

# CanadaWatch

PRACTICAL AND AUTHORITATIVE ANALYSIS OF KEY NATIONAL ISSUES

SPECIAL DOUBLE ISSUE—THE CHRÉTIEN ERA: A RED BOOK AUDIT

## Adaptive navigation in the Chrétien era

### CHANGING THE CANADIAN LANDSCAPE

When Jean Chrétien defeated Kim Campbell in the fall of 1993, Canada's economy was emerging from a recession, the country was in serious debt and running annual deficits, and the Canadian dollar was eroding in value. Quebec had joined the majority of Canadians the year before in defeating the Charlottetown Accord and was ramping up for another referendum on its constitutional status.

BY MICHAEL ADAMS

Michael Adams is the president of the Environics group of companies and author of *Fire and Ice: The United States, Canada and the Myth of Converging Values*.

In the fall of 2003, the Canadian economy is strong, the federal government has reduced its debt and no longer runs deficits, and the Canadian dollar is rising in value.

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## Taking care of business: Chrétien and the Americans

### "HARMED" RELATIONS AND THE BAD SINGER

As I write this comment for *Canada Watch* "The Chrétien Era," his successor, Paul Martin, is gathering editorial praise for his promise to restore the US-Canada relationship, supposedly damaged by Jean Chrétien during his decade as prime minister. Today's e-mail included an invitation to a scholarly conference devoted to the question "Did the relationship between President Bush and former Prime Minister Chrétien 'harm' the Canada-US relationship, and how might this change with the recent political leadership shift in Ottawa?"

BY JOHN HERD THOMPSON

John Herd Thompson is director of the North American Studies Program and chair of the Department of History at Duke University.

I'll argue instead that—given the circumstances in which he governed and the massive asymmetry of power between the United States and Canada—Chrétien did a pretty good job with US-Canada relations, by any reasonable measure. Remember that Jean Chrétien won office in 1993 in large part because Canadian voters were fed up to the

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# Jean Chrétien and the Shawinigan step dance

Nothing so befit Jean Chrétien's mandate as his departure from it. After nearly a decade of being criticized for undermining the financial security of Canadian institutions (hence Canadians), drifting toward continentalism and globalization and for otherwise being asleep at the switch, Chrétien became determined to leave the country with an image of himself as an activist prime minister with a strong nationalist bent. He would write his own legacy with a thoroughness seldom devoted to his more quotidian tasks. Was it enough? And what is the real legacy of Jean Chrétien's 10 years in office?

*The Chrétien Era: A Red Book Audit* is an in-depth look that defines the failures, accomplishments, and real legacy of the Chrétien years across a wide number of fields. Our point of departure is that Jean Chrétien had, thanks to strong majority governments, a fragmented opposition, and a united Liberal Party, a world of options open to him. More than that, he had a carefully considered mandate in the form of the 1993 Red Book and its two successors.

So what happened? Are deficit reduction, gun control, same-sex marriage, decriminalization of marijuana, the Kyoto Protocol, border security, the Third Country Agreement on Immigrants, the *Immigration and Refugee Protection Act*, *Anti-Terrorism Act*, the *Clarity Act*, offside in the Iraq war, and new social spending the building blocks of the Canada Jean Chrétien wanted?

Reading the contributions submitted to us by some of the leading commentators on Canadian political affairs, our first impression is that Jean Chrétien was a far more substantial prime minister than either his supporters or detractors were prone to acknowledge. Certainly, he never felt himself obliged to follow his own Red Book manifestos to the letter.

Chrétien, it would almost seem, had adopted good old American pragmatism—now that the Americans no longer had any use for it.

The traumatic deficit reduction exercise rode roughshod over any stated agenda. At the same time, though, the consequences of that exercise fell far short of the Republican ideology that imposed a very obvious societal catastrophe south of the border. Chrétien, it would almost seem, had adopted good old American pragmatism—now that the Americans no longer had any use for it.

Under Chrétien's watch, the Canadian political landscape and public policy were deeply and profoundly transformed, shifting to the right. At the same time, Canadian civil society reaffirmed its long-standing centre/left values. For 10 years, our former prime minister step danced around all these contradictions, cutting and spending, seducing and offending, globalizing and raising the flag with equal conviction.

It is our hope that in these first cold winter months of Paul Martin's reign, we will have assembled a fair description of Jean Chrétien's watch. Martin is himself something of a Chrétien Liberal—elusive, indecisive, pragmatic, self-contradictory, full of spin, and short on action. It is also possible that spending the better part of a mandate around Chrétien's Cabinet table, Martin will want to distance himself from these less than admirable habits. Whether or not he can, and where Canada goes from here will be to a large extent shaped by the man on whose shoulders Martin is now standing. 🍁

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WordsWorth Communications

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## ANNUAL SUBSCRIPTION RATES

6 issues per year. Outside Canada, add \$10  
Institutions: \$75  
Individuals: \$35  
Students: \$20

Canada Watch is produced jointly by the York University Centre for Public Law and Public Policy, and the Robarts Centre for Canadian Studies of York University.

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Printed in Canada ISSN 1191-7733

# Creative inaction: Jean Chrétien and the art of doing nothing

## MACKENZIE KING AND THE STRATEGY OF INACTION

**A**cademics have an understandable bias toward evaluating politicians by their accomplishments. A generous but questionable liberal assumption lurks behind this impulse—a belief that action makes the world a better place. But Canadian academics should be mindful of the advice of William Lyon Mackenzie King, by all measures one of Canada's more successful politicians. He urged us to pay more attention to inaction. At the height of the Conscription Crisis he confided to his diary: "I must make increasingly clear to the world that prevention of wrong courses of evil and the like means more than all else that man can accomplish." Taking liberties with his typically obtuse prose I would reformulate this as the Mackenzie King maxim: "Judge politicians not by the good they do but rather by the ills they prevent."

By this metric, how does Jean Chrétien fare? Using one of Chrétien's favourite words, let's examine Kingian inaction in three areas: the constitutional file, the economic file, and the foreign policy file. In each case, Chrétien did not do things that he might reasonably have been expected to do and in not doing so spared the country a good deal of grief.

## STRATEGIC INACTION ON THE CONSTITUTION

By not doing things on the constitutional file, Chrétien deftly outmanoeuvred a whole team of anguished political scientists and hand-wringing constitutional lawyers as well as a gang of very smart and ruthless separatists. In case anyone hasn't noticed, the answer to the Quebec question was "no." That, curiously enough, has produced a better outcome for the time being than "yes" or "maybe."

After the tumultuous years of Meech and Charlottetown, Chrétien came to power intending to take the constitutional

BY H.V. NELLES

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*Chrétien did not do things that he might reasonably have been expected to do and in not doing so spared the country a good deal of grief.*

question off the front burner. The country was tired of constitutional wrangling, first ministers' conclaves, the clamour of interest groups, and the divisiveness of ratification and referenda. Expectations had been raised in so many quarters; the centre seemed unlikely to hold. Chrétien gauged the mood correctly. By not negotiating, he could direct attention to other more pressing issues and shift the burden of responsibility for action to the separatist government of Quebec. His inaction even during the Quebec referendum brought new players into the game—the hitherto silent public. Though the vote was much closer than he would have liked, I am sure, the defeat produced the gaffs and revealed the separatist hidden agenda in a way that put the PQ on the defensive ever after. He let the PQ make the mistakes, and they did.

The Supreme Court reference and the *Clarity Act* have fundamentally changed the rules of the game. No more "nudge, nudge, wink, wink" questions to fool the rubes. And what has been the result of this tough love? As he takes his leave, the PQ is in opposition, the BQ has disap-

peared as a political force, and support for independence without association—which is what the next question must ask according to the Supreme Court—has little chance of achieving general acceptance within Quebec in the foreseeable future. "No" is an answer, and Chrétien delivered with a devilish effectiveness hidden by his shambolic style. The withering scorn and visceral hatred of the separatists directed toward him ought to have been a clue as to how thoroughly their ox was being gored.

## NOT CHANGING THE ECONOMY

The Canada Chrétien inherited from the Conservatives, despite their vaunted talk of fiscal responsibility, was an economic basket case. Here too Chrétien did not do things that substantially improved the situation. In the first instance, he did not repeal the GST as he implied he would. The hated and much evaded GST had been one of the measures that destroyed the Conservative party. The Red Book hinted and Sheila Copps promised to eliminate it. Yet the Chrétien government found ways to keep the tax in place and finesse its way through the repeal imbroglio with Sheila's resignation and resurrection through by-election.

It was a vitally important manoeuvre because the GST replaced a tax that had produced roughly 10 percent of federal revenues at the end of the 1970s with a much broader tax that generated roughly 20 percent of federal revenues at the end of the '90s. Put another way, the GST financed either the surplus or the tax cut, perhaps both. Not touching the FTA and the GST allowed Paul Martin to cut the deficit and taxes, a death-defying circus trick as finance minister that effectively made him our next prime minister.

By the same token, Chrétien did not back out of the Free Trade Agreement as might have been expected from Lib-

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# Systemic transformation: Are Canadians up to it?

BY CHARLES F. DORAN

Charles F. Doran is Andrew W. Mellon professor of international relations, Nitze School of Advanced International Studies, Johns Hopkins University, Washington, D.C.

If Canada does not do things very differently, according to Thomas Axworthy, in terms of military preparedness, it will put its citizens "at risk" and/or condemn itself "to foreign policy irrelevance."

In the aftermath of the Cold War, the world has changed structurally and in terms of statecraft to a degree that few governments yet seem to realize. Experts call this "systems transformation." Indeed structural change was responsible for the collapse of the Soviet Union and for the ongoing change in power relationships elsewhere in the international system. In the face of such change, Canada, the country that could claim one-half century ago to have possessed the fourth largest navy in the world, finds itself somewhat at odds with two of the allies that have always held it in deepest esteem—Britain and the United States.

## CHALLENGES AHEAD

In the next several decades, Canada, in terms of trade volume with the United States, is likely to be overtaken by Mexico. It is likely to be pressed very hard by Brazil and some other countries who believe they should, on the basis of their size, replace it in the G8. If the UN Security Council is expanded, Canada, despite its exemplary record in the United Nations, is not likely to be among the candidates picked for those slots (in the absence, at least, of a huge lobbying effort by its friends). If NATO recedes in importance to titular status, as "coalitions of the willing" emerge worldwide, a crucial forum that Canada helped found will be lost to its multilateralism. If Canada decides to opt out of future research and development on defensive missile systems, on whatever grounds, moral or material, its extraordinary defence partnership with the United States in NORAD is at risk. None of these events will occur tomorrow. But in an interval of the next two decades or so, any or perhaps all of them could happen.

