to understanding new societies is to locate "the point of departure" of the first settlers from Europe. Horowitz contends that "the ideologies borne by the founders of the new society are not representative of the historic ideological spectrum of the mother country. The settlers represent only a fragment of that spectrum."[3] Horowitz claimed this is significant because "a new society which
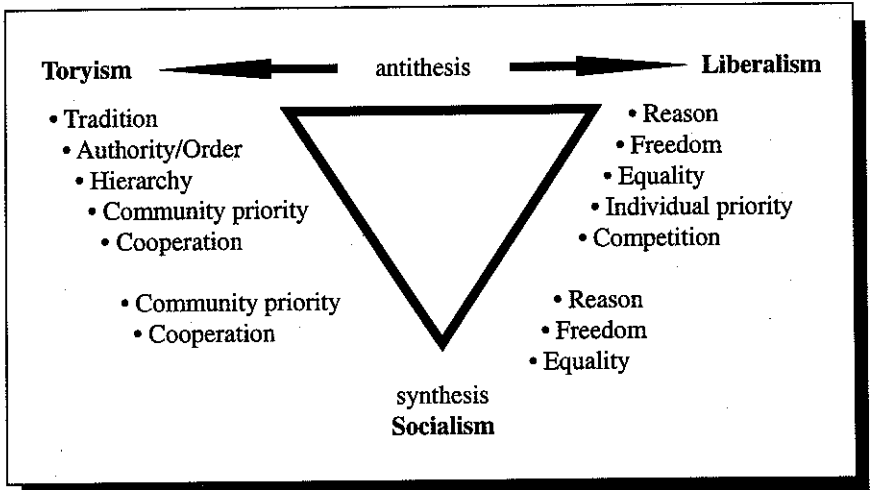
leaves part of the past behind it cannot develop the future ideologies which need the continued presence of the past in order to come into being. In escaping the past, the fragment escapes the future."[4] In short, "the ideology of the founders is thus frozen, congealed at the point of origin." Horowitz contends that the founding ideology largely determines the political culture of the new society.

Horowitz acknowledged that "liberalism is the dominant element in the English-Canadian political culture" but he insisted that "non-liberal British elements have entered into English-Canadian society *together* with American liberal elements at the foundations."[5] He admitted that he cannot identify the precise "point of congealment" in English-Canadian political culture but, he maintained, "the important point is this: no matter where the point of congealment is located in time, the tory streak is present before the solidification of the political culture, and it is strong *enough* to produce *significant* 'imperfections,' or non-liberal, un-American attributes of English-Canadian society."[6]

Horowitz suggested that American liberalism is premised on rugged individualism, fierce egalitarianism, hostility toward central authority, market capitalism, republican democracy, and, perhaps somewhat incongruently, an enlightened rationalism. On the other hand, he continued, "if English-Canadian liberalism is less individualistic, less ardently populistic-democratic, more inclined to state intervention in the economy, and more tolerant of 'feudal survivals' such as the monarchy, this is due to the uninterrupted influence of toryism upon liberalism."[7] The key characteristics of toryism, according to Horowitz, include an acceptance of elitism, inherited social status, acceptance of authority, a belief in tradition, an organic view of society, and a willingness to use the state for economic development and regulation. Horowitz argued that the principles of Toryism modified Canadian liberalism from the pure American form, while at the same time it became dialectically entangled with this liberalism to produce a distinctly Canadian form of socialism. According to Horowitz, Canadian "socialism is an ideology which combines the corporate-organic-collectivist ideas of toryism with the rationalist-egalitarian ideas of liberalism."[8]

Nelson Wiseman has distilled and simplified Horowitz's argument.[9] Wiseman's synopsis of Horowitz's thesis provides a snapshot of the ideological landscape in Canada. Each of the main ideologies in Canada, in their pure forms, includes a bundle of values and principles. Conservatism, or Toryism, is premised on an organic-collectivist view of society, which stresses cooperation and the priority of community, while liberalism is premised on rational-individualism and economic competition. Toryism is further predicated upon authority, hierarchy, and tradition, while liberalism stresses equality and freedom. Wiseman, following Horowitz, states that "Canadian socialism synthesized antithetical aspects of liberalism and toryism. It combined the rationalist-egalitarian outlook of classical liberalism with the organic-collectivist outlook of classical conservatism or toryism."[10] (See Figure 1.)

Figure 1: The Horowitz-Wiseman Interpretation of Canadian Ideological Traditions

Toryism ⬅━━ antithesis ━━➡ **Liberalism**

- Tradition
  - Authority/Order
    - Hierarchy
      - Community priority
        - Cooperation

- Reason
  - Freedom
    - Equality
      - Individual priority
        - Competition

- Community priority
  - Cooperation

- Reason
  - Freedom
    - Equality

synthesis
Socialism

Source: Nelson Wiseman, "Political Parties," in *Canadian Politics in the 1990s,* ed. Michael S. Whittington and Glen Williams (Toronto: Nelson Canada, 1995).

In Horowitz's analysis, these ideologies were represented to a greater or lesser degree in Canada's main political parties. He argues that "it would not be correct to say that toryism is *the* ideology of the [Conservative] party," but "if there is a touch of toryism in English Canada, its primary carrier has been the Conservative Party."[11] "The key to understanding the Liberal party in Canada," contends Horowitz, "is to see it as a *centre* party, with *influential* enemies on both the right and left."[12] Horowitz suggested that the Liberal Party is ideologically pragmatic, and that historically it has relied on the opposition for policy innovations. He concludes, "when the left is weak, as before and after the Second World War, the centre party moves right to deal with the Conservative challenge; when the left is strengthened, as during the war and after the formation of the NDP, the centre moves left to deal with that challenge."[13] This ideological flexibility has positioned the Liberals as the "party of government" in Canada, at least in the twentieth century.

While Horowitz provided a sweeping heuristic analysis of Canadian political culture and political parties, it is difficult to see where the Reform Party/Canadian Alliance fits into his picture. Does this mean his analysis of Canadian political culture was wrong, or is Canadian political culture in a process of transformation? I will attempt to answer these questions after a brief review of a new critique of the Horowitz thesis.

THE NEW REPUBLICAN CRITIQUE OF THE HOROWITZ THESIS

Janet Ajzenstat and Peter Smith have argued forcefully that "the 'tory touch' thesis gets Canadian history wrong. It cripples Canadians' understanding of Canada's identity, and precludes informed debate about current issues."[14] They suggest, following developments in American historiography, "the challenge to 19th century liberalism arose from a republican ideology on the political left, rather than toryism on the right."[15] Thus, they say, "it is our contention that understanding the republican idea of democracy, and the constitutional response to it, is the key to Canadian political history, the Canadian identity, and Canadian politics today."[16] In fact, they claim, "there is no toryism in Canadian political history, and none in Canadian politics at present, not even a 'touch.' "[17]

Modern republicanism is most closely associated with the American revolution, especially Thomas Jefferson. For Jefferson, the enduring moral of the American revolution was that ordinary people must always be vigilant against central authority. Unlike James Madison, Jefferson "found it impossible to regard popular majorities as dangerous or to think about the powers of government in positive ways."[18] Jefferson tended to regard the constitutional settlement of 1787 as a nearly unacceptable constraint against the people. Furthermore, unlike Madison, "Jefferson denied the principle of judicial review and argued that the provisions made for amending the Constitution were the only proper procedures for deciding all questions of constitutionality."[19] "In his more radical moments," in fact, "[Jefferson] seemed to believe that all fundamental constitutional questions should be settled by a popular referendum, since the doctrine of popular sovereignty empowered only the people at large to render such judgments."[20] While Pettit argues that republicanism "is not inherently populist,"[21] Jeffersonian republicanism clearly rests on a faith in the *demos*.

Where does republicanism fit in the constellation of western political ideologies? David Ericson suggests that "republicanism is related to liberalism as species to genus."[22] He thus presents republicanism, liberalism, and what he calls pluralism as distinct ideologies. Ajzenstat and Smith suggest that "liberals emphasize the importance of institutional restraints to moderate greed and ambition."[23] In short, "liberals believe that the best way to curb greedy politicians is to have a good constitution."[24] "Civic republicans," they assert, "view politics through a vastly different prism. In contrast to the liberal emphasis on moderation of behaviour through institutional constraints, civic republicans put their trust in social constraints."[25] More specifically, republicans believe that the ambition of politicians can only be restrained by virtuous and publicly active citizens.

Republicanism also has distinct communitarian features.[26] In republican thought, "the public happiness can be defined organically, as a single good which subsumes the private interests of all citizens of a political society and uniquely determines the optimal public policy in any given situation."[27] The

republican project is thus necessarily premised on "a highly homogeneous citizen body," as opposed to liberalism, which tolerates diversity, and pluralism, which embraces diversity.[28] Ajzenstat and Smith elaborate that republicanism envisages "a one-class society of small property owners, farmers, and independent craftsmen."[29] In order to ensure homogeneity and public participation, the ideal republic is thus small. Federalism is frequently advocated by republicans to maximize the advantages of size, while ensuring discrete homogeneous units.[30]

For republicans, "civic virtue is the essential quality of citizenship," whereas virtue is a private matter for liberals and pluralists.[31] The republican objective is thus to create "a regime of civic virtue," which provides a single moral code for all members of the community and ensures that "people are disposed to serve, and serve honestly in public office."[32] In this manner, "civic republicanism promises to rescue government from the hands of the powerful and privileged."[33] In short, the republican project aims to institutionalize in government the common sense and decency of the common people. As an ideology of and for common folk, republicanism is fiercely egalitarian.[34] "That all men are created equal," as Jefferson wrote in the Declaration of Independence, is a "self-evident" republican "truth."

Pettit insists that republican liberty is about non-domination. He suggests that Isaiah Berlin's notion of negative liberty,[35] the principle of non-interference, is a political fantasy. Pettit suggests that "all law is a form of interference."[36] The key is not whether a law interferes with people's liberty, but whether it unfairly subordinates them. Thus, the primary objective of the republican project is to prevent "arbitrary power." This of course was the objective of the American revolution. In conclusion, Pettit claims that the republican democracy is not premised so much on the consent of the governed, "but rather on the contestability by the people of everything that government does: the important thing to ensure is that governmental doings are fit to survive popular contestation, not that they are the product of popular will."[37]

The republican tradition is most closely associated with the United States. While republicanism appears to be emerging as a significant force in Australia, it is generally not associated with monarchical societies. It has certainly not hitherto been recognized as a major current in Canadian political thought, although it will be suggested below that it has been at least an episodic phenomenon in Canadian political history.

REFORMING HOROWITZ: NEO-CONSERVATISM AND CANADIAN POLITICAL CULTURE

Where does the Reform Party/Canadian Alliance fit in the Horowitz-Wiseman spectrum of ideologies in Canada? Wiseman suggests that "in popular parlance

what is usually labelled today as conservatism — the policies of Mike Harris's Conservatives or Preston Manning's Reformers — is yesterday's liberalism."[38] But this is not a very satisfactory answer. What liberalism were they attempting to conserve? Trudeau? Pearson? King? Laurier? Hardly. Rawls? Dworkin? Berlin? Mill? Locke? I don't think so. Preston Manning may well have been trying to revive the social credit tradition in Canada, but that was not a liberal tradition. In fact, Preston Manning seemed to defy ideological categorization. He was variously described as a populist,[39] a Christian fundamentalist,[40] a right-wing conservative,[41] while Tom Flanagan suggested that Preston Manning was "eclectic in his thinking."[42]

It is my contention that the Reform Party/Canadian Alliance represents a distinct ideological orientation that combines elements of traditional conservatism and classical liberalism in a new synthesis. If we look at the Horowitz-Wiseman description of political ideologies in Canada (see Figure 1), it is quite clear that the Reform Party/Canadian Alliance articulates some of the basic tenets of conservatism. In particular, Reformers support a certain conception of Canadian tradition, and they have a strong predilection for authority and order.[43]

The Reform Party's support for Canadian tradition was displayed with its unabashed reverence for the Maple Leaf flag, even though it is a new flag. Indeed, Reform MPs lobbied to adorn their desks in the House of Commons with flags. The Reform vision of Canada was perhaps most evident in the party's support for the RCMP: "The Reform Party supports the traditional role of the Royal Canadian Mounted Police as a police force representative of and responsive to the populations it serves in Canada's regions."[44] As the leader of the Canadian Alliance, Stockwell Day articulated strong support for the traditional role of the Canadian Armed Forces. The Reform Party also placed great emphasis on its immigration policies, saying "immigrants should possess the human capital necessary to adjust quickly and independently to the needs of Canadian society and the job market"[45] Preston Manning declared that Reform Party principles and policies were designed to restore Canadians' "pride and love for Canada."[46] In sum, Preston Manning and the Reform Party, and now the Canadian Alliance, have presented a quintessentially conservative picture of Canada, a picture for which many Canadians feel some nostalgia.

The Reform Party/Canadian Alliance notion of tradition is perhaps more evident in its support for the family. While most Canadians would support the concept of "family," Reformers advocate a traditional understanding of family. The Reform Party stated unambiguously, "a family should be defined as individuals related by blood, marriage, or adoption. Marriage is the union of a man and a woman as recognized by the state."[47] The Reform Party also declared that "government programs, policies, and legislation should serve to strengthen and protect the Canadian family, and furthermore, that pertinent

government bills and regulations be accompanied by a family impact assessment."[48] The Canadian Alliance policy declaration repeats these statements almost verbatim, and it adds that "the family unit is essential to the well being of individuals and society, because that is where children learn values and develop a sense of responsibility." Reformers, especially Stockwell Day, have been very uneasy, to say the least, about non-traditional notions of family. They are not comfortable with gay rights, as indicated by their opposition to the Supreme Court's decision in the Vriend case; they adamantly oppose gay marriage; and they wish to prevent the adoption of children by gay couples. In short, reformers support the traditional nuclear family, which was presumed to have been the norm in Canada some time in the past.

Social order is also a primary value for most Reformers. The Reform Party certainly stressed the "law and order" issue in its campaigns, as did the Canadian Alliance in the 2000 federal election. The Reform policies included longer prison sentences, including consecutive sentences rather than concurrent sentences, less opportunity for parole and greater supervision of released prisoners, greater police powers of investigation, fewer rights for prisoners, and the repealing of the *Young Offenders Act*. The Canadian Alliance has stated, "we will make providing safety and security for Canadians, their families and their property the overriding objective of the criminal justice system," and it promises that "law enforcement agencies will be given the resources they need to fight crime." The Alliance has also declared that "the rights of victims of crime must take precedence over those of criminals." The aforementioned support that Reformers provide to the RCMP and the Canadian Armed Forces is indicative of their belief in social order and authority. The establishment of a traditionally ordered society is perhaps the underlying *raison d'être* of the Reform Party/Canadian Alliance.

The Reform Party/Canadian Alliance support for tradition and order/authority demonstrates that the party is at least partially conservative, as defined by the Horowitz-Wiseman scheme. The other values in the Tory bundle of principles, however, do not seem to apply to the Reform Party/Canadian Alliance. The conservative acceptance of social hierarchy, in particular, is mitigated by the Reform/Canadian Alliance's emphatic belief in the equality of individuals. For Preston Manning this was a God-given belief: "my perspective and contributions will reflect Christian convictions such as the following: that human beings are of infinite value, [and] that all human beings are of equal value in the sight of God and entitled to equal treatment under the law."[49] Respect for the equality of individuals was repeated at least twice in Reform's list of 22 core principles, and Manning insisted that "the guarantee of equality for all Canadians" was the key to "national unity."[50] "Reformers," he clarifies, "support 'equality of opportunity' not 'equality of results.' "[51] The Canadian Alliance has similarly declared its commitment to the "true equality
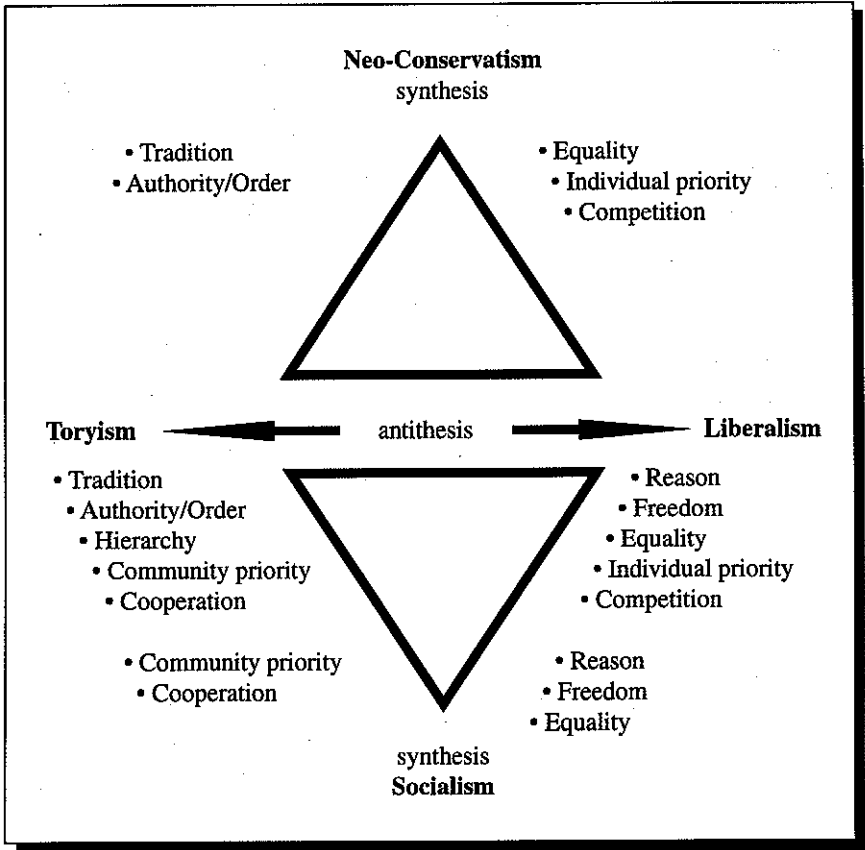
of citizens." Although equality has been a core component of liberal thought since the American and French revolutions, the rhetoric of equality in Canada in the 1990s was appropriated by the Reform Party, while liberals began to defend the concept of *difference.*

While Tories have a belief in community and cooperation, Reformers seem more inclined toward individual priority and competition, although they do have a specific understanding of community, as will be discussed below (see also Mendelsohn in this volume). The Reform Party/Canadian Alliance is a strong supporter of market principles. Preston Manning has written, "we believe that an open, free-market economy, combined with a genuinely democratic political system, offers the best possible chance for individuals to pursue their goals in life."[52] The Reform Party declared, "we believe that the creation of wealth and productive jobs for Canadians is best achieved through the operations of a responsible, broadly-based, free-enterprise economy in which private property, freedom of contract, and the operations of free markets are encouraged and respected."[53]

Stockwell Day has stated that when he was young, "I leaned toward socialistic [*sic*] thinking. Over time I realized that if you really want to see people move ahead and create opportunities and take care of their families, you have to have freedom of enterprise, freedom of opportunity, and that's what the Canadian Alliance is talking about."[54] Indeed, in the 2000 federal election, the Canadian Alliance promised to "create an economic climate in which businesses can thrive and grow" by providing a low, single income tax rate, "eliminating unnecessary regulations and minimizing government interference in the labour market," abolishing affirmative action programs, "pursuing free and open trade at home and abroad, including the elimination of inter-provincial trade barriers," and "securing access to international markets through the negotiation of trade agreements," withdrawing "government from areas of the economy where the private sector could deliver the same services more efficiently," and creating "a smaller and more efficient federal government." These *laissez-faire* market policies are more congruent with classical liberalism than the paternalistic *noblesse oblige* of traditional Toryism.

While Horowitz and Wiseman maintain that Canadian socialism represents a distinct synthesis of the communitarian and cooperative aspects of traditional Toryism with the classical liberal principles of reason, freedom, and equality, the Reform Party/Canadian Alliance appears to have made a distinctively new synthesis of Toryism and liberalism by combining the Tory beliefs in tradition and order/authority, with the liberal principles of equality, individual priority, and market-based competition (see Figure 2). In sum, Reformers have a traditionally conservative view of society and a liberal belief in market economics. What should we call this liberal-conservatism or conservative-

Figure 2: A Revised Interpretation of Canadian Ideological Traditions

Neo-Conservatism
synthesis

• Tradition   • Equality
• Authority/Order   • Individual priority
                                                      • Competition

Toryism ◄———— antithesis ————► **Liberalism**

• Tradition   • Reason
• Authority/Order   • Freedom
• Hierarchy   • Equality
• Community priority   • Individual priority
• Cooperation   • Competition

• Community priority   • Reason
• Cooperation   • Freedom
                                                      • Equality

synthesis
Socialism

liberalism? Tom Flanagan reports that Preston Manning "never refers to him-self simply as conservative," although he "will accept the label of *social conservative*,"[55] and it is probably safe to conclude that most Reformers define themselves as conservative. On the basis of self-identification, it thus seems appropriate to refer to Reformers ideologically as *neo-conservatives* as op-posed to *neo-liberals*. Furthermore, neo-conservatism appears to be a distinct ideological orientation in the Canadian political spectrum, notwithstanding Wiseman's assertion that Reformers are just "yesterday's liberals."

POPULISM IN THE REFORM PARTY/CANADIAN ALLIANCE:
A CANADIAN REPUBLICANISM?

The Reform Party/Canadian Alliance has not been motivated simply by neo-conservatism. Preston Manning has stated that his "personal political convictions are rooted in the populist political tradition of western Canada."[56] "Curiously," however, "Manning has never laid down a concise definition of populism, even though it is the central concept in his political thought."[57] Indeed, Manning is so committed to the concept of populism that he has indicated that he decided to wait for a new populist movement to sweep across the Prairies rather than engage in traditional party politics.[58] While populism is a particularly nebulous concept, it will be suggested here that Manning's distinctive amalgamation of populism and neo-conservatism gives rise to a sort of Canadian republicanism, which is in keeping with the historical republican tradition in Canada described by Ajzenstat and Smith. For his part, Preston Manning was fond of situating his politics in what he called the "reform" tradition in Canada, which included the likes of William Lyon Mackenzie, Louis-Joseph Papineau, Louis Riel, William Aberhart, Ernest Manning, W.A.C. Bennett, and John Diefenbaker.[59] These are some of the people Ajzenstat and Smith identify as constituting Canada's "republican" tradition.

Populism is a political program that attempts to translate the wishes of the *populus* into public policy.[60] In keeping with the tenets of republicanism, then, populism relies on the common sense of the people. Indeed, the Reform Party adopted this as a core principle:

> We believe in the common sense of the common people, their right to be consulted on public policy before major decisions are made, their right to choose and recall their own representatives and to govern themselves through truly representative and responsible institutions, and their right to directly initiate legislation for which substantial public support is demonstrated.[61]

The party maintained that "public policy in democratic societies should reflect the will of the majority of the citizens as determined by free and fair elections [and] referenda." Furthermore, the party declared that "the duty of elected members to their own constituents should supersede their obligations to their political parties." Notwithstanding Preston Manning's repeated assertions that the Reform Party was a party of principles, unlike the "traditional" parties, the above statements offer no vision of the good life, other than the suggestion that the *populus* is always *right* and *virtuous*. There is no space here for leadership, for a dispassionate determination of the public good, or for a Canadian good greater than the sum total of 301 constituency goods.

Preston Manning apparently regarded populism as a *methodology* rather than an *ideology*.[62] As a political method, populism can be harnessed to virtually any ideology, although the objective in each instance is "to redefine and

reconstitute the processes of democracy."[63] The Reform Party consequently adopted a number of policy resolutions that, if adopted, would have reshaped the dynamics of the democratic process in Canada. The party was committed to fixed four-year electoral terms, except in the event of the government losing a motion of non-confidence; it promised to hold a referendum to determine if Canadians were satisfied with the first-past-the-post electoral system and, if not, a subsequent referendum to choose a new electoral system; the party also supported the introduction of legislation that would allow constituents to recall their member of Parliament; and they wanted binding referenda on government legislation, when demanded by the *populus*, and a citizen's initiative whereby citizens could introduce legislative proposals by referendum. Following Thomas Jefferson, the Reform Party has also expressed scepticism at the role of the Supreme Court in interpreting the constitution. Thus, it proposed "that Parliament be given back its rightful place as the supreme body for creating and *interpreting* the laws of Canada and that the courts should be returned to their proper role of *applying* and *administering* the law."[64] These policies have subsequently been embraced by the Canadian Alliance.

These proposals would have changed Canada's system of representative democracy to a simple system of delegated democracy. A system of delegated democracy can only work if the citizens care sufficiently to participate actively and virtuously in the political process. Without their active engagement, the system will stagnate and, if they are not virtuous, the system will slide into a tyranny of the majority. The Reform Party's agenda was premised on the cardinal assumptions of republicanism. Reformers, especially Preston Manning and subsequently Stockwell Day, were convinced that if given the opportunity, citizens would participate actively and conscientiously in the political system. The decline in voter participation in recent elections casts some doubt on this assumption.

A corollary of the populist belief that the *populus* is always right is the contention that the *populus*, or the *demos*, is, or at least should be, *one*. This is also a core belief of republican thought. This, in fact, was the first principle of the Reform Party: "We affirm our commitment to Canada as one nation, indivisible."[65] Flanagan reports that Preston Manning unconsciously followed a logic of *monism*, "a philosophy of oneness." "This monistic populism," he suggests, "seems to stem from Manning's evangelical Christianity," although it may also follow from his experience in Alberta politics where "one party has always functioned as the representative microcosm of the provincial society."[66] On the other hand, Reform's commitment to Canada as "one nation" is remarkably similar to John Diefenbaker's notion of "One Canada." Diefenbaker may also be considered a populist-republican, although perhaps a little less populist and quite a bit more Tory than Preston Manning. Nonetheless, Diefenbaker insisted, "I have always considered the official policy of separating our country into various racial groups to be a curse on the realization of a

united Canada. One Canada, one nation, my Canada, your Canada, cannot be a hyphenated Canada."[67] On this point, at least, Diefenbaker and Manning are indistinguishable.

Republicanism places great emphasis on the integrity of political figures and here again the Reform Party fits the mould. The party stated as a core principle, "we believe in public service — that governments, civil servants, politicians, and political parties exist to serve the people, and that they should demonstrate this service commitment at all times."[68] In keeping with the republican tradition of public service frugality, the Reform Party opposed the generous pension programs for members of Parliament, and it was highly critical of the expense allowances accorded to MPs and Senators. Indeed, it stated that "until a balanced budget is achieved, the salaries and expenses of government MPs and their offices should be frozen."[69] In short, the Reform Party followed Pettit's prescriptive republicanism "under which people are disposed to serve, and serve honestly in public office."[70]

Canadian republicans have frequently been derided as American imposters,[71] and Horowitz suggested that "the secret dream of the Canadian liberal is the removal of English Canada's 'imperfections' — in other words, the total assimilation of English Canada into the larger North American culture."[72] Preston Manning has been similarly excoriated. Trevor Harrison decries Reform's "incipient pro-Americanism" and suggests, "the most openly 'Americanized' Reformer is Preston Manning, a man whose political ethos is fundamentally republican and who, indeed, frequently quotes from American political heros," including Abraham Lincoln.[73] Manning is indeed an admirer of Lincoln, who inherited the republican mantle from Jefferson, but this does not mean Manning wished to transform Canada into a new United States. The criticism is fatuous. Canadians have embraced other American political concepts, namely democracy and federalism, without becoming Americans. Thus, while the Reform Party/Canadian Alliance may have exhibited republican tendencies, it is a distinctly Canadian republicanism.

Nelson Wiseman has dismissed Ajzenstat and Smith's analysis of the republican tradition: "from the vantage point of the tory-liberal-socialist paradigm, the distinction between liberalism and republicanism is secondary ... both liberalism and republicanism or civic humanism share cardinal liberal assumptions about man and society. Neither tories nor socialists share them."[74] However, the vast majority of Canadians endorse a number of overarching principles. Almost all Canadians believe in the rule of law, democracy, parliamentary government, and most accept the principles of federalism and constitutionally entrenched rights, as well as the capitalist mode of production. These important principles are embraced by the conservative-liberal-socialist ideologies in the Horowitz-Wiseman dialectic, and by neo-conservatives in the Reform Party/Canadian Alliance. To this extent, then, almost all Canadians are *liberals* of one description or another.[75]

Thus, the question is, do we wish to highlight the *differences* or the *similarities* among Canadians? In comparison to other societies, it may be worth noting that Canada is essentially liberal but, if we do not acknowledge our ideological differences, we cannot account for our politics. Without at least somewhat different perspectives on human nature, there is no basis for political disagreement, conflict, and competition. The Reform Party/Canadian Alliance has presented to Canadians a political platform that entails a conception of the good life that is fundamentally different from the other political parties, and consequently it has provoked considerable disagreement and conflict in the political arena, as we shall see in the following sections. It thus seems appropriate to describe the Reform/Alliance blend of populism and neo-conservatism as a variant of republicanism that is distinct from the other political traditions in Canada, including liberalism and conservatism.

THE POLITICS OF EQUALITY IN THE CANADIAN PARTY SYSTEM

In the 1993 election, "the Reform Party and the Bloc Québécois smashed through the brokerage system."[76] The Reform Party and the Bloc Québécois emerged as a result of Mulroney's failed attempts at mega-constitutional reform. The Bloc emerged directly from the collapse of the Meech Lake Accord, while the Reform Party received large boosts in its initial popularity from its opposition to Meech and subsequently the Charlottetown Accord. The politics of Quebec are thus integral to the Reform Party's success and central to its conflict with the Conservative Party.

Preston Manning and the Reform Party, and now the Canadian Alliance, habitually depict Canada as a federation of equal provinces and citizens, and the party has opposed any constitutional reforms that deviate from this formulation. Manning, sensitive to accusations that his party was anti-Quebec, has stated that he opposed the Meech Lake Accord for its "top-down, closed-door approach to constitution making," its rigid amending formula, and the lack of Senate reform, and he adds "that none of these three objections to the Meech Lake Accord ... refers to the province of Quebec."[77] He suggests that "at the root of the rejection of Meech Lake in the West was *mistrust* — of the process, of the politicians involved, and of the words and phrases cobbled together by that process and those politicians."[78]

Manning's opposition to the Meech Lake Accord, however, ran much deeper than concerns about the process. He states that "in western Canada, there is virtually no acceptance of the concept of Canada as some sort of marriage between the French and the English."[79] He thus claims there is no appetite in the west to accept Quebec as a "distinct society," especially if that recognition "was to confer upon the government of Quebec constitutional powers not conferred on other provinces."[80] In fact, Manning goes much further in his

critique of federal government efforts to accommodate Quebec. He declares that "Reformers believe that going down the special status road has led to the creation of two full-blown separatist movements in Quebec.... It has led to desires and claims for 'nation status' on the part of hundreds of aboriginal groups.... It has led to a hyphenated Canadianism that emphasizes our differences and downplays our common ground, by labelling us English-Canadians, French-Canadians, aboriginal Canadians, or ethnic Canadians — but never Canadians, period."[81] As such, he suggests that "since the mid-1960s, virtually every constitutional initiative taken by the federal government to make Quebec feel more secure at home in Confederation has increased western alienation and made an ever-increasing number of other Canadians feel less at home."[82] Survey evidence, furthermore, indicates that Reformers are less inclined to accept special status for Quebec than supporters of other parties.[83]

The Meech Lake Accord and the distinct society clause in particular provoked a debate between liberal and communitarian conceptions of community and political equality.[84] Liberals contend that the state should not endorse particular conceptions of the good life. In other words, liberals believe that the state ought to remain neutral in its relations with the citizenry. Communitarians, on the other hand, argue that the state ought to recognize the distinct cultural communities within society. Radical communitarians believe that cultural groups are intrinsically meaningful and thus ought to be accorded constitutional recognition,[85] while moderate communitarians contend that the state should recognize only culturally vulnerable groups as a means of cultural preservation.[86] From these basic premises, liberals advocate the equality of individuals and individual rights, while communitarians support the notion of group rights and the equality of communities.

If we place the Canadian political parties within the liberal-communitarian debate, the Reform Party/Canadian Alliance falls on the liberal side, while the Conservative Party, in keeping with its Tory heritage, falls on the communitarian side. Tories, as depicted in Figure 1, have an abiding belief in community priority and cooperation. The Tory sentiment was captured perfectly by Joe Clark's famous description of Canada as a "community of communities." While Brian Mulroney claimed before he entered public office that "I do not believe in a theory of two nations, five nations, or ten nations.... Nor do I believe in any concept that would give any one province an advantage over any other," he maintained that "Québec is different. It is not strange or weird, it is just different. And the difference is rooted in language and culture. That is why the preservation and enhancement of these two instruments are so vital."[87] The distinct society clause in the Meech Lake Accord reflected Mulroney's acceptance of Quebec as an integral but unique community in Canadian society, while the more complex Canada clause in the Charlottetown Accord gave institutional expression to Joe Clark's belief in Canada as a community of communities. Preston Manning's opposition to the

Meech Lake and Charlottetown Accords was rooted in his conception of Canada as *one* community. As mentioned above, Manning's neo-conservative republicanism is a communitarian philosophy but, as Flanagan notes, it is a *monistic* communitarianism, as opposed to the *pluralist* communitarianism of Brian Mulroney or Joe Clark.

The suggestion that differences of opinion exist between Reform/Alliance and Conservative supporters has been made by a number of people (including Mendelsohn in this volume). Nevitte *et al.* have determined from opinion survey research that the "three sets of issues that stand out as separating Conservative voters from Reform supporters are law and order, moral traditionalism, and accommodating diversity."[88] In particular, they suggest that "the sharpest differences [*sic*] between supporters of the two right wing parties appear on the Quebec question."[89] They thus conclude that "the prospects are dim for a Reform-Conservative merger."[90] The contribution of the analysis made here is that Reform/Alliance and Conservative perspectives on the Canadian political community, and particularly the role of Quebec, are not merely superficial differences of opinion that may be overcome for political expediency. The different conceptions of political community presented by Reformers and Tories are fundamental and probably irreconcilable.

NEO-CONSERVATIVE EQUALITY VERSUS LIBERAL EQUALITY

Preston Manning's opposition to the Meech Lake and Charlottetown Accords bears at least a superficial resemblance to Pierre Trudeau's blistering attacks on the two accords.[91] But their respective critiques are motivated by different ideological assumptions. A careful analysis of their critiques will reveal crucial differences between Trudeau's quintessentially liberal perspective and Manning's neo-conservative republicanism. Contrary to popular opinion, Trudeau was perfectly willing to recognize Quebec's sociological distinctiveness:

> that Quebec is a distinct society is totally obvious. The inhabitants of the province live in a territory defined by its borders. The majority speak French. They are governed under a particular system of laws. And these realities have been pivotal in the development of a culture which is uniquely theirs. These are inarguable facts, arising from two centuries of history marked by intense struggles and juridico-political stubbornness.[92]

For Trudeau, Quebec's distinctiveness is a sociological reality. He objected only to recognizing Quebec's distinctiveness in *law*. In Trudeau's estimation, once Quebec was legally recognized as a "distinct society" the courts would be asked to define the meaning of these words and their effect on the individual rights guaranteed in the Charter. Trudeau argued that

> the Charter, whose essential purpose was to recognize the fundamental and inalienable rights of all Canadians *equally*, would recognize henceforth that in the

Province of Quebec these rights could be overridden or modified by provincial laws whose purpose is to promote a distinct society and more specifically to favour the "French-speaking majority" that has "a unique culture" and "a civil law tradition."[93]

With the constitutional recognition of Quebec as a distinct society, Trudeau feared that "Canada henceforth will be governed by two Constitutions, one to be interpreted for the benefit of Canada and one interpreted for the preservation and promotion of Quebec's distinct society — two Constitutions, two Charters, promoting two distinct sets of values."[94] In short, he stated, "the possibility of building *one Canada* will be lost forever."[95]

Both Trudeau and Manning, and liberals more generally, have been accused of ignoring "difference." Iris Marion Young has argued that "the principle of equal treatment originally arose as a formal guarantee of fair inclusive treatment. This mechanical interpretation of fairness, however, also suppresses difference."[96] Since Young's ground-breaking work, critics of liberalism have insinuated that a concern for political equality promotes *sameness* at the expense of *difference*. The *liberal* conception of society and politics, however, is premised on the assumption of diversity. Ronald Dworkin has argued that "since the citizens of a society *differ* in their conceptions [of the good life], the government does not treat them as equals if it prefers one conception to another."[97] And Amy Gutmann has suggested that the liberal conception of justice "represents the fairest possible *modus vivendi* for a pluralistic society."[98] Liberalism not only assumes diversity, but some liberals value diversity as a guarantee of freedom. Lord Acton, who was Trudeau's source of intellectual inspiration, argued, "the co-existence of several nations under the same State is a test, as well as the best security of its freedom."[99]

How can we distinguish Trudeau's concern for political equality from Manning's articulation of equality, and by extension the meaning of political equality endorsed by the Reform Party/Canadian Alliance? Their espousal of political equality can only be differentiated if we situate their understanding of equality within the larger bundle of values that define their ideological orientations (see Figure 2). As a liberal, Trudeau not only valued equality, he valued *individual liberty*. In the liberal ideological framework, individuals are equally free to pursue their own identity, subject only to the rule of law. Manning's conception of equality was tempered by his neo-conservative belief in *tradition*, especially his singular understanding of Canadian tradition and his social conformism. In the neo-conservative framework, individual freedom of action is confined to the marketplace; outside the marketplace, individuals are expected to conform to a common identity and set of social values. In this conception, individuals are indeed only equal to be the same. Manning's neo-conservative conception of equality thus does not permit difference, while Trudeau's liberal conception of equality allows for difference, at least in social practice if not in law.