This is why reinforcing bridges to the two governments that share its values and understand Canada best, have defended it militarily and politically—despite occasional tiffs—and have a large

financial stake in its growth and prosperity, is so relevant. Canadian business has discovered how hard the European Union (with the exception of Britain) is to crack, and how diffident the European Commission can be to Canadian trade overtures. Canada, like other countries, can see how Asia is being transformed, and what a difference this metamorphosis will make to the Pacific balance of power. The government of Canada knows that, in the age of international terrorism, at least one of its own communities has been targeted, just like some in the United States. This is a time for sober interdependence and careful future planning. In reflecting upon the Chrétien years, these longer-term limits upon the possible are worth contemplating.

## VALUE-ORIENTED FOREIGN POLICY

Prime Minister Jean Chrétien, in shaping his foreign policy, has selected foreign ministers who, for the most part, reflect his own philosophy of foreign policy conduct. For a prime minister with considerable political experience, this is not surprising. Illustrative are Lloyd Axworthy and Bill Graham, two former academics, who epitomize this preference for a strongly value-oriented kind of foreign policy. Two additional features mark the foreign affairs of the Chrétien years.

First, this kind of ideological foreign policy works well with governments that either tend to share the same partisan values, or tend to be sufficiently eclectic and pragmatic that they minimize issue differences in external relations, such as was largely true for Bill Clinton. Where the ideological foreign policy fails is in dealing with a government such as that of George W. Bush, which is equally ideological but of an opposite bent, or in some cases is completely power-based and refuses to accept any form of value-driven foreign policy whatsoever. Chrétien got along well with ideological friends (Clinton) but tended to alienate ideological rivals (George W. Bush). Hence Chrétien's first term in office, as far as Canada-US relations is concerned, with regard to content and coordination, is in huge contrast to his second term. That the Clinton and Bush foreign policies were at considerable odds (despite much continuity such as in the determination to use force in Kosovo and in Afghanistan) admittedly contributed to the divergence of response from Ottawa.

## THE FOREIGN DOMESTIC FIT

Second, Jean Chrétien, not alone among the leaders of western democracies, used foreign policy for domestic purpose. Chancellor Schroeder used anti-

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# Right, left, and forever the centre

## MULTIPLE LEGACIES

Chrétien had no vision, no grand ideology, and no special purpose for building the nation or saving it from itself. He was not a thinker, or a “tinkerer,” nor even much of a technocrat. He left those tasks to others. But he was a perfect leader in an unheroic time as a clever tactician and a man of shrewdness. Like every other prime minister, he awarded his friends mightily and skated dangerously on the edges of patronage with what many in public thought was a government with few if any ethical standards.

The *Canadian Oxford Dictionary* reminds us that a legacy is something handed down by a predecessor. From both the left and the right sides of the political spectrum there is much to mull over. Readers to this issue will discover there was no single legacy. Legacy is in the eye of the beholder. Experts, like the public, are deeply divided over Chrétien’s failures and accomplishments. Social policy analysts give Chrétien low grades on social and health policy. Federalists cheer Chrétien while Quebec nationalists jeer. If you believe that Charter activism and the constitutionalization of Canadian politics produced a revolution then you’re a Chrétien loyalist. If you believe that the absence of political will tells us more about the Chrétien years than any other factor, then Chrétien was the perfect man for this age of B-grade political leaders worldwide.

Still 10 years is a lifetime in politics and Chrétien was cleverer than the Toronto media ever reckoned him to be. He surprised himself and easily romped to three successive electoral victories. He was no Trudeau, Roosevelt, De Gaulle, or even a wannabe Tony Blair. He did not have to be innovative because his political opponents were so weak and uninspiring.

## STEALING QUEBEC’S THUNDER

After the defeat of the Quebec referendum in 1995, many Quebec nationalists

BY DANIEL DRACHE

Daniel Drache is senior research fellow and associate director of the Robarts Centre for Canadian Studies.

He was no Trudeau, Roosevelt, De Gaulle, or even a wannabe Tony Blair. He did not have to be innovative because his political opponents were so weak and uninspiring.

believed that the within-a-nose-of-victory referendum gave them the forward momentum to realize their final goal.

But Chrétien out-gunned, out-fought, and out-mobilized them, and his nationalist enemies were never able to recover and regroup. Lucien Bouchard’s search for the right conditions ended in failure and he quit politics for good. The Quebec nationalist project did not collapse, but it was no longer politically viable. The sovereignist movement couldn’t win and Chrétien knew it. He forced the *Clarity Act* through parliament with barely a whisper of opposition in the country outside of Quebec.

## CRIPPLING THE RIGHT

With his principle rival boxed in, Chrétien had only the once mighty western-based Reform/Alliance movement to manhandle. Under Manning, the right had gained a national audience and credibility. At the height of its popularity, neo-liberalism had created a broad audience for its template ideas. Preston Manning was the smartest politician that the Canadian right ever produced after Mulroney was driven from office and the

Tory party reduced to rump status. With Manning at the helm, Reform’s standing in the polls jumped from 12 to 25 percent.

The million dollar question for Chrétien was, could a revitalized Alliance Party convince voters in Ontario to send a whack of Ontario MPs to Ottawa as Reform loyalists?

Regional political movements are boat-rockers and have repeatedly transformed Canadian national politics—the CCF gave rise to the NDP, the Progressive movement merged with the Conservatives, and Bouchard left Mulroney’s Conservatives to organize the Bloc Québécois as Quebec’s “official opposition.”

Uniting the right proved to be an exercise in masochism. Moral conservatism and fiscal conservatism became a witch’s brew, which Canadian voters would not imbibe as Michael Adams so vividly and convincingly explains. While Canadians value fiscal prudence, they are socially progressive. Politics must have a moral and ethical dimension that reflects Canada’s social values. The Alliance ignored this basic rule at their political peril.

For Ontario voters, Canadian western Conservatives and Stockwell Day looked like the archetypical brothers from another planet somewhere south of the 49th parallel—Ohio or Michigan perhaps—when they campaigned against abortion rights, against immigration, and in favour of American-style gun laws. Even someone as politically smart and effective as Deborah Grey could not make a difference in Ontario, the heartland of Liberal support.

In the end, Chrétien brawled with, outlasted, and outsmarted all of his rivals. He kept Paul Martin out in the cold, for what must have seemed to Martin as an eternity.

## A MASTER OF SPIN

Where does he belong in the House of Commons hall of the political greats? Pearson was admired but not loved;

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Trudeau was feared, respected, and admired; and Mulroney was vilified and scapegoated. Even Clark is held in affection by the chattering classes and Canadian public opinion. In a bland, Canadian way, Chrétien was liked and thought to be an okay guy.

He did a lot of harm to Canada's social fabric but it surprisingly did not make a difference to Canadian voters. They liked his franchise even if he was difficult to understand in either French or English. His communication skills were better than his mastery of either official language. It is likely he would not have been remembered for very much because much of the legacy remains a blur with too many broken promises as others have so well-documented in this special issue.

But he was politically savvy and read in the national mood an incredible sensitivity to the damage done by free markets and closer ties with the United States. He understood that the Conservative policies of the past decade had created the conditions for their own demise in Ontario, and he wasn't going to let that happen to the federal Liberals in Ottawa. By far his smartest achievement was to move to the right and cripple the electoral prospects of the Alliance and Progressive Conservatives. With Martin as finance minister, Chrétien stole their thunder and most of their fiscally conservative policies. His government wrestled the deficit to the ground and vanquished the American republican-in-Canada and Tory right to the margins of Canadian political life nationally for a generation to come.

He had the good sense to create the Romanow commission to repair the damage to Canada's health policy, which his government so wilfully and cynically implemented. Unlike other neo-conservative politicians, he was never on autopilot. He could see the limitations of the imperatives of a deregulated economy. He was neither doctrinaire nor unimaginative as the right wing of the Liberal Party normally is. He was most comfort-

**He did not act from ideological conviction, but more from his own temperament and a belief in Canadian internationalism and support for the UN.**

able at the political margins where moral fundamentalism is less important than maintaining social cohesion in a country already divided along regional and linguistic lines.

## **CANADA'S COMPETITIVE DOLLAR**

His success with crisis management was due to the fact that interest rates were falling and the Canadian dollar was more competitive than NAFTA could ever hope to be. These two factors worked politically in his favour. The economy grew and unemployment did not go through the roof. In the last two years, job creation in Canada outperformed the once mighty US job machine.

Because he was never a man who embraced ideology more than he had to as a practical matter of macroeconomic management, in the end he knew that Canadians were attached to their social programs more than they were to broadening and deepening North American integration. Thus, it was only a small step for him to abandon new right theories when they seemed incongruous and out of touch with Canadian needs.

Chrétien was not anti-American. He admired the United States for its technological smarts and economic resourcefulness, but the Bush government dissed Canada post-9/11 and, much more seriously, made its neighbour into a security outsider inside North America. Chrétien had never liked bullies, and the aggressive unilateralism of Bush and Cheney got his back up. He did not act from ideological conviction, but more from his own temperament and a belief in Canadian internationalism and support for the UN—capstone elements of Canada's

place in the global economy.

In a recent poll, 70 percent of Canadian respondents believe the single most important thing Chrétien did was to be a part of the coalition of the disobedient and not send Canadian troops to war in Iraq. Pearson had his moment of waffle and so had Diefenbaker. By political instinct Trudeau was not a "yes" man either, but no Canadian prime minister had ever refused a top-priority request from an American president.

## **DOING THE RIGHT THING BY INDECISION**

Chrétien made a stand on principle and Canadians supported him for it. Die-hard conservatives, Alliance MPs, and leading voices of Canada's business elites thought they could stir up a hornets nest and cut him down to size. They were wrong.

Standing up for Canadian independence, if only for a nanosecond, proved to be the most important nanosecond of his prime ministership. He understood that the symbolic and real nature of the border mattered a lot to Canadians. In Chrétien's monotone world of never doing the right thing, he followed the map that read "do anything necessary that pays handsome political dividends." With the economy so highly integrated and Canada's business naysayers lining up behind Bush and Cheney, Chrétien took a huge gamble. This was his singular moment in history—as Canadian as necessary in the circumstances. He left his mark in a way no one could have predicted. A savvy Quebecker, he ran the country with as much indecision as street smarts. For Paul Martin, it is a tough act to follow. Or is it? 

# Adaptive navigation

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The United States has removed Saddam Hussein from power in Iraq, although Canada and many of its other traditional allies, including France and Germany, refused to join the American-led coalition. The sovereigntist Parti québécois has been replaced by a fiscally conservative Liberal government in Quebec, and the 1999 *Clarity Act* provides a rules-based divorce should Quebec or any other province ever wish to separate from the rest of Canada.