Manning's singular understanding of tradition, and his concomitant intolerance of difference, is consistent with the theoretical weakness of republicanism. Ajzenstat and Smith suggest that "the notion that one communal way of life is to be preferred above all condones the suppression of political dissent and opposition."[100] And if one reads Iris Marion Young more closely, it becomes apparent that she too is concerned about monistic conceptions of community. She suggests that "community represents an ideal of shared public life, of mutual recognition and identification.... The impulse to community often coincides with a desire to preserve identity and in practice excludes others who threaten that sense of identity."[101] Thus, "the ideal of community," she continues, "also suppresses difference among subjects and groups."[102] For Young, it is the concern for equality *and* the ideal of community that suppress difference but, as has been demonstrated above, the concern for equality does not necessarily subsume difference. It depends on the wider bundle of values held in society or espoused by a party or regime. In particular, it depends upon whether the party endorses individual liberty and a pluralist community, or whether the party espouses a singular social tradition and a monistic notion of community.

THE EQUALITY OF INDIVIDUALS VERSUS THE EQUALITY OF PROVINCES

One last point needs to be elaborated. Unlike Pierre Trudeau, the Reform Party/Canadian Alliance has not been entirely consistent in its campaign for political equality. Trudeau only advocated the equality of individuals, while the Reform Party declared its support for both the equality of citizens *and* provinces, and so too has the Canadian Alliance.[103] These two concepts can converge and mutually support each other, but they can also diverge and contradict each other. If one province is accorded special recognition or powers, the state will not be treating all of its citizens equally; the citizens of that province will have entitlements, perhaps only symbolic, unavailable to citizens in other provinces. As such, the equality of citizens is strengthened when the provinces are accorded the same constitutional powers.

On the other hand, the equality of provinces, especially equal provincial representation in the Senate, would weaken the equality of citizenship. Citizens in the smaller provinces would be accorded relatively more representation in the Senate than citizens in the larger provinces. Furthermore, an equal Senate could produce profoundly undemocratic results. For example, the combined total representation of the five smallest provinces, representing no more than 15 percent of the population of Canada, could defeat legislation passed by the House of Commons, which is supposed to be representative of the population. While some might argue that this is a justifiable arrangement to prevent the "tyranny of the majority," this is not the ideology of the Reform Party/Canadian Alliance. Indeed, Preston Manning has argued that "safeguards" are required

"to protect Canadians against 'the tyranny of minorities.' "[104] Moreover, the Reform/Alliance agenda for greater public participation through referendums is designed to ensure majority rule. The notion of an equal Senate thus contradicts the Reform/Alliance's populist platform.

The fundamental tension in the Reform/Alliance position is that the provinces, while constitutionally entrenched entities, are simply groups or communities. It is not clear why the Reform/Alliance would recognize and support these communities but not other communities. Why are Reformers willing to recognize the provinces of Canada, but not the nations of Canada? It cannot be that provinces already have constitutional recognition; Aboriginal groups also have constitutional recognition, as does the French language, which is the primary basis for Quebec's claim as a nation. If Reformers are concerned simply about the equality of citizens, there is no need to speak about the equality of provinces. However, if they are serious about extending the notion of provincial equality, they must be prepared to accept demands for equality from other sorts of groups and communities.

THE NEW IDEOLOGICAL LANDSCAPE AND CONSTITUTIONAL RECONCILIATION IN CANADA

After the failures of the Meech Lake Accord and the Charlottetown Accord, Jean Chrétien decided to avoid mega-constitutional settlements. While this has proved to be a successful short-term political strategy, a mega-constitutional settlement will likely be required some time in the future to resolve Quebec's place in the federation, and to meet the demands of other groups and regions in the country. What does the rise of neo-conservatism in the Reform Party/Canadian Alliance, as well as in the Ontario and Alberta Conservative Parties, portend for a possible constitutional reconciliation? Assuming that neo-conservatism remains vibrant into the future, and Toryism and socialism do not disappear entirely, the ideological landscape in Canada is now much more complex.

Although Preston Manning and the Reform Party benefited tremendously from the high degree of constitutional cynicism present in Canada in the early 1990s,[105] Manning was largely motivated by the desire to obtain a lasting constitutional settlement in Canada. Indeed, Manning fancied himself as a constitutional "mediator."[106] In the mid-1970s, Manning drafted a report for the Canada West Foundation in which he articulated a "deal model of confederation."[107] In this report, Manning advocated the construction of a "National Unity Matrix" in which each region of the country — Atlantic Canada, Quebec, Ontario, the west, the Northern Territories, and Canada — would stipulate its primary political/economic "aspirations and concerns" and the concomitant policy/constitutional proposals required to fulfil these aspirations. Manning hoped that the governments of Canada could utilize the matrix to negotiate a

constitutional settlement. His belief was that each region could obtain its desired constitutional amendments, in exchange for supporting the demands from the other regions.

If one imagined a matrix of the constitutional demands of each region in contemporary Canada and distilled it into a package of constitutional reforms, it would probably look a lot like the Charlottetown Accord. Indeed, Manning wrote in 1991, "the Deal Model of Confederation would suggest that if any 'historic compromise' is possible ... it would consist of four elements: a limited recognition of Quebec's distinctiveness, a Triple-E Senate, a limited (defined) recognition of the rights of aboriginals to self-government, and provision for a national referendum on new constitutional arrangements."[108] The irony is that Manning and the Reform Party opposed the Charlottetown Accord.

Tom Flanagan hints that Manning may have been at least somewhat favourably disposed to the Charlottetown Accord, and that "he would have preferred to stay out of the [Charlottetown] fight."[109] This is not surprising given how close the Accord resembled Manning's deal model of confederation. Flanagan reports that Manning thought Reform could exploit the provisions in the accord for a new Senate, and he was worried about the constitutional fatigue in the country.[110] Reform supporters, however, were dismayed by the accommodations made for Aboriginal peoples and the recognition of Quebec as a distinct society in the accord and, as their opposition became known, Manning was forced into leading the "No" campaign. Manning's opposition to the accord represented a rejection of his deal model of confederation, which had motivated him for almost two decades prior to the Charlottetown Accord.[111] Manning's experience with the Accord illustrates the difficulties of leading a populist party, and makes a mockery of Manning's insistence that he was a politician of principle.

While Manning's approach in the deal model of confederation was obviously not that different from Joe Clark's approach to constitution-making, Manning's proposals were frequently dismissed as "simplistic." Sharpe and Braid state, "ultimately, Manning and his party provide simplistic reactions to the complexity of modern Canada. This is both their appeal and their failure, for their goals could only be achieved if Canada itself were suddenly simpler — stripped of ethnic loyalties, feminist hopes, Québécois dreams, and all the other collective aspirations that define the country today."[112] There seem to be two common assumptions that guide the processes of mega-constitutional reform in this country, the first of which is dubious at best and the second incorrect. The first assumption is that Canada constitutes a complex society. Assuming that this is "true" for the sake of argument, the second assumption holds that Canada consequently requires a complex constitutional solution. This was obviously Joe Clark's assumption during the Charlottetown negotiations. These assumptions give rise to what might be called "Canada's constitutional fallacy."

The challenge in constitution-making is to obtain an "overlapping consensus."[113] The fundamental premise of identity politics is that different social groups hold different political assumptions and values. In short, they each have distinct world views. In a homogeneous society, there will be one world view, with near universal agreement on primary values. The space for an "overlapping consensus" is thus large. As more world views are added to the picture, the space for an "overlapping consensus" is reduced. If Canada is truly a diverse country, with multiple belief constellations, the space for an "overlapping consensus" will be small, and this space will *shrink* as the country becomes more complex (see Figure 3). The emergence of the Reform Party/ Canadian Alliance and its distinct conception of the Canadian political community has served to reduce the space for an overlapping constitutional

Figure 3: The Inverse Relationship between Diversity and the Space for an Overlapping Constitutional Consensus

Space for an overlapping consensus

Homogeneous society

Dual society

Heterogeneous society

Highly complex society
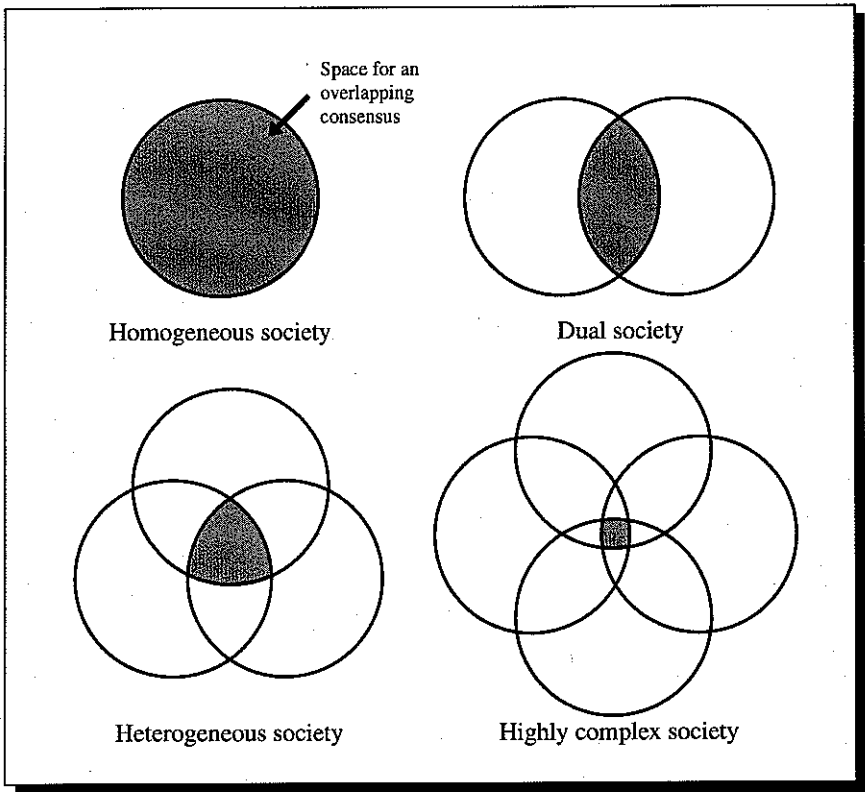
consensus. It has meant that a collective statement about the *good life* is all but impossible in Canada. A constitutional reconciliation is thus only possible if the actors involved seek to obtain a relatively simple *modus vivendi* that focuses on the basic means by which diverse communities can co-exist and fulfil their aspirations.

CONCLUSION

Gad Horowitz provided a sweeping portrait of Canadian political culture and party politics, at least for the period in which he was writing. However, as Ajzenstat and Smith have ably demonstrated, Horowitz did not consider the episodic moments of *republicanism* in Canada. Perhaps he would have been able to incorporate a fourth dimension into his analysis if he had chosen to give any consideration to the erstwhile Social Credit movement. Nonetheless, when Preston Manning established the Reform Party in the late 1980s, he provided a modern institutional expression to the fourth dimension of Canadian political culture in the form of a neo-conservative republicanism. In the early 1990s, it appeared that the Reform Party and its particular brand of neo-conservatism was set to transform Canadian political culture. The Reform Party certainly influenced the discourse surrounding government budgeting, especially deficit reduction and tax cuts, and it complicated the processes of constitutional reform in the early 1990s. In relation to fiscal policy at least, notwithstanding the unpopularity of Preston Manning in some quarters, the Reform Party was the party of innovation in the early 1990s, although the Liberal Party stole Reform's thunder by eliminating the deficit. In this sense, Canadian party politics has continued to function as Horowitz described it, except that the Liberal Party has been poaching ideas from the right rather than the left (see Whitaker, this volume).

When the Reform Party failed to make a breakthrough in central Canada, Preston Manning took the bold step of re-branding the party as the Canadian Alliance but, unexpectedly, Stockwell Day dramatically won the leadership of the new party. While Day's obvious charisma and apparent bilingualism fanned the hopes of Alliance supporters, he was not able to take the party any further in the 2000 election than Manning had done in the previous two elections. After the election, Day's lustre faded quickly. Through the spring of 2001, a number of Alliance MPs defected, including party stalwart Deborah Grey, and established the Democratic Reform Caucus (DRC), which sat with the Conservative Party in the House of Commons. The members of the DRC evidently lost confidence in Day as party leader. He was subsequently forced to tender his resignation, although he indicated immediately that he intended to re-seek the leadership of the party. However, the party membership elected former MP Stephen Harper in the subsequent leadership race.

After his stunning first ballot victory, Stephen Harper met with Conservative leader Joe Clark to discuss possible strategies of inter-party cooperation. In a deft move, Harper proposed a much tighter integration of the two party caucuses than Clark could countenance. When Clark rejected Harper's proposal, thus dashing hopes of "uniting the right," the members of the Democratic Reform Caucus returned to the Canadian Alliance. While Harper does not openly espouse the social conservative moral concerns articulated by Manning and Day, he does not ascribe to the values embedded in Clark's Toryism either. The ideological chasm between the two parties thus remains wide.

While Harper's leadership appears to have steadied the Alliance Party in the short term, the party's electoral misfortunes to date (and possibly in the future) may run deeper than the leader. While the other three dimensions of Canadian political culture have proven to be significant and enduring, notwithstanding the fact that the socialist tradition in Canada is only half as old as the liberal and conservative traditions and only ever about half as strong, the republican tradition in Canada has been fleeting and episodic. Conservative republicanism either does not appeal to a sufficient number of Canadians, or it is only attractive at particular historical moments. History would thus suggest that the neo-conservative republicanism of the Canadian Alliance will not appeal to enough Canadians to produce an electoral majority. Thus, as in the past, the Alliance may be destined to be a third party, and it may just fade away in the years to come like the Social Credit previously.

If the political right in Canada has any hope of challenging the current hegemony of the Liberal Party, Tories and Alliance supporters will have to put their differences aside and combine forces. Party strategists working toward this end are fond of suggesting that the platforms of the two parties are broadly similar. Even if that is largely true, the analysis in this paper suggests that the remaining gap between the party philosophies is profound. Tories and Alliance republicans have fundamentally different conceptions of the country. These differences can only be set aside as long as major constitutional questions are left in abeyance, but as soon as the constitutional file is re-opened the differences between Tories and Alliance republicans will almost certainly re-surface. Canadian political culture will thus likely remain fragmented into the foreseeable future.

NOTES

1. Gad Horowitz, "Notes on 'Conservatism, Liberalism, and Socialism in Canada,' " *Canadian Journal of Political Science* 11, 2(1978).

2. Janet Ajzenstat and Peter J. Smith, "The 'Tory Touch' Thesis: Bad History, Poor Political Science," in *Crosscurrents: Contemporary Political Issues*, ed. Mark

Charlton and Paul Barker (Toronto: ITP Nelson, 1998), p. 90. For another recent critique of Horowitz from a different angle, see Elizabeth Mancke, "Early Modern Imperial Governance and the Origins of Canadian Political Culture," *Canadian Journal of Political Science* 32, 2(1999).

3. Gad Horowitz, "Conservatism, Liberalism, and Socialism: An Interpretation," *Canadian Journal of Economics and Political Science* 22, 2(1966), p. 141.

4. Horowitz, "Conservatism, Liberalism, and Socialism: An Interpretation," p. 144.

5. Ibid., p. 156; emphasis original.

6. Ibid., p. 154; emphasis original.

7. Ibid., p. 162.

8. Ibid., p.144.

9. Nelson Wiseman, "Political Parties," in *Canadian Politics in the 1990s*, ed. Michael S. Whittington and Glen Williams (Toronto: ITP Nelson, 1990); Nelson Wiseman, "Tory-Touched Liberalism: Political Culture in Canada," in *Crosscurrents: Contemporary Political Issues*, ed. Charlton and Barker.

10. Wiseman, "Political Parties," p. 233.

11. Horowitz, "Conservatism, Liberalism, and Socialism: An Interpretation," p. 156; emphasis original.

12. Ibid., p. 162; emphasis original; see also Whitaker in this volume.

13. Horowitz, "Conservatism, Liberalism, and Socialism: An Interpretation," p. 168.

14. Ajzenstat and Smith, "The 'Tory Touch' Thesis: Bad History, Poor Political Science," p. 84.

15. Janet Ajzenstat and Peter J. Smith, "Liberal-Republicanism: The Revisionist Picture of Canada's Founding," in *Canada's Origins: Liberal, Tory, or Republican?* ed. Janet Ajzenstat and Peter J. Smith (Ottawa: Carleton University Press, 1995), p. 1.

16. Ajzenstat and Smith, "Conservatism, Liberalism, and Socialism: An Interpretation," p. 84.

17. Ibid.

18. Joseph P. Ellis, *American Sphinx: The Character of Thomas Jefferson* (New York: Vintage Books, 1996), p. 122.

19. Ibid., p. 331.

20. Ibid., p. 265.

21. Philip Pettit, *Republicanism: A Theory of Freedom and Government* (Oxford: Clarendon Press, 1997), p. 8.

22. David F. Ericson, *The Shaping of American Liberalism* (Chicago: University of Chicago Press,1993), p. 2.

23. Ajzenstat and Smith, "The 'Tory Touch' Thesis: Bad History, Poor Political Science," p. 87.

24. Ibid.

25. Ibid.

26. Pettit, *Republicanism: A Theory of Freedom and Government*, pp. 120-26.

27. Ericson, *The Shaping of American Liberalism*, p. 11.

28. Ibid., p. 13.

29. Ajzenstat and Smith, "Liberal-Republicanism: The Revisionist Picture of Canada's Founding," p. 8.

30. Ericson, *The Shaping of American Liberalism*, p. 14.

31. Ibid., p.12.

32. Pettit, *Republicanism: A Theory of Freedom and Government*, p. 20.

33. Ajzenstat and Smith, "Liberal-Republicanism: The Revisionist Picture of Canada's Founding," p. 8.

34. Pettit, *Republicanism: A Theory of Freedom and Government*, pp. 110-11.

35. Isaiah Berlin, *Four Essays on Liberty* (Oxford: Oxford University Press, 1969).

36. Pettit, *Republicanism: A Theory of Freedom and Government*, p. 271.

37. Ibid., p. 277.

38. Wiseman, "Tory-Touched Liberalism: Political Culture in Canada," p. 73.

39. Trevor Harrison, *Of Passionate Intensity: Right-Wing Populism and the Reform Party of Canada* (Toronto: University of Toronto Press, 1991).

40. Sydney Sharpe and Don Braid, *Storming Babylon: Preston Manning and the Rise of the Reform Party* (Toronto: Key Porter Books, 1992).

41. Murray Dobbin, *Preston Manning and the Reform Party* (Toronto: James Lorimer and Company, 1991).

42. Tom Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning* (Toronto: Stoddart Publishing, 1995), p. 15.

43. In this chapter, the word "Reformers" will be used as short hand to describe the supporters of both the Reform Party *and* the Canadian Alliance.

44. Reform Party, *The Blue Book: Principles and Policies of the Reform Party* (Calgary: Reform Party, 1999), p. 16. Richard Sigurson has reported that the 1991 Reform Blue Book read, "The Reform Party supports the preservation of the distinctive heritage and tradition of the Royal Canadian Mounted Police by retaining the uniformity of the dress code. Changes should not be made for religious or ethnic reasons" (Richard Sigurdson, "Preston Manning and the Politics of Postmodernism in Canada," *Canadian Journal of Political Science* 17, 2(1984), p. 268, note 42). This policy was intended to prevent Sikhs from wearing their traditional turbans in the RCMP and Aboriginals from wearing braids.

45. Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 42. The Reform Party, especially in its early days, was frequently tripped up by the question of immigration. The party was perceived as supporting a somewhat Eurocentric immigration policy on the assumption that this would support Reform's traditional picture of Canada. It is thus interesting to note that the Canadian Alliance did not articulate a position on immigration in its Policy Declaration, 2000.

46. Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 4.

47.   Ibid., p. 41.

48.   Ibid.

49.   Preston Manning, *The New Canada* (Toronto: Macmillan, 1992), p. 105.

50.   Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 4.

51.   Manning, *The New Canada*, p. 314.

52.   Ibid.

53.   Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 7.

54.   Quoted in the *The Globe and Mail*, "Day Embraces Tory Converts to Alliance," 21 August 2000, p. A4.

55.   Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning*, pp. 10-11.

56.   Manning, *The New Canada*, p. 2.

57.   Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning*, p. 22.

58.   Manning, *The New Canada*, p. 7.

59.   Ibid., p. 26.

60.   For further discussions of Reform populism see Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning;* Harrison, *Of Passionate Intensity: Right-Wing Populism and the Reform Party of Canada;* Peter McCormick, "The Reform Party of Canada: New Beginning or Dead End?" in *Party Politics in Canada*, ed. Hugh Thorburn (Toronto: Prentice-Hall Canada, 1991); Thérèse Arseneau, "The Reform Party of Canada: Past, Present and Future," in *Canada: The State of the Federation 1994*, ed. Douglas M. Brown and Janet Hiebert (Kingston: Institute of Intergovernmental Relations, 1994); David Laycock, "Reforming Canadian Democracy? Institutions and Ideology in the Reform Party Project," *Canadian Journal of Political Science* 17, 2(1984); and Steve Patten, "Preston Manning's Populism: Constructing the Common Sense of the Common People," *Studies in Political Economy* 50 (1996) and "The Reform Party's Re-imagining of the Canadian Nation," *Journal of Canadian Studies* 34 (1999):1.

61.   Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 8.

62.   Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning*, p. 24.

63.   Laycock, "Reforming Canadian Democracy? Institutions and Ideology in the Reform Party Project," p. 19.

64.   Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 37.

65.   Ibid., p. 6.

66.   Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning*, pp. 34-36.

67.   John G. Diefenbaker, *One Canada: The Memoirs of the Right Honourable John G. Diefenbaker, The Crusading Years 1895-1956* (Toronto: Macmillan, 1975), p. 218.

68.   Reform Party, *The Blue Book: Principles and Policies of the Reform Party*, p. 9.

69.   Ibid., p. 36.

70.   Pettit, *Republicanism: A Theory of Freedom and Government*, p. 20.

71. Kenneth McNaught, *The Penguin History of Canada* (London: Penguin Books, 1998), pp. 86-87.

72. Horowitz, "Conservatism, Liberalism, and Socialism: An Interpretation," p. 154.

73. Harrison, *Of Passionate Intensity: Right-Wing Populism and the Reform Party of Canada*, pp. 172-73. Harrison continues, "Manning's intentions would seem to be to make Canada into a country very similar, if not indistinguishable, from the United States," and his "New Canada would be modelled on the American 'melting-pot' " (ibid., p. 173). In fact, Harrison suggested that Reform's extreme populism was a form of *nativism*, which he defines as "a conjunction of nationalism with prejudicial attitudes based on ethnicity, religion, or race" (ibid., p. 164). He concludes that many "Reformers view the party's policies, and even Manning's public utterances, as possessing an inner code, the meaning of which signals an intent to return to a predominantly Anglicized, white nation" (ibid., p. 175).

74. Wiseman, "Tory-Touched Liberalism: Political Culture in Canada," pp. 76-77.

75. Richard Van Loon and Michael Whittington, *The Canadian Political System: Environment, Structure, and Process*, 4th ed. (Toronto: McGraw-Hill Ryerson, 1987), pp. 112-13.

76. Neil Nevitte *et al.*, *Unsteady State: The 1997 Canadian Federal Election* (Toronto: Oxford University Press, 1999), p. 85.

77. Manning, *The New Canada*, p. 239.

78. Ibid., p. 240; emphasis original.

79. Ibid., p. 313.

80. Ibid., p. 309.

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82. Ibid., p. 120.

83. Nevitte *et al.*, *Unsteady State: The 1997 Canadian Federal Election*, p. 100.

84. Hamish Telford, "Liberalism versus Communitarianism and Canada's Constitutional Conundrum," *Journal of Canadian Studies* 33, 3(1998).

85. Michael MacDonald, "Should Communities Have Rights? Reflections on Liberal Individualism," *Canadian Journal of Law and Jurisprudence* 4(1991):2; Vernon Van Dyke, "The Individual, the State, and Ethnic Communities in Political Theory," *World Politics* 29 (1977):3; Vernon Van Dyke, "Collective Entities and Moral Rights: Problems in Liberal-Democratic Thought," *Journal of Politics* 44 (1982):23.

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87. Brian Mulroney, *Where I Stand* (Toronto: McClelland & Stewart, 1983), p. 59.

88. Nevitte *et al.*, *Unsteady State: The 1997 Canadian Federal Election*, p. 8. Mulroney, *Where I Stand*, p. 59.

89. Nevitte *et al.*, *Unsteady State: The 1997 Canadian Federal Election*, p. 100.

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91. Pierre Elliott Trudeau, *With a Bang not a Whimper* (Montreal: Stoddart Publishing, 1988); Pierre Elliott Trudeau, *Towards a Just Society* (Toronto: Penguin Books, 1990); Pierre Elliott Trudeau, *A Mess that Deserves a Big No* (Toronto: Robert Davies Publishing, 1992).

92. Trudeau, *Towards a Just Society*, p. 434.

93. Ibid., p. 436; emphasis added.

94. Trudeau, *With a Bang not a Whimper*, p. 99.

95. Ibid., p. 99; emphasis added.

96. Iris Marion Young, *Justice and the Politics of Difference* (Princeton: Princeton University Press, 1990), p. 11.

97. Robert Dworkin, "Liberalism," in *Liberalism and Its Critics*, ed. Michael Sandel (New York: New York University Press, 1984), p. 64; emphasis added.

98. Amy Gutmann, "Communitarian Critics of Liberalism," *Philosophy and Public Affairs* 14 (1985):313.

99. Lord Acton, *Essays on Freedom and Power* (Cleveland: Meridian Books, 1940), p. 160.

100. Ajzenstat and Smith, "Liberal-Republicanism: The Revisionist Picture of Canada's Founding," p. 9.

101. Young, *Justice and the Politics of Difference*, p. 12.

102. Ibid., p. 12.

103. For an excellent discussion about provincial equality, see Jennifer Smith, "The Meaning of Provincial Equality in Canadian Federalism," *Institute of Intergovernmental Relations Working Papers*, 1 (1998).

104. Manning, *The New Canada*, p. 320.

105. Nevitte *et al.*, *Unsteady State: The 1997 Canadian Federal Election*, p. 97.

106. Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning*, p. 2.

107. Preston Manning, "A Realistic Perspective of Canadian Confederation" (Calgary: Canada West Foundation, 1977).

108. Manning, *The New Canada*, p. 309.

109. Flanagan, *Waiting for the Wave: The Reform Party and Preston Manning*, p. 46.

110. Ibid., p. 101.

111. Manning wrote in 1991, "when, as leader of the Reform Party of Canada, I am called upon to discuss the constitutional development of Canada and proposals for constitutional change, I still draw to a large extent on knowledge gained and conclusions reached as a result of fifteen years of viewing federal and provincial concerns and aspirations using the national unity matrix and the Deal Model of Confederation" (Manning, *The New Canada*, p. 88).

112. Sharpe and Braid, *Storming Babylon: Preston Manning and the Rise of the Reform Party*, p. 195.

113. John Rawls, "The Idea of an Overlapping Consensus," *Oxford Journal of Legal Studies* 1 (1987).

III

Regional Perspectives

6

Atlantic Canada at the Start of the New Millennium

Jennifer Smith

Est-ce que le Canada atlantique est enlisé dans le paradigme «Vieux-Canada» avancé par l'historien Michael Bliss? Dans ce chapitre, la réponse est un NON retentissant. Le «Vieux-Canada» est décrit comme étant économiquement frêle, politiquement rétrograde et corrompu, démographiquement stagnant et plus ou moins un boulet pour le reste du pays. Mais les données quant au Canada atlantique des années 1990 démentent cette image. Au niveau économique, la région est prospère grâce à une combinaison de développements, incluant l'industrie côtière du pétrole et du gaz et la concentration d'entreprises de nouvelles technologies et de communications dans des centres urbains comme Halifax et Moncton. Les gouvernements de la région poursuivent tous les mêmes principes de l'agenda néoconservateur: la privatisation de certains services publics, la réorganisation des services publics sur un modèle axé sur le client et des budgets équilibrés. Seule exception: les baisses d'impôts, qui sont encore hors d'atteinte. Au niveau politique, il y a du changement en cours en Nouvelle-Écosse, alors qu'elle passe d'un système traditionnel à deux partis à un système compétitif à trois partis à la suite d'un NPD incroyablement fort. Bien sûr il y a encore une continuité. Toutefois, on peut tirer comme conclusion que les seules pratiques du «Vieux-Canada» qui subsistent, sont encore celles du — bon — Canada.

> More than ever, Canada has become politically two countries. The dividing line is ... between Old Canada, which consists of Quebec and the Atlantic Provinces, and New Canada, which stretches from Ontario to British Columbia.[1]

Historian Michael Bliss elaborated this observation in an article ominously entitled "The Fault Lines Deepen." In his estimation, only one federal political party, the governing Liberal Party, has any chance of straddling the political fault lines. The remaining parties are confined either to Old Canada (Progressive Conservative Party, New Democratic Party, Bloc Québécois) or to New Canada (Canadian Alliance).

In the Bliss paradigm, the Old-New distinction is rooted in history and in economic and cultural factors. Old Canada is a product of the seventeenth and eighteenth centuries; New Canada is a product of the nineteenth and twentieth centuries. Old Canada still possesses a slow-growing economy while New Canada is a positive engine of economic dynamism and growth. Old Canada prefers big government and continues to practise the corrupt politics of government grants — to get votes, to encourage businesses, or to reward friends. New Canada prefers small government and citizen self-reliance. New Canada is growing fast in population and is friendly to immigrants and multiculturalism. Bliss omits to comment on this aspect of Old Canada, although the demographics there are known to be slow-moving by comparison.

It appears, then, that the New is the future, and that the west and Ontario are driving the country's destiny, and the Old is the past, and stuck in the mud. This is an unhappy conclusion, at least for those living in Old Canada. They might not mind being regarded as traditional. But no one wants to be considered passé, although being passé is the least of the Bliss indictment. And it *is* an indictment. Here is Bliss: "The political culture of Old Canada is the culture of the government grant, the subsidy to business, the handout to the unemployed, the handout to your political friends. In Atlantic Canada and Quebec, politicians are proud of the activities of HRDC, content to play the old patronage games."[2]

Lest it be thought that the Old Canada idea is a silly stereotype that is not worth a second glance, it is worth recalling the power of stereotypes in politics. Stereotypes are symbols, or shorthand ways of characterizing individuals and even, or especially, whole communities. In his study of the use of symbols in politics, Murray Edelman wrote: "It is characteristic of large numbers of people in our society that they see and think in terms of stereotypes, personalization, and oversimplifications, that they cannot recognize or tolerate ambiguous and complex situations, and that they accordingly respond chiefly to symbols that oversimplify and distort."[3] In other words, much of the power of a stereotype is rooted in its unidimensionality, and so is its prejudicial effect.

Stereotypes are worth combatting. That being so, it is fair to ask whether the Bliss stereotype reflects a sound appreciation of the political culture of Atlantic Canada at the start of the new millennium. Do political attitudes remain unchanged? Do political practices remain unchanged? Has the region remained essentially untouched by the major economic and political developments of the last decade? Or has it responded to them by fashioning major public policy changes and changes in governmental organization? The purpose of this chapter is to pursue these queries by focusing on the decade of the 1990s and scanning the record of public attitudes, electoral politics, and the efforts of governments to "re-invent" themselves. The record offers some empirical evidence to use in evaluating the Bliss paradigm. At its core, however,

the paradigm is normative. Bliss strongly implies that the new Canadian ways are good and the old Canadian ways are bad, and this implication is taken up in the conclusion of the chapter.

REGIONALISM

Some would find difficulty with the idea of describing the four Atlantic provinces as one region, to say nothing of breezily lumping it with Quebec in an entity called Old Canada. It is undoubtedly the case that Bliss is prepared to make his points at the expense of caricature and over-simplification. However, even if he is given some leeway in this respect, which I propose to do, there remains the problem of the concept of regionalism in relation to Atlantic Canada that needs to be addressed before the analysis gets underway.

In Atlantic Canada there are four provinces, each with a pedigree that predates Confederation. This means four governments, four capital cities and four sets of economic and social institutions. Unquestionably these provincial institutional apparatuses substantially outweigh the regional one. They are like centres of gravity, and their effects on the organization of economic, political and social life can hardly be overestimated. Certainly little interest has been expressed in abandoning them for a political union, a bright idea that surfaces from time to time.[4]

In addition to the institutional factor, which is heavily weighted on the provincial side, there are the inhabitants themselves, and whether they are disposed to identify with the province or with the region. The question is a complicated one, not least because there are communities within the provinces, like the Acadian communities in Nova Scotia and New Brunswick; the Aboriginal communities in the Maritime provinces and Labrador, Cape Breton Island, also part of Nova Scotia; and the Black communities in Nova Scotia. These communities are important sources of individual identities. Further, the results of survey research over the years are mixed.[5] Nevertheless, there is some evidence to support the view that provincial identities outweigh any sense of regional identity, notwithstanding the fact that across the four provinces the majority of the population is of British or Irish descent.[6] That being so, it might be wondered whether it is acceptable to treat the four Atlantic provinces as a region at all.

Janine Brodie has defined the concept of region "as an interpretation of politics that prioritizes the condition of the territorial entity rather than relations among groups of people defined in non-territorial terms, such as gender, class, or race."[7] The existence of regional institutions would help to support such an interpretation. On this dimension, support for the idea of an Atlantic region is slim, but not negligible. To begin, the composition of the Senate of

Canada is region-based. In 1867 there were three regions — Ontario, Quebec and the Maritime provinces — each assigned 24 seats. The Maritime region, initially comprised of Nova Scotia and New Brunswick, was meant to include Prince Edward Island (PEI) as well, and eventually it did. Newfoundland only joined the federation in 1949, and it was assigned six seats on its own. So there is a Maritime region in Senate representation, although not an Atlantic region. However, recent developments in relation to the amendment of the constitution indicate that, in some minds at least, Maritime is growing into Atlantic.

None of the formulas entrenched in the constitution that are applicable to its amendment is region-based; region-related, maybe, but not region-based. However, recently the entrenched formulas were encrusted with a statutory hurdle, and it *is* region-based. The federal *Act Respecting Constitutional Amendment*, passed in 1996, was part of the fall-out from the result of the Quebec referendum held the previous November, in which the sovereignist option failed to pass by the merest whisper. The purpose of the Act is to assign (some would say restore) to Quebec a veto over constitutional amendments. This is accomplished by the requirement that the federal government gain specified provincial and regional approvals before submitting to the House of Commons a resolution to amend the constitution in accordance with the amending procedures entrenched in the constitution. In its original form, the bill treated Ontario and Quebec as regions in their own right, following the old Senate model, and the four western provinces as one region, which caused an uproar in British Columbia and Alberta, two provinces that see themselves in more elevated terms than that implies. The federal response was to make British Columbia a region on its own, like Ontario and Quebec, and to put Alberta together with Manitoba and Saskatchewan in a Prairie region where the majority rules, which is tantamount to giving Alberta a regional veto. The other region is Atlantic Canada, in which consent is defined as the agreement of two of the four provinces which together possess 50 percent of the population of the region.

A final bit of institutional evidence that is very recent indeed is the establishment of a successor to the Conference of Atlantic Premiers, namely, the Council of Atlantic Premiers. In May 2000, the four Atlantic premiers launched the new council in an effort to coordinate their public policy positions and thereby strengthen their voice in national political circles. The Council of Maritime Premiers, which was established in 1971, is to remain in place for now.[8] A certain hedging of bets might be detected here. The old conference was a handy organization for the inclusion of the Newfoundland premier in meetings with the Maritime premiers. Its transformation into the Council of Atlantic Premiers suggests some strengthening of support for the idea of the four-province region, although the smaller Maritime council remains in the event of unforeseen conflict with the newest regional colleague.

In addition to the institutional evidence of regionalism, there is also the historical record of regional responses to region-wide crises or opportunities. An early example was the Maritime Rights movement in the 1920s, which developed in response to the crisis of the deindustrialization and marginalization of the Maritime economies that followed in the wake of changes made in key national transportation policies during and after World War I. Maritime Rights was a political movement that was destined to fail in the attempt to alter policy at the national level, although it did manage to prod the federal government into taking some compensatory measures on the region's behalf.[9] In another example in the 1960s, it was more a matter of responding to opportunities. Acting on the statist economic thinking of the day, all four eastern governments engaged in extensive efforts to foster industrial development by offering inducements of various kinds to existing and prospective businesses to locate in their respective provinces. In the 1990s, it has been a matter of crisis again, specifically the marked deterioration in the state of public finances with which all four governments have had to cope. On the basis of these examples, James Bickerton concludes that "regionalism becomes salient when established relations with extra-regional economic and political actors become unstuck or de-stabilized, making them subject to a heightened politicization in which common regional interests and concerns are granted greater prominence."[10]

On the bases of the institutional setting and the historical record — rather than any notion of a regional identity in the minds of the inhabitants — it is possible, following Brodie, to assume an interpretation of the politics of the Atlantic region and to test the Bliss interpretation of the politics of the region, beginning with political attitudes. Do Atlantic Canadians possess "Old Canada" attitudes?

REGIONALISM AND POLITICAL ATTITUDES

In 1974 Richard Simeon and David Elkins published data that support the Old Canada thesis. They found that in Newfoundland, New Brunswick, and to a lesser extent Nova Scotia — the data from PEI were too small to count — the orientation of respondents toward government reflected lower efficacy and trust levels than those of respondents elsewhere in the country.[11] Even when controls for factors like class, age, education, gender, community size, and party identification were introduced, the regional pattern persisted.

As Ian Stewart points out, the study has been cited many times, including in texts on provincial politics.[12] As a result, it has influenced perceptions about the political culture of Atlantic Canada. And how might it have influenced perceptions? Unquestionably the normative inference of the findings is negative. Simeon and Elkins define political efficacy as "a sense that one can be

personally influential in politics, can make one's voice heard, and can be effective,"[13] in other words, upstanding citizenship in a healthy liberal-democratic polity. By contrast, feelings of inefficacy block active citizenship. On trust, Simeon and Elkins query the extent to which "citizens feel government and politicians to be competent, concerned for, and interested in their welfare and worthy of respect."[14] Low levels of trust in government indicate a low opinion of government.

It might be thought that grim findings like these simply point to bad government. In their conjectures on the causes of the findings, Simeon and Elkins consider that they might be rooted in the cumulative, negative experiences of citizens with government or, alternatively, in electoral and political-party systems that discourage widespread political participation. They also raise the possibility of European settlement patterns, specifically the impact of Loyalist emigration to the Maritimes during and after the American Revolution. However, the lengthiest consideration by far is given to the economic factor, in particular "the dividing line formed by the Ottawa River [that] separates rich from poor, developed from undeveloped."[15] Now we are in Bliss country. The suggestion is that the relative poverty of the Atlantic region, its high proportion of poor and ill-educated citizens, the stagnating population levels, the lack of a dynamic urban and industrial core coupled with extensive rural subsistence living, and the vulnerability in the face of economic decisions made elsewhere — all economic negatives — have combined to generate the widespread disaffection from the political system tapped by the study.

None of this is to say that the study was somehow inaccurate at the time. On the contrary, it was a significant and revealing examination of regional political cultures. The question is whether it still conveys an accurate picture of the political culture. By 1994, Stewart thought that it did not. Using data going forward to 1984, he found instead that the variations among the regions in relation to political trust, political efficacy, and political interest had been declining since 1968 and had become quite minor. He saw convergence rather than divergence. As a result, he concluded that "the notion that Atlantic Canadians are a uniquely disaffected lot, distinguishable from other Canadians by their low levels of political trust and political efficacy, should clearly be put to rest."[16]

However, more recently this notion has been resurrected by Elisabeth Gidengil and her colleagues in a study based on data gathered during the 1997 general election. Gidengil and company are struck by the marked regionalization of the vote in the election. Region of residence, they find, was a stronger predictor of the vote than any of the typical social background characteristics like religion, ethnic origin, level of education, and so on. They are particularly intrigued by the gap in the vote for Liberal candidates between Ontario (50 percent) and Atlantic Canada (33 percent), a 17-point gap. They find that about two-thirds of the gap can be attributed to election-specific

factors, the two most important being perceptions of economic conditions and evaluations of the performance of the governing Liberal Party since its election four years earlier. Briefly, in Atlantic Canada there was significant concern about the loss of jobs and the viability of existing social programs, and the effort of the federal government to reduce the deficit was not warmly welcomed. In Ontario, by contrast, voters evinced optimism about the economic future, were more appreciative of deficit reduction and were focused on issues like fighting crime and preserving national unity.[17]

Significantly, Gidengil and company also find that much of the rest of the gap can be attributed to differences in political culture between the two regions on two dimensions. First, Atlantic Canadians exhibited more cynicism about the political process than did Ontarians. Second, and unlike Ontarians, they perceived that the federal government treated their provinces worse than the other provinces. The analysts conjecture that differences like these are products of long experience and therefore unlikely to change easily. In the meantime they form the horizon of opinion in which electoral judgements are made.

It must be stressed that the higher measure of political cynicism in Atlantic Canada picked up in the1997 election study is just that — higher by comparison with Ontario. Political cynicism is everywhere. In his analysis of the data gleaned from the *World Values Surveys* taken in 1981 and 1990, Neil Nevitte demonstrates that in advanced western societies, there has been a decline in public confidence and public trust in government, which is part and parcel of a decline in deference to the authority traditionally exercised by elites.[18] Others have confirmed the decline, including Frank Graves, president of Ekos Research Associates, although Graves cautions against placing too much emphasis on it with respect to government, since he finds that government has fared better in the public's estimation than religious and educational institutions and the media.[19] However, his data tap into feelings of economic insecurity that are worth pausing to consider.

As noted above, Gidengil and company show that Atlantic Canadian residents were much more worried about job losses than Ontarians, for whom the concern was not even statistically significant. This is consistent with Graves' findings on insecurity. He defines insecurity to include not only economic insecurity but also more general fears about the future and the changes that it might entail for community, identity, and values. Significantly, he finds that insecurity increasingly is a function of social class and region. "The East-West security divide," he writes, "is roughly demarcated by the Ottawa River."[20] This is the Old Canada-New Canada divide.

There is nothing so conclusive about any one set of findings that it overrules other findings. There may well be attitudinal differences that are rooted in long-standing regional economic differences. However, these attitudinal differences may be patchy. They may persist within the larger context of the

erosion of interregional differences in political culture, in other words, within the larger context of value convergence. Further, the traditional attitudes that do persist might lag or even mask change that is underway, for example, in the electoral arena.

ELECTORAL POLITICS

THE FEDERAL ARENA

At the federal level, the vote in Atlantic Canada in the 1997 general election has captured the attention of analysts like Bliss, who see it as a kind of luddite or dated response to new developments in a brave world. In order to assess the validity of such a judgement, it is useful to review a little electoral background.

Until 1997 in the Maritimes, and then the Atlantic region, the twentieth century belonged to the Liberal and Conservative Parties. Sometimes they were competitive, and sometimes not. And in any given election there were likely to be variations among the provinces. For example, from its entry into Confederation in 1949 until 1968, Newfoundland was nearly a Liberal preserve. It is astonishing to consider that in the first general election held there in 1949, the Liberals got only five of seven seats with a popular vote of 71.9 percent. They missed out in St. John's, where the anti-Confederate and business vote managed to elect two Conservatives.[21] Meanwhile, in the other three provinces the Conservatives had come back from a rather prolonged slump to move past their rivals in the 1957 and 1958 general elections. Then New Brunswick, always a Liberal stronghold, slipped back into the Liberal fold in 1961. Nova Scotia and PEI, for their part, remained winning provinces for the Conservatives through to the 1984 general election.[22] And so on. There is no need to run through the results of election after election. The point is that only two parties were really in the race. In 1997, this changed to three parties.

The NDP's success in 1997 could not be foreshadowed by the 1993 election. In that election, the Liberals, who defeated the incumbent Conservatives and went on to form the government under Prime Minister Jean Chretien, polled well in Atlantic Canada, capturing 31 of 32 seats — only popular Conservative MP Elsie Wayne held out in Saint John — with huge popular vote percentages in the provinces that ranged from a high of 67.3 percent in Newfoundland to a low of 52 percent in Nova Scotia. The Conservatives, on the other hand, took the most famous drubbing of any political party in Canadian political history, winning only two seats of a total of 305 — Wayne's and leader Jean Charest's in Brome, Quebec. Obviously in Atlantic Canada some of the Conservative vote went to the Liberals. Where else in the region did it go? Certainly not to the NDP. The party's percentage of the popular vote ranged from a high of 6.8 percent in Nova Scotia to a low of 3 percent in

Newfoundland, less than half of its vote in 1988. Some of the Conservative vote went to the new western-based Reform Party, established in 1987 under the leadership of Preston Manning. While the Reform Party gained only 1 per cent in Newfoundland and in PEI, it gained 13.3 percent in Nova Scotia and 8.5 percent in New Brunswick. Together the Reform and Conservative vote amounted to about one-third of the total in each of the region's provinces.

Ironically, the two parties — the NDP and the Conservative Party — which did so poorly in the 1993 election throughout the country as well as in Atlantic Canada were the same two that bounced back in 1997 in the region. The NDP story was the more dramatic of the two. In 1993, in keeping with tradition, the party had elected no one in the region. In 1997 the party gained eight seats, six in Nova Scotia and two in New Brunswick. The remarkable vote percentages ranged from a high of 30.4 percent in Nova Scotia to a low of 15.1 percent in PEI. The Conservatives, for their part, picked up 13 seats (12 more than in 1993) and increased their popular vote shares in each of the provinces. In Nova Scotia, the combined Conservative and Reform Party share was 40 percent while in New Brunswick it was 48 percent.

Since the Conservative Party gained a total of 20 seats in the election, or 18 more than the previous outing, the 13-seat Atlantic component was hardly a negligible contribution. The same could be said of the NDP, which rebounded from nine seats in 1993 to 21 seats in 1997, eight being from the Atlantic region. In post-election analyses, the parties were stamped as Atlantic Canadian parties. In the case of the Conservatives, the immediate reason was the sheer weight of the regional complement. In the case of the NDP, it was because the eastern seats were new seats, including the new leader's seat in Halifax, and because the new leader, Alexa McDonough, had led the Nova Scotia NDP for 13 years. The question is why these two parties, nominally so disparate, *both* did so well in the same region in the same election.

The significance of the question lies in the fact that in the past the anti-government vote has always gone to the alternative traditional party. In other words, the traditional party out of office was the default option. In 1997, apparently, there were two default options. One explanation, at least for Nova Scotia and New Brunswick, was the effect of the Reform Party, and the extent to which it drained support from the Conservative vote. Given the dynamics of the single-member-plurality (SMP) system which is Canada's electoral system, it is quite possible that a combined Conservative-Reform vote would have deprived the NDP of some of their seat gains. However, the fact of the matter is that the Reform Party and the Conservative Party delivered different messages in the campaign. The Reform Party stuck to its neo-conservative message in the east, stressing the need to lower taxes, pay down the public debt, fight crime, pursue the decentralization of the federation rather than focus on the accommodation of Quebec, and reform the parliamentary system

of government. The Conservatives also promised to cut taxes, and made that promise the central plank of their campaign. But the issue did not work for them. Reform owned the issue, and in any event it was not a salient one for most voters.[23]

However, the Conservatives also attacked the Liberal government for cutting social programs and for failing to tackle the high unemployment plaguing some areas of the region, and for breaking its promise to eliminate the goods and services tax (GST). Their best issues revolved around the concerns about social programs and unemployment, although the electoral benefits were largely confined to Atlantic Canada. There, according to Nevitte and company, it was the Conservatives rather than the NDP who benefited from feelings of insecurity about unemployment.[24] In any event, in positioning themselves to the left of the Liberals on social issues, the Conservatives were closer to the NDP than to Reform. Indeed, in the east the key distinction between the Conservatives and the NDP was the national unity issue, with the Conservatives emphasizing the need to take a more accommodative approach to Quebec than the Liberal government, and the NDP preferring to avoid the issue altogether. The Conservative leader, Jean Charest, never shrank from discussing the unity issue even though it was not found to be ranked in importance among voters outside Quebec.[25]

The 1997 election left observers wondering whether the Reform Party would ever make inroads in the region; whether the Conservatives were really making an eastern-based comeback; and whether the NDP could sustain and build on its gains in the region. The next general election, which was held in November 2000, produced some answers. In the runup to the election, the Reform Party made a deliberate effort to transform itself into a national party with a new name, the Canadian Alliance, and a new leader, Stockwell Day, who had left his post as the treasurer in the Conservative government of Alberta to seek the leadership of the new party. In the east, the gambit failed. In Nova Scotia, the party's share of the popular vote barely moved, registering 9.6 percent in 2000 as opposed to 9.7 percent in 1997. In New Brunswick, it was 15.7 versus 13.1; in PEI, 5 versus 1.5; in Newfoundland, 3.8 versus 2.5.

Understandably, these figures yielded the Alliance no seats in Atlantic Canada, although the party did come out of the election with six seats more than the 60 it had going in — seats gained elsewhere. That more or less answers the inroads question for now. By contrast with the Alliance, the Conservatives slumped nationally, losing seats (down to 12 from 20) and votes (down to 4 percent from 6.6). In Atlantic Canada, the region so critical to them, they went into the election with 13 seats and wound up with nine. Their share of the popular vote was steady in Nova Scotia and PEI, off slightly in Newfoundland and a little more in New Brunswick. It was not a comeback. The NDP fared as badly as the Conservatives nationally, losing seats (down to 13 from 21) and votes (down to 4.3 percent from 7). In the Atlantic region, the

party halved its seats from eight to four, thereby failing to consolidate its gains in 1997.

The big winner, of course, was the Liberal Party, with their third election victory in a row. In each of the Atlantic provinces, it strengthened its share of the popular vote and gained an additional eight seats, giving it a total of 19 in the region. The Liberals ran an "Old Canada" campaign in the region, bringing in Cabinet ministers to tout the benefits of being on the government side, like the former premier of Newfoundland and then Industry minister, Brian Tobin (he has since resigned the Cabinet), and proposing to soften some of the rules that govern access to employment insurance, an obvious pitch in rural areas that experience high seasonal rates of unemployment. Moreover, they could point to a strong economy on their watch, and the significant income-tax cuts announced prior to the election call, a popular move everywhere. Indeed, the puzzle is why the Liberals did not do even better. In Dartmouth, for example, the former Senate majority leader, Bernie Boudreau, argued the advantages of government over opposition to no avail, failing to oust the sitting NDP member.

The record of the last three federal elections in Atlantic Canada, then, is not exactly an Old Canada tune. Moreover, the NDP gains in 1997, gains that were pared but not eliminated in 2000, deserve reflection. The federal NDP, which is after all a social democratic party, has been marginalized in this neo-conservative period of Canadian political life, particularly in the context of an economy that, until quite recently, has been booming. The party is thought to have little to contribute to contemporary public policy-making, in particular to issues like the privatization of public services, the regulation of the financial sector of the economy, or tax reduction. As a result, it is easy to interpret its gains in Atlantic Canada as an Old Canada refusal to accept change. However, it must be stressed that a few short years ago these very gains would have been heralded as a fresh, modern breakthrough in a politically traditional part of the country. As noted earlier, in 1994 Ian Stewart argued that there has been an *erosion* of the traditional political culture in the region. Thus there was an erosion of the traditionalism so inimical to the prospects of an ideological party. Having made that point, he was then faced with explaining why the NDP was still an electoral failure. Stewart offered the intriguing suggestion that the NDP was a "prisoner of the past." He meant that the NDP might still suffer from the lingering effects of a hostile, if dying, traditionalism.[26] If Stewart was right, then the NDP's recent success — its escape from the years of "free-floating failure" — is related to a changing political culture, not a stagnant one. Developments at the provincial level bear this out.

THE PROVINCIAL ARENA

To some analysts, the most important characteristic of the region provincially is the existence of three Conservative governments in PEI, Nova Scotia, and

New Brunswick. They regard these governments as an important harbinger of events to come at the federal level, following the cycle thesis according to which provincial electorates choose governments of a different political stripe than the federal government, which eventually falls too, at which point the cycle begins again.[27] Presumably Newfoundland, which has a Liberal government, is counter-cyclical. Alternatively, like Bliss, they regard the Conservative governments as little more than Old Canada evidence because the provincial Conservative parties are closer to the federal Conservative Party than they are to the new Canadian Alliance, the aspiring national successor to the old western-based Reform Party and the political home of neo-conservatism.[28]

For my purposes, the cycle thesis is neither here nor there. More important is the Old Canada notion, because it masks two factors of fundamental importance in understanding developments in the region since 1987. One is the election of administrations that have essentially pursued a neo-conservative agenda. The other is the rise of the provincial NDP in Nova Scotia.

It is important to focus on the fact of neo-conservative administrations, beginning with the election in 1987 of the Liberals in New Brunswick who were led by Frank McKenna. In the 1987 election the Liberals took every seat, defeating the discredited Conservatives who had held power since 1970. Whether or not New Brunswickers were fully aware of it, the new premier held strong and consistent anti-statist, pro-market views. If ever there was an administration openly favourable to the business agenda, it was McKenna's. Unlike his federal colleagues, McKenna supported the proposed free trade agreement with the United States in the 1988 general election. He pursued deficit reduction, cutting public service jobs, eliminating or amalgamating agencies, privatizing services, and holding down public sector wages. He also pursued job creation, essentially by getting businesses to locate in the province. His energetic efforts in this respect drew national attention, largely because they were so focused on communications firms engaged in activities like telemarketing, customer ordering and billing, and data processing — and because he had some success. Finally, he pursued changes to social programs in a manner consistent with his views on how to reposition the province's workforce for the "new economy" era. There was an emphasis on education and retraining to help people overcome reliance on the old combination of casual labour and unemployment insurance, and even workfare programs designed to compel participants to jettison welfare dependency.[29]

Policies such as these are instantly recognizable as part of the neo-conservative agenda and common currency among governments today. They were not common currency among Canadian governments in 1987, which makes the McKenna example a significant one. His governments set the neo-conservative standard for Atlantic Canada, and one by one the other governments followed suit — later, unhappily, in fits and starts — but they

followed suit. In the end there was no other choice because in the early 1990s the federal government began instituting significant cuts in transfers to the provinces for social programs. Faced with these cuts, on one side, and their own mounting deficits and debts,[30] on the other, the provincial governments needed to focus on painful and old-fashioned goals like balancing budgets. PEI balanced its budget in the spring of 2000. The government of Nova Scotia has yet to meet that benchmark. However, it aims to do so by fiscal 2002–03. Meanwhile, in its budget for 2000–01, it expects the deficit to run to $199 million. In Newfoundland, the budget for 2001–02 shows a projected deficit of $30.5 million, the smallest for many years.

The partisan stripe of the governing party in office seems not to matter a great deal in terms of the adoption or not of a neo-conservative agenda. Frank McKenna won three elections before stepping down in 1997. Two years later his successor, Camille Theriault, sustained an unexpected defeat at the hands of the youthful Bernard Lord, who led the Conservative Party to victory. The new government is following the same conservative financial policies as its predecessors: its spring budgets in 2000 and 2001 each showing a surplus. In Newfoundland the Liberal Party has been in power since 1989. In PEI there was a switch from the Liberals to the Conservatives in the middle of the decade. Nova Scotia has been more tumultuous, moving back and forth between the Conservatives and the Liberals. Nevertheless, no matter what their partisan stripe, all of the provincial governments either have produced budget surpluses or are moving in that direction, principally by cutting personnel and program expenditures, raising taxes, implementing new user fees for various services[31] and, at the millennium, generally benefiting from booming economies. As a result, it appears unwise on the basis of the low levels of support in the region for the old Reform Party and now the Canadian Alliance to conclude that Atlantic Canada has rejected the neo-conservative agenda. Many in the region might not like the agenda. But the fact of the matter is that provincial governments — which are elected, after all — have pursued it. The discipline of the neo-conservative agenda, then, has been as much a part of the region's experience as elsewhere. That leaves the second point — the rise of the NDP in the provincial politics of Nova Scotia.

The NDP's success is significant because it represents an observable change in the political-party system from a competitive two-party system to a competitive three-party system. The facts are these. The CCF, the predecessor of the NDP, contested its first election in Nova Scotia in 1941, gaining three seats and 7 percent of the popular vote. That set a pattern that continued for many elections, the party capturing somewhat more or less than 10 percent of the popular vote and none to three seats. The 1974 election inaugurated a new phase in which the party, now the NDP, consistently gained more than 10 percent although still very few seats, ranging from one to four.

The big change came in the provincial general election in March 1998. The governing Liberal Party, under the leadership of a new premier, Russell MacLellan, suffered extensive losses, dropping from 40 seats in the 52-seat house of assembly to 19 seats on the basis of a popular vote of 35.3 percent. The NDP soared from four seats to 19 with 34.6 percent, while the Conservative party increased its number from nine to 14, with 29.8 percent.[32] Premier MacLellan formed a minority government, met the assembly, and with the help of the Conservatives, got a budget passed. The following year, however, the Conservative Party pulled the plug. Its leader, John Hamm, stated that he could not support a budget that was not balanced. As a result, an election was set for July 1999, an election that the Conservatives won, gaining 30 seats and 39.2 percent of the popular vote. The Liberals and the NDP both fell back, the Liberals with 11 seats and 29.8 percent, and the NDP with 11 seats and 29.9 percent.[33]

In the case of the NDP, the obvious question is whether its new-found support is set to endure. Much of the new support is located in metropolitan Halifax, although the party has made inroads in rural areas of the province, too. Since the long-term demographic trend is the steady increase in the population of the metropolis, this is just as well, success there being essential for any party. A final point to be made about the NDP is its moderate social-democratic character under the leadership of Robert Chisholm, who replaced long-time leader Alexa McDonough in 1996. For example, in the 1999 election, an aspiring NDP ran a restrained campaign, promising little except the prudent management of public monies, and reforms to health care and education that would have to be financed without new taxes or raises in the sales tax or the income tax. Indeed, some alleged that the party was running the classic, low-key "front runner's" campaign, emphasizing strategy over traditional policy positions. Even if the allegation was justified, it serves only to demonstrate the party's perception at the time of where on the political spectrum it ought to locate itself, the answer being moderately left of the two main parties. All three parties were converging toward the ideological centre, each trying to present itself as the better manager of public finances.

In the wake of the NDP's disappointment at the results of the 1999 electoral outing — many thought the party had a crack at winning government — Robert Chisholm decided to step down and in July 2000 the party chose Helen MacDonald, a teacher from Cape Breton, as his successor in a closely fought contest among four aspirants. However, she had to relinquish the leadership after her loss in a by-election forced her to try to lead the party from outside the legislature. Now the party is looking for another leader. Some observers might persist in regarding the rising prospects of the NDP as an indicator of the popularity of old-style, debt-and-deficit politics. The better view, however, is to interpret them as a signal from a public which seems prepared to consider a departure from the old two-party mould.

GOVERNMENT STRUCTURES

An important part of the public agenda in the last two decades is the objective of smaller government. The efforts made to gain the objective range from straightforward cuts in the number of civil service positions as well as cuts in the number of programs on offer to the use of the private sector to deliver programs formerly administered by government to the adoption of business procedures in the evaluation of how well government works.

Despite the growing problems of public finance in the 1980s, the federal government only began pursuing the sorts of measures just identified in the early1990s in an effort to get its own finances under control and to meet the new challenges of the day, the most obvious being the technological revolution underway. The provincial governments have been engaged in similar efforts, including the governments in the Atlantic region, whose efforts to downsize their bureaucracies were particularly painful in the context of the economic recession in the opening years of the decade. In addition, the same governments are still wrestling with the old problem of the role of patronage in staffing the civil service.

The most spectacular assault on patronage came from Liberal Premier John Savage in Nova Scotia, spectacular because it ended in his own demise as leader. When Savage assumed office in 1993, the Liberal Party had been out of power for 15 years. The new premier, a medical doctor and an experienced municipal politician, had made a commitment to end patronage practices in the campaign. Taking office, he was hit immediately with demands from Liberal partisans for road patronage, perhaps the oldest and most resilient political tradition in the province. In this area, senior positions and contracts fell outside of public service hiring and bidding procedures. As a result, a change in government ordinarily signaled a complete change in workers, supervisors and contract-holders. The Savage government managed to bring road work within the ambit of public service procedures, albeit in the wake of unhappy partisans who found this denial of the spoils of office galling.[34] However, it should be noted that there was enough slippage under Savage's Liberal successor, Premier MacLellan, to inspire the Conservatives to include a plank in their 1999 campaign platform to "establish a proper, non-partisan process for ensuring that rural roads and highways meet the needs of Nova Scotians and support economic development."[35] The new Conservative government's record on this front is not yet clear, although to date Premier Hamm has not been the target of disaffected Conservative partisans over roads.

Road work is the public face of patronage; as important as the contest between patronage appointments and merit-based appointments in the rest of the public service. Here, too, the Savage government advanced substantial reforms, replacing the old Civil Service Commission with a new staffing regime in a newly established Department of Human Resources. In addition to

the expressed need to protect appointments from political interference, the new regime was designed to permit the delegation to departments of authority over various aspects of staffing and personnel administration. According to one close observer of these matters, the new regime is in line with public management reforms in other Westminster systems, and it has contributed to a "greater professionalism" in the staffing function.[36] Nevertheless, it must be kept in mind that in Nova Scotia the premier appoints the deputy ministers, and in doing so he signals to the public service as a whole the government's attitude on the issue of public service professionalism versus partisan loyalty in the staffing of the most senior government positions.

The Atlantic governments have also engaged in restructuring themselves. This has been part and parcel of the effort at downsizing and the adoption of new public management ideas drawn from business models. A notable example of restructuring is PEI, where successive governments have gone about implementing some of the recommendations of the Program and Expenditure Review Commission, which reported to the Liberal government in 1987. The commission was nothing if not up-to-date. In addition to the advocacy of smaller government doing fewer things, it applied the market paradigm to the governing process, transforming citizens into cost-conscious consumers, civil servants into employees competing with private sector employees in terms of wages and benefits, and government into competitive service provision. It has been pointed out that the commission's ideas were more radical than the restructuring efforts that flowed in its wake.[37] Nevertheless, these efforts have been substantial, and pursued by Liberal and Conservative governments. In addition to the inevitable downsizing of government, they include the use of non-departmental agencies, the employees of which are not necessarily covered by the traditional civil service standards of employment; pay reduction schemes; and a reorganized personnel management system designed to inject business-style flexibility into the deployment of government employees. Newfoundland, too, has undergone its version of the new public-management-style reforms, initially under the auspices of the governments of Clyde Wells, 1989–96. Wells' successor, Brian Tobin, continued in the same vein. His government established a series of task forces on governance in the spring of 1997 and subsequently undertook to implement the recommendations, a number of which concern human-resources development in the career public service.[38]

New Brunswick has been a leader in the organization of modern government, including the development (during Premier Louis Robichaud's tenure, 1960–70) and maintenance of a "top-flight public service."[39] When Liberal leader Frank McKenna took office in 1987, he was concerned to reposition the province economically to meet the challenges posed by reduced federal transfers to the province, on the one hand, and the global, free trade economy, on the other. In connection with government and the public service, this included downsizing; reorganization measures; the privatization of selected

services, including the building and maintenance of schools and prisons; the introduction of performance-based incentives for management; and decentralization in the use of financial resources by managers. An energetic reformer, McKenna was prepared to experiment with the repertoire of techniques in the new public management approach.

As the foregoing material indicates, the governments of the Atlantic provinces have not turned their backs on the governance paradigm of our day. On the contrary, they have adopted it and found ways to execute it. They have downsized, privatized, contracted-out the delivery of various goods and services, and introduced market-style incentives within the organization of the public service. As a result, the only leg on which the Old Canada charge can rest is patronage. Have Atlantic governments eliminated patronage? No. Have they made any efforts to minimize it? Yes. Have the other Canadian governments eliminated it? No. Will the governments ever eliminate it? No. So long as Canadians retain free government and political parties, the elected officials will be inclined to work with their political friends.

CONCLUSION

While much of the evidence belies the Old Canada charge, there is other evidence that appears to favour it, some of it quite recent. An example is the activity of the governing federal Liberal Party, which continues to spend money on the region through the Atlantic Canada Opportunities Agency (ACOA). ACOA, of course, is the *bête noire* of the neo-conservatives because it is a government agency established to assist regional economic development with the use of public funds. To neo-conservatives it is a visible manifestation of statist and anti-market thinking. It is also the latest in a long series of federal regional development initiatives dating back at least to the establishment of the Department of Regional Economic Expansion (DREE) in 1969.

Over the years there have been some successful development programs.[40] Nevertheless, in general the conclusion is a record of failure, a result for which various technical and administrative reasons have been advanced.[41] Looming large as a factor in the failure is the political factor, that is, the politicization of regional economic development. In an early analysis of ACOA, Herman Bakvis emphasized the agency's function in serving the Cabinet ministers from the Atlantic region by enabling them to be stronger advocates of the region's needs. He also warned that "unless carefully managed, bureaucratic resources placed in the hands of ministers for regional purposes can end up being used in highly parochial fashion. Rather than promoting the welfare of the region as a whole, or even particular provinces, the benefits of having access to bureacratic expertise may well end serving the needs only of the minister's riding."[42] Highly publicized ACOA grants in federal ministers' ridings during

the 1990s appear to have borne out Bakvis' warning. The agency is dismissed with contempt by editorial writers.[43] And in the 1997 federal election, the Reform Party vowed to eliminate it.[44] Nevertheless, in old-economy style, in the months preceding the general election in November 2000, the federal Liberals announced a $700 million economic development strategy for Atlantic Canada to be administered by ACOA,[45] a move immediately denounced by Premier Harris of Ontario as "another example of taxpayers' dollars just being wasted."[46] Cynics could only nod and murmur — *plus ça change.*

Meanwhile, the Atlantic premiers managed to contribute to Old Canada cynicism about the region when they established the Council of Atlantic Premiers, an organization discussed earlier in the chapter. The council is intended to advance cooperative behaviour among the provincial governments in terms of policies in the region. But the intention is also to generate strength through unity in dealings with the federal government, particularly the effort to extract more dollars from it. Indeed, as a local newspaper reported none too suavely, "Squeezing cash from Ottawa tops agenda for Atlantic council."[47] This provoked a swift response from the president of the Atlantic Institute for Market Studies (AIMS), who wrote: "These guys still don't get it. The old regime is dying all around them, and still they bang out the old tunes on the fiddle."[48]

Undoubtedly there are a few old tunes about, but there are also new ones. A more balanced view is to appreciate the new as well as the continuities. The new developments include a perceptible shift in public attitudes away from low levels of trust, efficacy and interest in politics to levels commensurate with the norm in the rest of the country; some interesting departures in voting patterns in recent federal and provincial elections, largely in relation to the NDP; the development of a competitive three-party system in Nova Scotia; and the reorganization and reduction in size of the public service as well as an emphasis on alternative ways of delivering public services. Provincial governments have not turned away from the perceived need to diminish the role of the state in society in the effort to cope with the burden of debts and deficits. Instead they have attempted to respond to it, and in so doing adopted some of the market-oriented justification that lies behind it. Moreover, they have acted in the context of economies that, for decades, have been far less robust than is the case in other provinces.

Speaking of provincial economies, it must be pointed out that the region has been experiencing strong growth recently, in part owing to the effects of the booming offshore oil and gas industry and related pipeline developments. In their budgets for 2001–02, Nova Scotia and New Brunswick are forecasting economic growth at 2.3 percent and 2.1 percent, respectively. PEI has seen three consecutive years of growth on the order of 3 percent per year, and is projecting 2 percent for 2001. Newfoundland and Labrador came off a very strong year in 2000 that saw a 5.3 percent growth rate, and the forecast is 2 for

2001. As indicated, the offshore oil and gas industry is highly significant in all of this, and there is more to come. In addition to the Hibernia and Sable projects, there is the Laurentian sub-basin still to be tapped. The sub-basin, said to be 60,000 square kilometres in the deep water south of the Grand Banks, is believed to encompass some nine trillion cubic feet of natural gas and 700 million barrels of oil, much larger than any of the finds to date. Currently, Newfoundland and Nova Scotia are wrangling over the marine boundaries of the sub-basin before a three-member, federally-appointed tribunal.[49]

Given the record of change as well as continuity in the region, the empirical claim of the Bliss paradigm is unsustainable. And the moralizing dimension loses its bite, too. Taken on its own, the moralizing means little anyway. For example, Bliss says that the New Canada effort to shrink government is part of the drive to liberate individuals and the private sector and to learn how to be truly competitive in a global economy. He compares this to the Old Canada preference for strong government, which he thinks encourages deference over competitiveness. This is not the place to undertake a foray onto the terrain of moral philosophy. Still, where would Bliss be if deference were simply an outward indicator of a large concern for the well-being of the community, while muscular competitiveness turned out to be the mark of moral indifference to anything beyond self-interest.

NOTES

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7

Quebec's Changing Political Culture and the Future of Federal-Provincial Relations in Canada

Daniel Salée

La question nationale et le désir de souveraineté ne semblent plus avoir la même profondeur politique qu'ils ont déjà eu dans la conscience collective des Québécois. On peut se demander si le nationalisme québécois et la culture politique collectiviste qu'il informait jadis constituent encore des facteurs déterminants dans la manière dont la province aborde ses rapports avec le reste du Canada. Cet article soutient que bien que les revendications nationalitaires et la pugnacité historique du Québec à l'égard du Canada ne soient pas sans effet, des changements significatifs dans la perception qu'ont d'eux-mêmes les Québécois ont affecté le discours et les pratiques nationalistes et ont conduit à l'émergence de visions contradictoires de la communauté politique québécoise. L'unité de pensée et les consensus qui ont déjà animé les actions du Québec à l'endroit d'Ottawa semblent s'étioler et n'ont plus nécessairement l'impact recherché quand vient le temps d'affronter le gouvernement fédéral. Cet article identifie et analyse trois transformations importantes de la culture politique québécoise qui expliquent cet état de choses et qui pourraient bien influencer la nature et l'orientation des rapports du Québec avec Ottawa au cours des années à venir : la reformulation du discours nationaliste québécois, l'érosion de la cohésion sociale et la fragmentation concomitante de l'appartenance politique et, enfin, la reconfiguration des principes de gestion sociale et économique qui ont guidé le développement du Québec au cours des dernières décennies. Divers scénarios quant à l'avenir des rapports Québec-Canada sont évoqués en conclusion à la lumière de l'évolution possible de ces transformations.

INTRODUCTION

Political developments in Quebec since the 1995 referendum may prompt some to anticipate that the days of protracted confrontation between Quebec and Ottawa are soon coming to an end. Indeed, the relatively poor showing of the Bloc Québécois in the November 2000 federal election, the steady decline in levels of popular support for the sovereignty option,[1] polls indicating that

Quebecers would prefer to look for solutions to the constitutional impasse within the institutional confines of Canadian federalism,[2] their indifference over the enactment of Bill 99, the National Assembly's response to the *Clarity Act*,[3] and Premier Lucien Bouchard's own admission of failure at bringing about sovereignty in his resignation speech on 11 January 2001 may appear to some observers and commentators as telling signs that the Quebec sovereignist movement is teetering on the verge of irrelevance or, at least, that nationalist sentiments are currently of little import in Quebec's political life. In addition, during the past year, some prominent public intellectuals close to, or supportive of, the sovereignty movement have essentially disavowed the dream of an independent Quebec, and proposed instead that Quebecers explore other avenues of self-affirmation within the institutional confines of Canadian federalism.[4]

As students of Canadian and Quebec politics know well, Quebec's relationship with the rest of Canada in the second half of the twentieth century has been largely shaped by a culture of antagonism and resistance that owed much to Quebec's multifaceted but sustained bid for national self-affirmation. In its various incarnations, usually as a perceived threat to the unity of the Canadian state and the country's social cohesion, Quebec nationalism has had considerable bearing on the internal and constitutional dynamics of the Canadian federation over the past four decades.[5] But should the political occurrences of the past year be interpreted as indications of a shift in Quebec's political culture that may be about to lead to a major transformation of the relationship between Quebec and the rest of Canada? As this volume takes stock of changes in Canada's political culture(s) and their impact on the state of the federation, two questions obviously stand out with regard to Quebec: Are Quebec nationalism and its attendant political culture of collective rights claims still significant factors in the province's relations with Ottawa and the rest of the country? Are they likely to determine the nature of Quebec-Canada relations and influence Canada's constitutional agenda in the foreseeable future?