Canada continues to rank among the best countries in the world for its quality of life as measured by the United Nations Development Program. The crime rate, particularly violent crime, is falling. Cities continue to be safer places and the destinations of choice for the two million plus immigrants who have arrived from every corner of the world over the past decade.

While not standing shoulder to shoulder with the United States and the United Kingdom in the overthrow of Saddam Hussein, Canada under Chrétien has supported the establishment of the International Criminal Court, ratified the Kyoto Protocol on global warming, and led an international effort to ban the use of landmines. At home, Chrétien's government has mandated the registration of all firearms, proposed the decriminalization of the possession of small amounts of marijuana, and allowed people of the same sex to marry.

The Chrétien government has not attempted to replace abortion under the jurisdiction of the *Criminal Code* after the Senate rejected the last abortion legislation the House of Commons put before it under then Conservative Justice Minister Kim Campbell. In Canada, abortion, as far as the law is concerned, is now a medical procedure no different from knee surgery. All of these initiatives contrast to the direction of public policy in the United States.

## CHRÉTIEN'S GREATEST CONTRIBUTIONS

Jean Chrétien's greatest contribution to

his country is his assertion of Canadian sovereignty and independent foreign policy in spite of the overwhelming pressures for continental integration, particularly after the terrorist attacks on the United States in September 2001. His second greatest contribution, I believe, and one he shares with his successor Paul Martin, is the restoration of fiscal balance, at least at the federal level and putting the investment of the country's public pension assets under the management of an independent board. His third major contribution is his bold initiative to provide for a rules-based exit from Confederation by Quebec or any other province.

Ironically, while Chrétien has pursued his activist agenda, the public has been disengaging from politics at least as measured by voter participation. The turnout in the historic 1988 Canada-US free trade election was 75.3 percent of eligible voters. By the third election of the Chrétien era in 2000, the proportion was only 61.2 percent and half that among the young, those born since 1970. Chrétien's success in coalescing the winning plurality when combined with the inability of his political opponents to challenge him or find the common ground among the outgroups has resulted in de facto one-party rule at the federal level.

As a result, Canadians have turned away from news and public affairs as central to their lives, toward business and the serious work of making money with occasional respites in hedonistic escapes to Starbucks for a jolt of caffeine or the sunny beaches of Mexico, and a wide array of artistic and cultural pursuits.

## SATISFIED CITIZENS PRACTISING "ADAPTIVE NAVIGATION"

Jean Chrétien leaves his countrymen and women generally satisfied with their lives and personal prospects, and generally supportive of his leadership and that of the Liberal Party. If the popularity of his party and policies upon exit is the measure, Jean Chrétien is a more successful prime minister than either of his

two great predecessors Brian Mulroney and Pierre Trudeau, both of whom had seriously worn out their welcome well before they left office.

Our most recent 2003 survey of Canadian social values finds Canadians' orientation to life to be that of "adaptive navigation" in the context of an increasingly challenging and dangerous world, one characterized in our research by "apocalyptic anxiety," "social Darwinism," and "global ecological awareness." Canadians know that bad things can and will happen. They see the world descending into survival of the fittest and the earth's ecosystem to be in jeopardy. They also see "everyday ethics" to be in decline: "don't do it because it's wrong" has been replaced by "don't get caught." Witness Enron and a host of other scandals that seem the rule rather than the exception of American capitalism.

In spite of this chaotic context, Canadians tell us they will achieve their goals of personal autonomy, control, and choice. They will do this not by deferring to the leadership of our traditional hierarchies in business, government, or the church, but by exploiting their own personal resources. When it comes to their hard-earned money, they search for trusted intermediaries. When it comes to their health, more look first to themselves rather than the doctor, the pharmacist, or advanced medical technology because they know that personal lifestyle (diet, exercise, not smoking) are the most important health determinants and are within their control.

Canadians assert their autonomy not by relying on secular or religious ideologies, but by being informed. They believe in networking and heterarchical (as opposed to hierarchical) leadership—not who you know, but what and how you know.

Aside from education, Canadians rely on information technology to help them adaptively navigate the unpredictable oceans of everyday life. PCs, laptops,

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cell phones, Blackberries, Global Positioning Systems and Personal Digital Assistants are the advanced weaponry of the information age as Canadians balance work, family, social responsibilities, and leisure.

## THE PURSUIT OF AUTONOMY AND BALANCE

Canadians' pursuit of autonomy and balance in everyday life has emerged in this decade as being just as important as work. Duty to others has returned after several decades' absence to be balanced with personal pleasure. Money is important, but it is the medium for personal control of destiny now and in one's fu-

ture. In the United States, money is virtue and is used for conspicuous consumption; work is paramount and fealty to employer expected; imagine Canadians pledging allegiance to their employer as do Wal-Mart's 1.4 million employees. As consumers, Canadians wish to be discriminating and ethical as they remember the harm being done to the environment.

Like all moderns who feel the stress of hectic lives, Canadians express the need to escape, to enjoy the simple pleasures in life, and to be exposed to and even create physical beauty. Escape can be to another culture or another time, especially a time when time stood still.

Chrétien leaves Canadians less angry and more inured to social change than his predecessors. He leaves a people tolerant of, even celebrating, the religious and ethno-cultural diversity of this country. That so many people of such diverse backgrounds and value systems can live together in such relative harmony in today's world seems nothing less than miraculous.

Hendrick Hertzberg, the editor of *The New Yorker* magazine, wrote in July that Canada is the kind of country that makes you proud to be a North American. I know it is hard for Canadians to admit it, but that is Jean Chrétien's Canada to which he is referring. 

# Taking care of business continued from page 1

teeth with the Mulroney Conservatives' effusive enthusiasm for America. Chrétien excoriated the Tories at every opportunity for their alleged America-philia. His favourite gambit was to remind audiences of the maudlin Mulroney-Reagan performance of "When Irish Eyes Are Smiling" at the 1985 "Shamrock Summit." There would be no more such duets, Chrétien promised; "besides," he quipped, "I am not a good singer."

## THE CHRÉTIEN DOCTRINE ON AMERICAN AFFAIRS

As a new prime minister, Chrétien brought no broad new vision to Canada's relationship with the United States. Instead, he offered a simple defining principle: "business is business and friendship is friendship, and the two cannot be confused." The phrase deserves a place in *Colombo's Canadian Quotations*, or perhaps on a Chrétien statue on Parliament Hill.

And Chrétien didn't confuse the two. Because "business is business," he reneged on the first promise that he made about the relationship: that he would "tear up" the NAFTA. (Shocking—politicians breaking promises. Next you'll be telling me that Pete Rose bet on base-

ball!) After a farcical claim to have wrested "improvements" to the agreement from President Clinton, Chrétien proclaimed the NAFTA.

Ten years on, Chrétien's about-face seems prescient. After wrenching adjustments, the Canadian economy rebounded to become North America's and the G8's most dynamic in terms of job creation. Assessments of NAFTA's first decade conclude that Canada has benefited more than the United States or Mexico from continental free trade. If Chrétien read the *New York Times* analysis on December 27, 2003 (and he almost certainly did *not* read it—it ran to 3,000 words) he would take satisfaction from the conclusions that "In Canada . . . NAFTA helped shape a more competitive economy," and that the "growing pains" during the transition "were cushioned by a strong social safety net."

Chrétien believed in Canada's "strong social safety net," did his best to preserve it, and never tired of talking about it, especially to American audiences. Instead of prattling about "shared values," he pointed in his speeches on US-Canada difference. From a US perspective in 2004, that social safety net looks wonder-

ful. To use only the example of health care, we spend 15 percent of our GDP to buy measurably worse care than Canadians get for 9.7 percent of GDP. And every American now knows that Canadian governments, unlike our own, set limits to the rapacity of pharmaceutical companies.

## A DISTINCTIVE FOREIGN POLICY

In terms of Canada's international security relationship with the United States, the Chrétien government emphasized Canada's values and steered a distinctive course despite US pressure, even before George W. Bush succeeded Bill Clinton in Washington. When the *Helms-Burton Act* of 1996 threatened US reprisals against foreigners doing business with Cuba, Chrétien made an official visit to the island. Neither the US embargo nor Canada's constructive engagement moved the Castro regime one inch or one centimetre toward democracy, of course. Neither policy is really about Cuba: both are designed for domestic political consumption. Canada was able to wear Cuba as a badge of foreign policy independence.

Chrétien also gave Foreign Minister Lloyd Axworthy scope for his "human

security” agenda in international relations, which infuriated the Pentagon and the US State Department. Axworthy’s crusade produced the multilateral landmines treaty signed in Ottawa in 1997 by more than one hundred countries, the United States notably not among them, to President Clinton’s personal embarrassment.

President George W. Bush’s belligerent unilateralism presented every US ally with a quandary. Bush repudiated every rule of decent international behaviour that the world community had created, usually with US leadership, in the previous half century. Jean Chrétien responded to an impossible situation as well as any other head of government. He procrastinated, for example, on Canadian participation in Bush’s revival of the “Star Wars” delusion, reborn as “National Missile Defense.”

## AFTER 9/11

In the aftermath of the 9/11 attacks, Chrétien endured widespread criticism for Canada’s more reasoned approach, at home and overseas, to the “War on Terror.” Reactionary commentators in Canada and the United States berated the prime minister as “soft” on terrorism. When Chrétien mused that “the West” might bear some responsibility for creating the circumstances that bred terrorism, Fox News commentator Bill O’Reilly opined, “I expected something like this. Chrétien is a socialist. . . . His government allows nearly everyone into Canada even if they have false documentation.”

Canadian public opinion caught up with Chrétien, however, and a substantial majority of Canadians approved of Canada’s unwillingness to acquiesce to the US “Bush doctrine” of pre-emptive war, and supported their government’s decision not to participate in the US invasion of Iraq. Chrétien presented Canada’s decision with an assurance worthy of Mackenzie King: “Of course, I hope that the Americans will do as well as possible.”

Did Chrétien’s words and actions damage Canada’s relationship with the

He guarded Canada’s interests, enhanced its dignity, and emphasized US–Canada differences—those things that set Canada apart from the United States, those things that made it, in the words that he loved to quote, “the best country in the world.”

United States? No one would defend the comments that President Bush was a “moron,” or that Americans were “bastards.” But the prime minister didn’t make or endorse those remarks. It’s difficult to believe that they mattered very much. How different would the US–Canada relationship have been on Chrétien’s retirement had Canada embargoed Cuba, ignored landmines, vastly increased defence spending, and said “Ready, Aye, Ready” to National Missile Defense and Iraq? What would such concessions have earned Canada from the United States in return?

## THE MOUSE MAKES THE BEST OF THE ELEPHANT

The unhappy truth is that Canadian governments and Canadian prime ministers have very little agency when it comes to shaping the US–Canada relationship. Those Canadians who believe that Ottawa can substantially change policy in Washington, one is tempted to conclude, have been taking advantage of Canada’s more liberal marijuana laws. My choice for the most outrageous statement of this argument comes not from *The National Post*, but from *The Western Wheel*, a weekly in southern Alberta cattle country. *The Wheel’s* editor argued that “mad cow” notwithstanding, the United States would have kept its border open to Canadian beef exports had Chrétien cultivated better personal relations with President Bush!

The United States sets the agenda and determines the terms of the US–Canada relationship. The policies of the Canadian government, much less the person-

ality of the Canadian prime minister, exert at best a tiny influence over events and at worst no influence whatsoever. To the US president, domestic political advantage in New Hampshire or North Dakota carries more importance than any US–Canada bilateral issue. Within these constraints, in a difficult moment in North American and world history, Jean Chrétien maximized the minuscule margin of manoeuvre available to him. He guarded Canada’s interests, enhanced its dignity, and emphasized US–Canada differences—those things that set Canada apart from the United States, those things that made it, in the words that he loved to quote, “the best country in the world.”

Chrétien’s successor has promised a new US–Canada golden age, to be built on friendlier personal relations with President Bush, and on frenetic attention in Ottawa to “managing” interaction with the United States. We’ll see. But there’s something pathetic about the first Bush–Martin moment at the Monterrey Summit of the Americas. Canadian papers gushed that the president had extended his pre-breakfast 10 minutes with Martin to 20.

There is surely no Canadian unfamiliar with Pierre Trudeau’s famous analogy that, in their binational relationship, the United States is an elephant and Canada a mouse? Why then do so few Canadians understand the deepest implication of that analogy? In a moment of pique, many years ago, *The Globe and Mail’s* Jeffrey Simpson put it best. Americans, he wrote, “know and care the square of squat about Canada.”



# Jean Chrétien's surprise: A Canadian nationalist legacy

## THE IRAQ DECISION AS DEFINING MOMENT

Canada's decision not to support the United States and the United Kingdom in the unilateral invasion of Iraq in the spring of 2003 was a defining moment for Canada and its position in the post-9/11 world. It was also a defining moment in Jean Chrétien's decade as prime minister. However unlikely it may have seemed during his first two terms from 1993 to 2000, he leaves office having staked out a Canadian nationalist position for Canada, and the Liberal Party, in relation to an increasingly imperial United States.

How likely was it that a prime minister who had embraced NAFTA and its projected extension to the Americas, economic globalization in all its forms, and starved the Canadian military of the resources required to permit Canada to play anything but a marginal role in global security, should suddenly step forward as champion of Canadian autonomy—on an issue on which the United States was trying ruthlessly to enforce compliance? Not likely at all, but he did, and in so doing, confounded critics on both the left and right.

In 1963, in an earlier defining moment, the Conservative government of John Diefenbaker had gone down to defeat at the hands of Lester Pearson's Liberals over the issue of US nuclear weapons on Canadian soil. George Grant had been moved to write his despairing *Lament for a Nation: The Defeat of Canadian Nationalism* in response to what he saw as the triumph of Liberal continentalism.

Forty years later, a Liberal government stood up to the United States, while the conservative opposition (in both its manifestations) demanded unconditional loyalty to the American empire. This time, resistance did not lead to defeat, but according to the polls, rebounded strongly to the government's political credit.

BY REG WHITAKER

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The notion of  
converging North  
American values is a  
myth. Canadian  
values have actually  
been diverging  
sharply from  
American values over  
the past decade.

Grant, it appears, was wrong about the Liberals, and about the inevitability of nationalism's defeat.

## DEFYING THE LOGICAL LINK

Left-wing critics have argued that economic continentalization and globalization undermine the foundations for national autonomy. Moreover, the Chrétien government's successful pursuit of deficit elimination and its commitment to fiscal conservatism as a leading principle of its program, led critics on the left to conclude that the federal government was fully committed to a neo-liberal economic agenda that precluded swimming against the North American market tide in foreign policy as in other matters. The political and cultural superstructure, they assumed, will follow the economic base, and the latter points in the direction of a North American Imperium under the firm command of Washington and Wall Street. Logically

compelling this might be, but it simply has not worked out that way.

As pollster Michael Adams makes clear in his fascinating study of North American values, *Fire and Ice*, the notion of converging North American values is a myth. Canadian values have actually been diverging sharply from American values over the past decade. Canadians are becoming more liberal, tolerant, and adventuresome, while Americans have been growing more conservative, exclusionary, and fearful. Economic integration has not made Canadians more like Americans, but less. The assertion of an "America First" concept of global leadership under George W. Bush has persuaded a majority of Canadians that they do not share the American view of the world.

If values do not follow economics, perhaps it can also be argued that economics do not follow values. The Liberal conversion of the federal government from deep deficit to sound fiscal status, and the expansion of the Canadian economy under free trade, can be seen as reducing Canadian insecurity and vulnerability, and providing a level of confidence upon which a more autonomous and independent foreign policy can rest. This is especially the case when the United States in the Bush era—at both the federal and state levels—has sunk into a sea of red ink as a result of reckless tax cutting and a huge new bill for homeland security and imperial overreach. Contrary to the opinion of critics on the left, the Liberal pursuit of fiscal conservatism has strengthened the Canadian state and stiffened its backbone.

## THE 9/11 FACTOR

The new post-9/11 dynamics were discernable well before the Iraq decision, although they were generally misread and misunderstood. Canada did not blindly comply with American directions in shaping its response to the terrorist

challenge. Instead, the Chrétien Liberals organized a campaign on two fronts: publicly against the terrorists, and less visibly against the negative repercussions on the Canadian economy of American border security measures.

There were very powerful and influential forces, both within and without, urging Canada in the wake of 9/11 to adopt a sweeping new North American security perimeter scheme, that would have severely undermined national sovereignty under the pressures of “harmonization” of policies with the United States. Despite the insistent voices of US ambassador Paul Cellucci and Tom d’Aquino’s Canadian Council of Chief Executives, Ottawa wisely chose to ignore this and other “big ideas” for further continental integration proffered by conservative think tanks, and instead opted for “thinking small.”

By engaging the Americans in a series of incremental negotiations under the “smart border” rubric, the Liberals adroitly moved the United States away from the dangerous big picture of continental integration, and onto the safer specifics of concrete arrangements to make the border secure enough in American eyes to ensure the uninter-

rupted flow of commerce, which was always Canada’s primary concern. In doing so, Canadian sovereignty has by and large been protected, as well as could be expected under the difficult circumstances. Critics in the Alliance who thought Ottawa was giving too little, and in the NDP who thought they were giving away too much, both missed the point. The smart border agreements, still ongoing, are in many ways a model of maintaining the always delicate North American balance.

### THE FOLKS BACK HOME

The proof of the pudding came with the Iraq decision. Chrétien was able to safely ignore the threats of economic retaliation for this act of political apostasy, threats that came both from the Americans and from the right-wing opposition and right-wing media, secure in the knowledge that, blustering aside, the Americans would not bite off their nose to spite their face. Canada was doing what could be reasonably expected in the fight against terrorism and in making the northern border both safe and profitable for both sides. Retaliation never came, and the “ready, aye, ready” cries of Canada’s American loyalists,

have subsequently died down to a whisper, particularly after the failure to find weapons of mass destruction, and the quagmire of the Iraqi occupation strengthened Canadian satisfaction in having made the right decision.

Even some who have reluctantly acknowledged Chrétien’s nationalist credentials are expressing concern that Paul Martin will abandon this course to seek American cooperation at any cost. This is unlikely, given that a moderately independent Canadian course has proved both viable and popular.

Martin may benefit from distancing himself from some of the silly and overblown irritants from the Chrétien era (the oft-repeated “moron” and “bastard” comments from the fringes of the government), but he will be as faithful in pursuit of multilateralism and liberal internationalism as his Liberal predecessors back to St. Laurent and Pearson. His own experience in global economic governance pushes him firmly in the multilateralist direction. So long as the Bush administration remains in office, no Canadian prime minister can easily contemplate publicly enlisting in its America First crusade: the folks back home won’t stand for it. 

## Systemic transformation continued from page 4

Americanism to get re-elected. President Chirac used anti-Americanism to try to hold the EU together under French tutelage. Chrétien exploited foreign policy for domestic purpose more deftly. Implicitly building on the idea of Trudeau’s *Foreign Policy for Canadians*, which jettisoned Pearsonian “internationalism,” Chrétien made foreign policy serve Canadian domestic ends in two ways. Foreign policy-for-domestic-purpose was useful in knitting together Anglophone and Francophone, especially in Quebec, where the response to a common rejection of British and US intervention in Iraq (however heartfelt the criticism was for Chrétien) was a huge success. It came at just about the time that assistance was needed in giving “sovereignty” notions a firm shove off centre stage.

Foreign policy for domestic purpose also assisted the federal Liberal Party through Canadian opposition to American initiatives in the UN Security Council. The policy did not help Prime Minister Chrétien personally, but it certainly strengthened the party’s chances of re-election. In the United States, the photograph of Liberal Party MPs standing and wildly applauding the prime minister, after a speech that denounced British and US intervention in Iraq and affirmed Canadian virtual non-participation, was perhaps the most visible reminder of this use of foreign policy for electoral ends.

Jean Chrétien’s ideological preferences, his conception of the Canadian interest in foreign policy, his view of what was good for Canadian unity, and his

view regarding what benefited the Liberal Party in terms of popularity, all happily for him were correlated. Whoever was right or wrong about foreign policy direction, this Canadian role in foreign policy was in stark contrast to the role of Tony Blair and of George W. Bush, who mortgaged their re-election chances on behalf of a policy in which they believed, against Saddam Hussein and against international terrorism.

### THE SECURITY PRIORITY

If Canada does not do things very differently, according to Thomas Axworthy, in terms of military preparedness, it will put its citizens “at risk” and/or condemn itself “to foreign policy irrelevance.” That is quite an indictment

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by a Liberal Party spokesman possessing a foreign vantage point upon which to base his remarks. Through a sometimes highly vocal foreign policy, and very proud of its capacity to balance its financial budgets, Canada has been covering up its unwillingness to spend money, especially on equipment where it counts, for defence purpose. Although Canada increased its defence spending in 2003 by about 800 million dollars, in the past only about 10 percent of the budget has gone for equipment acquisition, the bulk of the expenditure going for salaries. Averaged annually since 1993, Canada is at the bottom of NATO

both in terms of gross military expenditures as a percent of GDP, and in terms of the percent of military expenditures for equipment. Since 1993, the budget has declined to the point that some Department of National Defence officials were reportedly about ready to close up shop.