In answer to these questions I argue in this essay that while nationalist claims and the historic pugnaciousness of Quebec's political attitude in matters of national unity should not yet be discounted, they are engulfed in a cloud of indeterminacy which, at this juncture at least, makes it difficult to assert with confidence what the basis and outlook of future Canada-Quebec relations will be. As the political history of Quebec since the 1980 referendum attests, one would be ill-advised to forecast the disappearance of the sovereignist movement and nationalistic claims from the province's political landscape. Despite the fading fortune of sovereignists and their option during the better part of the 1980s, Quebec nationalism re-emerged forcefully at the time of the debacle of the Meech Lake Accord and picked up enough steam in the ensuing years to nearly win the day in the 1995 referendum. Although the nationalist sentiments of Quebecers may seem fickle at times, nationalism has remained a permanent fixture of modern Quebec's political imagination

and, in all likelihood, will continue to be so. However, the last decade has been witness to some degree of change in collective self-perception, which has affected the nationalist discourse and practices, and led competing visions of the political community and differing conceptions of social and economic management to oppose each other in the political arena. Quebec is not the consensus-driven society that eager nationalist politicians often portray it to be. Common grounds that formerly brought socio-political actors to speak with one voice in response to Ottawa are eroding, defusing in the process any semblance of unity Quebec might need to challenge the federal government credibly.

Hence, although it is not possible to anticipate with definite certainty the shape of things to come with respect to Quebec-Ottawa relations, there is movement within Quebec. Trends and undercurrents that are likely to have an influence are emerging and, in some cases, are even firmly taking hold. In this chapter I propose to map out what are perhaps the three most significant ones, namely the reformulation of the nationalist discourse, the erosion of social cohesion and the fragmentation of political belonging, and the reconfiguration of social and economic management. I look at each of these in turn and conclude by examining scenarios that can be derived from their possible evolution and applied to Quebec-Canada relations.

As should become clear, the notion of political culture that guides my analysis eschews traditional concepts and analytical approaches that are well-entrenched in the specialized literature. Rather than emphasize individual and institutional behaviour, individual or collective psychology, public opinion and levels of political participation, I take political culture as evolving out of the particular ways in which individuals and groups in any society formulate, negotiate, realize and impose the competing claims they make upon one another and upon the general direction of society. The political culture of a given society is cast in the particular dialectical dynamics of power that oppose social agents in their bid to shape the public agenda to their advantage and benefit. In this sense, political culture refers to the "historically contingent practices and beliefs that give legitimacy to political structures and political authority to individuals and 'interests,' and which, in turn, political actors use creatively to affect public policy or, more generally, public life."[6] By definition, then, a political culture is not static; it is likely to change according to transformations in socio-economic hierarchies and patterns of social and political domination.

THE "NEW" QUEBEC NATIONALIST DISCOURSE

As a result of the bad press and negative image associated with nationalistic and ethnicity-driven upheavals in many parts of the world in recent years, a number of political philosophers and social theorists, in the West particularly,

have felt compelled to uphold the virtues of nationalism, stress its liberal nature, insist on its emancipatory potential, or point out its openness to diversity.[7] Others concerned with the particularistic and chauvinistic outlook of strictly defined, essentialist, national identities have proposed to anchor the national community in overarching, broad-based, legal, civic and above all democratic principles to which any reasonable person can readily adhere,[8] and which can reach beyond the limited identities comprising a society (multicultural ones in particular). Though their respective views are not necessarily unified conceptually, they are united in their desire to lay the moral and normative foundations most likely to favour social cohesion and solidarity in increasingly plural and diverse societies. Their work is influential, and politicians whose socio-political goals and advancement hinge on the recognition and affirmation of an independent nation find in their theorizing much support for the renewed, broader, and more inclusive sense of the national community they like to advocate.

Quebec's leading nationalists and current sovereignist government are a case in point. Over the past two decades, the nationalist discourse elaborated both by the state and intellectuals in Quebec has progressively rejected, at least in public documents, the traditional, ethnic and cultural connotations, which, until about the early 1980s, essentially informed Quebec nationalism. Accordingly, today Quebec nationalists claim to understand *la nation québécoise* no longer as the sum total of an historically determined, common cultural experience shared mainly by French-speaking Quebecers, but as the gathering, through citizenship, of reasonable and equal social and political beings around rational, democratic institutions upon which they all have agreed, regardless of their differences and diverging interests. In this sense, the nation is presented as a plural and heterogeneous political community, and as a civic project to be accomplished within given, geographic or territorial boundaries. This means, concretely, that everyone and anyone who lives within the Quebec territory is considered a citizen,[9] hence a *Québécois*, an appellation which is no longer reserved to identify only the French Canadians of old. Quebec's "new" nationalism encourages pluralism beyond the historical, culturally determined confines that used to define *la nation québécoise*, celebrates diversity, promotes the integrity of minority cultures, and posits at the same time the Quebec state as the rallying point with which all can and should identify.[10] Political self-determination, and eventually, the full independence of the Quebec state from Canada are matters for all Quebecers to decide and not simply the francophone majority. Implicit in this view of things is the idea that Quebecers, regardless of their origin or background, have to work together to develop a *culture publique commune*, a common civic culture, based on universal values to which everyone can readily subscribe (democracy, open civic participation, equality between men and women, freedom of speech, socio-economic solidarity), with the French language as the central vector of its reproduction and transmission.[11]

This relatively new expression of Quebec nationalism vindicates the will of most liberal proponents of nationalism to make it a morally, intellectually and politically sustainable project. The emphasis of current Quebec nationalism on pluralism meets the liberal requisite of unimpeded individualism, its insistence on democratic citizenship satisfies the liberal faith in universal values, and its aspiration for a common civic culture fulfills the fundamentally integrative bent of the liberal state. While it can be said that for an extended period of the province's history, nationalism in Quebec bore the unequivocal imprint of ethnicity and justified what some would see as quasi-tribal attitudes, it is also true that nationalist exhortations led to a large movement of self-affirmation, democratic emancipation and social change in the 1960s and 1970s. Quebec nationalism went from a conservative defence of French-Canadian social, cultural, and moral values against the British ruler, to confident, self-possessing, at times aggressive, claims of self-determination and political independence for the socio-economic promotion of French-speaking *Québécois*. Today, Quebec nationalism is still imbued with this forward-looking attitude, and has enlarged its original conception of national identity to include all who live and reside in the Quebec territory as equal and full partners in nation-building. This sense of the Quebec nation has pervaded public documents and policies for over a decade now, and no nationalist leader or intellectual would entertain, at least officially, any other view of the nation. The type of nationalist discourse that currently holds sway in Quebec is premised on inclusiveness and openness to diversity.[12]

Critics and political opponents of Quebec nationalists routinely dispute this view of things and insist that no matter how urbane and politically advanced Quebec nationalism appears in theory, it is in fact parochial, inward-looking and xenophobic.[13] They argue that despite its high-minded, inclusive references to all-encompassing citizenship, it remains ultimately geared toward and conceived for "old stock" francophone Quebecers. The new brand of Quebec nationalism is but the brain-child of a state-engineered, public relations strategy designed to hide its true nature and cajole public opinion.

Critics and foes notwithstanding, while it is not improbable that public image considerations play a role, the emergence of civic nationalism in Quebec's political discourse is a more complex phenomenon and is best understood as the result of the combined action of several factors related to the general process of socio-economic transformation experienced by Quebec society in the past three or four decades.

In the 1960s and 1970s French-speaking Quebecers gained remarkable confidence in their abilities to exercise control over their personal and collective destinies.[14] As they succeeded in imposing their culture and language as the primary conduits of social and economic life, the English progressively ceased to figure as the oppressive other against whom their own identity was defined and made sense. Targeting the English and Anglo dominance as the source of

French Canadian woes (as pre-modern and early modern Quebec nationalists often tended to do) appeared increasingly ineffective and futile by the 1980s as socio-economic power started shifting clearly in favour of French-speaking Quebecers, and elements of Anglophone culture began to be considered more as potential tools to penetrate international markets and further Quebec's economic development than as instruments of oppression of an hostile neighbour. This gradual disappearance of the English as symbolic foe contributed to a relative de-ethnicization of *Québécois* claims and national identity. Nowadays, sovereignist and nationalist appeals are more likely to challenge the Canadian federal government over administrative and jurisdictional issues than to focus on the Anglophone minority over matters of collective solidarity or inter-groups equity. While references to ethnic consciousness may still have currency in public discourse, they do not constitute as significant a stimulus of nationalist mobilization as they once did.

The influx and increased visibility of immigrants in many sectors of Quebec's social and economic life have also influenced the transformation of the nationalist discourse, if only for sheer political reasons. In the wake of their defeat in the first referendum on independence in 1980, nationalist leaders became aware that if immigrants were not made somehow to feel that they are an integral part of Quebec society, they would never support the sovereignist project. This in itself was a powerful incentive to modify the traditional, nationalist discourse and make it more inclusive. Nationalist leaders clearly understood after 1980 that immigrants and minorities could not be counted out of any democratic attempt at turning Quebec into an independent country. Indeed, the state's immigration policies and general approach toward ethnocultural minorities since then have by and large reflected a new and greater sensitivity to the social reality of immigration as well as a more ready willingness to address and satisfy the political demands of diversity.[15] The language policy of the late 1970s opened the way in this regard, for it allowed for a much more considerable degree of interaction between immigrants and the rest of the population than had been the case until that point. By requiring immigrant children to attend French schools, language legislation progressively socialized immigrants and several minority groups into the francophone mainstream, bringing larger segments of these constituencies to take a more active and more direct part in the social, cultural, and economic life of Quebec society.[16] French-speaking Quebecers have become, with time, less likely to look upon immigrants and minorities as a threat to the integrity and permanence of Quebec's majority culture. Many among them have developed as a result an increasingly positive attitude toward immigration and ethnocultural diversity and are less prone to differentiate between "us and them," at least in public settings and situations.[17] There has been in fact a significant evolution in public mentality toward immigration, which has translated into greater social acceptance of immigrants and a narrowing of the symbolic gap between

majority and minorities. While this does not imply that ethnicity has become irrelevant in public discourse,[18] or that civic integration is a total success,[19] or even less that socio-economic exclusion on the basis of ethnocultural differences has been eradicated,[20] this evolution has led to a conception of the Quebec nation as encompassing — in principle at least — far more than the French-speaking majority. The political program of the sovereignist Parti Québécois, for example, now clearly acknowledges that the Quebec people is made up of every individual who resides within Quebec territory;[21] up until that time its notion of the Quebec people included primarily Quebecers of French origin to whom were added, almost like an afterthought, all those who had joined them and shared in their culture.[22]

The expressed will of Quebec's economic elite to face up to the challenges and imperatives of economic globalization can also be cited as another factor accounting for Quebec nationalism's emphasis on citizenship. The nationalist state policies of the 1960s and 1970s largely contributed to the social and political ascent of a new class of francophone capitalists who, since the early 1980s, have come to prevail in the economic and political affairs of the province.[23] This new economic elite has been particularly anxious to tackle new markets and expand its international economic horizon.[24] Its eagerness in this regard heightened its sensitivity to global pressures, made it more open to the world, and led it to realize as a result the limitations a narrowly defined conception of the Quebec nation could impose not only on the province's ability to grow, but also on its own prospects: too strong a focus on ethnicity or particularism could turn Quebec nationalism into a liability. Hence, the current insistence of Quebec's nationalist discourse on citizenship largely reflects the concern of Quebec's economic elite to defuse the "dangers" of the postmodernist and postcolonialist claims that have come to pervade Quebec's political landscape. These claims presumably contribute to the fragmentation of the unity of the political community, bring about political instability, and compromise the quality of the socio-political environment needed for the market to thrive.[25] Like the economic elite of most contemporary western societies, Quebec's capitalists are more comfortable with the integrative bent and universalist pretenses of liberal-democratic citizenship.

One can dispute whether Quebec's new nationalism is really civic, whether it can ever be, or whether ethnicity is bound to remain a significant dimension of any nationalistic expression. Be that as it may though, the civic nationalist discourse is real. It implies a qualitative shift in the way the nationalist intellectual and political elites are conceiving Quebec, and in what they are asking the population to understand Quebec to be. Gone are the visceral, emotional appeals to bond as a linguistically and culturally distinct people. This may appear to many as a good thing and a sign of democratic progress. But gone also is the spark that has motivated successive generations of Quebecers to mobilize in support of what they saw as a "struggle" of national liberation

against the Anglo-Canadian "oppressor"; the same spark, in fact, that ignited several federal-provincial confrontations and constitutional conflicts between Quebec and Ottawa.

The civic nationalist discourse is offering Quebecers a legalistic project couched in a formal, purportedly neutral sense of liberal-democratic citizenship. Paradoxically, though it seeks to broaden the nation, to make it as politically compelling and inclusive a category as possible, civic nationalism as formulated by its Quebec proponents insists rather on the jurisdictional and territorial essence of the Quebec nation. It calls on Quebecers to support not so much a renewed sense of political belonging, but turf wars waged by political apparatchiks and bureaucrats in Quebec City and Ottawa. It implicitly asks them to choose not so much between two very distinct visions of nation (Quebec versus Canada) or two very distinct social projects — one, Quebec's, which would be significantly better than the other — but between two civic logics, two conceptions of socio-economic management, and two underlying concerns for social cohesion that are basically identical, and differ only in terms of who is formulating them.

Quebec civic nationalists endorse in fact the same fundamental values and guiding principles of political community and social cohesion that inform the current, prevailing vision of the Canadian state on issues of national unity; that is, unadulterated reason and "common sense," the fusion of social and ethnocultural singularities into one unified conception of the community, and the dominance of liberal-democratic norms of socio-political transactions.[26] This is not to suggest that Quebec and Ottawa are so similar that the days of administrative and constitutional wrangling are over. But if the whole Quebec nationalist project boils down simply to asserting jurisdictional boundaries and administrative prerogatives, and if the respective, internal logics driving the Quebec state and the Canadian state become increasingly blurred and indistinguishable, the Quebec public may well wonder, what, then, is the point of nationalism, and, by extension, of pursuing sovereignty?

On the face of it, civic nationalism may seem like a more "advanced," more civilized form of communal expression, but to the extent that it waters down Quebec's pre-political collective identity — that very same identity in defence and promotion of which much of Quebec's political mobilizations of the past four decades against Ottawa were championed — it also dulls the sense of outrage and injury necessary to galvanize political energies in support of Quebec sovereignty. As *indépendantiste* political philosopher Serge Cantin noted recently, "the new credo of an open, plural, multi or transcultural Quebec nation undermines the very project it purports to advocate by gradually stripping it of its *raison d'être*. Indeed it implies that we should disappear on account of altruism, that we should renounce, in the name of democracy, the very principle of democracy, that is the right of peoples to self-determination and self-government."[27]

Cantin's lament is obviously rooted in a fundamentally ethnic, almost nostalgic understanding of the Quebec nation, but nevertheless it cogently underscores the paradox of civic nationalism in Quebec. Without a robust and unequivocal ethnocultural identity thoroughly pervading the collective sense of self, can the will to sovereignty be fully carried out; can it translate into appropriate and meaningful political action capable of truly dismantling the Canadian federation? Clearly, Quebec sovereignists are faced with an interesting challenge. By making Quebec into a civic nation, they have modernized Quebec nationalism, but they also seem to have diluted its ability to persuade Quebecers to engage in a vigourous tug-of-war with Canadian federalism. It may not be impossible that, in the long run, the new, civic sense of nation will bring about a revitalized sense of collective self capable of enjoining Quebecers to resist Canada. At this particular juncture though it is not clear that this is a likely outcome: neither ethnocultural minorities nor "old stock" Quebecers seem ready to endorse the new conception of the Quebec nation fully, the former because they simply do not trust the state's encompassing recasting of the Quebec political community,[28] and the latter, because it propounds an image of the Quebec nation which requires that their existence be somehow downplayed. Although the outlook of what is in store is still largely unfathomable, it seems safe to surmise that the further Quebec's overall political identity will develop from its original, pre-political incarnation, the more unlikely the province will be to articulate its relationship with the rest of Canada in terms of the historical, ethnoscultural duality of the country. Civic nationalism — provided that it is indeed as genuine a feature of Quebec political culture as the official discourse would have us believe — might essentially be making this duality and the dynamics of confrontation that usually ensued, irrelevant.

THE FRAGMENTATION OF POLITICAL BELONGING AND THE DIFFICULT UNITY OF THE POLITICAL SUBJECT

For the better part of the often stormy postwar history of federal-provincial relations, Quebec political leaders could generally assume that they were speaking to Ottawa and the rest of Canada with the full backing of a constituency that was fairly clear about its identity, where it stood within the Canadian federal system, what to expect from it and what to try and gain from it. Of course the strategies they utilized to further Quebec's interests did not necessarily meet with every Quebecer's approval, and, most of the time, the population remained — and still is — fundamentally divided as to the proper course of action needed to deal with Canada. The result of the 1995 referendum highlights this point remarkably. But by and large Quebec political leaders could count on a fairly high degree of consensus over issues such as group

identity or the essence of *Québécois*. They could address the rest of Canada
with the confidence that the apparent legitimacy such a consensus afforded
them: through it, they could claim, Quebec was speaking with one voice on
whatever issue was at contention with Ottawa. Unsurprisingly, in most con-
ventional analyses of Quebec-Canada relations, Quebec appears as a rather
monolithic political community, imbued with particular traditions and an un-
equivocal sense of collective self. The Quebec identity is rarely presented as
contested, or in the process of transforming itself; the social and ideological
contours of "Quebecness" are usually well delineated, taken for granted, prac-
tically immutable.

From the point of view of Quebec sovereignists and those who tend to ap-
proach Quebec's dealings with Canada from a position of antagonism and
competition, this image of collective unity is, understandably, quite indispen-
sable. Within Quebec, the credibility of the whole sovereignist argument rests
on its ability to convince the largest number of Quebecers that the Canadian
federation is detrimental to their individual and collective well-being. Out-
side Quebec, the political clout of sovereignists hinges on maintaining the
impression that Quebec is one and undivided, and unquestioningly consti-
tutes a distinct national group and political community. Failing success on
both fronts, their case against the Canadian state obviously stands little chance
of being taken seriously. Today, more perhaps than at any other point in time,
the biggest political challenge of Quebec sovereignists is to create a believ-
able, sustainable and most of all effective sense of collective identity. As the
foregoing discussion points out, significant alterations in the ethnocultural
fabric of Quebec society and a greater openness to social pluralism and diver-
sity led in recent years to a widening of the terms of reference of Quebec
identity. It is no longer proper to present Quebec in its primordial guise as the
home of "old stock," French-speaking Quebecers. To the extent that the Que-
bec collective identity now appears inevitably more polymorphous and
variegated, it is also more difficult and hardly reasonable in fact to preserve
the traditional, ethnicity-based mantle of unity and social cohesion, which
was so crucial in justifying and legitimizing the uncompromising stance of
successive Quebec governments vis-à-vis Ottawa and the rest of Canada. In-
deed, the customary invocation of historical claims might now seem pointless
and the recourse to strategies of unyielding confrontation with Ottawa, hardly
defensible.

From the strict perspective of Quebec-Canada relations, civic nationalism
and its attendant plea for a common public culture offer in a way a convenient
response to the political challenge faced by sovereignists. Politically, the civic
nationalist discourse works on two fronts: it allows sovereignists to escape
the charge of seeking to build a political community founded on the ethnicity
of one group, by positing Quebec as an intrinsically and positively plural and
diverse society; but it also deflects the political consequences of the democratic

obligation of recognizing the existence of multiple political and cultural allegiances, by proclaiming that they can all be subsumed into a common public culture that encompasses all of Quebec's "limited identities." In other words, as the old discourse of ethnocultural cohesion, which long informed Quebec's traditional claims against Ottawa, becomes morally untenable in the heightened liberal-democratic politics of recognition, civic nationalism provides an alternative, universalistic narrative of unity focused on the integrative capacity of the Quebec state as the source of citizenship and social cohesion for all who live in Quebec. Operating as a dual discourse of diversity and unity, it sends a clear message to Ottawa: Quebec society may be internally plural, but the Quebec state speaks for all with one voice. If anything, sovereignists can insist their claims are even stronger and more legitimate than ever before, for the Quebec state duly represents all Quebecers regardless of origin, culture, and time of residence.

But does it? Does the Quebec state constitute a national, encompassing, civic space with which every resident of Quebec readily identifies? Suppose we ignore for a moment the perennial difficulties encountered by sovereignist leaders within the context of the Canadian political process to get Quebec recognized as a self-determined political community. Still, the very idea of Quebec as an independent, self-contained, civic space with universal appeal would be confronted with the same kind of obstacles facing liberal democracies nowadays. In fact, the politics of identity which largely determines the contemporary political dynamics compounds Quebec's historical problem of political recognition, for as social theorist Anna Yeatman noted, "the identity and boundaries of the political community are now subject to politics in ways which both destabilize any appearance of a consensualist national tradition and bring to light the historically changeful artifice by which such traditions are constructed."[29]

Therein lies the crux of the problem for sovereignists. The unity of the political subject and the paradigm of citizenship and belonging that it entails are fast becoming targets of reprobation in modern-day politics. Quebec sovereignists are operating on the basis of a universalist, consensus-driven, Enlightenment discourse at a time when this kind of political narrative, the institutional arrangements it favours and the social hierarchies it justifies are facing enormous resistance throughout the western world.[30] Quebec sovereignty is being challenged not simply because it implies the dismantling of the Canadian state, an unacceptable option for many obviously, but also because insofar as it rests on the fundamental will to create an all-inclusive, universalistic and rationalist civic space, its conceptual underpinnings are under siege.

That is particularly evident on the issue of a common public culture. The Quebec state may well proclaim with the best of inclusivist intentions that Quebecers are united beyond their different identities and allegiances through

French language as the principal vector of public transactions and shared val-
ues (democracy, equality of men and women, etc.), but that view is extremely
problematic for significant segments of the population. Enjoined by the state
to embrace a "moral and civic contract" that essentially urges them to adopt
Quebec's historically determined and pre-established set of social and politi-
cal norms, immigrants, members of ethnocultural minorities and non-
francophone Quebecers feel unfairly targeted and forced into endorsing a nor-
mative framework that seems extraneous to them. They often react by
denouncing the whole notion of a common public culture and by deploring
the Quebec state's insistence on French as a common language. They reprove
the whole thing as a perverse bid to de-legitimize difference and identity claims,
assert the social hegemony of the French ethnic majority, and, in the end,
homogenize Quebec society to the advantage of the latter. Some in fact con-
test that there should even be a common public culture. Representatives of
some First Nations, for example, completely deny that the Quebec state has
any jurisdictional power over them. They want nothing to do with Quebec's
civic and national aspirations, for they essentially see Aboriginal people as
separate national entities. The same can be said of the partitionist idea which,
idiosyncratic and shaky as it may be, still reflects a profound unwillingness
on the part of many to embark into a French-based, majoritarian political nation.

Some analysts have argued that the general opposition of immigrant groups,
ethnocultural minorities, Anglophones and First Nations to the sovereignist
civic project results from a deliberate and successful political strategy con-
ceived by the federal government. It consists in downplaying Quebec's claims
by encouraging ethnic minorities, through the multiculturalism policy, to for-
mulate particularistic claims of their own.[31] Canadian multiculturalism, so
the argument goes, puts Quebec's national aspirations on the same footing as
the claims of any ethnocultural group. Not only does it ethnicize Quebec's
political will to self-determination which tends to make it less morally sus-
tainable in a purportedly liberal democratic political system — but it also
negates Quebec's alleged status as one of Canada's "founding nations." In
such a context, as no hierarchy of identity claim is possible, members of ethno-
cultural communities feel confident that they can rightfully oppose Quebec's
will to nation.[32] The Canadian state's multiculturalist discourse has succeeded
in convincing them that Canada, and not a subaltern jurisdiction, is their pri-
mary and most fundamental site of civic and political existence. The argument
concludes that Quebec's status within Canada is problematic: so long as Que-
bec will remain part of Canada, the federal strategy will constantly work to
thwart any attempt made by the Quebec state to integrate minority ethnic groups
into a fully Quebec-based civic space. As such, it will continuously inhibit
the emergence of a genuine Quebec citizenship and prevent, among members
of ethnocultural minorities, the development of a feeling of belonging to the
Quebec political community.[33]

One can hardly deny that the political particularities of the Quebec-Canada relationship play a role in shaping the civic allegiance of minorities in Quebec. Because of the imperatives of their respective national project, both Quebec and Canada are vying for the support of ethnocultural communities; both claim them as integral to their national core. The stakes are high indeed: in the 1995 referendum even minimal endorsement for sovereignty by ethnocultural communities could have tipped the scale in favour of the "yes" forces. Ethnocultural communities clearly represent important pawns that oppose Quebec and Ottawa in the power struggle. Still, it is misleading to explain the resistance of ethnocultural communities to the national and civic project of Quebec essentially in terms of the adversarial nature of Quebec-Canada relations, or on account of Ottawa's success at checking the political objectives of Quebec nationalism. First of all, such a view incorrectly assumes that all immigrants and members of ethnocultural communities uncritically and unequivocally embrace Canada's multiculturalism and sense of nation; it is simply not the case.[34] But more importantly, it neglects and misjudges Quebec's own internal societal dynamics. Thanks to its own Charter of Rights and Freedoms, its policies of institutional accommodation and employment equity, its recognition of Quebec's Aboriginal peoples as nations, and a few other such initiatives, the Quebec state, like the Canadian state, also encourages minorities to express their claims, to seek entitlements, rights and means of empowerment, and to participate directly in the shaping of the Quebec civic space. That, of course, is a good thing. However, on this score, Quebec is caught in the conundrum which faces most contemporary liberal democracies: it sets for itself fairly high standards of openness to pluralism and diversity, but it remains unwilling or unable to satisfy fully the requirements that such openness implies. The unsettled disputes over several Aboriginal social and economic claims,[35] the continued economic marginalization of racialized minorities and the slow progress in matters of employment equity[36] are but just a few cases in point.

Quebec, like most of its liberal democratic counterparts (including Canada), is incapable of solving the tension extant in modern societies between the dictates of universalism and particularistic claims. This inability only reinforces the frustration of minority claimants, and furthers their resolve to oppose any broad and encompassing policy or political design that excludes them, or that does not take their interests into account to their satisfaction. Although the civic and political project of Quebec sovereignists appears itself as a particularistic challenge in the wider context of the Canadian state, it is construed by minority groups within the political boundaries of the Quebec state and society as an attempt at imposing ideological parameters of social and political behaviour over the definition and development of which they had little or no influence. From their perspective, the attitude of the Quebec state smacks of *dirigiste* socio-political engineering. It is at odds with the "rights

discourse" that has come to prevail in North American politics, and it is contrary in spirit to the Quebec state's own discourse about freedom of choice, tolerance, and respect for otherness. For many minority groups, opposing Quebec's civic and political project then is not so much tantamount to an unqualified acceptance of Canada or the Canadian state — although some are prompt to read it as such — as it is the mark of their dissatisfaction with the social and political assumptions which lie behind the liberal democratic, unitary conception of the Quebec state.

This said, one should be careful not to exaggerate the implications of the foregoing for the immediate future. Quebec remains a fairly homogeneous society where the majority of the population continues to be quite clear about its identity and sense of political belonging. The unwillingness of minorities to consent unquestioningly to the sovereignist civic project must not obscure the fact that on the ground, in everyday life, the French-speaking majority coexists in relative harmony with members of ethnocultural minorities and that, as noted above, some degree of social integration of immigrants is taking place. Clearly, Quebec is not a society about to founder in the throes of inter-ethnic or intercultural rivalries.

Nevertheless, Quebecers'sense of collective identity is undergoing a transformation. It no longer rests on symbolic foundations as secure or as stable as it may once have appeared. The political prominence of the question of ethnocultural minorities in public debates over the meaning and contents of Quebecness obviously indicates that the recasting of Quebec's collective identity in a way that would satisfy and rally everyone is far from being a done deal. But beyond the vagaries of Quebec's internal situation, broader, more contextual considerations must be added to get the full picture of the difficulty facing the Quebec state in maintaining the image of socio-political unanimity it needs to project in its dealing with Ottawa and the rest of Canada. Much of it has to do with globalization.

. Experts are divided over the real effects of globalization on the enduring character and continued suitability of the nation-state as a sovereign structure of societal interaction. To some the forces of globalization are inexorably and fundamentally altering the parameters of citizenship and the nation-state;[37] to others, though weakened internally and externally, the nation-state remains an essential and relevant political unit.[38] Still, most people tend to agree that globalization questions at least the relative autonomy of the nation-state upon which rests national citizenship; that it undermines the distinctiveness and originality of national cultures; and that it fosters the rapidly increasing mobility of people across national borders.[39] In this sense, one can assume that globalization works in two ways with regard to Quebec. As in most countries, it exposes society to the imperatives of the international economy, and perforce, to the pressures they exercise on the autonomy of the nation-state — which obviously cannot bode too well for anyone aspiring to create a sovereign

nation-state. But more significantly, it enhances the political challenges of ethnocultural diversity to the unity of the political subject. The very logic of globalization encourages the engagement of immigrants in transnational socio-political practices. Many maintain strong social, economic, cultural or political ties with their country of origin, and their sense of belonging is consequently shared between here and elsewhere. A recent longitudinal survey of 1,000 immigrants who arrived in Quebec in 1989 revealed, for example, that 93 percent of respondents report sustained involvement with their country of origin for family, business or professional reasons.[40] There is nothing intrinsically wrong with that of course; it is in fact rather normal. But as other studies also indicate, the maintenance of transnational ties, practices, and networks within the host country contributes to creating tensions between the demands of citizenship in the new country (i.e., the state injunction to pledge allegiance, to adopt a new identity and to develop a new sense of belonging), and the enduring appeal of the country of origin.[41] This can suggest that transnational action brings a kind of hybridity nature to the Quebec nation; that alone breaks away from the usual images and representation of Quebec's collective identity. It suggests as well, though, that for many individuals the real emotional anchor of national attachment remains with their country of origin. They either feel disconnected from the civic project of Quebec nationalists, or at a complete loss to grasp the "intricacies" of Quebec-Canada relations; they are simply disinterested in the "stakes" involved in Quebec's historical claims.[42] As the preceding discussion underlines, the fact that Quebec nationalism is a hard sell with immigrants is a complex issue, and this disinterest cannot entirely account for it. However, to the extent that globalization can and will multiply or segment the allegiances of individuals, it does compound the political unity problem of the Quebec state.

Be that as it may, one should be careful not to overstate the role of immigrants and ethnocultural minorities on this score. There is at least one other emerging factor which casts additional doubts over the long-term ability of the Quebec state to maintain the political unity necessary to engage productively with Ottawa. The shifting attitude of native Quebecers vis-à-vis the political status of the language issue deserves attention in this respect. French has long been, and continues to be, a pivotal marker of collective identity in Quebec and an important stake in Quebec-Canada relations. The cultural pervasiveness and political strength of French has significantly contributed to Quebec's claim of distinctiveness within Canada; it has time and again provided a powerful justification for demanding a special status, or calling for independence. But throughout most of modern Quebec's history, the political significance of French as a marker of collective identity hinged largely on the presence of English, and the fairly deep-seated perception that it was the language of the oppressor. Quebecers' sense of themselves has been shaped to no small extent in opposition to the considerable socio-historical weight of

English-speakers in Quebec and the economic hegemony of their elite. The process of French language affirmation of the 1960s and 1970s was fuelled largely by resentment and the will to free francophones Quebecers from the socio-economic yoke of the English. Unsurprisingly, French-English conflicts often made the stuff of unity debates and constitutional controversies. Today, however, the opponents of French language, and thus of francophone Quebecers, are no longer easily identifiable institutions, corporations, or individuals whom one can conveniently point to as the source of French-speakers' personal and collective woes, and against whom one can readily rise up. The "threat" to French does not come from the arrogant, old English-speaking economic elite, which in fact has virtually disappeared as a socially and politically relevant group. Anglophone Quebecers have by and large adapted to and accepted the progressive and democratic transfer of social power that has gradually favoured francophone Quebecers over the past four decades.[43] Public laments against the "imposition" of French tend to emanate from isolated individuals or Anglo-rights associations whose legitimacy within the English-speaking population of Quebec is limited,[44] and who, as a result, are hardly taken seriously by the large majority of French-speaking Quebecers.

Except perhaps for a fairly small core of politically marginal radical nationalists, the English as an emblematic figure of anti-French or anti-Quebec sentiments and action no longer has the mobilizing appeal among francophone Quebecers it may have had in the early days of modern Quebec nationalism. If English is a threat in Quebec today, it is a depersonalized one, brought about by the tidal wave of global culture, the new knowledge-based economy, communication technology and trade. In this sense it is a threat that francophone Quebecers experience along with almost all non-Anglophone cultures around the world. It may be disturbing to some, but it can hardly be presented as an Anglo-Canadian conspiracy to eradicate French Quebecers or contain their national aspirations.[45] The impact of this reality within the purview of Quebec-Canada relations is clear: as the domestic political salience of the language issue abates, or seems no longer specific to the Quebec situation, the Quebec state loses an important determinant of the social and political cohesion that has been so essential historically in levelling credible and politically efficient claims against Ottawa.

The years ahead might well prove to be quite dispiriting for Quebec political leaders intent on questioning Canadian federalism and driving the national unity question back onto the country's political agenda. If the preceding analysis of the transformation of key aspects of Quebec's political culture is correct, they will most likely have a hard time garnering the necessary level of public support to justify the uncompromising and at times vehement attitude they favour in dealing with Ottawa. What they see as egregious federal encroachments on the Quebec people's right to self-determination may well have a rather faint echo in Quebec's public opinion. The rather anemic public reaction

to the federal *Clarity Act* and to Quebec's legislative response to it is in itself
a telling indication that on matters of federal-provincial relations, the public
and political leadership do not necessarily share the same concerns.

REPACKAGING SOCIO-ECONOMIC MANAGEMENT: THE "QUEBEC
MODEL," FEDERALISM AND CIVIL SOCIETY

The final aspect of Quebec political culture that is of relevance to the future
dynamics of Quebec-Canada relations has to do with the ways in which the
Quebec state has managed the pressures of accelerating socio-economic change
during the past decade or so.[46] In Quebec, as in most western polities, globali-
zation, economic restructuring, the fiscal limits of the welfare state and
difficulties in maintaining the levels of social and economic achievements
reached during the previous decades have opened the way to a serious recon-
sideration of prevailing social hierarchies, modes of socio-economic
redistribution and patterns of institutional relations between social groups and
economic stakeholders. Since the late 1990s, the current Quebec government
has regularly boasted that it has successfully addressed the challenges at hand
by maintaining and improving on what it calls the "Quebec model." In gen-
eral terms, the expression evokes the state-driven approach which originated
during the years of the Quiet Revolution and contributed to the modernization
of Quebec society and economy. In its latest incarnation, it implies more spe-
cifically that Quebecers believe that solidarity is a central value of their
collective lives and must remain so, that *concertation* (that is, discussing and
solving problems together) is a Quebec trademark way to achieve the greater
goals of society, and must continue to be so, that the state should be actively
involved in promoting economic development, along with the cooperative
movement, the labour movement and all who are committed to the social
economy, that this model is unique, and a defining characteristic of the only
francophone jurisdiction in North America, and that it has been beneficial to
all Quebecers and has allowed them to grow as a united political community.[47]
    The notion of the Quebec model works as a metaphor for social cohesion
and the distinctiveness of the Quebec people. The government uses it to un-
derscore both how socially and politically different and united Quebecers are
in dealing with contemporary socio-economic problems, and how deleterious
Canadian federalism is for a jurisdiction that tries to adopt solutions suitable
to its own circumstances. The Quebec-model argument insists that, contrary
to what occurs almost everywhere else, consensus on issues of general con-
cerns is achieved in Quebec by bringing together all the stakeholders of society
(state, business, unions, community organizations, women, elderly citizens,
youth, immigrants and ethnocultural minorities) to participate in defining origi-
nal global public policy orientations; but the increasingly centralistic tendencies

of the Canadian state prevent Quebecers from developing fully and jeopardize their opportunities to further enhance their social and economic potential.