An announced increase in expenditure for armoured vehicles, carved in part out of the now moribund tank budget and a small administrative saving, will strengthen the army over the navy and air force. The intention to replace aging Sea King helicopters and a possible increase in the size of the army

could be of assistance to Canadian peacekeeping, but only if the overall defence budget continues to increase at the current rate. Otherwise, salaries will continue to eat up the equipment budget.

In the larger context, Canada must make some important decisions soon about the degree to which it wants to coordinate its defence policy with others. At stake, in time, may well be its status in NORAD, NATO, and the G8. At stake is continuity with a brilliant recent half century, and prospects for future statecraft that could be equally productive but are a bit more uncertain. 🍁

# Creative inaction continued from page 3

eral opposition to it. Indeed, on his watch, the agreement was expanded to include Mexico. The quantitative economic effects of these Free Trade Agreements are still being debated by economic historians (I write ruefully as one who opposed it), but there is no doubt that they significantly shifted attitudes within Canadian business. No longer was the Canadian market enough; being able to compete continentally and internationally became the goal of Canada's companies. This shift in benchmarks combined with technological prowess is creating a much more dynamic, globally competitive economy that can likely withstand a rising dollar.

## STAYING OUT OF HARM'S WAY: FOREIGN AFFAIRS

After 9/11, what Chrétien didn't do demonstrated that Canada retained the ability to maintain an independent foreign policy even in the face of open threats from the United States. As the United States descended into its fiercely retributive mood after the terrorist attacks on New York and Washington, Canada did what was necessary under the circumstances as a neighbour and friend without being drawn into a subservient position or an open-ended commitment.

JFORS units operating in secret did much of our dirty work, but quietly in Afghanistan. The Canadian Navy remained well out of harms way cruising the Indian Ocean. Regular Canadian Forces, a bare minimum, were sent to Afghanistan where they experienced the tragedy of "friendly fire," which effectively put an end to Canadian fighting as part of the coalition. Instead Canada reverted to the role it initially rejected, acting as part of a UN security force in the region.

When the time came for the coalition of the willing to be formed to invade Iraq in alleged pursuit of weapons of mass destruction, Canada shuffled inconspicuously into the ranks of the unwilling. Unheroic to be sure, and certainly not the most direct means of confronting new forms of evil in the world, but until we figure out what our interests are and how best we might pursue them in this new era with the United States in such a dangerous and self-destructive mood, this policy bought precious time and restored our international credibility. It is difficult to know what all of this will cost us in the long run, but, in the short run, the answer has been fewer lives and a renewed reputation at the UN as an independent actor and a possible mediator.

As Tony Blair twists in the wind over the decision to go to war in Iraq, Canadians may honestly declare, "there we go but for the grace of Jean Chrétien." Would Paul Martin or Brian Mulroney have been able to resist the incredible pressure from Washington to be with them rather than against them?

## CONSTRUCTIVE INACTION AS LEGACY

The legacy of Chrétien's constructive inaction in these three key files is quite impressive. Chrétien did nothing in the face of electoral pressure in Quebec and the advice of all of the constitutional experts. He disentangled his party from an implied promise to repeal a hated tax, and thus could leave office basking in the warm glow of reduced deficits and balanced budgets that must have old Tories grinding their dentures. And it is Britain not Canada that must suffer through the anguish of being "had" by the Americans over Iraq. By not doing things, Jean Chrétien leaves office with the Liberals the most popular party in Quebec, an economy leading the G8, and a demonstrably independent foreign policy. Mackenzie King would have been proud of him. We might at the very least be moderately appreciative. 🍁

# The quintessential “domestic” foreign policy prime minister

## THE DOMESTIC SIDE OF FOREIGN POLICY

Jean Chrétien will be remembered with respect to Canadian foreign policy in two very different ways. One distinct image will be the manner in which Chrétien as prime minister “got it right” vis-à-vis the majority of Canadian public opinion, or wrong according to views of the Canadian economic elite, on the 2003 Iraq crisis. The other far more diffuse perspective is of Chrétien as a Canadian leader who spent his 10 years in office with only a sporadic—albeit instrumental—interest in how Canada played a role in international affairs. Both of these takes, however, have a common element in the emphasis they pay to Chrétien as the quintessential “domestic” foreign policy prime minister.

As well rehearsed by Donald Savoie in *Governing from the Centre*, any Canadian prime minister is limited in the attention span he or she is going to have to pay to an area such as foreign policy. Trudeau went more than a decade between his push for a different mental map for Canadian foreign policy when he first became prime minister and his burst of initiatives at the end of his political career on North/South relations and the suffocation of nuclear weapons. Mulroney took up a number of issue areas in the multilateral arena (the Rio conference, South Africa, among others) to attempt to compensate for his contested image on the FTA and the Gulf War.

Even Mike Pearson had to marshal the time he spent on foreign policy when he assumed the position of prime minister. Unlike these leaders, however, there will be little association, for better or worse, in the minds of future Canadians about what vision Chrétien stood for. Although enormously successfully politically, the legacy of Chrétien in foreign policy terms will be that of a cautious and reactive

BY ANDREW F. COOPER

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The legacy of Chrétien in foreign policy terms will be that of a cautious and reactive leader—possessing a keen and astute eye for ambiguity and balance.

leader—possessing a keen and astute eye for ambiguity and balance.

## CHRÉTIEN'S CAUSES

This is not to suggest that Chrétien did not have strong beliefs animating his positions. As questions of national unity spilled over into the international arena in the lead up to the October 1995 Quebec referendum, Chrétien tried to mobilize President Clinton's support for the federal cause. In terms of the rest of the world, Chrétien has proved to be at least an intermittent champion on African issues as demonstrated by his willingness to lead an intervention in the Great Lakes area in 1996-97 for the purpose of rescuing masses of refugees on the Zaire/Rwanda border; his desire to put the New Plan for African Development (NEPAD) into the spotlight at the Kananaskis G8 Summit in 2002; and his support for a global campaign to fight AIDS/HIV as he prepared to leave office. Moreover, this approach—akin to his willingness to propose a “Canadian compromise” at the

United Nations during the Iraq crisis—was not entirely risk-free. Most notably, Chrétien's support for NEPAD at the G8 flew in the face of the US insistence that terrorism be at the top of the agenda.

## CONVENIENCE AND CALCULATION

What still stands out about Chrétien's approach, nonetheless, is the strong streak of convenience and calculation. His eye for international good citizenship was conditioned at least in part by the sense that issue-specific initiatives tapped into a rich vein of political support. The Zaire initiative may have ended inconclusively, with military personnel deriding it as the “bungle in the jungle,” but this conclusion should not detract from the enormous popularity that the initiative drew from the NGO community and from public opinion in Quebec.

In both mode of decision making and policy output there was also a transparent desire to find equipoise between contending forces. The management style of the Chrétien government highlights a fundamental duality with concentration and fragmentation equally prominent. The PMO and PCO continued to be ascendant with key advisers such as Eddie Goldenberg possessing enormous power on foreign as well as domestic policy. Yet, at the same time it must be acknowledged that Chrétien allowed individual ministers some considerable leeway to run with policy initiatives. In substance, this mix allowed very different deliverables.

In many areas, Chrétien moved Canadian foreign policy to an explicit accommodation with the global/regional competitiveness agenda. Chrétien revealed in the role of Canada's first salesman, leading a number of high-profile “Team Canada” missions to putative big-market countries around the globe, an

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# He kept us out of Buffalo: Jean Chrétien and Canadian nationalism

## CHRÉTIEN AS NATIONALIST

When Jean Chrétien took office in 1993, he had in the bank the political capital of three strong nationalist credentials.

First, he was a player in the era of Pearson-Trudeau Liberalism that defined what, for many Canadians, nationalism meant. The definition included well-funded public (including cultural) institutions, subsidized cultural industries, half-hearted protective legislation, distance (measured metrically) from the Americans as well as hefty doses of iconography (the new flag) and ritual (centennial year). Chrétien was most highly visible as a major player in the climactic act of Pearson-Trudeau nationalism—the repatriation of the constitution.

Second, Chrétien came to us as the anti-Mulroney. Nobody could have done a better job than Brian Mulroney in embodying everything George Grant saw as lamentable. During the non-Liberal interregnum, Mulroney demonstrated to most Canadians that they didn't want a quick march into continentalist neo-conservatism and, really, they had no interest in becoming better Americans. Obliterating the Tories in 1993, was, in addition to all the sound pragmatic reasons, a feel good event.

Third, throughout the Chrétien mandate, the Liberals were the only nationalist game in town. The Tories never recovered from being reduced to the leader and the follower. The NDP was, even more than usual, pre-occupied with self-destruction. Only the two regional parties, Reform-CRAP-Alliance (now Conservative) and the Bloc, provided any semblance of an opposition. Outside Parliament, the real opposition came from increasingly provincial, provincial premiers.

For 10 years, there was very little question about who—and who alone—spoke

BY SETH FELDMAN

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The record of  
Chrétien's last year as  
prime minister was  
unlike anything in the  
nine years that  
preceded it—or in  
fact anything seen  
since the constitution  
came home.

for Canada. Far more problematic was the question of what he was saying.

## FROM ANTI- TO NEO-MULRONEY

The first Liberal Red Book equated Canadian national identity with Canada's cultural institutions and promised to restore stable funding to help those institutions recover from the Tories. What happened instead was a round of cut-backs, followed much later by a period of deep concern that, in the end, restored cultural funding to something like what it was when the process began—with more strings attached. This syndrome was not limited to the cultural sector but covered other institutions with which Canadians define themselves against their southern neighbour.

In light of this record, the Canadian nationalist might be forgiven for thinking that the prime minister had used his nationalist credentials as a smokescreen for a neo-Mulroney agenda. Nor was the Canadian nationalist shy about sharing

these thoughts. The opening salvo was Maude Barlow and Bruce Campbell's *Straight Through the Heart: How the Liberals Abandoned the Just Society* (1995). Barlow and Campbell accused Chrétien not only of an attack on Canadian institutions and the identity they embodied but also on the very foundations of Canadian democracy. They called for grass roots opposition to address both Canadian issues and (with some prescience) the forces of globalization.

Advocating a gentler consciousness raising over a grassroots rebellion, Richard Gwyn's *Nationalism Without Walls: The Unbearable Lightness of Being Canadian* (1995) came to very much the same conclusion. Gwyn wrote of a Canadian identity battered from without by globalization and from within by the demands of the near compulsive cultural relativism of our multicultural society. "If we cannot forge some kind of partnership between the old and new Canadas," Gwyn warned, "our future may become that of a kind of Northern Los Angeles."

Gwyn's sentiment was echoed in Jack Granatstein's tireless campaign to restore an appreciation of the nation's heritage (most completely expressed in *Who Killed Canadian History?* (1998)). As if to make Gwyn and Granatstein's point, John Ralston Saul's *Reflections of a Siamese Twin: Canada at the End of the Twentieth Century* (1997) mined Canadian political history to identify a worthy and unique intellectual legacy.

Gwyn, Granatstein, and Saul reminded their readers that there are ideals inherent to the Canadian experience worth preserving, not just for our own sake but also for the sake of the increasingly dumbed-down, globalized world. In these and other writings, Canadian nationalism was being repositioned beyond physical borders. Canada was on its way to becoming a virtual entity—a kind of

ethereal Canadianism or what Gwyn had called in 1994 “the First Postmodern Nation.”

### CANADIANISM WITHOUT CANADA?

For traditional nationalists, though, this all could be read as Canada evolving into a pleasant and useful memory. Nor were they alone in this opinion. Anthony DePalma, concluding his stint as *The New York Times*’ man in Ottawa, left us with *Here: A Biography of the New American Continent* (2001). DePalma observed that the work of continentalism was all but complete—and that Canadians welcomed their newly assimilated identity. His predictions got a boost after 9/11, when Michael Bliss and others opined that Canadian nationalism would not survive a militant American demand for continental unity in their “War on Terror.”

There was little faith on the part of traditional Canadian nationalists that the Chrétien government, given its record, would prevent Canada from becoming anything more than a department within US Homeland Security. A year after 9/11, Murray Dobbin, writing for the Council of Canadians, decried the “rapid Americanization of Canada’s institutions and political culture.” Mel Hurtig’s *The Vanishing Country: Is It Too Late to Save Canada?* (2002) concluded that nothing less than a new political party could protect the country from an American onslaught.

Perhaps the best researched of the Chrétien era nationalist laments was Stephen Clarkson’s *Uncle Sam and US: Globalization, Neoconservatism and the Canadian State* (2002). Clarkson was no happier than the traditional nationalists when looking at the Chrétien record. If there was a way out, it would come in the Canadian federal, provincial, and municipal governments finally seeing themselves pushed to irrelevance by the neo-conservative tide and, at long last, stemming it. Clarkson went so far as to suggest that this public-sphere revolution might in fact be inevitable.

Michael Adams’s extensive opinion polling, summarized elsewhere in this issue, gives a hint as to why. Despite or because of all the affronts documented in the nationalist tomes, it seems Canadians spent the Chrétien years becoming more Canadian, their core values diverging ever further from Americans. It is also possible to read into Adams’s data a vindication of the nationalists’ claim of a massive disconnect between the will of the people and the Canada being moulded by the nation’s political and financial elites.

### THE NEWEST NATIONALIST

At the end of the Chrétien era, Canadians appeared to be the people that Canadian nationalists had been talking about all along. But even more surprising was the fact that these independent-minded Canucks finally had themselves a prime minister. For it was in his lame duck year that Jean Chrétien decided to play his long neglected nationalist cards. The canny politician may have simply been acknowledging the trends

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# The Rt. Hon. Jean Chrétien: Revised standard version

BY GEORGE ELLIOTT CLARKE

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at the University of Toronto.

A Frankenstein-faced, meeching, elfish  
ghoul,  
Skulking in a graveyard of prime ministers,  
Admiring how they bagged elections—  
Or dreading how they later got sacked—  
Those lumberjacks hulking in silk suits,  
Those attorneys awkward in buckskins,  
Defining the country as one more strip mine  
After one more lucrative deforestation,  
All Chrétien ever wanted was to join  
This Gothic junkyard of shat-upon statues,  
Clutching the *Criminal Code* in one hand,  
A golf club in the other,  
While sloshing out rhetoric that was Martinis  
And pabulum drizzled over cooing ministers.  
Slick, he slipped through cracks in bad news  
And popped up gleaming like a televangelist,  
While acting Laurier with an Alley Oop  
scowl—  
“Le p’tit gars” orating, “C’est de la bullshit,”  
His speech spitting clarity like pepper spray.  
His Canada was cant and cannot,  
A Parliament of lepers and peons,  
A politics of nothing doing  
Cos doing nothing means nothing’s wrong.  
He was the perfect mime of a prime minister,  
Choosing to ape the mannerisms of the dead,  
To shuffle, zombie-like, into *History*,  
Through a labyrinth of fun-house mirrors  
Stuttering his forged, misshapen greatness.

# Securing our future: What follows tomorrow? Chrétien and cultural policy

## FIXING THE DARK PERIOD

Between May and October 2001, in a cross-Canada road show, the federal Liberal government announced the jewels in the crown of its cultural program—over a half a billion dollars in cultural spending. *Tomorrow Starts Today* (TST), was intended to signal the Liberal Party's commitment to finally fulfill the promises it had made almost a decade earlier. On a number of fronts, it did just that. Representing, as the Liberals would repeat on a number of occasions, the largest investment in the arts since the Canada Council was founded in 1957, TST appeared to offer something for almost everyone.

But did it? Closer analysis makes it clear that the dollars offered in this new program did little more than replace funding lost during the Liberals' deficit reduction drive in the 90s. Between 1993 and 1998, in what Canada Council Chair, Jean-Louis Roux has called "the dark period," cultural spending declined 17 percent and culture took one of the heaviest hits of any portfolio.

## RED BOOK PROMISES

This was the case despite the fact that the Liberals' first and most comprehensive Red Book, *Creating Opportunity: The Liberal Plan for Canada* (1993) had declared: "Culture is the very essence of national identity, the bedrock of national sovereignty and national pride." Decrying the Conservative regime that had "deliberately undermined our national cultural institutions," a key Liberal promise focused on stable multi-year financing to national cultural institutions. Yet, in their first term, the Liberals would cut deeply into those same institutions that they had promised to support.

The second Red Book, *Securing Our Future Together: Preparing Canada For the 21st Century* (1997), reiterated the Liberals' commitment to the cultural sector, pledging "a more artist-centred ap-

BY JOYCE ZEMANS

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Though the Chrétien government's last mandate went some way toward fulfilling the Liberals' original commitments in the cultural sector, it leaves an uncertain future.

proach to ... cultural policy." In the aftermath of the split-run debacle, it also outlined the need to "build international rules that will support domestic cultural expression within a global marketplace." Outlining tax measures that had been introduced during the government's first term in support of both charitable donations and the cultural industries, it boasted of a "much more favourable" tax regime for the arts. Like its predecessor, *Securing Our Future* focused on national cultural institutions. Acknowledging that financial circumstances had prevented the government from fulfilling its earlier commitments, it promised the Canada Council \$25 million and described the government's "unqualified support for Canadian public broadcasting." The cultural industries remained a constant theme.

It was only in the campaign for a third mandate, backed by an improved financial situation, a tenacious minister of Canadian heritage (Sheila Copps had

taken on the portfolio in 1996), a skilled deputy minister (Alex Himelfarb joined the department in 1999), and a prime minister considering his legacy that the cultural sector came into its own. *Opportunity for All: The Liberal Plan for the Future of Canada* (2000) envisioned "a smart country where people are the greatest source of competitive advantage." Many of the Liberal initiatives in this mandate reflected that larger theme, promising to "connect Canadians," through high-speed broadband Internet access to be available to all communities in Canada by 2004. The chapter on culture, "Canadian Culture, Canadian Choices," focused on new technologies: the creation of Canadian cultural content for the Internet, the development of new media production, a one-stop all-Canadian Web site, and support for the cultural industries as the leading content providers in the new economy. Recapitulating earlier promises, this third Red Book once again reiterated the government's commitment to national cultural institutions; to promoting Canadian culture abroad; and to ensuring that Canada and its cultural sector would be connected and competitive in a globalized world.

In successive iterations, the Liberal government had echoed the current language of cultural policy internationally, moving from the rhetoric of national identity to that of social cohesion—culture as "embodiment of a country's creativity, spirit and identity, which binds us together and builds Canada" in an increasingly diverse country and the need to address that diversity. The centrality of the arts was also a theme and, in his 2001 reply to the Speech from the Throne, anticipating the announcement of TST, Chrétien committed his government to "provide significant new support to ensure that our cultural institutions, our performers, our artists, can play the critical role of helping us to know ourselves."

## THE RECORD ON CULTURE

If the Liberals took office committed to support for national cultural institutions, their record has been uneven to put it politely. Under their mandate, the CBC's funding dropped from \$1,089.5 million in 1993-94 to \$923 million in 2001-02 (and even lower in the intervening period). Except for the Canada Council and, to a certain extent the national museums, national cultural institutions have lost ground in real terms. Strikingly, over 70 percent of the funding for TST is administered directly by the Department of Canadian Heritage, representing an increase of more than \$400 million to a budget that in 2001-02 stood at \$952 million. This reflects a worrying policy shift away from the principle of arm's length in the management of the cultural portfolio.

Cultural industries remained a focus throughout the Chrétien years, with a steady shift toward support for building capacity in the private sector and compensating for the ramifications of an increasingly liberalized trade environment. Copps, for instance, highlighted the creation of the Canadian Television Fund and the "approximately \$1.5 billion" of funds which have gone into this private-public sector initiative as one of her greatest achievements. Technology and trade, along with the very real threat to domestic cultural policy capacity have been key drivers in shaping the agenda in recent years. Job creation and the rising percentage of GDP attributable to the cultural sector are among the reasons cited for action.

Among its many prongs, which included capacity building in arts organizations and renewal of cultural infrastructure, TST enhanced the international cultural portfolio with the Department of Canadian Heritage's Trade Routes Program. Positioning Canada in the era of global communications was another critical objective of TST. The virtual museum of Canada, French language and Canadian content on the Internet, development of the multimedia industry, and the creation of a Canadian portal were central to the policy objectives of con-

nectivity and access to Canadian content at home and abroad.

The Chrétien government introduced a number of significant initiatives in addition to TST. Tax incentives improved the environment for support to the charitable sector and, consequently, the non-profit arts and cultural sector in Canada. One of the government's last initiatives was the creation of the Commercial Heritage Properties Incentive Fund launched with the Department of Finance in November 2003.