Critics might argue that there is much political posturing in the government's references to the so-called Quebec model. The notion is meant largely as an ideological tool to mobilize Quebecers against Ottawa and the Canadian federal system (and, as such, it conveniently ignores that some of Quebec's socio-economic accomplishments of the past decades benefited in varying measures from the input of the federal state, and from the administrative and jurisdictional autonomy afforded to provinces by the Canadian constitution in key sectors of activity). Whether there is indeed a model of socio-economic development that is distinctly Quebec's own is open to debate,[48] but in fairness there is more to the Quebec model than mere ideological fiction. Recent and ongoing research in economic sociology shows that, starting in the 1980s, the Quebec state has encouraged and even actively promoted several initiatives of socio-institutional innovations aimed at fostering local business and economic development, curtailing unemployment, and enhancing social solidarity. These initiatives rest on extensive social partnerships usually involving the state, private corporations, unions and the community sector. They are real, viable, and have resulted in institutional practices that, in many ways, distinguish Quebec in North America.[49]

Different examples are cited as illustrations of Quebec's unique economic policy-making process among which are the *Forum pour l'emploi*,[50] the *Fonds de solidarité*,[51] a dynamic cooperative movement,[52] and more recently the shift to the social economy. In 1996, the government convened business, labour and the community sector at a socio-economic summit designed to elaborate strategies of economic management.[53] Participants agreed that the government should implement measures necessary to reach a zero-deficit situation within the following four years. Premier Bouchard maintained that this was essential to achieve the "winning conditions" toward an eventual referendum on sovereignty. In return, following political pressures from the community sector,[54] the government resolved to facilitate the advancement of the social economy by directly supporting the *Chantier de l'économie sociale*, an independent body bringing unions and community organizations together to promote the emergence and consolidation of social enterprises.[55]

Most specialists and scholars in the field tend to portray the government's involvement with the social economy as an example of the Quebec state's commitment to include civil society in economic policy decisions, and maintain social solidarity without giving in to the imperatives of market competitiveness. To them, the state's latest interventions in the social economy represent a renewal of the Quebec model and a positive, enabling and potentially more democratic reconfiguration of socio-economic hierarchies between the state, business, labour, and the community sector. Although their work

rests on prudent analyses and qualified evaluations of the situation, it often conveys the impression that a fairly broad political consensus permeates Quebec society on issues of socio-economic management and on fundamental societal priorities, thus reinforcing the image of Quebec as a tightly knit, unitary political community. The existing literature on the Quebec social economy shies away from openly sharing the government's political conclusions about the allegedly negative impact of Canadian federalism on the further development of the Quebec model, but in the end it provides, willingly or not, the evidence the government readily uses to proclaim that Quebec society is socially cohesive and distinct, and that nothing but sovereignty can safeguard the model and allow Quebec to thrive.

While it is difficult to sort out the actual role that Quebec's broad-based approach to decision-making on matters of socio-economic policy played in the province's economic performance, some noticeable changes have occurred over the past decade. As the government likes to point out, the Quebec economy has become far more export-oriented, with export and manufacturing shipments having moved from labour and resource-intensive industries to capital and technological intensive ones; research and development as a share of gross domestic product (GDP) has grown faster in Quebec than in the rest of Canada as the number of firms active in research doubled between 1990 and 1995, and the adoption of general applied technologies more than doubled since 1989; the economic and industrial culture has evolved toward more cooperative labour-management relations[56]; and the unemployment rate has gone down nearly three percentage points in the past few years.

The policy consensus that seems to have materialized around issues of socio-economic management by the end of the 1990s obtains from three factors. First, the greater willingness exhibited during most of the 1980s and 1990s by the state, business, and labour elite to transcend their objective differences and collaborate on major policy questions created a general political environment more conducive to social accommodation. Second, following two highly confrontational and politically difficult decades in the 1960s and 1970s, Quebec's labour movement became increasingly pervaded after the early 1980s with a sense that the state of public finance and the general economic situation left the working class with little choice but to agree to social and economic compromises which they would have rejected in the past — an attitude which, presumably, paved the way to the new culture of accommodation mentioned above. On account of credibility and consistence, the labour movement also restricted its own ability to exercise its traditional prerogatives as social and political critic after siding with the government on the national question and associating with nationalist forces at the time of the 1995 referendum. Finally, one cannot underestimate Premier Bouchard's brokering skills and talent at political persuasion: during his tenure he made use of his charisma and on

many occasions wagered his own reputation to create as wide a coalition of socio-economic interests as possible in the hope of bringing about the "winning conditions" in preparation for another referendum on sovereignty.

To some extent then, the political culture of consensus that has progressively come to characterize the policy process in Quebec owes much to the relative political weakness of the labour movement and associated community groups. It is in a way a fragile consensus which depends essentially on whether labour, the community sector, and progressive social forces in general are still prepared to believe the government's supposed commitment to social solidarity. This is not a given, for the government's ability to nurture and sustain this consensus further is facing important challenges. Indeed, despite fairly remarkable global economic results and the government's repeated engagement toward social solidarity, Quebec's development model has hardly been a social success. A look at some socio-economic indicators brings the limitations of the social economy and the Quebec model in general into clearer focus. A recent analysis of Quebec's economic performance shows that in spite of an annual real economic growth rate of 2.1 percent since the early 1980s, Quebec's relative situation in contrast to the rest of Canada and the US is deteriorating. Between 1981 and 1999, Quebec's real GDP has increased by 45.2 percent while the GDP in the rest of Canada increased by 64.2 per cent during the same period. Quebec's GDP accounted for 24 percent of Canada's GDP in the early 1980s; by 1999 it had slipped to 21.9 percent. However, it is on the employment front, the basic plank of the whole social economy approach, that one gets a more tragic sense of the shortcomings of the Quebec model. Again, for the 1981–99 period, the total number of jobs in Quebec grew by 20.4 percent, but in comparison, job creation grew by 31.3 percent in the rest of Canada, and by 33 percent in the US. Between 1990 and 1999, the number of new (part-time and full-time) jobs increased by 6.9 percent in Quebec, but by 12.4 percent in the rest of the country and in the US. In other words, Quebec's economy has systematically created less jobs than Canada's economy for the past two decades. Though Quebec comprises one-quarter of the Canadian population, it created less than one-fifth of all the new jobs in Canada between 1981 and 1990 and barely one-sixth for the period 1990–1999. Similarly, inasmuch as full-time jobs alone are considered in this broad picture, it appears that they increased by 9.2 percent in Quebec in comparison to 14.2 percent in the rest of Canada between 1981 and 1990; for the period 1990–99, they increased by only 5.2 percent as opposed to 10.5 percent in the rest of Canada. Quebec was responsible for the creation of 18 percent of all the new full-time jobs in Canada for the period 1981–90; that proportion dropped to 13.9 percent for the 1990s. In order for Quebec to post an employment rate equivalent to that of the rest of Canada or the US — it is currently at 55.5 percent, compared to 60.8 percent for Canada and 64 percent for the US — at least 14 percent more jobs (that is roughly 469,000) are needed immediately.[57]

Such socio-economic indicators force a sobering evaluation of the purported benefits of the Quebec model. To some critics, it is nothing but a model of economic exploitation and political domination.[58] They see state-sponsored social partnerships as demagogic smoke screens which compel labour and the community sector to buy into social, economic, and even political compromises that work in the end against their objective and class interests. The celebrated social economy, they further argue, only keeps workers and the economically marginalized in precarious economic circumstances. Even the most successful experiments in social economy remain largely local and limited in scope. They may help those involved in them to break out of the vicious cycle of economic dependence, they may even strengthen community bonds and make individuals feel good about themselves, but they rarely reach beyond the people who partake in them; they hardly amount to a global, universally endorsable model of social and civic overhaul. The interest of the government in the social economy is basically motivated by its perceived potential ability to lighten the social welfare burden of the Quebec state (by making people find their own way out of economic dependence), without questioning the logic and the process that have created the situations of glaring socio-economic inequality in the first place. The social economy liberates the state from its previous commitments to the segments of the population that it can purportedly no longer support, and saves it from having to transform or reconsider the exclusionary mechanisms at the root of the opposition between solidarity and scarcity in capitalist economies. In this sense, the social economy is an ideology of social cohesion working to the advantage of the neo-liberal agenda of the state.

Scholars with a natural sympathy toward Quebec's institutional innovations in socio-economic management also warn that the apparent shift to consensual decision-making should not obscure the fact that concerted action does not imply the absence of conflict or clashes between competing interests. Despite the emergence of a broadly agreed upon and uniform public discourse on employment, the importance of re-enabling civil society and the necessity to reform governance structures in Quebec, it is not clear that all stakeholders have the same understanding of that discourse. On one side, there are those, mostly from the private sector, whose economic interests are firmly entrenched in globalization and the internationalization of market exchanges. Their view of Quebec's development is fundamentally neo-liberal in nature. They strongly believe that all institutional transformations of the Quebec economy must be primarily geared toward enhancing the province's international competitiveness. To them, the social economy is good insofar as it can check the tendencies to social fragmentation and encourage private initiative. On the other side are those whose typical milieu are social enterprises, non-profit organizations and local, small- and medium-sized enterprises; they naturally associate with the labour movement and the community sector. Their

view of globalization hinges much less on achieving international competi-
tiveness at all costs, but focuses on finding means to promote local social
solidarity and empower individuals and communities.[59]

Although the government claims to be equally sensitive to the vision of
both groups, many of its actual policies reflect an unequivocal penchant for
neo-liberal measures. Unmitigated support for free trade, zero deficit in public
finance, important budgetary restrictions in public health, social assistance
and education, and major structural and administrative changes in the welfare
functions of the state, which increasingly require individuals to face the nega-
tive consequences of economic restructuring on their own, have been the
mainstay of the current government's approach to socio-economic manage-
ment. These are not sitting well with a growing number of civil society
organizations which are questioning the government's policy decisions in no
uncertain terms. The government's emphasis on consensus conceals with in-
creasing difficulty the existence of smoldering tensions between the nationalist
governing elite who applies the neo-liberal policy agenda and progressive
forces who reject it.

Will these tensions erupt soon? It is hard to say at this stage, although some
radical and left-leaning groups have become more and more vocal and dissat-
isfied with the government's policy stance on a number of social and economic
issues. In the fall of 1997, for example, 600 disaffected left nationalists met to
create a new political movement, the *Rassemblement pour une alternative
politique* (RAP), with well-known, retired unionist Michel Chartrand at its
head. A few RAP representatives ran in the November 1998 provincial elec-
tion — with Chartrand opposing Premier Bouchard in his own riding — to no
avail, but they got their message across. In November 1997, 1500 representa-
tives of more than 20 community and anti-poverty groups held a *Parlement de
la rue* (street parliament) for a whole month across from the National Assem-
bly to denounce the government's social policies. In February 2000, a coalition
of groups on the political left, the *Coalition autonome populaire jeunesse*
(Autonomous Popular Youth Coalition) organized a parallel summit to protest
the government's "Youth Summit" which convened, following a familiar pat-
tern, Quebec's major stakeholders to discuss policy solutions to youth
unemployment, education, and job training. Organizers and participants at
the "counter summit" decried the government's neo-liberal policies and com-
mitment to integrate Quebec into the global economy in conformity with the
rules of such executive agreements as the North American Free Trade Agree-
ment (NAFTA), the World Trade Organization (WTO) and the still tentative
Free Trade Area of the Americas (FTAA). They eventually clashed with the
Quebec City police force.

The latest movements of protest have also gone global. In the spring of
1998 and again in the fall of 2000, Quebec-based youth and anti-globaliza-
tion organizations disrupted the Montreal meetings of the Multilateral

Agreement on Investments (MAI) and the G20. Similarly, the *Fédération des femmes du Québec* (Quebec Women's Federation) initiated and organized in 2000 the Women's World March, a peaceful protest aimed at sensitizing governments to the difficult socio-economic situations of women around the world, and at exposing the negative human consequences of economic globalization and the neo-liberal economic policies adopted by national governments. Several other Quebec civil society groups were very heavily involved in the preparation of the "People's Summit," to counter the April 2001 official Summit of the Americas held in Quebec City to discuss the FTAA, and they took an active part in the many anti-globalization, political demonstrations surrounding the event.

Despite the variety of their actions and objectives these and other left-inspired protest initiatives all reprove the policy choices of the Quebec government, distrust its alleged commitment to social solidarity, and condemn its emphasis on international competitiveness and blind faith in free market mechanisms. The depth of their popular support, or the extent to which they will evolve into a well-organized political alternative (or even into an entirely new civic culture) are still quite unclear. But their very existence is undoubtedly shattering the image of societal consensus which the Quebec government is so eager to project; they partake of a conceptual paradigm that is basically at odds with the fundamental values and norms of civic engagement that mould the liberal democratic outlook of Quebec nationalists. To many of the individuals involved in this process of resistance, particularly those whose actions focus on transnational issues, the whole Quebec-Canada question is disconnected from their experience on the ground (despite the obvious link between national and transnational policy questions). In terms of federal-provincial relations, it is more likely that they will not follow the nationalist elite in their "struggle" against Ottawa, partly in protest against the government's management of the province, but also because the chronic Quebec-Ottawa imbroglio appears of limited relevance in the "grand scheme of things." This is not to say that the new protest groups are inherently federalist. Many of them are not, or they simply could not care less whether the unity of the Canadian federal union is preserved or not. They are just as vehement in their critique of the Canadian state to the extent that they consider that it too favours neo-liberal policy choices. Their critique of the Quebec state therefore cannot be appreciated in terms of "anti-Quebec," or "anti-sovereignty," and "pro-Canada" sentiments; it operates at a broader and more general political level.

For the sovereignist political elite, this can translate into quite a setback in the long run. The sovereignty movement could always count on the support of a large coalition of left forces as long as the Parti Québécois donned the mantle of social democracy with some credibility. The political sovereignty of Quebec was also considered by most people on the left as a necessary step for the emancipation and empowerment of Quebec's labouring and economically

disadvantaged classes. Some still believe that; it is the case of the RAP, for example. But as the Parti Québécois no longer appears as a plausible vehicle of social change to increasing segments of the Quebec left, sovereignists are losing natural allies. Premier Landry chided members of the new-left coalition turned political party in June 2001 for creating the risk that the sovereignist vote be divided in an eventual general election.[60] He was still reeling from the defeat inflicted the Parti Québécois a few weeks earlier in a by-election in a Montreal riding that had regularly supported the sovereignist party since the 1970s. Although the Liberal Party representative won, the setback was largely attributed to the unexpectedly good standing of the relatively unknown "new-left," sovereignist but independent candidate who, with nearly 24 percent of the vote, moved ahead of the Parti Québécois contender and was blamed for having "split" the sovereignist vote. Should this kind of outcome occur again on a wider basis, Landry's fear is that not only will the societal consensus needed to launch credible charges against Ottawa likely dwindle, but any interest or support for the kind of jurisdictional battles the Quebec state has waged might wane irremediably.

CONCLUSION

Some might be tempted to infer from the preceding that the days of the Quebec sovereignist movement are numbered, and that Quebec-Ottawa relations are about to become less tense, less vindictive or less subjected to the relentless assaults of a disgruntled, regional political elite. It is not an improbable scenario. This chapter has attempted to show that there are indicators which might lead one to believe that the purchase of Quebec nationalism on the collective imagination is no longer what it used to be, that Quebec nationalists themselves are sending ambiguous signals as to what the Quebec nation really is, and that the consensual bent of the Quebec political culture is not as definite as it might look. The basic point that I tried to make is a simple one: in light of what appear to be real, qualitative changes in Quebec political culture, it will be increasingly difficult for sovereignists to muster the unequivocal support they need to stand up to Ottawa and achieve their ultimate political goal. This point was made painfully clear by Lucien Bouchard in his resignation speech. If that analysis is correct, it seems indeed conceivable that Quebec's historical contention with Ottawa will soon subside on account of insufficient levels of nationalist fervour, and because of an arising sense of alienation toward the Parti Québécois.

This is a scenario that weary defenders of the Canadian union no doubt would like to see materialize. But it is not the only plausible one. The shift in Quebec's political culture described in this chapter could also produce a

significantly different outcome. Challenged by failing popular support, sovereignists could very well beat the nationalist drum with added vigour in a more or less desperate attempt to re-ignite the flame. This would unavoidably translate into more political stalemates and more jurisdictional clashes between Quebec and Ottawa. Under Bernard Landry's stewardship especially, that is a distinct possibility; his confrontational style and fiery rhetoric vis-à-vis Ottawa are well known. Of course, that kind of approach might just further alienate the Quebec people from the sovereignists, but that is immaterial in a sense: as long as the Parti Québécois remains in power nothing can really prevent its leadership from provoking a showdown with Ottawa. Still, this scenario could also evolve in a different way. Precisely because of popular disaffection, sovereignists (or Jean Charest's Liberals for that matter, assuming they would get elected the next time around) could decide to try the avenue suggested by public intellectuals like Jean-François Lisée and Christian Dufour: make the best of the Canadian federal system without ever relenting on the distinct nature of Quebec's national identity, and constantly seek the best possible advantages for the province. Canadians may at least gain from that the assurance that Quebecers would not try to secede. It does not mean, though, that Quebec-Canada relations would be more amicable as Quebec would most likely favour more or less extreme forms of asymmetrical federalism for which Canadians in general have had until now rather lukewarm sympathy at best.

Looking at a longer time line there is a third scenario that may be harder to fathom, but which, nonetheless, is not inconceivable. As the traditional consensus breaks down, it is not impossible that in the long run a new approach or paradigm (or new ones) will form. This chapter has mostly emphasized that the nationalist rhetoric seems to be losing its appeal, but what of the citizenship discourse? At present Quebec nationalists are trying hard to merge conceptually the Quebec nation with citizenship — with mitigated success as we saw. Nevertheless Quebec is perhaps the only provincial jurisdiction in Canada right now where lively debates over the nature and content of political belonging are occurring. These debates are not in vain. They suggest that there is an ongoing public reflection on the underlying, defining terms of the political community. It is not impossible in fact that at the end of the process Quebecers will have reshaped their political space not so much as a *national* space, which has tended historically to meet with internal resistance, but as a primarily *civic* space, which in many ways would be a convenient way out of the perplexing conundrum of ethnocultural identities. Only time will tell whether things will indeed thus unfold. But as socio-cultural integration patterns of newcomers to Quebec increasingly tend to favour the French-speaking majority, they also indicate that in the ensuing blend, issues of national or group identity might become irrelevant.

If such were to be the case Quebecers might be more likely to see themselves as citizens first, and one can assume that the Quebec nation would be a far less compelling notion to apply in dealing with Ottawa. Would things be easier with Ottawa if Quebec were a civic space as opposed to a national space? Not necessarily. Even as a civic space Quebec might well continue to develop its own priorities and agendas that would clash with Canada's. The difference would be that they would no longer be formulated as national affirmation claims, but more with a view to protecting bureaucratic or jurisdictional prerogatives or boundaries. This trend was already in evidence during Lucien Bouchard's tenure as premier. Quebec's dissatisfaction in the social union dossier, for example, was almost exclusively focused on primarily administrative and bureaucratic issues.[61]

When discussing Quebec-Canada relations, most analysts readily assume that Quebec poses a threat to Canada's union. In the background of their studies of Canadian federalism often looms an implicit concern, which is shared by most Canadians outside Quebec: what is Quebec likely to pull out of its sleeves that will have us concerned again over the fate of the country? As Quebec "mutates" into a civic space as opposed to a properly national political space, one could well reverse the question and ask in what way does Canada pose a threat to the civic integrity of Quebec? The guiding logic of the Quebec civic space may well not correspond to that enforced over time by the Canadian state. The point is, modern Canadian federalism rests mainly on a dynamics of jurisdictional opposition and conflict between the central government and the provinces: even if Quebec eventually does away with its nationalistic claims, there is no reason to believe that it would make for smoother relations between Quebec and Ottawa.

Clearly, the foundations of Quebec political culture, broadly defined, are going through some alterations which may indicate that Quebec's customary way of relating to Canada will also change. Those who anticipate a quieting of Quebec-Canada relations as a result might be in for a disappointment.

NOTES

1. G. Gagné and S. Langlois, "L'état de l'appui à la souveraineté du Québec," in *Québec 2001*, ed. R. Côté (Montreal: Fides, 2000).

2. According to a Léger and Léger poll commissioned by Radio-Canada and released in April 2000, 71.2 percent of Quebecers believe that Canadian federalism can be renewed, and 68.2 percent think that efforts should be made to find a third way between sovereignty and current federal practices in Canada. (Quoted

in J. Maclure, "Le Projet nationaliste en transition : la fin des vaches sacrées?" in *Québec 2001*, ed. Côté, p. 93).

3. It was adopted by the National Assembly as an *Act respecting the exercise of fundamental rights and prerogatives of the Quebec people and the Quebec state*. It clearly "specifies that only the Quebec people, acting through its own political institutions, has the right to decide the nature, scope, and mode of exercise of its right to self-determination, and that no other parliament or government may reduce the powers, authority, sovereignty or legitimacy of the National Assembly."

4. C. Dufour, *Lettre aux souverainistes québécois et aux fédéralistes canadiens qui sont restés fidèles au Québec* (Montreal: Stanké, 2000); J.-F. Lisée, *Sortie de secours. Comment échapper au déclin du Québec* (Montréal: Boréal, 2000). Jean-François Lisée, a prominent Quebec journalist, was a key strategist of the "yes" side during the 1995 referendum and one of the main advisors to Premier Bouchard until he resigned in September 1999. No longer convinced that the sovereignist movement was steering the right course he later published a rather provocative book, *Sortie de secours*, in mid-winter 2000, which argues that the referendum strategy pursued by the Parti Québécois is a mistake. While he does not abandon his sovereignist conviction and still believes in the necessity of national affirmation for Quebec, he now thinks that Quebecers stand to gain more and shed this feeling of failure that ails them by working within the Canadian federal system. Christian Dufour, ENAP professor, political commentator and high-profile pro-sovereignty contributor to public debates about the future of Quebec and Canada for over a decade is also on record for adopting a similar position in his latest *Lettre aux souverainistes québécois et aux fédéralistes canadiens qui sont restés fidèles au Québec*. Despite his scathing attack against the Canadian political system for its allegedly inherent tendency to marginalize and keep Quebec in a minority situation, he suggests that the sovereignty project is dead and that it might now be more productive for Quebecers to explore the possibilities of asymmetrical federalism seriously.

5. L. Balthazar, "The Faces of Quebec Nationalism," in *Quebec State and Society*, 2d ed., ed. A.-G. Gagnon (Scarborough: Nelson Canada, 1993); F. Rocher, "Le Québec et la Constitution: une valse à mille temps," in *Bilan québécois du fédéralisme canadien*, ed. F. Rocher (Montreal: VLB éditeur, 1992); J. Webber, *Re-Imagining Canada* (Montreal: McGill-Queen's University Press, 1994).

6. D. Farber, "Political Culture and the Therapeutic Ideal," *Reviews in American History* 23, 4(1995):681.

7. W. Kymlicka, *Multicultural Citizenship* (Oxford: Oxford University Press, 1995); D. Miller, *On Nationality* (Oxford: Oxford University Press, 1995); Y. Tamir, *Liberal Nationalism* (Princeton: Princeton University Press, 1993); C. Taylor, "Nationalism and Modernity," in *Theorizing Nationalism,* ed. R. Beiner (Albany, NY: State University of New York Press, 1999).

8. J. Habermas, "Citizenship and National Identity: Some Reflections on the Future of Europe," in *Theorizing Citizenship*, ed. R. Beiner (Albany, NY: State University of New York Press, 1995).

9. Citizenship in this context is taken in its generic sense. As a provincial jurisdiction of the Canadian state, Quebec cannot formally deliver citizenship status. Legally, only the Canadian state can. However, the current government's insistence on dealing with its various constituencies as *citizens* says much about the will to sovereignty that pervades its actions and self-perception. In June 2000, the minister responsible for civic relations and immigration launched a public document for discussion in a general public consultation scheduled to take place in September 2000. This document simply entitled *La citoyenneté québécoise* suggests the legal, institutional and symbolic parameters that should ideally comprise a new Quebec citizenship. It is presented and understood by the government as the first step toward the establishment of a formal, Quebec-based citizenship.

10. In spite of its 1977 language legislation and subsequent amendments, which make French the only official language of public transactions in Quebec, force immigrants to attend French schools, and make corporations have commercial signs and publicity in French only, the nationalist (and currently governing) Parti Québécois has been committed to protecting the rights of Anglophones to an English-language education, to providing service in English in the health-care system and various state agencies, and to allowing the use of English, as well as French, in the National Assembly. In addition, the Quebec state, following the Parti Québécois initiative in the mid-1980s, officially recognizes Quebec's Aboriginal communities as nations, with a full panoply of rights including autonomy within Quebec society, the protection of their languages, cultures and traditions, the right to hold and control land, and the right to participate fully in economic development on their own terms. Finally, the Quebec state has since 1975 a Charter of Rights and Freedoms which guarantees the protection of all fundamental rights for everyone living in the Quebec territory.

11. This is clearly stated in the political platform of the Parti Québécois (see Parti Québécois, *Le Québec dans un monde nouveau* (Montreal: VLB Éditeur and Parti Québécois, 1993), p. 54-60; Parti Québécois, *La volonté de réussir* (Montreal: Parti Québécois, 1997), section B. For a fuller, more academic and varied exposition, see C. Bariteau, *Québec 18 septembre 2001* (Montreal: Québec-Amérique, 1998); G. Bouchard, *La nation québécoise au futur et au passé* (Montreal: VLB éditeur, 1999); A. Légaré, "La souveraineté: nation ou raison," in *Québec: État et société*, ed. A.-G. Gagnon (Montreal: Québec-Amérique, 1994); M. Sarra-Bournet, ed., *Le pays de tous les Québécois* (Montreal: VLB éditeur, 1998); and M. Seymour, ed., *Nationalité, citoyenneté et solidarité* (Montreal: Liber, 1999); and M. Seymour, ed., *La nation en question* (Montreal: L'Hexagone, 1999).

12. Balthazar, "The Faces of Quebec Nationalism."

13. D. Francis, *Fighting for Canada* (Ottawa: Key Porter Books, 1996); W. Johnson, *A Canadian Myth: Quebec, Between Canada and the Illusion of Utopia* (Montreal: Robert Davies Publishing, 1994); M. Richler, *Oh Canada! Oh Quebec! Requiem for a Divided Country* (Toronto: Penguin Books, 1992).

14. J. Létourneau, "La nouvelle figure identitaire du Québécois. Essai sur la dimension symbolique d'un consensus social en voie d'émergence," *British Journal of Canadian Studies* 6, 1(1991):17-38 and "Le Québec moderne: un chapitre du

grand récit collectif des Québécois," *Revue française de science politique* 42, 5(1992):765-85.

15. M. Labelle, "Politiques québécoises et diversité," *Cahiers du programme d'études sur le Québec* 13 (Montreal: McGill University, 1998).

16. A. Norris, "Rallying Anglos. Signs and Battles of the Anglo-Rights Movement Resonate Less with Younger English Quebecers," *The Gazette*, 5 June 1997.

17. Several surveys of public opinion have regularly shown over the past decade that Quebecers in general are positively inclined toward immigration and ethnocultural minorities. Intercultural and interracial contacts are on the increase and even encouraged, particularly within the Montreal area (where the bulk of immigrant population lives) and among the younger and more educated segments of the population. Close to two-thirds of the population (three out of four respondents in the Montreal area) have a supportive and open attitude toward immigration. Respondents favouring exclusion and discriminatory policies usually account for small proportions of the samples — less than 6 percent. J. Joly, *Sondage d'opinion publique québécoise sur l'immigration et les relations interculturelles*, Collection Études et recherches, no. 15 (Quebec: Direction des communications, ministère des Relations avec les citoyens et de l'Immigration, 1996); J. Joly and M. Dorval, *Sondage sur l'opinion publique québécoise à l'égard des relations raciales et interculturelles*, Collection Études et recherche, no. 6 (Quebec: Direction des communications, ministère des Communautés culturelles et de l'Immigration, 1993). This is a stark contrast with the more reserved and negative attitudes that generally prevailed prior to the 1990s. D. Bolduc and P. Fortin, "Les Francophones sont-ils plus "xénophobes" que les Anglophones au Québec? Une analyse quantitative exploratoire," *Canadian Ethnic Studies* 22, 2(1990):54-77. In fact, Quebecers tend to be on the whole more accepting of immigration and will more readily recognize it as having a positive effect on society than any other Canadians. See D. Palmer, *Canadian Attitudes and Perceptions Regarding Immigration: Relations with Regional Per Capita and Other Contextual Factors*, Citizenship and Immigration Canada (Ottawa: Minister of Public Works and Government Services, 2000).

18. G. Elmer and B. Abramson, "Excavating Ethnicity in *Québécois*," *Quebec Studies* 23(1997):13-28.

19. I. Molinaro, "Contexte et intégration. Les communautés allophones au Québec," *Globe. Revue internationale d'études québécoises* 2, 2(1999):101-24.

20. M. Labelle and D. Salée, "Immigrant and Minority Representations of Citizenship in Quebec," in *Citizenship Today: Global Perspectives and Practices*, ed. T. Aleinikoff and D. Klusmeyer (Washington, DC: Carnegie Endowment for International Peace, 2001); J. Renaud, *Ils sont maintenant d'ici. Les dix premières années au Québec des immigrants admis en 1989* (Québec: Ministère des Relations avec les Citoyens et de l'Immigration, 2001).

21. Parti Québécois, *La volonté de réussir.*

22. C. Bariteau, "Le Québec comme nation politique, démocratique et souveraine," in *Penser la nation québécoise*, ed. M. Venne (Montreal: Québec-Amérique, 2000), p. 232.

23. Y. Bélanger, "Economic Development: From Family Enterprise to Big Business" in *Quebec State and Society*, ed. Gagnon; A.-G. Gagnon and K.Z. Paltiel, "Towards Maîtres chez nous: The Ascendancy of a Balzacian Bourgeoisie in Quebec," *Queen's Quarterly* 93, 4(1986):731-49.

24. This is perhaps best illustrated by its unmitigated support of free trade with the US. Indeed, while the issue of free trade was vehemently debated and opposed in English Canada, most social and political forces in Quebec unequivocally endorsed it. Free trade is largely perceived in Quebec, particularly by nationalists, as a useful and effective instrument of economic development and affirmation. See K. Holland, "Quebec's Successful Role and Champion of North American Free Trade," *Quebec Studies* 19(1995):71-84; D. Latouche, "Quebec in the Emerging North American Configuration," in *Identities in North America: The Search for Community*, ed. R.L. Earle and J.D. Wirth (Stanford: Stanford University Press, 1995); P. Martin, "When Nationalism Meets Continentalism: The Politics of Free Trade in Quebec," *Journal of Regional and Federal Studies* 5, 1(1995):1-27; and F. Rocher, "Continental Strategy: Québec in North America," in *Quebec State and Society*, ed. Gagnon. Other studies show that Quebecers, by and large, are quite open and willing to be exposed to external influences, particularly from the United States, and are convinced of the necessity to be connected to the world. See Groupe de recherche sur l'américanité (GRAM), "Recherche sur l'américanité des Québécois," *Le Devoir*, 14, 15 and 16 July 1998 and L. Balthazar and A.O. Hero, *Le Québec dans l'espace américain* (Montreal: Québec-Amérique, 1999).

25. D. Salée, "NAFTA, Quebec, and the Boundaries of Cultural Sovereignty: The Challenges of Identity in the Era of Globalization," in *Joining Together, Standing Apart. National Identities After NAFTA*, ed. Dorinda G. Dallmeyer (The Hague: Kluwer Law International, 1997).

26. There is, of course, a political difference between Quebec and Canada that cannot be downplayed. Quebec's will to full citizenship and insistence on social cohesion must be appreciated in the context of its perennial attempt at establishing itself as a self-contained and self-determined political community. Canada's approach on the other hand is mainly motivated by a fundamental concern to preserve and strengthen historical, political and symbolic boundaries that serve as defining markers of the country's statehood and sense of nation. Still, there is little difference in terms of the inner logic of civic and political homogenization at play in both cases. For a fuller exposition of Canada's emphasis on citizenship and social cohesion, see M. Labelle and D. Salée, "La citoyenneté en question: l'Etat canadien face à l'immigration et à la diversité nationale et culturelle," *Sociologie et sociétés* 31, 2(1999):125-44.

27. S. Cantin, "Pour sortir de la survivance," in *Penser la nation québécoise*, ed. M. Venne (Montreal: Québec-Amérique, 2000), p. 92. Author's translation of the following: "Mine de rien, le nouveau credo de la nation québécoise ouverte et plurielle, multi- ou transculturelle, mine le projet qu'il prétend servir, en le privant peu à peu de sa raison d'être.... Car il implique que nous disparaissions par altruisme; que nous renoncions, au nom de la démocratie, au principe même de la démocratie, au droit des peuples à disposer d'eux-mêmes, à se gouverner."

28. D. Salée, "Quebec Sovereignty and the Challenge of Linguistic and Ethnocultural Minorities: Identity, Difference and the Politics of *Ressentiment*," *Quebec Studies* 24(1997):6-23.

29. A. Yeatman, *Postmodern Revisionings of the Political* (New York: Routledge, 1994), p. 90.

30. See, for example, B. Barber, *Jihad vs. MacWorld. How Globalism and Tribalism are Reshaping the World* (New York: Ballantine Books, 1995); M. Horsman and A. Marshall, *After the Nation-State: Citizens, Tribalism and the New World Disorder* (London: HarperCollins, 1994); S. Huntington, *The Clash of Civilizations* (New York: Simon and Schuster, 1996), and R. Kaplan, *The Coming Anarchy* (New York: Random House, 2000).

31. M. Labelle and J. Levy, *Ethnicité et enjeux sociaux* (Montreal: Liber, 1995), p. 331 et sq.; K. McRoberts, *Misconceiving Canada. The Struggle for National Unity* (Toronto: Oxford University Press, 1997).

32. Y. Abu-Laban and D. Stasiulis, "Ethnic Pluralism Under Siege: Popular and Partisan Opposition to Multiculturalism," *Canadian Public Policy/Analyse de Politiques* 18, 4(1992):367-68; M. Labelle, "Pluralisme, intégration et citoyenneté. Enjeux sociaux et politiques à propos du Québec," in *La diversitéé linguistique et culturelle et les enjeux du développement*, ed. S. Abou et K. Haddad (Beyrouth: AUPELF/UREF, Université Saint-Joseph, 1997); F. Rocher, "Continental Strategy: Québec in North America," in *Quebec State and Society*, ed. Gagnon.

33. M. Labelle, G. Rocher and F. Rocher, "Pluriethnicité, citoyenneté et intégration: de la souveraineté pour lever les obstacles et les ambiguities," *Cahiers de recherche sociologique* 25(1995):213-45.

34. Recent field work interviews with politically and socially active Montreal area members of ethnocultural communities reveal a significant degree of suspicion vis-à-vis the injunctions of the Canadian state in favour of national unity and Canadian citizenship. See M. Labelle and D. Salée, "Immigrant and Minority Representations of Citizenship in Quebec," in *Citizenship Today: Global Perspectives and Practices*, ed. T. Aleinikoff and D. Klusmeyer (Washington: Carnegie Endowment for International Peace, 2001). For an exposition of the various critiques leveled at multiculturalism policy see Abu-Laban and Stasiulis, "Ethnic Pluralism Under Siege: Popular and Partisan Opposition to Multiculturalism." See also the critical analyses of H. Bannerji, *The Dark Side of the Nation: Essays on Nationalism, Multiculturalism and Agency* (Toronto: Canadian Scholars Press, 2000); and R.J.F. Day, *Multiculturalism and the History of Diversity* (Toronto: University of Toronto Press, 2000) to appreciate the theoretical and empirical limits of Canadian multiculturalism.

35. D. Salée, "Identities in Conflict: The Aboriginal Question and the Politics of Recognition in Quebec," *Ethnic and Racial Studies* 18, 2(1995):277-314.

36. During the 1990s, unemployment figures for immigrants remained higher than what the general population experienced (between 5 and 7 percent higher); this kind of situation was almost unheard of in the preceding decades. Recent immigrants (after 1986) even had to contend with rates of unemployment that were

nearly twice the general average. The same can be said for members of racialized minorities, some of whom, Blacks and people of Latin American origin for example, face levels of unemployment that are almost three times as high (26 and 29 percent compared to a general rate of 10 to 11 percent). In addition, the rates of participation in the labour market for both immigrants and members of racialized minorities are between 3 and 4 percent lower than the general average (62.3 percent compared to 58 and 59 percent). Similarly the percentage of people from racialized minorities working full-time, year round is also lower (48 percent) than that of the general population (53 percent). These figures indicate a clear under-utilization and even mis-utilization of immigrants and members of racialized minorities in the Quebec economy. When they are employed, members of racialized minorities in particular are overrepresented in low-paid, precarious, menial jobs requiring little or no special skill. Very few are found in middle and upper management positions, or in coveted, well-paid public sector jobs, this, in spite of the fact that, overall, they tend to be better educated than the general population. In Montreal, while 13 percent of the population can boast a university degree, more than 18 percent of people from racialized minorities are university-trained; yet, of the three largest Canadian cities where racialized minorities are found in significant numbers (Toronto, Montreal, Vancouver), Montreal is the one city where the unemployment rate for this group is the highest. Unsurprisingly, the income gap between the immigrant population and non-immigrants has increased steadily since the early 1980s. At that time, the average income of immigrants was 10 percent lower than that of the general Quebec population. In the 1990s it was almost 25 percent lower. The contrast is even starker when income differentials are broken down by groups: the average income of the population of African origin is 12 percent lower (it was 3 percent higher in the early 1980s). It is 47 percent lower for immigrants from the Caribbean, 40 percent lower for people from Latin America and 33 percent lower for Asian immigrants. Other statistics show that the income of members of racialized minorities is 17 percent lower than the general population. Comparatively, the average income of immigrants from Europe and the US has always been and continues to be superior to that of non-immigrants. High unemployment, unsteady job situations and lower incomes have unavoidably led to the growing marginalization of ethnocultural minorities from the economic mainstream and increased their dependency on social welfare. Most of the 1980s and 1990s were difficult times in Quebec. Corporate and state downsizing or restructuring and economic slowdown led to relentlessly high levels of unemployment across the board (among the highest in Canada), and heavier reliance on state programs of income security. Members of ethnocultural minorities were hit hard. Between 1981 and the mid-1990s, the number of immigrant households relying on social assistance increased by 420 percent, while it only grew by 42 percent for households whose head was born in Canada. About one immigrant household in seven now depends on welfare in Quebec, as opposed to one in twenty-five, twenty years ago. These figures are drawn from Conseil des Communautés culturelles et de l'Immigration, *Le logement et les communautés culturelles. Analyse de la situation* (Québec: Editeur official, 1992); *L'immigration et le marché du travail. Un état de la question* (Québec: Editeur official, 1993); *La capacité du*

Québec d'accueillir de nouveaux immigrants en 1995, 1996, 1997 (Québec: Editeur official, 1994); Conseil des relations interculturelles, *L'équité en emploi: de l'égalité de droit à l'égalité de fait* (Montreal: Conseil des relations interculturelles, 1999), both are government bodies.