Though the heritage sector did not fare particularly well over the last decade, Chrétien, like Trudeau, understood the importance of bricks and mortar in legacy building. Under his watch, The Canadian War Museum has found a new home and the Archives' long-awaited Portrait Gallery is scheduled to move into the former American embassy. Last spring, Chrétien announced the creation of the Canada History Centre, dedicated to Canadian political and civic history, to be housed in the former government Conference Centre in Ottawa. Like the merged National Library and Archives that the Liberals also announced during Chrétien's last mandate, the History Centre was to be a government agency rather than an arm's-length museum. At present, however, all projects are under review and the History Centre, at least, is unlikely to be realized. More generally, it will remain for Martin to address the need for adequate support for the maintenance and operation of the underfunded museum sector as a whole. We have seen little evidence of the national heritage policy called for by the Canadian Museums Association that would "engage all Canadians in their heritage, in all parts of Canada, not just in Ottawa."

Another legacy of the era bears the personal stamp of Minister Copps. After the split-run magazine decision at the WTO, Heritage moved into the international arena, taking a leadership role in the creation of the international culture ministers' network, the International Network for Cultural Policy (INCP). Heritage also lent its support to the cre-

ation of a very effective civil society organization, the International Network for Cultural Diversity that meets concurrently with the INCP. Today, the networks have members from around the world. The 2003 UNESCO General Conference voted for the creation of a world Convention on Cultural Diversity to provide a legal foundation for government measures that support cultural diversity and to encourage governments to use that authority domestically. Canada continues to house the Secretariat for the INCP and its election to the UNESCO Executive Council will enable it to work to ensure that the goals of the convention are realized when the convention is presented for approval at the next general conference in 2005. Whether the UNESCO convention will, as Copps suggests, "settle international disputes over issues involving cultural protection . . . rather than the WTO," remains to be seen.

In the meantime, foreign ownership, media concentration, and Canadian content remain critical agenda issues that have seen much discussion but little resolution. Canadian content in broadcasting has been the subject of a number of reports. Foreign ownership regulations in broadcasting and the media are hotly contested. In recent months, the Standing Committee on Canadian Heritage and the Committee on Industry, Science and Technology have taken opposing positions on the subject. The former recommended that there be no change to the existing rules and urged increased funding for Canadian content and the CBC. The latter, arguing that carriage and control should be distinguished and that broadcast distribution and programming entities can be treated differently, recommended that the rules concerning telecommunications and broadcast distribution be eliminated. This is a hot potato passed on to the Martin regime.

Though the Chrétien government's last mandate went some way toward fulfilling the Liberals' original commitments in the cultural sector, it leaves

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an uncertain future. Even those promises that reflect core values such as stability for national cultural institutions have not been ascertained. It remains unclear whether the individual pro-

grams bundled together under the umbrella of TST, the Chrétien government's most expensive and most publicized initiative, will be sustained in the Martin era. Most of the

initiatives introduced in Chrétien's last mandate reflect broad Liberal policy objectives. If it is wise, the Martin government will continue to build on its predecessor's achievements. 

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Adams describes. Or he may have finally had it with the nation's neo-conservative elites as they were rather ungraciously replacing him with one of their own.

Whatever the impetus, the record of Chrétien's last year as prime minister was unlike anything in the nine years that preceded it—or in fact anything seen since the constitution came home. His final

legislative program was a litany of un-American activities: gun control, decriminalization of marijuana, same-sex marriage. It would have pleased the by-now beatified Trudeau. Chrétien's signing the Kyoto Accord and standing with the UN against the second Iraq war would have made Pearson proud if not envious.

As Chrétien left office, there was more

life left in Canadian nationalism than either he or his critics could have anticipated. "Canada's New Spirit," as *The Economist* called it in September 2003, was more than a feel good factor or a smokescreen for importing Republican policies. Fostering and defending a national identity might yet be the measure of a prime minister. 

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approach that sold "national unity" on top of more tangible products. Equally salient, Chrétien reversed course on NAFTA soon after he became prime minister. Rather than opening up the NAFTA issue to a wide-ranging discussion in Cabinet or the country, Chrétien chose decisively—and personally—to close the issue once and for all.

In other, especially non-economic, areas, considerable autonomy was allowed for activist ministers such as foreign minister Lloyd Axworthy. On issues such as the campaign to ban anti-personnel landmines and the initiative to create an International Criminal Court, Axworthy worked closely not with the United States but, in a new speeded up version of classic Canadian coalition building, with a loose grouping of like-minded countries and NGOs. On the more successful of these initiatives—above all the landmines case—Chrétien could bask in the glow of reflected glory without having expended much political capital, energy, or exposure to risks.

### DEALING WITH THE AMERICANS

This search for balance comes out in most definitive fashion, however, in Chrétien's approach to dealing with the United States directly. In the aftermath of the shock and horror of 9/11, Chrétien

was willing to go along to satisfy US demands that Canada—with other allies—be onside with the war on terrorism. The Canada-US border was re-branded. Rather than just making contributions through naval and air forces, as had been the model in the Gulf War and Kosovo, Canada's commitment to the first Afghanistan operation contained not just deployment of a number of Canadian ships but the participation under US command of a 750-member "battle group" together with the deployment of personnel from the JTF2 (Joint Task Force Two).

Still, notwithstanding all the immense pressure from the Bush administration, Chrétien did not join the new coalition of the willing "Operation Iraqi Freedom." At one level, this resistance can be elevated to Chrétien idealistically adopting a value-based foreign policy, with Canada defined as a civilian/rules-based (or Kantian) state, increasingly disconnected and uneasy with US militarism

expressed in Hobbesian terms. At another—and more convincing level—the result can be attributed to Chrétien's impressive political and pragmatic instincts; a skillful calculation based especially on the unpopularity of the Iraqi intervention due to the sensibilities of Quebec, multicultural communities, and across an important gender divide.

When all is said and done, therefore, Chrétien's defining moment in foreign policy terms constituted a non-action—that is to say, what he was not prepared to do as opposed to any constructive design or strategy. The test for Paul Martin will be to raise the bar of Canada's position and role in the world. Just as the caution of Prime Minister Mackenzie King morphed into the so-called Pearsonian diplomatic golden age, the need is for a more decisive, creative, sustained, and operational focus on Canadian foreign policy in the post-Iraq and post-Chrétien period. 

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# Jean Chrétien and cultural policy: The biggest deficit of all?

## THE DREAMING DEFICIT

In recent years Canadians have developed a bold confidence based on glittering cultural achievements. From the Cirque de Soleil on the Las Vegas strip to the unsettling brilliance of painter Alex Colville, from the fantasy worlds created by the award-winning films of Denys Arcand to the books by Yann Martel and Margaret Atwood and CBC's often searing documentaries, there is an exuberant sense that our artists and indeed Canadian cultural products have arrived.

However stirring and self-satisfying as this vision might be, the gritty reality is quite different. Canadian films, books, TV programs, magazines, and music are still found for the most part at the back of stores, erased from hard drives, or at the very bottom of the list of programming choices. Indeed, some would argue that in the places where most people live their daily lives, Canadian cultural products are quickly fading from view—the legacy of 10 years of government neglect. Canadian drama on English-Canadian TV barely registers in the public consciousness, our music industries are struggling to stay afloat amid technological change, and surveys indicate that Canadians are reading less and buying fewer books than they were 10 years ago.

All this is to say that Jean Chrétien's cultural deficit may be the biggest deficit of all. Cultural deficits can be as damaging as fiscal deficits. As drama producer David Barlow has warned: "An interesting phenomenon occurs when a country looks to a foreign culture for its popular entertainment over a long period of time. If a society consistently chooses the dramatic fantasies of another culture, they come to believe that their own reality is not a valid place on which to build dreams. Their reality isn't good enough for dreaming."

BY DAVID TARAS

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Given that the right  
of citizens to have  
access to a diversity  
of viewpoints is the  
basic linchpin of a  
healthy and educated  
democracy and  
society, the silence  
is haunting.

## BROADCASTING POLICY OR LACK THEREOF

Perhaps the most glaring example of inaction is in the area of broadcasting policy. Broadcasting is a particularly poignant arena to look at because while convergence means that all media are converging on the Internet, TV still remains the central showcase for Canadian culture whether film, music, or drama. Canadians on average spend almost a full day out of every single week watching TV.

During the Chrétien years, the salient moment for Canadian broadcasting policy was undoubtedly the tabling of the report of the House of Commons Standing Committee on Canadian Heritage in June 2003. The committee's two-year study, chaired by Clifford Lincoln, was the most comprehensive in almost a generation. The Lincoln report found that despite many successes, aching wounds had been allowed to fester for years. It

called for repairs, readjustments, refocusing, and in some cases, for the creation of new institutions.

The report asked the government to deal with the grave concerns that it had about the decline in English-Canadian drama by making funding programs more efficient and dependable. Witnesses who appeared before the committee complained about being buried by an avalanche of paperwork. They also told MPs that funding was unstable and unpredictable. Indeed, in 2003, the Chrétien government substantially reduced the government's share of the Canadian Television Fund. This was a matter of considerable concern, even shock in some quarters, especially since the same budget had bolstered incentives for American TV and film production in Canada.

The Lincoln report also called on the government to provide stable and increased funding for CBC/Radio-Canada. The report recognized that in most advanced industrial societies, public broadcasting remained a central instrument for communicating values and identities. However, years of cutbacks and indeed of decisions by the Canadian Radio-Television and Telecommunications Commission (CRTC) to deny the public broadcaster valued cable licences (with the notable exceptions of Newsworld and RDI), had weakened the CBC and forced it to largely abandon local and regional production. Except for news programs, local and regional production has almost ceased to exist in Canada. The report recommended new incentives to encourage more local and regional programming by all broadcasters including the CBC.

## BROADCAST GOVERNANCE

But it was in the area of governance that the Lincoln report made its most dramatic recommendations. MPs were con-

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# Post-secondary education in the Chrétien years

## THE FEDERAL ROLE IN POST-SECONDARY EDUCATION

Constitutionally, post-secondary education falls within provincial jurisdiction, but throughout Canada's history, the federal government has, in selected areas, participated actively in university and college affairs. It created the National Research Council in 1916, regulated university admission policies during the Second World War, provided direct grants to universities beginning in 1951, established the Canada Council in 1957, funded the expansion of colleges and technical education in the 1960s, and initiated, with provincial collaboration, the Canada Student Loans Program in 1964. Always wary of federal incursion into their realms, the provinces (with the periodic exception of Quebec), have welcomed, or at least tolerated, Ottawa's higher educational initiatives, because they have generally been accompanied by significant fiscal transfers.

In the Chrétien years, this attitude continued. But the past decade had some unique characteristics. It began with dramatic cuts to social spending, including higher education, and ended with a flurry of initiatives designed to draw universities into a national economic development strategy. In an era of globalization, university-based research, in particular, was identified by the federal government as a critical instrument in the cultivation and sustenance of a "knowledge society."