37.   K. Ohmae, *The Borderless World* (New York: HarpersCollins, 1991) and *The End of the Nation State: The Rise of Regional Economies* (New York: Harper Collins, 1995); V. Schmidt, "The New World Order, Incorporated: The Rise of Business and the Decline of the Nation-State," *Daedalus* 124, 2(1995):75-106; Y.N. Soysal, *Limits of Citizenship: Migrants and Postnational Membership in Europe* (Chicago: University of Chicago Press, 1994).

38.   L.E. Guarnizo and M.P. Smith, "The Locations of Transnationalism," in *Transnationalism from Below*, ed. M.P. Smith and L.E. Guarnizo (New Brunswick, NJ: Transaction Publishers, 1999); M. Mann, "Has Globalization Ended the Rise of the Nation-State?" *Review of International Political Economy* 4, 3(1997):472-96; S. Sassen, *Globalization and Its Discontents* (New York: The New Press, 1998).

39.   S. Castles and A. Davidson, *Citizenship and Migration: Globalization and the Politics of Belonging* (New York: Routledge, 2000), pp. 6-9

40.   J. Renaud, *Ils sont maintenant d'ici. Les dix premières années au Québec des immigrants admis en 1989* (Québec: Ministère des Relations avec les Citoyens et de l'Immigration, 2001).

41.   M. Labelle and F. Midy, "Re-reading Citizenship and the Transnational Practices of Immigrants," *Journal of Ethnic and Migration Studies* 25, 2(1999):213-32.

42.   M. Labelle and D. Salée, "La citoyenneté en question: l'Etat canadien face à l'immigration et à la diversité nationale et culturelle," *Sociologie et sociétés* 31, 2(1999):125-44.

43.   G. Stevenson, *Community Besieged: The Anglophone Minority and the Politics of Quebec* (Montreal: McGill-Queen's University Press, 1999), p. 309.

44.   A. Norris, "Rallying Anglos. Signs and Battles of the Anglo-Rights Movement Resonate Less with Younger English Quebecers," *The Gazette*, 5 June 1999.

45.   A. Dubuc, "La loi 101 est au bout de son rouleau," *La Presse*, 14 February 2, p. A-18.

46.   This section borrows in part from Salée, "Transformative Politics, the State, and the Politics of Social Change in Quebec," in *Changing Canada: Political Economy as Transformation*, ed. Wallace Clement and Leah Vosko (Montreal: McGill-Queen's University Press, forthcoming).

47.   Parti Québécois, *Vers la souveraineté: assurer l'avenir du modèle québécois* (Montreal: Parti Québécois).

48.   The controversy over the Quebec model was sparked in mid-1999 after Quebec Liberal Party leader, Jean Charest, suggested that the government's approach to socio-economic management was inherited from the Quiet Revolution and was in dire need of a serious overhaul. His views were echoed by high profile

politicians and public intellectuals such as Senator and former Cabinet minister Claude Castonguay, *La Presse*'s Editor Alain Dubuc and columnist Claude Picher, and a few others who essentially argued that the current way of doing things was counterproductive and hampered Quebec's further modernization. Some even claimed that there is no such thing as a Quebec model, that Quebec is no different than most western democracies when it comes to social and economic development, and that if there is indeed a Quebec model, that is nothing to brag about given the province's relatively poor performance on most key economic indicators. Premier Lucien Bouchard lashed out at these critics implying in no uncertain terms that any criticism of the Quebec model should be interpreted as an attack on Quebec identity and as an attempt at dissolving it into the wider Canadian vision of the nation. Since then other politicians and academics have joined the fray from time to time as the debate tends to re-emerge whenever Quebec identity seems at stake.

49. G.L. Bourque, *Le modèle québécois de développement* (Sainte Foy: Presses de l'Université du Québec, 2000); Y. Comeau, L. Favreau, B. Lévesque and M. Mendell, *Emploi, économie sociale, développement local. Les nouvelles filières* (Sainte-Foy: Presses de l'Université du Québec, 2001); L. Favreau and B. Lévesque, *Développement économique et communautaire. Economie sociale et intervention* (Sainte-Foy: Presses de l'Université du Québec, 1996); B. Lévesque and M. Mendell, *La création d'entreprises par les chômeurs et les sans-emploi: le rôle de la microfinance*. Research report submitted to the International Labor Organization (Montreal: Centre de recherche sur les innovations sociales dans l'économie sociale, les entreprises et les syndicats (CRISES), 2000).

50. The *Forum pour l'emploi* (Forum for Jobs) was a non-governmental group created in the late 1980s and comprised mainly of representatives from the labour movement and private corporations. It promoted joint action to fight unemployment and significantly influenced governmental economic strategy.

51. The *Fonds de solidarité* is an investment fund created by the *Fédération des travailleurs du Québec* (Quebec Federation of Labour) with money supplied by workers and the Quebec public. With over $3 billion in assets it focuses all its investments on Quebec-based enterprises. Individuals investing in the *Fonds* can avail themselves of attractive tax breaks offered by both the Quebec and federal governments.

52. The *Mouvement Desjardins* (credit unions) initiated in the early twentieth century is the best-known success story of the Quebec cooperative movement. Built with the small savings of ordinary people, it now ranks among the most important Canadian financial institutions.

53. Since the late 1970s the Quebec government has held several such socio-economic summits. They represent one of the distinctive features of the Quebec model. They are usually broad-based although more sectoral meetings have also been convened. Their policy effectiveness varies and depends on the state of the social tensions between the participants. Early experiments have achieved mitigated results. See A.B. Tanguay, "Concerted Action in Quebec, 1976-1983: Dialogue of the Deaf," in *Quebec State and Society*, ed. Gagnon. More recent

meetings throughout the 1990s seem to have provided the policy and political consensus the government was seeking.

54. Particularly from the women's movement through *La marche des femmes contre la pauvreté,* and from the Comité d'orientation et de concertation sur l'économie sociale (Lévesque and Mendell, *La création d'entreprises par les chômeurs et les sans-emploi: le rôle de la microfinance,* p. 21).

55. In Quebec, social enterprises are understood as non-profit organizations and co-operatives whose primary objectives include social as well as economic benefits for the communities and regions in which they are located.

56. P. Graefe, "The Contradictory Political Economy of Minority Nationalism: Quebec's Economic Nationalism Reconsidered." Paper presented at the annual meeting of the Association for Canadian Studies, 29 May 2000, p. 13.

57. Marcel Boyer, *La performance économique du Québec: constats et défis* (Montreal: CIRANO, 2001), pp. 3-5.

58. L. Boivin and M. Fortier, eds., *L'économie sociale: l'avenir d'une illusion* (Montreal: Fides, 1998); R. Paquet, "Les emplois de l'économie sociale: forme de démocratisation du travail ou exploitation d'une main-d'oeuvre qualifiée?" *Économie et solidarités* 30, 1(1999):78-94; J.M. Piotte, *Du combat au partenariat: interventions critiques sur le syndicalisme québécois* (Québec: Nota Bene, 1998).

59. Comeau *et al., Emploi, économie sociale, développement local. Les nouvelles filières,* pp. 243-44.

60. On 9 and 10 June 2001, the Ralliement pour l'alternative progressiste (RAP) officially became a political party, establishing itself as a broad coalition including the Green Party, the Parti de la démocratie socialiste and the Quebec Communist Party. Though it is putting forward a radical platform on social and economic issues, it is committed to Quebec sovereignty.

61. A.-G. Gagnon and H. Segal, eds., *The Canadian Social Union Without Quebec: 8 Critical Analyses* (Montreal: IRPP, 2000).

8

The Evolution of Ontario's Confederal Stance in the Nineties: Ideology or Continuity?

Hugh Segal

La position ontarienne en matière de relations fédérales-provinciales sous le gouvernement Harris n'était pas aussi profondément motivée par des considérations idéologiques que certains l'ont cru. Lorsqu'on la replace dans un contexte historique plus large, en prenant en considération les traditions établies sous la gouverne de Davis, Peterson, puis de Rae, on constate que plusieurs des traits caractéristiques de ces administrations ont continué à influencer les grandes tendances philosophiques, fiscales et redistributives de la période Harris. En fait, les initiatives prises par les néo-démocrates semblent être celles qui ont le plus d'importance pour comprendre la position du gouvernement Harris — une indication supplémentaire que cette position n'était pas, en substance, étroitement idéologique.

INTRODUCTION

There are a host of factors that shape a province's stance toward federal-provincial relations in Canada. Some are historical and cultural; others are situational and reflective of electoral fortunes and other political challenges. Most are portrayed by both the federal government and provinces as matters of deep and compelling principle. But it has been my general experience in politics that while historical, cultural and principled questions are frequent, questions that relate to money and who gets to spend it are more fundamental and pervasive. Simply put, whenever one hears a statement from officials or politicians that the matter at hand is about principle and not money, it is usually about the money. That bias should be clearly set out for readers of this analysis. The differences over the 1990s between Premiers Michael Harris, Bob Rae, and David Peterson — representing the three major political traditions in the province of Ontario — were not totally unrelated to their respective ideologies. But it seems both logical and fair to conclude that had Bob Rae

governed during times that were as economically expansive as those in the Peterson years and the later Harris years, he would have had a broader range of options and very different issues relative to federal-provincial priorities. Similarly, it can be argued that had Mike Harris governed during a period of prolonged recession his approach to Ottawa may well have been very different both in tone and substance.

In accepting this viewpoint, you need to put in perspective the arguments of the spin doctors of the various governments and their counter-spinners in the editorial boards, who use ideology and/or party policy as pretexts for what in the end may well be structurally determined federal-provincial policies. I am not a determinist on the issue, but I do believe that the vast body of evidence argues for a mix of factors. But, with respect to Ontario and Confederation during the 1990s and the changing positions of the three governments that served during that period, this analysis will advance the case that the mix of factors was profoundly more structural than ideological. In other words, the policies pursued by Ottawa would have led to essentially the same response in Ontario regardless of what political party was in power.

THE DAVIS VERSUS RAE CONTEXT

In the late 1970s and early 1980s, the Davis government was involved in intense negotiations with Ottawa on the constitutional file and energy policy. The election of the Clark minority government in 1979 was in no small measure tied to William Davis's campaign support in Ontario's federal seats. The energy dispute of that period between Ottawa and Queen's Park of that period was in some ways a result of Alberta's constitutional concern about provincial hegemony over natural resources, but was also not inconsistent with Davis's attack on Pierre Trudeau's excise tax of ten cents a gallon during the 1975 Ontario election. The release of a paper on energy pricing by the Ontario government at the annual premiers' conference in August 1979, just a few weeks after Joe Clark's election, both infuriated Alberta and fatally (but unwittingly) wounded Joe Clark's Ontario electoral prospects in 1980. Given the political situation, the Davis government would have felt that any failure to champion the Ontario industrial and consumer interest on energy pricing would be seen as a partisan rollover for the federal Tories.

At the same time, the Alberta government, with the only solid majority among the three main governments involved, Alberta, Ontario, and Canada, was propelled by a traditional and totally justifiable defence of provincial jurisdiction over natural resources. Any embrace of a two-price system where Canadians paid less than the world price for Alberta resources would be a subsidy paid by future generations of Albertans to the eastern provinces — a birthright violation no Alberta premier could have been seen to willingly

endorse. From Ontario's perspective, the creation years earlier of the Ottawa Valley Line by the Diefenbaker administration, which forced all consumers and industries to the west of that line to buy energy from the substantially more expensive Alberta energy basin rather than from cheaper Middle East and Venezuelan sources, constituted a subsidy to the process of exploration and resource development in Alberta. That contribution, Davis argued later, earned Ontario consumers a "Canadian price" for oil and gas.

If one accepts that the role of political culture is to provide "a range of acceptable values and standards upon which leaders can draw in attempting to justify their policies,"[1] it is clear that this stance by Davis was not about the right-left spectrum at all. It was about championing the consumer and the requirement of some Canadian interest on energy pricing. The classic pragmatism of Ontario's political culture was dominant at this particular juncture. It was a pragmatism that federal Liberals and Ontario Conservatives understood, but Clark did not. This dispute paralysed the Clark administration, creating a 20-point lead for the Trudeau Liberals in Ontario, which was simply insurmountable in the 1980 election. The fact that the election was precipitated by a defeat in the House of Commons for the Clark government over a budget that contained an 18 cents per gallon excise tax reduced the probability of meaningful Ontario Conservative support for the Clark re-election effort, in view specifically of Davis's opposition to the excise tax increase imposed by the Trudeau administration earlier.

Before the advent of the Reform Party of Canada later in the 1980s, close to 55 percent of those Ontarians who voted federally for the Liberal Party voted provincially for the Progressive Conservative Party. That was particularly true under the essentially moderate policies of the Davis administration. While flare-ups between the two administrations were not infrequent — proposed PLO (Palestine Liberation Organization) attendance at a UN Law Enforcement Conference in 1974; the revenue guarantee dispute in 1976 between Darcy McKeough for Ontario and Donald Macdonald for the federal government; general disagreement over fiscal and budgetary policy throughout the 1970s and 1980s — the tendency of voters to split their federal and provincial vote in Ontario has a long and distinguished tradition, especially in more urbanized areas. It is noteworthy that despite the suggestion Ontario has moved radically to the right since the election of Mike Harris in 1995 the same voting patterns continue, only more so as a result of fragmentation of the opposition parties in Ottawa. In the federal elections of 1997 and 2000, regions of Ontario that sent heavily Progressive Conservative delegations to Queen's Park elected federal Liberals to Ottawa. The traditional pragmatic balance of the Ontario voter between federal Liberals and provincial Conservatives continues to survive.

When the defeat of the Clark administration came — for reasons not unrelated to the dispute with Ontario on energy matters — and the Liberals were

restored in Ottawa, Ontario assumed a more conciliatory and cooperative approach to confederal issues. This was not unrelated to William Davis's own approach — being, as he often put it, "a Canadian first." Ontario's confederal orientation at this time was also significantly influenced by the 1980 referendum in Quebec on sovereignty association. Unlike 1995, when the federal government actively discouraged participation of other provincial governments in the referendum process, the 1980 effort involved various premiers, including Bill Davis, Peter Lougheed, and Richard Hatfield, making a series of visits and speeches in Quebec about the kind of constitutional change they desired, and how they would collaborate with Quebec on constitutional matters after a "Non" vote. Those interventions, as well as relatively close coordination with the Quebec federalist leader Claude Ryan, a negative characterization of female opponents to sovereignty by the "Yes" side, along with Pierre Trudeau's forceful presence, produced an unambiguous "Non" vote and a clear sense of obligation in Ontario to contribute to and energize constitutional change.

In sum, the confluence of constitutional and energy issues in the 1979–81 period produced a positive confederal orientation in Ontario. The government of Ontario became an enthusiastic partner in constitutional change; it favoured renewing a responsible role for the federal government; it opposed excessive decentralization; and it accepted Quebec's desire for significant cultural, linguistic, and constitutional protections. In short, the Government of Ontario helped establish some momentum for constitutional reform, which culminated with the patriation of the constitution in 1982. David Peterson's Liberal government maintained the proconstitutional change bias of the previous Conservative governments.

The circumstances surrounding the election of the Rae government in 1990 were profoundly different. That government followed a spendthrift Liberal administration that had won its own 1987 majority after having been levered into power in 1985 with the help of the New Democratic Party (NDP). Bob Rae inherited a burgeoning Ontario deficit at the beginning of what was an overall recession in Ontario. The election of Ontario's first social democratic NDP government was the result of several factors. The traditional first-past-the-post electoral system allowed a majority government to be formed with less than 40 percent of the popular vote. The premature election call by the Liberals lacked a meaningful script. Splinter parties like the Family Coalition and Christian Heritage, which focused on issues like abortion, siphoned away as much as 4 or 5 percent of the vote for traditional parties (especially the Conservative Party), which produced unexpected rural wins for NDP candidates. Mike Harris had just been chosen to lead the third-place and financially overburdened Ontario Progressive Conservative Party, and he focused during the election on hammering Liberal tax policies in a way that rebuilt parts of the Tory base but produced an anti-Peterson voter fervour that further helped the

New Democrats. With the Mulroney government in its post-Meech and pre-Charlottetown funk, and because Mr. Peterson had been intimately involved with the Meech Lake agreement and its collapse, the anti-incumbent mood worked substantially to Bob Rae's advantage. Another vital part of the NDP victory was the high regard in which Rae was held. His persona was associated with fairness, affability, and relative moderation, especially when compared to previous NDP leaders in Ontario and elsewhere.

The decision of the Peterson administration to increase spending well beyond the level of inflation had heated up the provincial economy in a way that forced the Bank of Canada to apply higher interest rates to dampen down a serious inflationary spiral. This activity not only slowed the economy but also produced the twin scourges for the Rae government of collapsing revenues precisely as costs for matters like welfare and health care began to rise substantially. The recession that hit the Rae government — and, in the process, also contributed to the demolition of the Kim Campbell government in Ottawa — produced a more difficult frame of reference for Queen's Park, with revenues collapsing, costs increasing, and a social democratic administration determined to address social injustice. The Rae administration's early decision to embrace a $10 billion dollar deficit as the appropriate instrument to at least bridge the time gap until the economy came back, combined with a longer recession than most had predicted, resulted in a very tattered fiscal capacity which could not but undermine the *noblesse oblige* patina Ontario had worn with such comfort in the past.

There was early relief in the Rae administration at the election of a federal Liberal government in 1993 which took all but one of Ontario's 103 seats and would be utterly dependent on holding those in any future election. However, as federal Finance Minister Paul Martin set about the process of restraining federal transfers, especially the Canadian Health and Social Transfer (CHST), it became apparent to the Ontario government that this was little more than a continuation of the Wilson/Mazankowski regime, perhaps even worse so far as Ontario was concerned.

In February 1994, Premier Rae wrote to all federal MPs from Ontario,[2] laying out a litany of unfairness and calling upon them to "make a choice and to send a message to the people of Ontario. Let them know, through your upcoming budget, that you will end the discriminatory policies of the former Conservative government, and treat the people of Ontario fairly."[3] Among the discriminatory issues he raised were:

- Ottawa capping the Canada Assistance Plan in Ontario, allegedly producing extra cost for Ontario of $1.7 billion per annum;

- Ottawa only spending 27 percent of its training budget in Ontario, despite the province having 38 percent of the national workforce and 36 percent of the unemployed;

- Ontario receives 55 percent of Canada's immigrants while receiving only 38 percent of federal funding.

The doctrine of "fair shares federalism" was launched with this initiative and with a budget paper that accompanied the last budget of the Rae administration in April 1995. That effort consisted of a line-by-line comparison of the amount of Ontario's tax contributions to Ottawa and the amount invested by Ottawa in Ontario, accompanied by a comparative statistic about Ontario's population or its percentage of the workforce or some other statistic that conveyed a sense of unfairness for the Ontario taxpayer.

In fact, the April budget paper, while noting that a percentage of Ontario's $15 billion contribution in excess of return to the province was "a legitimate reflection of sharing the wealth,"[4] goes on to point out in significant detail that while Ontario contributed 43 percent of Ottawa's total receipts from all domestic sources, only 31 percent of Ottawa expenditures return to Ontario. "Fair shares federalism" had been born. In terms of Ontario's political culture, New Democrats, who are usually strong proponents of a strong central government, were also forced by both fiscal and economic reality to engage Ottawa on the issue of fairness. In so doing, they conformed fully to the political pragmatism that drove Bill Davis on energy in 1979–80.

STRUCTURAL AND IDEOLOGICAL INTERPLAY

It is likely that an endless dialectic on what is structural and what is ideological could emerge in almost any area of public policy analysis. For the purposes of this analysis I treat structural determinants as those that would have forced any Ontario government to react in a particular way notwithstanding its political affiliation. Ideological determinants are those that are less impacted by externalities and more directed from the core of party belief. While some argue that there is little the current Harris government has done that is not ideological, accepting the role of ideology does not necessarily diminish the importance of structural issues — namely those that would invoke a similar response from any Ontario administration whether of the left or the right, or any shade in between.

During the negotiations leading up to the Charlottetown Accord, Ontario proposed a social charter as an appropriate inclusion in the Canadian constitution. There are few observers who would not agree that the Social Charter accurately reflected Bob Rae's view as a social democrat of what Canada's basic law should proclaim. As Bob Rae said in the Premier's Message accompanying the release of the charter:

> The basic reason for a social charter is simply this: we want to make sure some of our most important achievements, like medicare and universal education, are protected and guaranteed. Putting them in a constitution is a way of saying that

being a Canadian citizen means more than having just a formal set of rights. It means giving constitutional teeth to our common sense of what you are entitled to simply because you're a Canadian.[5]

Whether that is deemed ideological or not, it expresses fundamental views about the nature of society that cannot but be central to the way that premiers would respond to any cuts in transfer payments or cost-sharing formulas that diminished Ontario's capacity to keep up its own end relative to its own population. When confronted with increasing fiscal pressure, Premier Rae embraced the novel approach of achieving savings and cost-control through the option of unpaid days off as opposed to job cuts or layoffs. This was Rae's "social contract." The notion of a strong and vital social obligation within the context of federal-provincial relations or within the realm of Ontario's domestic fiscal and social policies was not only central to the overall government view advanced by the Rae administration but also a more fundamental part of its core ideology than more traditional social democrat nostrums such as nationalization or increasing the role of the state.

Does this ideological preference for social contracts become an underpinning for the "fair shares federalism" that motivated Rae's letter to the MPs or the April 1995 budget paper with its accounting critique of the federal government? Here I conclude that the transfer from social charter to fair shares federalism was both structural and ideological. It was structural in the very strong sense of a deep and relentless recession, the worst in Ontario since World War II, and an even stronger concern that Ontario was having its capacity to sustain its part of the social contract buffeted by revenue collapse and an increase in need. When it became clear that the federal Liberals would go substantially further in cutting transfers than the previous federal Conservative government to the detriment of Ontario, Premier Rae had few other options but to pursue a strong accounting process that detailed what would constitute fair treatment for the province.

It is hard to see how a provincial government of Progressive Conservative or Liberal allegiance could have taken any other meaningfully different path. It may very well be that the point of departure for Ontario's confederal stance was driven by an ideological commitment to basic social entitlements, but in the end it was the hard and compelling structural realities that determined the position on which the Rae government ended its federal-provincial dialogue.

On the Meech Lake Accord, as an opposition party leader and later during the Charlottetown negotiations as premier, Bob Rae played an engaged, creative and positive role, creating critical bridges between Ottawa and other provinces and specific bridges between the entire process and Canada's First Nations. The failure of the Charlottetown referendum ended the period of countrywide constitutional creativity for some time to come, as did the election of a sovereignist Quebec government in the ensuing years. But Ontario had serious fiscal issues to address in the years that followed the end of

Charlottetown, and structural realities made the course taken essentially unavoidable.

Arrayed against the backdrop of Ontario's political culture, Premier Rae's actions did not exceed the normal parameters of the pragmatic bias that drove that culture. Ontario's position with respect to fairness did not differ because Conservatives had yielded to Liberals in the election of 1993. The driving force behind Rae's fair shares federalism was the domestic requirement to keep the basic social bargain in Ontario and the fiscal realities of that bargain — two drivers essentially consistent with Ontario's dominant political culture.

ROOM TO MANOEUVRE IN THE NEW ECONOMY

The election of the Harris government in 1995 was not, as has been suggested on occasion, a massive move to the right by the provincial electorate. If anything, it can be viewed as both a move to the centre and a result of a poorly executed campaign on the part of the Ontario Liberal Party. The Liberals under Lynn McLeod began the pre-election and writ period with a compelling first-place position, leading both the second-place New Democrats and third-place Progressive Conservatives by healthy two-digit gaps. The Conservatives had published, consulted upon, and disseminated a policy platform innocuously called *The Common Sense Revolution*, which was focus group tested enough to be more about extolling the centrist values of common sense than setting the heather afire with talk of revolution. In its main underpinnings, namely a tax cut and stability in education and health funding, it appealed primarily to the traditional Tory core and to the soft centre-right faction of Ontario's Liberal voting coalition. Here the Harris campaign team sought merely to recreate the voting pattern in Ontario of voting Liberal federally and Progressive Conservative provincially that had largely dominated the Davis elections of 1971, 1975, 1977, and 1981 — except that the Tories in Ontario in 1995 started with massive Liberal dominance of Ontario's federal seats. While the common sense revolution presented a coherent script, it was not taken terribly seriously coming from a third-place party.

But it was a script, something the Liberal Party chose to enter the election season essentially without. And while revisionist history has on occasion claimed this to have been a tectonic shift in Ontario's politics, it was a script that advocated levels of spending that approximated the relative levels of the Davis administration, hardly known as a narrow right-wing regime. The Liberal leader herself, and the party's campaign strategy, portrayed McLeod almost as the incumbent. As Rae, the premier, was actually the incumbent (and ran a spirited and focused campaign), the only party available for those looking for

any change at all was the Progressive Conservatives. Playing into the Tories' electoral opportunity was the traditional split-vote tendency that has been a large part of Ontario electoral history. The presence in Ottawa of a recently elected federal Liberal majority government only increased the likelihood that Ontario voters would seek the traditional balance at provincial election time, by not choosing Liberals provincially.

The Conservatives ran a disciplined and well-organized campaign underlying the themes most likely to pry votes from the soft Liberal camp to Tory candidates across the province. The New Democrats averted a complete collapse through the effective campaign, integrity and popularity of Premier Rae. The Liberals failed to execute a coherent campaign. The result, a Tory majority, was therefore about many things. But it is clear that there is no evidence to suggest that it was the result of a meaningful ideological shift or any change in political culture.

The Tories moved with relative haste to begin cutting various areas of government expenditure, notably welfare for the able-bodied, so as to reduce deficits and finance tax cuts. In moving on expenditures, the government continued what the Rae government had latterly advanced and joined, an emerging consensus on the need to achieve some measure of fiscal discipline — a consensus that crossed both provincial and partisan lines.

By that point in the decade, Frank McKenna in New Brunswick and Roy Romanow in Saskatchewan, a Liberal and New Democrat respectively, had already shown substantially more fiscal discipline than the Conservatives they had replaced. The Harris administration was in a sense a new arrival in a sea of consensus about the need to reduce government spending and borrow in order to lever public fiscal balance in support of economic expansion writ large. Where the Harris administration was outside the consensus was in having a tax cut along with fiscal constraint as opposed to waiting until after fiscal balance had been achieved. This more Reaganesque policy was highly responsive to a middle-income voter cohort that felt income taxes were steadily on the rise while provincial services were at best stalled or being reduced in scope.

The continued federal focus on expenditure reduction saw the reduction of transfers to the provinces at a rate greater than the reduction in federal own-account spending. And while Ottawa would pay politically in the 1997 election in Atlantic Canada for some of the cuts it made in the shift from Unemployment to Employment Insurance and the modification of eligibility thresholds, there was a clear perception in the provinces that Ottawa was using provincial transfers and diminished forward liabilities to put its own fiscal house in order.

In an August 1996 speech in Calgary to the Chamber of Commerce, barely a year after being elected, Premier Harris stated the Ontario view in a very precise way:

We've learned from other countries. We've learned from Canadian premiers. Gary Filmon of course, and from Frank McKenna and, dare I say it, even Roy Romanow. Each of these leaders has acted to change the way government operates in his jurisdiction.[6]

The premier chose not to be as complimentary to the federal government:

I believe that the types of policies we are implementing in our own provinces have huge potential if they were to be implemented imaginatively and courageously by all levels of government, particularly by the federal government. To date, the federal government has cut spending primarily by reducing transfers to the provinces. I will never criticize them for cutting spending if it is part of a fair and genuine plan to balance the federal budget. But as our minister of finance pointed out at the last Finance Ministers' Meeting, the federal government is cutting payments to the provinces for health, education and social programs by 42.2 percent while the rest of its own program spending is being reduced by only 1.3 percent![7]

A full year since the defeat of the Rae government, yet despite the talk of a new ideology and a "common sense revolution," Premier Harris's perspective on federal-provincial transfers was essentially the same as Rae's view. And while the principle of parity in cuts would have been differently applied by the Conservative premier (it is not at all clear that Premier Rae would have called for federal program cuts to be of the same magnitude as cuts in transfers to the provinces), the issue of "the money" and the fairness was still very much at the core of Ontario's position.

In anticipation of the Annual Premiers' Conference in Jasper, Premier Harris laid the groundwork for an evolution in the Ontario confederal stance away from the traditional Davis position in favour of a stronger federal government:

If this country is to enter the next century ready for the real challenges of the new global economy ... we must all co-operate. We need all provincial, territorial, and federal governments working together to create jobs, hope, growth and opportunity for all Canadians ... Ontario recently released a paper by Professor Tom Courchene of Queen's University — a university that now has Peter Lougheed as its chancellor, by the way. Professor Courchene looks at the feasibility and practicality of developing accords between governments, which would lay out a clear set of rules and guidelines for managing the country without a unilateral approach by Ottawa or without intrusive federal legislation in areas of provincial jurisdiction.[8]

While various premiers felt moved to attack the Courchene paper, the similarities in the underlying principles of that paper, the Calgary Declaration signed by the premiers a year later, and the Social Union Framework Agreement agreed to by Ottawa and nine of the provinces in 1999 are quite compelling and important. Harris's support for and championing of the interprovincial principle followed a year of work by a ministerial council on social reform co-chaired by the Hon. Diane Cunningham of the Ontario Cabinet and the

Hon. Ken Rostad of Alberta. The championing of interprovincial social policy engagement is really a response to what provinces viewed as a capricious cutting of transfers in a way that made managing the internal social contract in each province more difficult.

Ontario became an enthusiastic supporter of a more interprovincial approach to social policy and an advocate for more provincial independence in economic and fiscal policy. In some respects, however, this latter evolution is also an unavoidable structural response to Ottawa's focus on maintaining its unilateral federal redistributional programs while cutting transfers to the provinces as equalization was maintained. With social expenditures constituting the lion's share of provincial budgets and with federal transfers either cut or frozen at levels unreflective of the increase in demand or provincial client realities, provinces clearly had to reform the cost side of their programs while working to more fully maximize the investment and ensuing economic growth necessary to sustain the spending capacity they needed even for reformed social service delivery structures and programs. For an unequalized province like Ontario, badly hit by the recession and feeling demonstrably short-changed in terms of federal transfers, a greater focus on its own income-generation capacity — that is, economic growth and development — was both a logical and unavoidable shift. Indeed, it would push Ontario to seek the appropriate manoeuvrability around key economic instruments, such as taxation and specified tax treatment of key and strategic tax areas.

Ontario's traditional focus on competitiveness with the neighbouring American states in both social programs and economic productivity was heightened by the increased north-south pull after the Free Trade Agreement and the North American Free Trade Agreement. This reality forced Ontario to seek to reduce uncompetitive aggregate taxation levels and, more importantly, fed the heightened domestic perception of excessive taxation among investors and entrepreneurs. While tax cuts obviously have considerable electoral appeal, it is hard to believe that Ontario could have endured the cumulative federal and provincial tax burden on the provinces and have remained competitive in the North American economy. The need for more provincial flexibility in economic instruments was in a sense a direct result of the increased pressure brought upon provincial programs by Ottawa's transfer policies. The need to gain greater flexibility and develop the instruments that would allow provincial policies in support of economic growth defined the way the decade ended, and the kind of federal-provincial posture that Ontario would take into the new millennium.

It could reasonably be concluded that elements of Ontario's traditional political culture — stability on the political spectrum, support for core pragmatism, and being "Canadian First" — were being tilted at this time by the joint focus on greater integration with the United States in terms of tax competitiveness and a reduced federal presence. But on deeper reflection it is not clear that conclusion holds up. The focus on tax cuts so as to maintain

competitiveness in the Great Lakes Region is really just a 1995 version of the Davis administration's opposition to a world price for energy in 1979. In other words, this was more about conforming to the operative and traditional political culture in Ontario than moving away from it.

ONTARIO SEEKS NEW INSTRUMENTS

While Ontario strongly supported greater intergovernmental cooperation, as expressed in the Calgary Declaration and the Social Union Framework Agreement, the Government of Ontario also believed it required new instruments to improve Ontario's competitive position in the North American economy. In its 1997 budget, the Ontario government announced that it would seek new fiscal arrangements with the federal government so as to improve Ontario's economic competitiveness. And because it was in a budget, it takes on more importance than the rhetoric of finance ministers' meetings or partisan speeches. A budget instantly becomes a pillar of provincial policy and a dye through which all subsequent provincial policy must be examined.

In the 1997 Budget Speech, Treasurer Ernie Eves made three requests of Ottawa:

> In its most recent budget, the federal government actually reduced the amounts of a gift to a Crown foundation that can be claimed for an income tax credit from 100 percent of income in a year to 75 percent. While that budget followed Ontario's lead by providing incentives for conventional charitable giving, its treatment of Crown foundations is not appropriate.... We have asked the Federal government to administer a tax credit for Ontario to address this problem.... The federal government has said no. Our request means no cost to the federal government since we would pay for administration and only the Ontario tax would be affected. It also means that the federal government is attempting to prevent Ontario from encouraging giving to charitable foundations by making changes to our own provincial tax system.[9]

This specific request and refusal had an impact on provincial charities like hospitals and universities seeking the same charitable status as federally chartered charitable organizations that had set up federal Crown foundations to maximize the deductibility to the donor. The desire to establish provincial Crown foundations for some 19 high-profile organizations had been the direct result of a consultation led by the minister's parliamentary assistant. Ottawa bureaucratic recalcitrance at the time was not only intrinsically frustrating and apparently arrogant, but it was also visible to the leaders of Ontario's business and philanthropic elite. While a matter generally of secondary importance in the larger provincial scheme of things and just another irritant by Ottawa, it was the kind of "on the side of the angels" issue few provincial governments could fail to embrace and exploit.

This dispute also formed the basis for a structural proposition relative to Ontario's own provincial income tax. In that same budget, Ontario cited other areas where Ottawa had refused Ontario's requests for flexibility. Ontario had asked for an easily accessed check-off box for those taxpayers who wished to donate tax refunds to lower the debt, and Ottawa had said there was no room on the form. Ontario had also asked for a simple, easily understood design for administering the Fair Share Health Care Levy and Ottawa's response had been "not now."[10] At this time, the Government of Ontario also informally notified the federal government that unless it was prepared to loosen up a bit, Ontario would have to seriously consider withdrawing from the current common tax collection arrangements. A paper in that same budget talked about the issues related to an Ontario withdrawal.

Ontario also used the 1997 budget to send a strong message to Ottawa on the negative impacts of policy divergence. The federal government's payroll taxes, especially high Employment Insurance premiums, and the need for federal tax cuts were all precisely enumerated in the Treasurer's speech. And, in a fashion that would have made Bob Rae proud, issues of fairness in federal expenditures in Ontario were also raised. It cited the differentials between what an unemployed person receives in New Brunswick, British Columbia, and Ontario, showing Ontario at the lowest level.[11] Similar concerns were expressed relative to employment training dollars available per capita to Ontario compared to Quebec.[12] The interest cost to Ontario of Ottawa collecting Ontario's taxes and holding until remittance — no remittance made until $1.5 billion are collected — was also raised in the 1997 budget speech.[13]

The 1997 budget barrage can be seen as an accumulation of a series of irritants that, when taken together, began to suggest a serious and mounting federal restraint upon Ontario's capacity to use the tax system to advance a more competitive fiscal and economic plan. In order to understand the ledger from the provincial perspective, it is important to understand the degree to which structural policy shifts from Ottawa (and here I use structural in the sense of fiscal and revenue effects that will persist well into the future) accumulated to produce an abiding sense of frustration. France St-Hilaire has commented on the structural burden in this way:

At the end of the day, we are left with:
- a federal government that has withdrawn significantly from the financing of health, post-secondary education and social assistance;
- a federal government that has reneged on its stabilization role in the economy and implemented policies which undermine the risk-sharing aspects of our federal system;
- provincial governments that must bear greater expenditure responsibilities — for instance, they now have to deal on their own with the problems associated with the long-term unemployed — and that are more exposed than ever to the fiscal effects of future recessions;

- a context where 'have' provinces in response to previous cases of unfair treatment and added fiscal pressures are increasingly unwilling to tolerate federal redistributive schemes of any kind.[14]

Ontario's search for new instruments is not particularly new, as Tom Courchene carefully documented in a recent analysis of the personal income tax (PIT) issue.[15] Nor is Ontario alone in having sought its own tax system — or at least talking about seeking its own system. But in a sense the search for new instruments reflects the growing roles that local governments have in attracting and maintaining high value-added investment and retaining and sustaining the human capital vital to sustaining economic growth and quality of life. Quebec has long spoken about the need for *"les instruments du société"* by which it means the economic and social levers vital to sustaining the socio-economic and cultural "exigencies" of a modern pluralist French-speaking society in North America.

As the new decade began, and Ottawa responded to both the Calgary Declaration, the Social Union Framework Agreement, and the concerns about re-investment in health, it is clear that the toughening up of Ontario's confederal stance was at least in part a natural evolution, more structural than ideological and largely in response to a new kind of federal unilateralism that seemed basic to Ottawa's deficit reduction strategy.

THE CONCILIATORY INTERLUDES

It would be factually incorrect to look at the last decade of federal-provincial relations relative to Ontario without highlighting the significant points of intersection between Ontario and Ottawa. It is also important to point out how those differed from earlier points in recent history, and to try and understand how those points of difference provide a more comprehensive appreciation of the evolutionary thrust over the decade as a whole. The balance in those peaks and valleys are shaped by the core — the essentially pragmatic and non-ideological nature of Ontario's political culture.

Premier Peterson's steadfast support of the Meech Lake Accord, which contrasted sharply with his stout opposition to free trade, reflected Ontario's traditional way of separating its economic concerns and disputes from the needs of the nation overall, most especially national unity. Peterson and his Liberal government paid dearly for that support, as did a number of incumbent administrations that supported the Meech Lake Accord. Premier Rae advanced the Charlottetown Accord with equal vigour when he was in government and generally associated himself with the federalist position in Quebec, even when Prime Minister Chrétien's unclear strategy made that particularly difficult. Premier Harris was as supportive as could be possible to

the federalist cause in Quebec during the 1995 referendum despite being told wrongly by Ottawa (along with the other premiers) until the very last few hours that everything was going well. That Harris was less encouraging when the prime minister sought support for a rushed motion in the House of Commons right after the near-disastrous referendum that would enshrine distinct society and regional vetoes should not be surprising.

Ontario's policy toward Quebec, dating from John Robarts and embracing Messrs Davis, Peterson, Rae, and Harris is one of both constructive engagement and collaboration with the next largest province in confederation and a measured approach to the issue of federal-provincial balance. Rushed federal measures — ill-conceived or born in panic and confusion — are as popular with the present-day Ontario premier as the ill-conceived and repressive *War Measures Act* was with John Robarts. While Ontario is a reliable ally in defence of the legitimacy of the confederal union, it is not, nor has it ever been, a willy-nilly hallelujah chorus for slapdash trigger-happy excess from any federal administration.

In the negotiations that culminated in the Calgary Declaration, Ontario was a constructive and engaged participant working toward creative and practical compromises in the Ontario tradition. It is fair to conclude the very same about the Social Union Framework Agreement. Premier Harris (and his son) attended the large pro-Canada demonstration in Montreal the week before the 1995 referendum in Quebec, and on the night of the referendum Harris clearly stated Ontario's traditional confederal stance:

> tonight's close win for the "NO" option is no reason for complacency. Canadians over the last number of weeks, and Quebeckers in their decision today, have clearly told us the status quo is not acceptable. We have a collective duty to address how our federation might better serve all Canadians.... [A]long with Quebeckers, Ontarians earnestly believe that the way the federation is managed must be substantially changed for the better.[16]

The similarity of Premier Harris's position after the 1995 referendum to that of Premier Davis after 1980 and the similarity of Premiers Rae and Peterson on issues like Meech and Charlottetown (with Harris as a Conservative MPP and party leader voting for both) speaks eloquently to the pervasive and non-ideological nature of Ontario's political culture on the core question of national unity.

It is very hard to weigh the main events in both the Rae and Harris periods and conclude that ideology stood in the way of collaboration when appropriate or that ideology exacerbated the nature of those disagreements that were structural in both origin and impact. Similarly, Ottawa's decision to relent in discussions over taxation on "tax on tax" and permit "tax on base," which had the effect of freeing provinces to have their own provincial tax rates for personal income, as well as the decision to distribute conciliatory health funding

at the time of the Social Union Framework Agreement on a per capita basis, were noteworthy gestures reflective of legitimate Ontario concerns. Indeed, the decade was not devoid of gestures of conciliation from both sides. But it also ended with irritants in health care, immigration funding, training funding, and tax policy — all of which might flare up at any time.

THE WAY AHEAD

While it is difficult to predict the exact future of federal-provincial relations, including relations between Toronto and Ottawa, a reflection on the past decade may well reveal a particular prism though which to scan the way ahead. Where would federal-provincial relations have been if Ottawa, either in the form of Don Mazankowski or Paul Martin, had sat with the provinces and jointly explored a mutually cooperative path through the high waters of looming deficits and cascading federal and provincial debt? What if unilateralism had not been Ottawa's chosen point of entry and consistent path through the decade? What if the Social Union Framework Agreement had been preceded by a confederal plan for fiscal balance that was a collective effort? What would the state of federal-provincial relations be today? Surely no worse.

What is clear is that the structural policy changes created by Ottawa's unilateralism will now combine with rapid changes in the world economy and the need for provinces to move deftly to secure local economic and social advantage to put even more strain on federal-provincial relations. How Ottawa deals with its mounting surplus and how Ottawa seeks to build consensus with the provinces relative to issues like debt reduction and tax policy will determine the structural realities that will shape Ontario's emerging stance in the present decade. Ontario's economic vision must extend more north-south than east-west, and more global and hemispheric than just confederal or bilateral. The evidence from the nineties indicates most clearly that ideology will have little more than a peripheral impact on how Ontario responds to or engages with the rest of our federation during that period. And the pervasive themes of Ontario's political culture — relative moderation, pragmatism, and balance — will only be ignored at their own peril by those who seek public favour or legitimacy.

NOTES

1.   David V.J. Bell, *Roots of Disunity: A Look at Canadian Political Culture* (Toronto: McClelland & Stewart, 1979), p. 277.

2.   Ontario. Ministry of Intergovernmental Affairs, Media Release. 2 February 1994.

3.   Ibid.

4.   Ontario. Ministry of Finance. *Ontario Budget* (Toronto: Queen's Printer for Ontario, April 1994).

5.   Ontario. Ministry of Intergovernmental Affairs. Media Release, 13 February 1992.

6.   The Hon. Michael Harris, Address to the Calgary Chamber of Commerce, 20 August 1996.

7.   Ibid.

8.   Ibid.

9.   Ontario. Ministry of Finance, *Budget Speech of the Minister, 1997 Budget* (Toronto: Queen's Printer for Ontario, 1997).

10.   Ibid.

11.   The average benefit in New Brunswick was $13,100; in BC, $6,500; in Ontario, $4,800. All figures are for 1996.

12.   The figures are $1,060 per Quebec unemployed worker and $850 per Ontario counterpart.

13.   Interest costs were cited by the minister as over $100 million for Ontario on an annual basis.

14.   France St-Hilaire, "Comment," in *Stretching the Federation*, ed. Robert Young (Kingston: Institute of Intergovernmental Relations, Queen's University, 1999), p. 192.

15.   Thomas Courchene, "The PIT and the Pendulum: Reflections on Ontario's Proposal to Mount Its Own Personal Income Tax System," in *Stretching the Federation*, ed. Young, pp. 129-186.

16.   Office of the Premier of Ontario, Media Release, 22 August 1995.

9

Social Democracy in a Neo-Conservative Age: The Politics of Manitoba and Saskatchewan

Nelson Wiseman

Ce chapitre s'intéresse à la culture politique du Manitoba et de la Saskatchewan à travers les prismes idéologiques du néoconservatisme et de la social-démocratie. Un fossé culturel existe entre les traditions relativement collectivistes de ces provinces et les préférences plutôt individualistes de l'Alberta. Cette situation a conduit à des choix électoraux différents et des propositions divergentes en ce qui a trait au système fédéral canadien. Est-ce que la vague néoconservatrice des dernières décennies a érodé les différences historiques et contribué à une convergence idéologique? Pour y répondre, ce chapitre reprend les points de vue des gouvernements, des partis et des citoyens envers les enjeux fédéraux et rend compte des différentes conditions socio-économiques des provinces des Prairies.

In recent decades, Canada and the western world have been buffeted by the ideology of neo-conservatism. This influences the tone and content of political discourse and the workings of the Canadian federation. Ideologies such as neo-conservatism refer to abstract ideas or principles; political culture refers to the works and ideas of specific groups of peoples.[1] Political culture may be considered as an independent variable that has helped to shape the Canadian federation.

The three Prairie provinces, their peoples and their culture, have historically been lumped together as a single identifiable and distinctive entity. The thesis of this chapter is that, broadly speaking, two distinct political cultural traditions have arisen on the prairies that have pointed to dramatically different directions for the Canadian federal system. The eastern Prairies, Manitoba and Saskatchewan, have developed and sustained a strong collectivist tradition that may be counterposed to the strong individualist tradition that has taken hold in Alberta. Manitoba and Saskatchewan have been voices for strong central government and an active role for the state, both provincial and federal.

Alberta has been a voice for smaller government and a more decentralized and classical federal system. These distinct cultural dispositions have been reinforced by the relative wealth of Alberta and the relative poverty of the other two provinces. A question that emerges against the backdrop of recent international and external forces — globalization, continental economic integration, and the growth of large transnational corporations in the agricultural and other sectors — is: Has the neo-conservatism of the last two decades eroded the social democratic culture of Manitoba and Saskatchewan and reinforced the conservative culture of Alberta?

At the beginning of the twenty-first century, the two leading neo-conservative and Conservative governments in Canada were in Alberta and Ontario. Between them, in Manitoba and Saskatchewan, two self-styled social democratic regimes held sway. Twenty years earlier, in 1981, Conservatives also governed Alberta and Ontario. Manitoba and Saskatchewan were also governed then by the social-democratic New Democratic Party (NDP). From this perspective, what stands out is the ideological contrast of Manitoba and Saskatchewan and its apparent durability. If the federal Liberals have been the natural government party for the past century, then the NDP has been the natural government party of Saskatchewan since 1944, holding office in each of the past seven decades. In Manitoba, the NDP has been in office more than out of it since 1969, also governing in every decade since then. With the exception of British Columbia, this is striking in comparison with other provinces.

There is no single overriding political tradition on the prairies. The three Prairie provinces have always been diverse politically. Right-wing parties have dominated Alberta since the 1930s in what C.B. Macpherson characterized as a quasi-party system.[2] Alberta rallies around one provincial party, practising the "Politics of Consensus"; Saskatchewan's practice is "Parties in a Politically Competitive Province".[3] Manitoba has gone from having a provincial party system like Ontario's (the NDP as the weak third sister) to one like Saskatchewan's and British Columbia's (an ideologically polarized two-party system). That the right-wing party in Saskatchewan has changed — from the Liberals in the 1960s to the Conservatives in the 1980s to the Saskatchewan Party in 1999 — merely confirms the prevalence and persistence of ideology over partisan labels. The Prairies gave birth to the Reform Party, but the appetite for it and its neo-conservatism proved relatively depressed in Manitoba and Saskatchewan. Consider the 1993 federal election: Reform swept the overwhelming majority of seats in Alberta, but Saskatchewan elected more NDP MPs than Reformers and more than the rest of Canada. In the 2000 election, the eastern Prairies' relative receptivity to social democracy continued. Although the Alliance Party performed better than the NDP, the latter captured 26 percent of the Saskatchewan vote, triple its national average. In Manitoba social democrats won four seats, more than in any other province and as many as the Alliance.

One way to downplay the significance of the NDP's hold on office in Saskatchewan and Manitoba is to see it as having been swept up itself in the neo-conservative temper of recent times. The charge that the CCF-NDP has lost its once radical edge, that it is not very different from its partisan competitors, is an old one. Mackenzie King and Louis St. Laurent thought of the CCF as "Liberals in a hurry." One book dismissed it as *A Protest Movement Becalmed* [4] in the 1960s. The Waffle movement's expulsion from the NDP in the 1970s was depicted as another rejection of socialism.[5] Whatever the merits of assessments of the NDP's conservatization, they do not account for its institutionalization on the eastern Prairies. The Progressives, Social Credit, the United Farmers parties, and smaller more recent splinters like the Western Canada Concept and the Confederation of Regions Parties have all presented blueprints for revising the Canadian federation. All of them have come and gone or faded, but the NDP has endured. It is firmly entrenched in the political cultures of Manitoba and Saskatchewan. Why?

PRAIRIE POLITICAL CULTURE

The continuing electoral viability of Prairie social democracy implies that there is no single, unified, English Canadian political culture. It is regionally fragmented. Each province might be seen as its own unique small political world.[6] Survey research, however, suggests the opposite: that the mass political beliefs of Canadians, if not their voting behaviour, are remarkably similar. While Canadians appear to have some basic values in common, distinctive patterns of cultural orientations toward politics and governments are discernible. This raises the question: Is Prairie political culture what its residents say as reported by surveys or is it reflected in how they vote and what their political leaders say and do? A related issue is whether Prairie political culture should be seen as rooted in the past or ahistorically, as whatever Prairie residents think in the here and now.

Michael Ornstein has argued that, with the exception of Quebec, distinct provincial/regional political cultures based on ideological differences do not exist despite the appearance thrown up by history and studies of parties' exhortations and popularity. On the basis of opinion surveys in the 1980s, he concluded that "The presence of social democratic parties does not reflect greater present-day support for social democratic policies."[7] His findings are counter-intuitive. Ornstein's survey questions probed, among other things, government cutbacks, redistributive tax policies, welfare and unemployment, perceptions of corporate and union power, foreign investment, and the distribution of federal and provincial powers. He found that, in placing responses on a left-right scale, Atlantic Canadians were more leftist than western Canadians. The wording of his questions and what they measure, however, are

problematic. As one example, he defined the preference for more provincial power as left-wing. His survey suggests a glaring dissonance between party systems and public opinion: relatively leftist Atlantic Canadians perpetuated the Liberals and Conservatives, "ins versus outs" parties that are ideologically indistinguishable. Meanwhile relatively rightist western Canadians opted for a left-right, polarized party system. In Ornstein's cosmology, the election of NDP governments on the prairies is not a case of bucking trends because the west lacks a distinctive left-wing popular ideology. He explains NDP success by explaining it away, by dismissing the party as "cautious" and not a force for socialism. In brief, this is yet another version of the "protest movement becalmed" analysis.[8] For Ornstein, the relative leftism of Atlantic Canadians and the relative conservatism of westerners is attributable to economic status: Atlantic Canadians are relatively poor and westerners relatively wealthy. This is logical but inconsistent with his finding that, within the west, relatively poor "Manitoba and Saskatchewan are to the right of [relatively wealthy] British Columbia and Alberta."[9] His data have the residents of Saskatchewan, followed by Manitobans, as the most right-wing in Canada. Survey research would have us believe that residents of Manitoba and Saskatchewan have elected governments whose social-democratic principles they disavow.

Gad Horowitz mined Louis Hartz's rich ideological fragment theory to account for Canada's socialist streak, its socialist touch. He did so by locating its ideological genesis in Canada's minoritarian Tory streak, born of classical British conservatism with its communitarian, cooperative, and collectivist bias.[10] On the relatively open and more egalitarian Prairie frontier, however, more than in Canada as a whole, it was classical liberalism or what is now commonly labelled neo-conservatism that prevailed. That is the wellspring of the Prairies' plebiscitarian populism. Prairie society was formed in a more modern era, less tradition-bound and always more radical than the Tory-anchored Maritimes and Ontario. The Prairies, where Canadian socialism has been strongest, are precisely where Canadian Toryism has been weakest. The Hartz-Horowitz thesis appears to founder on the eastern Prairies. Similarly, it cannot account for the relative weakness of contemporary neo-conservatism in the region in comparison with Alberta and Ontario. The fragment theory might be rescued in the prairie setting by pointing to the directly imported British labour-socialist strain in its political culture and attributing it to its earlier origins in Britain's collectivist age.[11]

The fragment thesis does illuminate differences *within* the Prairie region. The existence of distinctive provincial political subcultures does not contradict the notion that some ideas have spanned the three Prairie provinces. Manitoba, as the Ontario of the Prairies,[12] featured an Ontario-centred Tory-touched liberalism. This contrasted with Alberta's Americanness where liberal populism, an ideology wholly unalloyed with Toryism, prevailed. In that province, the United Farmers (UFA) were led by an American (Henry Wise Wood)

and inflationary monetary theories were popularized by another American Albertan who had been the populist governor of Kansas (J.W. Leedy). The UFA had more American-born directors than either native Canadians or Britons.[13] In later decades Calgary's prestigious and influential Petroleum Club, from 1955 to 1970, featured nine Americans among its 15 presidents.[14] Such differences among the Prairie provinces take us back to their settlement patterns and help to account for voting and ideological preferences, or political culture, throughout the twentieth century. They provide insight into why the Reform and Alliance Parties have been so strong in Alberta and relatively weak in Manitoba. In 2000 for example, in Manitoba and Ontario and unlike provinces further west, the federal Liberals captured more seats than the Alliance.

Political culture is stable, enduring, and cross-generational.[15] It is transmitted. In this respect, Prairie political culture is no different from culture elsewhere. To understand the Prairies' social democratic exceptionalism, one must revisit the Prairies' formative years, a century ago. It was a time when the west grew exponentially and Wheat was King. In the first decade of the twentieth century, Winnipeg's population tripled, Vancouver's quadrupled, and Regina's increased tenfold. Calgary, which had fewer than 5,000 souls, is now on the cusp of one million. The four main sources for Prairie settlement were Ontario, Britain, continental Europe, and the United States. The Ontario impact was greatest in Manitoba. Ontarians brought the Mounted Police, put down Riel's Métis rebellions of 1870 and 1885, and settled the best lands along the tracks of the CPR. They brought their "grit" Liberal and Conservative partisan biases. They led the fledgling provincial governments. Ontarians made up the majority of legislators, government administrators, and were the early ruling class in both Manitoba and Saskatchewan. An example of Ontarian cultural transplantation was Hugh John Macdonald, John A.'s son and Manitoba's premier as the twentieth century dawned. Every Manitoba premier after that, until Ed Schreyer of the NDP in 1969, was either Ontario-born or of Ontario parentage. The Prairies were not so much a party to the federation as they were an extension of it. The early wheat economy demanded more than the Ontarians could offer, so other immigrants, preferably British, were aggressively solicited.

The turn-of-the-twentieth-century British who came to the prairies were quite unlike the British influx to Upper Canada in the first half of the nineteenth century. These new Britons were largely urban and working-class, steeped in the labour-socialist politics of Britain's new and ascending Labour Party. They quickly established Prairie versions of the party. The British labour-socialist impact was greatest in the west's cities: Winnipeg, Vancouver, Calgary. The British ethnic character of early labour-socialism cannot be exaggerated: Between 1919 and 1945, not a single Labour alderman in multi-ethnic polyglot Winnipeg was of German, Ukrainian, or Polish descent. In the 1920s, 85 percent of Labour's aldermen were British-born; in the 1930s, 70 percent.[16]

Although the older pioneering generation died off, its partisan social-democratic fidelity did not. It was inherited and expressed in elections by subsequent generations in the very same neighbourhoods.[17] Many ideological strains circulated on the Prairies, but it was the seed planted by British socialists that took root.

Oddly, on account of Saskatchewan's rural character, the British impact there played itself out even more forcefully. Each of the three Prairie provinces had approximately equal numbers of British-born residents, but Saskatchewan had as many Britons operating farms as Manitoba and Alberta combined.[18] The political implications of settlement, rural or urban, were substantial: the systematic underrepresentation of urban areas in legislatures meant that no matter how popular the labour-socialist impulse might be in the cities, it would not prevail. The Britons' *rural* impact in Saskatchewan meant they could offer a competitive political alternative to the Liberal-Conservative politics of the transplanted Ontarians in a way that Manitoba's Winnipeg-based Britons could not. Thus, Saskatchewan produced the radical Farmers Union of Canada whose motto was "Farmers and workers of the world unite"[19] and whose founding leader was a British unionist railway worker. Two socialist Britons in Saskatchewan's rural and small-town setting were Tommy Douglas and M.J. Coldwell, future federal CCF-NDP leaders. The pressing political issue of those days for socialists was neither the distribution of federal and provincial powers nor regional grievances. It was the redesign of the national socio-economic system with the view of reducing disparities. There were not enough British socialists in Saskatchewan, however, to catapult the party to power. The pivotal swing vote for social democracy in the 1940s and later years came from the large and previously politically deferential continental Europeans: Ukrainians, Germans, Dutch, Scandinavians, Russians. Saskatchewan had relatively more of them than either Manitoba or Alberta. Their politics of deference gave way with acculturation, intermarriage, and assimilation. The same occurred in Manitoba but, as there were fewer such European farmers, they and their children's "ethnic revolt"[20] did not occur until 1957 federally and 1969 provincially when John Diefenbaker and Ed Schreyer changed the faces of western Canadian and Manitoban politics.

The early ethnic and religious biases of Prairie politics were shattered. Those of British ethnic origins no longer enjoy the privileged status and unchallenged leadership they once had in the Prairies' vertical mosaic. For the first time in the late 1990s, all Prairie premiers — Filmon, Romanow, Klein, Doer — were of non-British or mixed ethnic origins. One implication of this for the politics of Canada's federation is the at-best marginal official sympathy and, more common popular hostility to bilingualism, "founding peoples" theory, "distinct society," and other perceived Quebec-centred concerns. One survey in the 1980s revealed that more than four in five of those in Manitoba and Saskatchewan — a significantly higher ratio than in any other province — felt

the federal government had given "too much attention" to Quebec.[21] The increasing social and political equality of individuals on the Prairies, whatever their ethnic origins, nourished another notion of equality — that of provinces. Ironically, this proposition belies the Prairies' origins as territorial colonies of Ottawa.

The glue once linking populist farmers and the urban working classes was the Protestant Social Gospel. Preached in Labour and People's Churches, it stretched across the Prairies, but drew few non-Anglo-Saxons and could not dispel suspicion between city and country. Overtaken by secularism, the social gospel gave way to the gospel of social planning against a backdrop of Depression and war. Manitoba's CCF leader offered social ownership as did the party's national brain trust, the League for Social Reconstruction.[22] Saskatchewan served as a postwar provincial laboratory for social democratic social and economic policy. It pioneered social security in the form of hospitalization and Medicare and its labour legislation was the most pro-union of any North American jurisdiction. It adopted the first provincial Bill of Rights and expanded government's economic sphere by creating a large stable of Crown corporations.[23]

Manitoba and Saskatchewan have not been major immigration receptacles for over three-quarters of a century, but Canada's changing face has affected them too. Recent Asian immigration and the rise of "identity politics" since the 1970s — gays, women, Aboriginals, the disabled, visible minorities — have led social democrats to see class lived as race, gender, and ethnicity. The NDP came to identify with social movements and "equity-seeking" groups. Allan Blakeney touted financing advocacy groups "which then turn around and hammer the hand that fed them [as]...good social policy."[24] This contrasts starkly with Reform's neo-conservative suspicions of "special interest groups." If there is a new ideological polarization in civil society, one driven by non-regional identities and the social rights-based activism of "Charter Canadians," Prairie social democrats embrace it. Some might argue that the adoption of "identity politics" has changed the internal culture of the NDP, making it a coalition of "special interests." In contrast, neo-conservatives resist such claimants and are suspicious of activist "law-making" courts entertaining them.

Aboriginals stand out as a systemically disadvantaged group. Their personal income levels are but 60 percent of the western provinces' averages.[25] They make up less than 4 percent of Canadians but are more than 10 percent of the populations of Manitoba and Saskatchewan, by far the highest provincial percentages.[26] The NDP in those provinces has been more successful in capturing their support than the other, more conservative, parties. The Manitoba Conservatives in 1995 attempted to undercut this by illegally funding counterfeit "independent" Aboriginal candidates. The ensuing scandal helped defeat the Conservatives in 1999. Neither Aboriginals nor most other residents

of the Prairies' inner cities have much sympathy for neo-conservatism's individualism and its recipe for constricted government. Reform/Alliance success since 1993 has been precisely in those areas where the CCF-NDP has always been relatively weaker or marginal.

Agrarian Socialism[27] is a misnomer for Prairie social democracy. Many Saskatchewan farmers flocked to the CCF in the 1940s, but the party always fared better in the cities than the rural areas. This is quite unlike the Alliance Party, Reform, and Social Credit. Farmers proved to be bit players, not stars, in the social-democratic constellation. The number of Saskatchewan farms declined precipitously, from 170,000 to 70,000 between the 1950s and 1970s, but the CCF-NDP tradition persisted. It was the farm vote that deprived the NDP of power in 1986 when its vote total exceeded that of the Conservatives. The Saskatchewan NDP eked out a minority government in 1999, but it did so, remarkably, without winning a single farm constituency in the most agrarian of provinces. Similarly, in Manitoba, the NDP was elected in 1999 on the strength of urban popularity. The party has never won a farm seat in the rich southwestern wheat belt homesteaded by Ontarians over a century ago. What boosted the NDP in both provinces in the 1990s were provincial electoral boundaries that displayed less bias in favour of small rural constituencies than other provinces.[28] Nevertheless, agriculture — however shrunken its base (only 3 percent of Manitobans labour in primary food production) — has a critical multiplier effect on Prairie economic fortunes. It is embedded in the Prairie psyche. NDP governments thus lobby Ottawa continuously and aggressively for federal farm aid. Another part of the Prairie agrarian heritage is the cooperative movement. In Saskatchewan it has a leftish veneer. The province has by far more members of non-financial cooperatives than any other province.

SOCIAL DEMOCRACY AND NEO-CONSERVATISM

Neo-conservatism is associated with the shrinkage of the state, the ascendancy of markets over politics, and the primacy of the individual over the collectivity. The populist incarnation of neo-conservatism champions egalitarianism and depreciates elitism. Within the neo-conservative panorama, there are differences between social or moral conservatives and libertarians. The former treasure social conformity and traditional values; the latter would leave issues of personal morality — abortion, homosexuality, euthanasia — to individual choice. Neo-conservative policy outcomes, according to social democrats, produce greater inequality in conditions, widening the gap between the wealthy and the poor. This is antithetical to social-democratic values. Social democracy is associated with broadening rather than narrowing the public sphere. Among socialists too there are differences. There are those who are ever suspicious of capitalism as hopelessly irredeemable and those who want

to harness and humanize it. On the prairies, as in Canada generally, the dominant democratic-socialist outlook since the Winnipeg General Strike has been social democracy rather than revolutionary socialism or syndicalism. Since the Second World War, social democrats have been influenced by the so-called managerial revolution. The predominant social-democratic tendency has been to postulate that the social and developmental objectives motivating public enterprise may be attained most effectively through government's regulatory powers and indirect management. Some have defined this as "functional socialism."[29] Moreover, there has arisen among social democrats, as well as neo-conservatives, a depreciation and critique of public managers as not necessarily more responsive to the public interest than private managers.

Neo-conservatism has recently exhibited global momentum. Nonetheless, popular sentiments may often be at odds with it. Witness the resurgence of social-democratic governments in Western Europe and the relatively liberal Democrats recapturing the White House in the 1990s. People and places adversely affected by neo-conservatism have been understandably unenthusiastic about it, from Scotland and Harlem to Atlantic Canada and the eastern prairies. Neo-conservatism is not a consequence of what people have wanted or how they have voted. It is what governments are doing. Ironically, some conservative economists are questioning whether neo-conservatism has triumphed or failed.[30] Governments of all stripes have been pushed to deregulate, privatize, de-unionize, outsource public functions, and cut back on social entitlements. Social democrats defend the instrumentality of the state, but have behaved more or less as other governments have out of a sense of compulsion or "realism." It is dictated by the new enveloping global economic order. Some social-democratic parties, as in the Antipodes, have embraced globalization. English Canada's has resisted. The pressures of globalization, however, affect all governments. This has fed TINA ("There is no alternative"). In this context, social democracy is in difficult straits, swept up in a neo-conservative vortex, defying national or localized control. Globalization represents the institutionalization of technological neo-conservatism in the form of unrestricted capital flows. Social democrats might note that history shows that such a trend is not necessarily permanent.[31] Prairie history reminds us that TINA is not novel. Social Credit confronted it in its quixotic quest for monetary reform and gave up. Ernest Manning went from being Alberta's Social Credit premier to being a director of one of Social Credit's formerly reviled big central Canadian banks.

The blossoming and unchecked mobility of global capitalism has forced stocktaking among social democrats. Capitalism's contradictions have not led to its implosion. What are the implications for social democratic objectives and the prospect for their attainment? TINA has created a hybrid, or perhaps a monster, in social-democratic thinking. Original ideals are tempered with a pessimistic cynicism about achieving them. Social democrats downplay their

visionary objectives and feed neo-conservatism's momentum. But social demo-
crats do not necessarily eradicate their values. The repressed may return. Social-
democratic thinking, even when difficult to locate in the *policies* of social-
democratic governments, may be in abeyance, akin to a recessive gene or
remission in a cancerous situation. On the other hand, as new generations emerge,
there may be little knowledge of or caring for social democrats like Tommy
Douglas. Winnipeg schools and government buildings sport the names of so-
cialist legends like J.S. Woodsworth, One Big Union leader R.B. Russell, and
farmer-socialist E.A. Partridge (who popularized the term "cooperative com-
monwealth"),[32] but their names evoke few memories among youth.

Just as the CCF was influenced by early British Fabianism, the NDP is now
tilting to latter-day Fabian thinking. The federal NDP associates with Tony
Blair's "Third Way"[33] which merges the essential values of the centre and
centre-left. There is no jettisoning, however, of the centre-left's traditional
values of social justice, solidarity, and progress. Long-standing concerns —
poverty, the conditions of the work world, social disorder, the need for deeper
democratic reform, environmental degradation, and the evolving roles of
women and technology — remain. What are changing are some of the estab-
lished social-democratic approaches such as public ownership, comparatively
high taxation regimes, and the privileging of producers' interests at the ex-
pense of consumers. Social democracy's orientation maintains its Keynesian
concern with macroeconomic stability. What is falling away is the insistence
on state interference as preferable to *laissez-faire*. The new tack is to lessen
rather than increase people's dependence on the state. Support for funding
educational infrastructure is justified in the pursuit of "higher" educational
standards. Social democrats are increasingly open to forming partnerships with
the private and voluntary sectors, to reconciling social compassion with indi-
vidual ambition and enterprise.[34]

For the NDP there is also the question of the appropriate role for organized
labour, one of its founding partners, in the party's organs. Should it continue
to have a place of privilege, placing restraints on the party's behaviour as a
government? In Manitoba and Saskatchewan, organized labour is not the force
it is in Ontario, but it has favoured and been favoured by NDP governments.
The link is reflected in Gary Doer, whose career led him directly from head-
ing the Manitoba Government Employees Association to NDP Cabinet minister
and eventually the premiership. The Pawley government, of which he was a
leading member, legislated, according to *The Globe and Mail*, "the most pro-
union [labour laws] in the country (with the possible exception of Quebec)."[35]
The tie with labour is fraying however: the health funding policies of Roy
Romanow's NDP were challenged by unionized nurses and others in the pub-
lic sector. Allan Blakeney argued for a neo-corporatism that borrows from the
Swedish model.[36] In it, government and peak labour and business organiza-
tions cooperatively develop a national industrial strategy that also entails

federal-provincial cooperation. This would require organized labour and business to move beyond the adversarial North American collective bargaining model. Resisted by market-oriented neo-conservatives, this approach is also viewed suspiciously by many union leaders and leftists as impractical in the context of Canadian capitalism.

Neo-conservatism and social democracy share a common populist thread on the prairies. Prairie populism once had right-wing and left-wing faces. Only the right-wing version took root. As in the United States, but in a less pronounced manner, Prairie populism has Christian evangelical predilections: Aberhart, the Mannings, and Stockwell Day. The once potent anti-big-business populism of the left and right is now muted. Some say social democracy has lost its soul and its gospel. Agrarian socialism and the People's and Labour Churches are long gone. Right-wing populism is not. It informed the Reform Party's neo-conservatism. It defines government, unions, and organized "special interest" groups other than those of business as enemies of the little man. The Prairie agrarian cooperative movement, like populism, attracted radical rightists and leftists. For the rightists, big bourgeois interests like financial institutions threatened their *petit bourgeois* status as small independent commodity producers. For leftists, the cooperative movement was perceived as a building block on the road to a socialist commonwealth. Alberta's populists throughout the twentieth century have preferred voluntary cooperatives and marketing schemes for agricultural products. Their more social democratically inclined Saskatchewan neighbours have preferred compulsory ones. They divided on the issue in the 1920s over the wheat pools, in the 1980s over free trade, and in the 1990s over barley marketing.[37] Once again, the political cultural ridge on the prairies was exposed.

Neo-conservatism has, with some success, identified itself with fiscal prudence and tarred social democracy with the brush of fiscal profligacy. Image and fact do not correspond insofar as the Prairies are concerned. The CCF's Regina Manifesto condemned public deficits for their "perpetuation of the parasitic interest-receiving class." Saskatchewan's CCF-NDP, along with its Manitoba NDP counterpart, have a record of vigilance and probity in public finance. This contrasts with their provincial Conservative counterparts and NDP governmental experience in Ontario and BC. The Lyon Conservative government of the late 1970s and early 1980s ran up the largest public debt until then in Manitoba history. So too did Saskatchewan's Devine Conservative regime in the 1980s. Under Conservative governments in both provinces in the 1980s and 1990s, bonds were downgraded by rating agencies. In Saskatchewan, the neo-conservative sin of fiscal mismanagement was compounded with criminal wrongdoing. In the most glaring scandal in provincial history, a number of Cabinet ministers including a former deputy premier were convicted of misappropriating public funds for partisan purposes. Disgraced, the party disbanded, its energy and foot soldiers moving to the Saskatchewan Party.

In office, the neo-conservative Conservatives privatized many long-established Crown corporations and outsourced various government services.[38] But it was under the Romanow NDP that the province became the first in the west to balance its budget. While Mike Harris's neo-Conservatives in Ontario increased provincial debt by over $20 billion in the latter half of the 1990s, Saskatchewan's NDP government reduced its provincial debt by $4 billion, or more than a quarter.[39] In addition to Saskatchewan's fiscal straits, any activist social-democratic socio-economic agenda in the province has been constrained by recession, the dismantling of the Crown corporation sector, and the restrictions imposed by Canada's free trade agreements. Saskatchewan's "gain" in the *Constitution Act 1982*, section 92A, paradoxically undermined a rationale for public ownership by facilitating provincial taxation of resource enterprises without having to own them. NDP governments also turned to casinos for revenue, an idea that would have revolted social gospellers.

A certain convergence of neo-conservative and social-democratic thinking is exemplified in the work of John Richards. Elected as NDP in 1971, he soon exited the party on the left to sit as an independent socialist. By the 1990s, he was a business professor associated with the right-wing C.D. Howe Institute. He remained in the social-democratic fold, but lamented what he considered the irresponsibility and growing incredibility of the federal NDP's economic analysis and policy prescriptions. He argues for *Retooling the Welfare State*,[40] for reconciling the continuing importance of welfare with fiscal conservatism. He defends the collective, public role of the state but insists that social democrats have to face up to government failures as well as the market failures they dwell on. Unwavering in his social-democratic commitment to greater equality of condition, Richards depicts the welfare state as a flawed work-in-progress but one with continuing relevance. Its social programs are vital because a circumscribed neo-conservative state and capitalism cannot deliver a decent life for most people. Roy Romanow pointed to Richards's thinking as contributing to sharpening and clarifying social-democratic analyses and values and doing so without illusions.[41]

On the partisan front, there is also evidence of social-democratic movement toward the centre. The old strategy, based on developments in early twentieth-century Britain, was to realign the party system so that the Liberal Party would fracture, with its progressives gravitating to the NDP and its reactionaries absorbed by the Conservatives. What has possibly happened is a reverse takeover. Left-liberal thinking is overtaking social-democratic politics rather than socialism seducing liberals. Where once the CCF-NDP disparaged both the Liberals and Conservatives as tweedledum and tweedledee rightists, the NDP has come increasingly to seek some common cause with the Liberals. This is not unprecedented on the Prairies: the Manitoba CCF was briefly a party to a coalition government in the 1940s. Elsewhere, in Ontario, the NDP signed an accord with the Liberals to oust the Conservatives in the 1980s.

Evidence of partisan convergence came in the aftermath of Saskatchewan's 1999 election. It returned the NDP, but in a minority position. They coalesced with the small but sufficient contingent of Liberals. This may be a precursor to federal developments if the Liberal majority falters. Liberal minority governments were propped up by the NDP in the 1960s and 1970s, but the arrangements were informal and fluid. They may become formal, as in Saskatchewan, where the leaders of both parties have sat at the Cabinet table. That would be a first in federal politics. But would that undermine or further the apparent hegemony of neo-conservatism? The Prairies, as in so many other areas of policy and public administration, may point the political and ideological way to Canada's future in federal politics.

SOCIAL DEMOCRACY AS A FEDERATION

The NDP's organizational structure reveals something of its view of a federation's operation and purpose. The party, like the Cooperative Commonwealth *Federation* before it, is an integrated federal one quite unlike the Liberals and Conservatives. The latter are largely confederal parties. Their provincial and federal namesakes tend to be functionally and legally separate organizations. They have separate offices and membership lists in all of the larger provinces. Regionally and historically, the older parties are more integrated in the Maritimes than in the West.[42] The NDP is the most tightly knit of the parties. One becomes a federal NDP member by virtue of one's provincial membership. There are no distinct and separate federal party members as there are in the other parties. Moreover, the NDP's membership criteria preclude membership in any other party at any level of government. The NDP shuns cross-partisans — those belonging to one party federally and another provincially. The other parties pursue them. The other parties are more likely to have differing policy positions at the federal and provincial levels and across provinces. In the NDP, in contrast, the federal and provincial wings of the party are more likely, but not always, united across the federal-provincial divide on issues. They were on both free trade and Meech Lake in ways the other parties were not.

The integrated federal dimension of the NDP dovetails with its self-image as part of a broader international political movement. It sees itself as more than just a national political party. Along with fraternal parties in more than 140 states, the NDP is part of a global coalition of social-democratic parties of which more than two dozen have held or shared national power. The Socialist International (SI) is nearly a century and a half old. All its members are structured as mass parties. They are theoretically built from the bottom up by members sharing common principles rather than as cadre parties revolving around leaders and their prerogatives. The SI's membership of approximately

100 million makes it the world's largest coalition of political forces.[43] Every card-carrying member of the NDP is a member. Neo-conservatism has no similar organizational vehicle. It is less of a conscious, coherent, and consistent political movement. But is the NDP actually or only theoretically a mass party? As the opposition party in the late 1980s, the Saskatchewan NDP had 38,000 members or nearly 6 percent of the electorate. This was roughly equivalent to the Saskatchewan CCF's membership in the 1940s.[44] In power in the mid-1990s, however, membership dropped to fewer than 27,000 or less than 4 percent of the electorate. In no other province does the NDP, despite its mass party model, have a membership equalling even 1 percent of the electorate.[45] Party membership in the older Liberal and Conservative Parties, once an inchoate notion, now often exceeds NDP provincial memberships. Their inflated membership lists, however — as with the Alberta's Conservatives which boasted more than 100,000 members in 1992 — are driven by leadership contests rather than ideological commitment. They rise and fall dramatically.

An example of the NDP behaving as a philosophically distinctive national force was the emergence of a cadre of social-democratic public administrators and planners. NDP governments in Saskatchewan, Manitoba, BC, and Ontario employed some of them at the highest levels of their provincial bureaucracies after they served in comparable positions in other NDP-governed provinces.[46] No other party points to such a cross-provincial phenomenon. This speaks to a national and ideological consciousness that transcends the parochialism of provincialism.

ATTITUDES TO THE FEDERATION

Have alleged changes in Canadian political culture in the direction of neo-conservatism meant changes in Prairie attitudes to the federation? Attitudes and opinions are more fickle than fundamental values and deeply rooted belief systems, but they too fall under the broad rubric of political culture. Social scientists strive to measure as well as understand them. Certainly the individual rights discourse spawned by the *Charter of Rights and Freedoms* and the increasing marketization of the state have currency on the eastern prairies as they do elsewhere. Despite the rise of the Reform and Alliance Parties, however, it is difficult to locate hard evidence that residents of the eastern Prairies are any more suspicious of the federal centre than they once were.[47] Indeed, a 2001 survey by the Canada West Foundation revealed more Manitobans satisfied with the current balance of power between the federal and provincial governments than Manitobans opining that Ottawa was too powerful.[48] An example of differences between Alberta on the one hand and its easterly prairie neighbours on the other regards attitudes to the federal equalization program. A 2001 survey by the Centre for Research and Information in Canada revealed

that fewer than one in three Albertans "strongly supported" it as opposed to half of those on the eastern prairies.[49]

One way of examining the eastern prairies' place in the federation is by looking at public attitudes. Another is to look at the postures of their governments. If one did not know that Saskatchewan and Manitoba had a penchant for social-democratic regimes, one might think that their residents think politically much like Canadians elsewhere. On the basis of both national and cross-national survey research Canadians appear more similar than dissimilar in their political attitudes. Canadians, wherever they live, have thought their province puts more into Confederation than it gets out of it. Politically however, they behave quite differently in terms of the kinds of political parties they elect. Survey research cannot account for such differences so it discounts the political culture significance of partisan choice. More illuminating surveys point to provincial and partisan differences rather than similarities. In 2000, Environics surveyed Canadians' orientations toward their country and province of residence. "Do you feel that you are more a citizen of Canada," read the question, "or more a citizen of [province]?" This is a false proposition in its assertion that citizenship may be provincial, something it is not. Nevertheless, respondents were forthcoming. With the exception of Quebec and Ontario, responses in the other regions/provinces were more similar than they were different.[50] Ontarians logically exhibit relatively weak provincial identification: in Ontario, national consciousness fed by the media and corporate behemoths overwhelms regional or provincial consciousness. *Maclean's*, *The Globe and Mail*, the *National Post*, CBC, CTV, the banks, the National Ballet School, etc., are Ontario-based but project national pretence and consciousness. Ontario and Quebec are "inner" Canada. The others are the "outer" provinces."[51] Substantially higher levels of provincial identification in Quebec may be attributed to language, cultural distinctiveness, and centuries of continuous settlement.

One might expect residents of Saskatchewan, Manitoba, and Atlantic Canada to have a stronger identification with Canada than Ontarians because of their relative dependence. Manitoba and Saskatchewan's relative have-not status is a trait shared with the Atlantic region. In the early 1990s, per capita incomes in Saskatchewan fell below Nova Scotia's. There is a greater sense of regional vulnerability and exposure in Manitoba and Saskatchewan than there is further west. And realistically so. Whereas federal transfers as a percentage of provincial government revenues in 1990s were lower in the "far west" than in any other province — 13 and 15 percent — they accounted for more than double that — between 28 and 30 percent — in the "near west."[52] These material differences are mirrored attitudinally when it comes to projecting provincial economic futures: only one in five Saskatchewanians and fewer than one in three Manitobans expressed optimism in 2001. In contrast, six in ten Albertans did.[53]

On issues related to federalism and neo-conservatism, however, partisan cleavages among respondents are more significant than their province of residence. More than seven in ten Alliance voters in the West felt, in 2001, that the federal government had too much power. In contrast, only 42 percent of western NDP members and 34 percent of western Liberals agreed. On globalization's effects, western social democrats stand out: whereas significant majorities of Alliance, Liberal and Conservative voters saw increased global trade as beneficial to Canada, only a minority of NDP members thought so.[54] Alliance voters are also the most likely to see "the west" as a distinct region; NDP voters are the least likely.[55] Since NDP governments have held sway on the eastern Prairies, such sentiments among their partisans have had to be accommodated.

Cries of western separatism have always been weaker, barely discernible, in Manitoba and Saskatchewan than in Alberta and BC. The latter's relative wealth and distance more easily feed fanciful, if still marginal, notions of autonomy. Surveys in the 1990s gauging public support for decentralization of the federation showed that westerners — along with Quebecers and as opposed to Ontarians and Atlantic Canadians — were more likely to prefer additional provincial government powers. However, the inner (or near) and outer (or far) wests differed: in Alberta and BC more decentralization was favoured by 55 and 50 percent respectively while in Saskatchewan and Manitoba it was 44 and 43 percent.[56] Are these significant differences or merely matters of degree? The results were much the same in the Canada West Foundation's 2001 survey.

Differences within the west on the federal question are more pronounced at the level of governmental policy than of public opinion. Saskatchewan in particular has historically endorsed a strongly centralized federation. Manitoba too embraced that vision when the Rowell-Sirois Commission canvassed federal-provincial relations.[57] Alberta and BC have been more in the "province-building" camp, asserting provincial rights and a more circumscribed federal role. The Douglas CCF government favoured the federal centre in the 1940s, consistent with national CCF thinking at the time.[58] Douglas's successor, the conservative Liberal Ross Thatcher, adopted no less a centralist, if not a socialist, bias.[59] Saskatchewan's centralism seemed somewhat tempered in the 1970s and 1980s in its determination to wrest greater control and taxation of its resource industries[60] and in the run-up to the constitution's patriation. By this time, the provincial state was well ensconced, fortified in its delivery of social programs by substantial tax resources and federal transfers. Saskatchewan, however, also maintained a stake in some long-established federal policies. When Ottawa eliminated the Crow rate in the 1980s — the effective subsidy for grain shipments for nearly a century — the NDP government organized an intense campaign to keep it. Allan Blakeney's NDP articulated a

view of the national interest that contrasted with Trudeau's centralist view that only Parliament speaks for all Canadians on the national interest. It was also different from the view of the Quebec and far west province-builders: the national interest is but the cumulative interests of the provinces. Blakeney defined it as an amalgam of federal and provincial interests. He propounded a role for the provinces that had not been part of the earlier socialist vision of Canada.

Like Saskatchewan, Manitoba has also looked to and been dependent on Ottawa's largesse. It adopted a centralist bias but has not pressed it forcefully and persistently. An intriguing articulation was Ed Schreyer's idea of "functional capacity" overriding "fiscal capacity"; by this, he meant that jurisdiction in any area was to be determined on the basis of what was most practical from the program recipients' perspective rather than that of competing governments. He was also receptive to asymmetrical federalism.[61] Decentralization and the Senate reform proposals of the Alberta government and the Reform/Alliance Parties have not stirred the eastern Prairies. In 40 years of constitutional conferencing between 1950 and 1990, one strains to find either in the agendas of Manitoba governments.[62] In all four western provinces, there is more public enthusiasm for increased federal-provincial cooperation than for either Senate or parliamentary reform.[63] The centralist thrust in social-democratic thinking revealed itself in the imbroglio of Meech Lake. Left-wingers in the Manitoba NDP opposed the Accord fearing an evisceration of the federal spending power.[64] Manitobans — like most Canadians — have been more driven by the practical consequences of public policy than by the lure of constitutional reform. In the run-up to the Charlottetown Accord, for example, a parliamentary committee toured the province, but hardly anyone showed up. Those who did, the co-chair complained, were keen to express views on everything *but* the constitution.[65]

Over time Prairie social democrats have come to a more decentralist position on the federal question. Centralization was originally part of social-democratic theory, but so too was democratic participation at the local level. Social democracy cannot restore the sovereignty of the nation-state in a neo-conservative era, but it is well-positioned on the eastern prairies to defend the integrity of the provincial welfare state. The federal principle with its dispersal of policy jurisdictions militates against effective national planning. During the Depression, corporate interests used constitutional legal arguments in favour of provincial jurisdiction to frustrate federal efforts at national economic planning. Such planning, however, proved indispensable during the war. Social democracy's focus then shifted from economic planning to social security as the welfare state grew and provincial governments offered opportunities once unimagined. As Canada decentralized in recent decades, social democrats were sometimes leaders and sometimes were swept along.

A related explanation for social democracy's shift to preferring a more de-
centralized federation has to do with the NDP's political triumphs in
Saskatchewan seen against the backdrop of its federal prospects. Thinking
globally and acting locally means using the levers of provincial government
rather than waiting and praying for an NDP government in Ottawa. Saskatch-
ewan was innovative in health-care policy, labour law, and in public
administration. It introduced Canada to medicare and the institutionalized
Cabinet.[66] Such innovations influenced the federal Liberal and other provin-
cial governments. An upshot of the Saskatchewan CCF-NDP's defeat in 1964
was Ottawa's snapping up some of the province's professionally competent
and social democratically inclined public administrators such as A.W. Johnson
and Tom Shoyama, who went on to help construct the national social safety
net system. In the neo-conservative 1990s, when the NDP held power in four
provinces, social democrats perceived and presented provincial governments
as ramparts for an alternative agenda. They mused that social democracy's
brightest prospects were to be found in securing provincial victories and then
using them as stepping stones to national success.

Slow economic growth, dependence on federal transfer payments, a rela-
tively stagnant population, as well as a social-democratic legacy have militated
against the eastern prairies becoming a bastion for neo-conservatism. Its resi-
dents continue to believe in a strong national community and to contribute to
its definition. In this regard, however, the region is not strikingly distinctive.
In differentiating themselves from Americans, English Canadians often point
to medicare as a symbol of an alternative perception of the public good. The
program was born on the prairies and then spread east and west in spite of the
recalcitrance of Conservatives Ernest Manning and John Robarts.[67] As the
twenty-first century began it was culturally consistent with the past that Al-
berta, rather than Manitoba or Saskatchewan, was proposing medicare's partial
privatization. The latter governments were also committed to cost-containment,
but their rhetoric stressed that universal, accessible, and comprehensive health
care is a public good and not a private marketable commodity. Manitoba and
Saskatchewan have always been less keen on the idea that the federal govern-
ment has little to contribute to fashioning health policy beyond the transfer of
unconditional funds. Saskatchewan and Manitoba are relatively small, mak-
ing up but 6 percent of Canadians and Canada's gross domestic product (GDP).
In contrast, Alberta and BC account for a quarter of the national GDP. Sas-
katchewan and Manitoba's roles in federal politics and policies however —
from medicare to Meech Lake — have been profound and pivotal in the fed-
eration's evolution.

The neo-conservative ideological wave of the past two decades has both
moderated and contributed to sustaining the social-democratic culture of Mani-
toba and Saskatchewan. It has simultaneously reinforced Alberta's historical
conservatism, its predilection for "rugged individualism," and the celebration

of "free enterprise." On the policy front, Albertans have looked more positively at American-inspired formulations such as the flat tax, an equal and elected Senate, plebisciterian democracy, and were the first to deregulate electricity rates. Paralleling western America's drive for expanding state rights (known as the "sagebrush revolution" during the Reagan era), Alberta has consistently engaged in the discourse of provincial rights.

These differences in broad provincial cultural inclinations have been buttressed by changing social and economic conditions. Saskatchewan, once a magnet for immigrants and an engine of national economic growth, long ago became a laggard on both scores. It now has the west's oldest population, attracts relatively few interprovincial and international migrants, and is heavily dependent on the federal centre. Yet, it continues to sustain a substantial and relatively collectivist and egalitarian social ethic. Such a value system is consistent with difficult times, as in the current farm crisis. In Alberta, where the income disparities between rich and poor are greater than they are in either Manitoba or Saskatchewan, and where the west's youngest provincial population lives, there is a robust preference for the private sphere over the public domain. Alberta advances local self-reliance and individual choice over collective effort and social solidarity. Such a disposition is compatible with Alberta's wariness of federal power and initiative. Manitoba has stood economically between the other two Prairie provinces but, over time, has become more like Saskatchewan. Culturally too, its original Ontario-inspired, Tory-touched liberalism has been partially eclipsed. Urbanization and rural demographic decline have aided that province's long-established but once minority social-democratic base in Winnipeg, a city that now comprises more than half the seats in the provincial legislature. The notion of a common Prairie experience, culture, and political response once had some currency. Today it is clearly not tenable. This is most obvious when we look at the contrasting ideological stripes of the governing provincial parties and the peculiar political dynamics within each of the Prairie provinces. The Prairie provinces both impel and react to federal developments in culturally diverse ways. The neo-conservative tone of recent vintage has not changed that. Indeed, the neo-conservative impulse has been tempered in Saskatchewan and Manitoba, Canada's bastion of social democracy.

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10

British Columbia: Affordable Resentment, Growing Options, Diverging Interests

Gordon Gibson

Les politiques de la Colombie-britannique ont eu historiquement peu d'importance dans le courant dominant de la fédération canadienne. Ce fait est partiellement attribuable à une succession de gouvernements provinciaux qui furent soient indifférents, hostiles ou tout simplement ignorants de la façon dont les intérêts nationaux pouvaient affecter gravement la Colombie-britannique. Cela découlait également d'une certaine négligence du gouvernement fédéral à son endroit. Toutefois, des changements économiques, une démographie aiguillonnée par l'immigration et une politisation des nations autochtones changeront diamétralement le rôle de la Colombie-britannique au sein de la fédération. La Colombie-britannique se fera alors pingre par nécessité économique, et plus conservatrice par tempérament. Ce nouveau programme sera ensuite vigoureusement poursuivi par le nouveau gouvernement libéral de Colombie-britannique.

INTRODUCTION

Since the securing of the Canadian flank on the Pacific Ocean with the entry of British Columbia into Confederation in 1871, the politics of this province have been of little importance to the mainstream issues of the federation. Some of our more colourful figures have provided intermittent amusement for other Canadians, but we have had little influence of substance. This chapter will argue that conditions are set for a major change in the province's national role.

We have, of course, seen precursors of how western Canada as a whole could have real influence. The first small wave came with the Progressives, who never enjoyed much BC support and were rapidly absorbed by the

traditional parties. The two more durable influences were also spawned on the Prairies, but unlike the Progressives, enjoyed strong BC support as well. As a result they have come to influence the national agenda.

The story of the CCF/NDP on the national scene is well known. There can be absolutely no doubt that this party shaped Canadian public policy toward the left, far beyond its minor electoral success. The strong base of trade unionists and expatriate British socialists in BC contributed mightily to the success of the movement, though this force is now arguably spent.

The story of the Reform/Alliance Movement is still being written. Also invented on the Prairies (though much more Alberta in this case) and also with massive BC support, Reform/Alliance has moved much further and faster than the New Democratic Party (NDP), and has already had a like effect on policy, in this case pushing toward the right rather than the left. (The politics of public finance and immigration have been totally changed by the entry of the new party, to name but two issues.)

But neither of these great forces captures the true regionalism of British Columbia. Their foundations are principled rather than territorial. The impact of British Columbia *as a province* on the national scene has been minimal. As set out most recently by Philip Resnick, in concurrence with a long line of scholars,[1] the official face presented by British Columbia to Canada was an ineffective one — sometimes sulky, sometimes ineffectively demanding, sometimes off the wall.

The reasons for this posture in the first 80 or so years of Confederation are of little current consequence but still contribute a residual background sentiment. They turned largely on the difference between the importance British Columbians naturally enough placed upon their own concerns, and the very minor importance, also naturally enough, accorded those same issues by national governments of any stripe. We were simply not important to anyone but ourselves in national terms, and this relative lack of attention fostered resentment.

The political realities underlying the federal attitude were two. First, there were not many votes in the BC of those days. In the second place the few BC votes there were tended to be *unreliable*, in the sense of not being easily amenable to standard central government pressures and blandishments. BC voters by and large simply did not need Ottawa, and acted accordingly.

With the years of extraordinary growth that began in the 1950s, carrying BC from 8.3 percent of Canada's population in 1951 to the 13.2 percent of today, and as the wealth of the province grew more than proportionally, the political calculus notionally ought to have changed, but it did not. Neither economics nor politics required a change in the traditional view.

As far as the economy was concerned, BC was not as closely integrated into the general Canadian scheme as most provinces (always having had

relatively more US and Asian commerce), and in the one thing that did matter to the federation — the extraction of taxes — the central government had all the powers it required with no local cooperation required.

And while the numbers grew, the BC voters remained unreliable. In that sense they also became increasingly dangerous, but by traditional political thinking it was hard to know what to do about that.

However, the key factor in the relative lack of influence of BC on the federation ("back when" and to this day) lay in a succession of provincial governments that were by turns indifferent to, antagonistic toward or just plain ignorant of issues of the federation that critically affect BC interests. For example, W.A.C. Bennett famously forbade his deputy ministers to make phone calls outside the province without authorization and routinely avoided what were then known as Dominion-Provincial Conferences.

The two socialist administrations during the period had an additional burden beyond the usual indifference, antagonism and ignorance cited above.[2] For ideological reasons they believed in big government and central solutions, and the central government has generally stood ready to offer as much of either as needed. On the other hand they had to live in a local political climate that contained a good deal of anti-Ottawa sentiment (though nevertheless strongly *Canadian* in loyalty). The upshot was that the socialist administrations were not so much indifferent as erratic. The antagonism (especially in the Glen Clark years) and ignorance remained.

The one great exception to the above became for many the proof that there was no point in BC playing the federation game. During the constitutional conferences of the late 1970s the government of Bill Bennett, building especially upon the views of Bennett himself along with Minister Rafe Mair and Deputy Mel Smith, long-time constitutional advisor to the province, proposed what are arguably the most imaginative and thoughtful ideas for constitutional reform originating with any government since Confederation.[3]

For its pains in this regard the BC government was met with indifference from most in the intergovernmental industry, and "who do you think you are?" from some.[4] This rejection was not a political success for Mr. Bennett, and the lesson was not lost on his successors.

The net effect is that for all of its history in Canada, BC has been the "outsider" of the federation. Matters of the greatest moment to the province — tax policy, immigration policy, equalization, distribution of federal spending, international trade issues, the balance of power between the two orders of government — all of these received the benign or willful neglect of governments in Victoria. This 130 years has been the period of "affordable resentment." That is about to change.

CHANGING UNDERLYING REALITIES

There is a traditional British Columbia, which is probably still the dominant concept held by other Canadians, and the new BC, which is the reality.

Traditional BC was based on large natural resource industries and a habitual and often bitter atmosphere of contestation both between managers and workers, and in the political sphere. Notwithstanding this grossly inefficient way of conducting an economy and the business of government, the resource rents of the province per capita were so high that the affordable resentment expressed nationally within the federation could carry on as a characteristic of the *internal* operating approach in the province as well.

The polarization, which has been the curse and dominant characteristic of BC politics for almost 70 years (since the formation of the CCF), has served to support the continuity of bitter contestation in politics long after the "affordability" ended. For as is obvious, when population doubles, resource endowment per capita halves. Adding to this, the natural propensity of governments and industry to "high-grade" resources in earlier times to maximize short-term payout guarantees an even faster decline in resource rents per person. And adding the significant recent additions to the resource extraction cost structure by an increasingly effective environmental regime, affordability drops yet further. Indeed, BC's personal income per capita has declined from over 30 percent above the Canadian average 60 years ago to about par today. Amazingly, our gross domestic product (GDP) per capita is today only 95 percent of the Canadian average.[5] This is a revolution, and it hurts.

The new BC is not only more populous but is also poorer. It also has a rapidly changing industrial structure. The resource industries remain important, but tourism and technology and small manufacturing are growing dramatically and represent the province's future. Alas, while the new industries promise to be more sustainable, the wage structures are much lower.[6]

For whatever reasons — the government blames the "Asian flu"; the opposition blames government policies — BC has done terribly badly over the past decade in economic terms. Not only have personal incomes dropped below the Canadian average, but over the period 1992–99 (all under the NDP administration) the average Canadian disposable income per capita grew by 12.1 percent while that of the average British Columbian grew by only 4.8 percent.[7]

The comparison with the United States is even more cruel. BC relates most directly to Washington State, where we travel and trade extensively. Washington State has none of the problems of inner city poverty or other negative social conditions allegedly prevalent in the United States. These factors usually cited to prove Canadian superiority are absent in this particular cross-border comparison. Seattle is an altogether delightful, prosperous, and civilized city.

But alas, even measured in terms of purchasing power parity (a far gentler comparison than the official exchange rate) the average Washingtonian's disposable income is *80 percent higher than the average British Columbian's*. No talk of medicare or less equal income distribution — both appropriate caveats — can paper over such an enormous gap. Anecdotal evidence suggests a southern drain of talent from BC in some professions.

The first "new reality" for BC is a dramatic economic underperformance that is felt throughout BC society. People know things are not going well. There is as yet no sweeping consensus on whom to blame, but there is a clear sense that things have to change. Politicians and trade unionists are having the most difficulty drawing the inevitable conclusions. In the run-up to the 2001 provincial election, businesses were simply accommodating reality, sometimes by waiting out the provincial government, sometimes by growing elsewhere.

But there is a second "new reality" which greatly mitigates the gloom of the first. BC has been "discovered." Vancouver is now regularly cited as one of the world's great cities, a success story of man as well as nature. The beauty of the hinterland is gaining a growing international fame, as visitation attests. The political climate in the province is therefore by no means one of depression, nor is there a sense of living in a culture of losers. The sense is more one of unfulfilled potential, which does continuing battle, even within the soul of many individuals, with another and often conflicting wish to preserve the wilderness, restrain growth, and so on. The difficulty is, the population growth continues and no one has offered any plausible way to stop it; which brings us to the third "new reality."

The population base of a society is the greatest single determinant of its political, social, and economic characteristics. Normally trends in economics — globalization, technology, and so on — move more quickly than trends in demographics, however, and are therefore the more notable engines of change; not so in the BC of recent decades.

Table 1: Populations of BC and Canada, 1951–2000 ('000s)

	Canada	BC	%
1951	14,163	1,179	8.3
1961	18,363	1,640	8.9
1971	22,040	2,259	10.2
1981	24,921	2,842	11.4
1991	28,127	3,404	12.1
2000	30,667	4,052	13.2

The astounding rate of growth — almost a quadrupling — of British Colum-
bia's population would surely affect its political, social and economic
characteristics even if there were no change in the composition of the popula-
tion in terms of ethnic mix, source (i.e., local or immigrant), and aging. Sheer
critical mass can change a society in important ways.[8]

But that is not the whole story. While BC's population has been showing
aging trends similar to the rest of Canada, the ethnic and source indicators are
dramatically different. We are used to thinking of Canada as an "immigrant
society," but for most of the country (outside Toronto, where the immigrant
effect is considerable, but less than in BC) giving any reality to this descrip-
tion really requires going back 100 years. Most Canadians, and their parents,
have been here for quite awhile.

Not so in BC. Immigrants (i.e., persons foreign-born and granted landed
status) now make up over one-quarter of the population of the province.[9] This
is matched only by Ontario. No other province comes close. Our immigrant
population *growth rate* between the census data of 1991 and 1996 was 25
percent. (Ontario had a 15 percent growth rate over the same period.) Net
international migration is now the most important contributor to BC's growth.

In addition, most of these immigrants are very new. Almost two-thirds of
the immigrant population in 1996 had arrived in the previous 25 years. This is
an astounding number. Moreover, the composition of recent immigration is
very different from traditional sources. As recently as 1968, 83 percent of annual
immigration to BC came from Europe (mostly), the United States, and Australia.
Only 13 percent came from Asia. By 1999, the figures had reversed, with the
Europe/US/Australia figure being at 18 percent, and the Asian number growing
to 76 percent. These "third reality" numbers also clearly constitute a revolution.

The net result by the time of the 1996 census saw a huge change in the
ethnic mix of the province. The situation is clouded by the questions asked.
People are able to give single or multiple ethnic origins, and can now include
"Canadian" as one of these.[10] The data indicate that it is largely the descend-
ants of British stock who choose the new "Canadian" label, at least so far. If
one takes the "single-origin" data as a proxy for overall distribution of ethnicity,
the British/Canadian/European cohort stood at about 68 percent of the total in
1996. The Asian group stood at about 26 percent. (Of these, the East Asian
group, overwhelmingly Chinese, comprised 19 percentage points, and the South
Asian group, overwhelmingly East Indian, made up the remaining 7 points.)
Just ten years before, the distribution was dramatically different, standing at
82 percent "European" as compared to 13 percent "Asian."[11]

All of this is obviously important, but what to make of it in political terms?
No one really knows, but some comments and conjectures follow:

1.   History suggests that newcomers move only slowly into the political pro-
       cess. There is therefore a "lag" effect, but the activities of political parties

in chasing the "ethnic vote," generally, a proxy word for newcomers, gives empirical evidence of its growing importance.

2. The balance of Chinese to East Indian populations from the above figures is just a bit less than 3:1. Most of the Chinese immigration has come from Hong Kong or, latterly, Taiwan. Both of these areas are famously market-oriented economies, and in that sense at least, conservative economies. India on the other hand has traditionally been well-known as a centrally planned and regulated economy (to the extent it can be said to be planned at all, in practice), with a very different political culture including a more activist state.[12]

3. Voluntary immigrants (as distinct from refugees), by the very fact of their mobility, are likely to be somewhat more adventurous/entrepreneurial than the average for their society of origin.

4. Immigrants, almost universally, consider that they are coming to *Canada*, not to this or that province. The distinctions between the two orders of government, and the divided loyalties that they engender among many Canadians, take some time to learn.

5. Immigrants, again almost universally, are not steeped in traditional Canadian attitudes toward such unique local questions as the role of the British Crown, Aboriginals, and other Canadian value sets stemming from our particular history. That would make a fascinating study on its own, but for the purposes of this essay and British Columbia politics, the important point is that immigrants do not share the collective Canadian guilt on the Aboriginal issue. Indeed, many immigrants have come from places where their own estate was worse.

6. Immigrants are not evenly distributed throughout British Columbia. They tend overwhelmingly to concentrate in the Lower Mainland. This naturally also ensures the concentration of the political effect.

At a guess, the "on-balance" effect of the above over time is likely to be toward a gradually more conservative society in British Columbia. Moreover, notwithstanding the initial exclusive identification of immigrants with Canada rather than any single province such as BC, the primacy of provincial administrations in commercial and market matters, plus the growing demographic differences of BC from the rest of Canada may well foster an eventual on-balance adoption of "BC First" attitudes to at least the same extent as traditional British Columbians.

Finally under the "new realities" heading, British Columbia is subject to all of the great world trends affecting Canada generally. Chief among these, at a very high level of abstraction, are globalization and technology. The impact of globalization, buttressed by the *Pax Americana*, is such that economic influence is draining away from the national state, as national levers such as

tariffs, taxation, and monetary policy are increasingly standardized with the rest of the world and therefore become less effective in defining the economic ground rules. Provincial and local governments are also losing influence by comparison with market allocation mechanisms and the private sector, but they at least can still hang on to resource and real property policy — fixed factors — and expenditure patterns for some continued influence.

The impact of technology shows up in two ways. First, distributed production (as opposed to the old centralized model) has become possible and even essential in many businesses. At the same time, specialization and cross-border networking and alliances proliferate.

Second, the astonishingly increased reach and lowered pricing of communications has not only facilitated the dispersion of economic activity, but has also, equally importantly for political purposes, led to one of history's greatest challenges to individual identity. The easy and cheap availability of the cultural resources of the entire planet to virtually anyone in the developed world has expanded our horizons immensely.

On the other hand however, this same cultural availability — dominated as it is by "superstars" of economic power or of the intellect or of celebrity — makes it increasingly difficult for the individual to answer the question "Who am I?" in a manner that suitably places him or her in an understandable context. Compared to the whole world, any one of us seems unimportant. The practical response to this is a new strengthening of the concept of understandably sized "community" — whether political, geographical, cultural or spiritual.

We see these forces all over the world. They are by no means unique to Canada. But the importance for the Canadian federation and British Columbia's role therein is that these forces — and all are very powerful ones — are on balance decentralist. This does not mean that subsidiarity has become a one-way street, or that national or supranational orders of government are becoming irrelevant. It *does* mean that decision-making power is shifting downward. It is shifting most of all to free markets (the care and feeding of which is rapidly becoming the most important responsibility of governments), but in the public sector, power is shifting from larger governments to smaller ones, simply and irresistibly because of the way the world is changing.

THE ABSENT-MINDED GORILLA AND THE GOBLET TO BE DRAINED

The "absent-minded gorilla" is Ottawa. The central government is immensely powerful, and yet seems largely forgetful of its Pacific Coast province. Programs and expenditures are designed for areas that are either more needy (as seen from the centre) or of greater political consequence. Even allegedly "national" programs such as Employment Insurance (EI) are clearly fine-tuned

with Quebec and the Atlantic in mind. Agricultural programming is designed for the Prairies and Central Canada. Industrial development, cultural development (film industry support, for example) and technology policies are widely believed in BC to be disproportionately centred on Ontario and Quebec. Federal procurement of goods and services from the province, according to provincial government figures, is only about half of what should be expected based on our population.

One must not make too much of this — certainly these things are less important than the affirmative action taken by the central government with respect to BC, to be dealt with below, but this sort of benign neglect as perceived from BC does give rise to a constant low-level irritation.

The "goblet to be drained" is a famous phrase of Premier W.A.C. Bennett. This, he said, was how Ottawa viewed BC. What are the facts of the relationship, and how do these facts colour BC's present and future attitude to the federation? In considering this we should look first at the impact that the federation, by way of its central government, has on the province of BC and its citizens. Consider first, and then leave aside the programs of general application such as trade and monetary policy, foreign policy, the military, the Criminal Code, the Post Office, payments to seniors, Statistics Canada, drug certification, EI (even with all its regional distortions), and the like. These things are all important, but largely undifferentiated. The only political impact they have on the federation — and this is of great consequence — is that because of programs like these, British Columbians share the views of most Canadians that the federal government is a sort of underwriter of security and order. To the extent it is true that we all have multiple political allegiances, these programs explain the national loyalty. (I do not discount the influence of inertia and sentiment. Indeed, these are the principal glues binding Canada. However, they are brittle connectors, not resistant to shock and subject to fatigue over time.)

Now consider the ways that the federation, through its central government, interacts with BC in ways that are unique to this province. There are many programs in this category too, but only three are important. Those are the fishery, immigration, and Aboriginal affairs.

The main importance of the fishery is symbolic. The industry accounts for less than 1 percent of the provincial GDP. But in symbolic terms the fishery, and in particular the salmon fishery, is seen as part of the soul of British Columbia. There may be someone outside the federal bureaucracy who is prepared to argue that the central government has done a good job of running the BC fishery over the years, but I have not met or heard of that person.

Immigration has been briefly dealt with as to numbers, but we should also look at the broader context. A society is defined by its population base. Everything else — power structures, wealth creation, cultural achievement — flows from that base. There is nothing more fundamental. Since the early part of the twentieth century when widespread mobility throughout the world became

technically and economically possible, states have jealously guarded their control over their population base. There is a libertarian argument that this is an improper thing to do, and a property rights argument that validates the practice, but the fact of the importance of controls on immigration to virtually every state in the world is incontrovertible.[13]

Under the constitution of Canada immigration is a shared jurisdiction with federal paramountcy, but as a practical matter no province but Quebec has even attempted to have a significant influence on admissions. By way of its immigration policies over the past generation, the central government has literally changed the face of BC society. Curiously, there is no reason to believe that this was anything more than a side effect and unintended consequence of a simple pursuit of ethnic votes in selected ridings, particularly in Toronto. The gradual shift over time (by both Liberal and Conservative governments, but particularly the former) to framing immigration policy to address the interests of recently arrived Canadians (i.e., "family reunification," which translated into ethnically specific immigration) instead of the interests of all Canadians (i.e., usefulness to Canada as a whole) led to the demographic changes described in a previous section.

The upshot from British Columbia's point of view has so far generally been a happy one, and surely one of the most peaceable ethnic readjustments on record. There have been plenty of kitchen table mutterings about this, of course, related to race and jobs, but a high level of tolerance coupled with rising real estate prices fuelled by the newcomers (allowing "old-stock" British Columbians to retire to the sunny Okanagan or Vancouver Island with a condo, small boat, and term deposit) kept things on an even keel. Latterly there is a growing pride in the new multiracial mix in this province.

But three things remain. The first is that the BC population base was changed without consulting British Columbians. (BC has, of course, had representatives in Parliament throughout this exercise, but they have never had much influence, even when in government, which mostly they have not been.) Whether the outcome is good or bad, something very important has happened without our input, and that is alarming for those who think about such things.

"Those who think about such things" — basic matters such as who your neighbour is —constitute a very large part of the population. This concern about lack of influence at the centre is fed not only by immigration but by other policy files, but that general concern is a large part of the underpinning for the rise of the Reform Party in BC.

The second thing that remains is that of settlement cost. However the dialogue on the *long-run* economic impact of immigration is sorted out (and it appears to depend importantly on the age and skill-set composition of the newcomers), the *short-run* impact is clearly costly to the host province. Provinces pay these bills, and English (or French) language education, social services, and infrastructure requirements for newcomers are considerable