Following its election in 1993, the Chrétien government's first order of business was a deficit reduction initiative affecting virtually all programs. The 1994 federal budget set out to reduce the deficit to 3 percent of GDP; subsequently, some six billion dollars were withdrawn from the areas of health, education, and welfare through to 1998. A proposal by Lloyd Axworthy, minister of human resources and development, to fund universities on the basis of a "contingency

BY PAUL AXELROD

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loan repayment scheme," through which students would be charged higher tuition fees and repay loans on the basis of their post-university incomes, foundered in the face of strong opposition. Instead, the federal government introduced the Canada Health and Social Transfer, which replaced the system of Established Program Financing, and led to a dramatic reduction of support for higher education. Federal cuts contributed to the erosion of all government funding for post-secondary education; the public sector covered 64 percent of university operating costs in 1993-94 and 55 percent in 1998-99.

## THE FUNDING TURNAROUND

Toward the end of the 1990s, for reasons future historians ought to probe in depth, the federal government suddenly discovered the importance of universities to national life. The Networks of Centres of Excellence Program, initiated under the

Mulroney government in 1989, was spotlighted and made permanent in 1997. Designed to "close the 'gap' between academy and industry, and to make scientific research more commercial," the NCE, according to one study, represented "the most dramatic change in the nation's science policy since the [creation of the] National Research Council." By 2001, 29 networks, "deemed strategically important to Canada's prosperity and international competitiveness," had been established.

Another pillar of the federal government's economic development scheme was the Canada Foundation on Innovation (CFI), founded in 1997 with a one billion dollar budget. The funds were to be awarded on a competitive basis to universities deemed to have the most strategic and economically promising research programs. An independent Board of Directors has governed the foundation, which covers 40 percent of the approved project infrastructure costs. The remaining 60 percent must be provided by universities and their (generally private sector) "partners."

Among those academics who qualify for CFI funding are the holders of Canada Research Chairs—an unprecedented federal initiative begun in 1999. This program, designed to lure scholars back to Canada, and to keep emerging academic "stars" from leaving the country, provided funding for 2,000 prestigious research chairs at Canadian universities. While open to academics in all fields, the awards have disproportionately gone to those in the medical and applied sciences over the humanities and social sciences.

## BOLSTERING APPLIED RESEARCH

The Canadian Institutes of Health Research (CIHR), created in 2000, was another venture meant to draw universities into public-private institutional partnerships and to stimulate applied research.

Replacing the Medical Research Council, the CIHR focuses on health systems, and biomedical and clinical science, and is intended to enable Canada to “keep its best and brightest scientists and remain internationally competitive in today’s knowledge-based economy.” In addition, the government met a long-standing university request to fund the indirect costs of research beginning in 2002. Overall, Ottawa resolved to raise Canada’s research and development performance from 15th to 5th internationally by 2010.

For 25 years, the Social Sciences and Humanities Research Council (SSHRC) has supported university-based scholarship in the non-scientific fields. In 1998, its diminished budget, along with those of the other federally sponsored granting agencies, was restored to 1994-95 levels. An additional boost to scholarship in the “humanities and humane sciences” came from the inauguration in 2002 of the Trudeau Foundation fellowships, sustained by a federal endowment of \$125 million.

Clearly, however, the federal “innovation” strategy prioritized university work in the “harder” sciences. Although more than 50 percent of Canadian academics are employed in the social science and humanities fields, only 12 percent of federal research funding has been directed to these scholarly areas. Furthermore, SSHRC grants themselves, increasingly, have been tied to “strategic” market-oriented themes such as “education and work” and the “new economy.” Even as Canadian universities welcomed the attention and largesse of the federal government in the latter part of the Chrétien era, they had reason to worry about the future of curiosity-based research, and the fate of undergraduate teaching, in the “knowledge society.”

## SUPPORTING STUDENTS

As well as stressing the importance of applied research, the federal government turned its attention to the growing private costs of university education for students and their families. In 2000, it offered the first Millennium

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Scholarship Foundation bursaries to some 90,000 students with demonstrable financial needs. The program also allocated 930 merit-based entrance awards to high performing high school graduates. Within the government, this plan, perceived as one of Prime Minister Chrétien’s “legacy” initiatives, was reportedly the source of a pointed debate between those who favoured a needs-based versus a merit-based system. Concerned about the growing problem of student debt, Human Resources Minister Pierre Pettigrew, changed his mind and opted—as did the program itself—for a mainly needs-based allocation, an approach which duplicated that of the long-standing Canada student loans plan. Announcing the Millennium Scholarship Foundation in his 1998 budget, Finance Minister Paul Martin said it indicated how “crucial” the federal role was in “preserving the Canadian middle class in an age of globalization.”

This high-profile project was augmented by the Canada Graduate Scholarships Program, announced in 2003, which will ultimately fund 2,000 masters and 2,000 doctoral students at an annual cost of \$105 million. Finally, the federal government enriched the registered educational savings plan (RESP), which provides tax incentives for Canadians to save for their children’s post-secondary education. In 1998, the Canada education savings grant was introduced which enabled families to top up their annual RESP contributions by a 20 percent federal grant (to a maximum of \$400).

## NEW CHALLENGES TO POST-SECONDARY EDUCATION

Together, Chrétien’s policies appeared to improve Canada’s competitive place in the world of higher education. However, by some important indicators, the country’s position has slipped, and risks further decline without concerted action. In the 1980s, Canada, with the United States, led the world in university participation rates. Currently, it has fallen to the “middle of the pack—well behind the top five OECD nations.” And Canadian governments provided students 20 percent less support in 2001 than they did in 1981—well below comparable American federal and state levels. Furthermore, a recent evaluation of the Canadian Millennium Scholarship Foundation questioned the effectiveness of the program in improving student access to universities, one of its foundational purposes.

Universities face daunting challenges, too, with respect to infrastructural and faculty renewal. It is estimated that deferred maintenance of universities totals \$3.6 billion, and that over the course of the next decade, Canada will require 25,000 to 30,000 new professors. Whether the innovation, recruitment, and financial aid strategies of the Chrétien government play a significant role in successfully confronting these challenges, whether provincial governments are prepared to make similar commitments to educational renewal, and whether higher education in the future is to be valued for its cultural significance, as well as its economic utility, remains to be seen. 

# Quebec and the democratic deficit

I met Jean Chrétien only once in my life, during the 1974 federal electoral campaign in Iqaluit, then Frobisher Bay. I had a summer job there with Bell Canada, and Mr. Chrétien came to town to shore up the local Liberal candidate. He was his usual political self: enthusiastic, energetic, easily accessible, deploying all the skills that made him a formidable campaigner. I did not dislike the man. Quite frankly, I still don't. This being said, his Canada was not mine, and his way of dealing with Quebec was, in my view, unenlightened and fraught with dangers for our common future.

## 1995 REFERENDUM: A SQUEAKER

Dealing with the Quebec file, Jean Chrétien was plain lucky. From my perspective, he was wrong in his efforts with Pierre Trudeau to patriate the constitution without the consent of Quebec, and even more imprudent in his concerted association with all those who undid the Meech Lake Accord. His punishment was three consecutive majority governments, a divided opposition, and more power for a decade than most democratic leaders around the world. Luck fell squarely on his side during the fateful Quebec referendum of 1995. His performance was miserable: careless planning, uncharacteristically awkward campaigning, and a loss of nerve during the last days prior to October 30. His side won by the narrowest of margins.

Space here is restricted, so nuances will have to be argued elsewhere. Canada was not nearly lost in October 1995. However, a dangerous political crisis was averted. What Jacques Parizeau and Jean Chrétien have told us since the referendum, add up to illustrate how dangerous our political circumstances would have been. Canada was not nearly lost, but Jean Chrétien's political career was nearly saved.

This, to me, is the crucial point about the whole matter. Jean Chrétien is the

BY GUY LAFOREST

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This is my  
Jean Chrétien:  
imprudent throughout,  
lucky in the crunch,  
skillful and acting with  
cold and renewed  
resolve after 1995,  
a true Canadian  
nationalist rather  
than a federalist.

quintessential political survivor. He barely outran the shadow of his political death and was forever transformed by the experience. From this angle, Jean Chrétien's fate in 1995 resembles Pierre Trudeau's in 1980. Having announced his retirement, Trudeau came back from political death to win the February 1980 federal election. A resolute man if ever there was one, Trudeau was even more steadfast after he came back in his desire to carry the day against his arch-rivals, the separatists from Quebec. *Mutatis mutandis*, the same logic can be applied to Jean Chrétien in 1995.

Jean Chrétien's luck was extended by Mr. Parizeau's own loss of nerve on the night of the referendum, and by the strategic miscalculations of the sovereigntist establishment in Quebec. Parizeau's speech had three consequences: internally polarizing Quebec even more, providing the Rest-of-Canada with an easy excuse for not seriously considering the failings of the political regime, and giv-

ing Quebec an ugly black eye at the altar of international public opinion. Devising and implementing a plan to exploit these three consequences is essentially what the apparatuses of the Canadian state, led by Mr. Chrétien, accomplished after 1995, in three ways.

## THE POLITICAL FALLOUT

First, the threat to partition an independent Quebec was affirmed in 1996 and re-stated in the debate surrounding the *Clarity Act*. Ottawa reserves itself the right to assess the quality of a clear majority, following daily events in the streets of Quebec, in the days and weeks following a referendum. This means the rule of law if necessary, but not necessarily the rule of law. This is "reason of state" of the first magnitude. Our politically resurrected prime minister really meant to save the nation at all costs.

Second, Mr. Chrétien's government aggressively promoted a new rhetoric, promoting Canada as it currently stands; open only to minor reforms at the margins of the political system. Rest-of-Canada public opinion, along with the media and intellectual elites, was for many years after the referendum quite receptive to this new discourse. In the edited volume that followed the 2002 International Conference on Federalism, held in August 2002 in St-Gallen, Switzerland, Raoul Blindenbacher and Ronald Watts outlined the institutions and principles that should be present in the practices and processes of federal regimes. I will enumerate here only three of these principles:

- Non-centralization as a principle expressed through multiple centres of political decision making.
- Open political bargaining as a major feature of the way in which decisions are arrived at.
- The operation of checks and balances to avoid the concentration of political power.

## THE END OF THE NATIONALIST PROJECT

These principles, I would contend, were rather absent from the practices of the Chrétien governments, particularly after 1995. Provincial governments were given precious little legitimacy as centres of political decision making. Mr. Chrétien's ultimatum to the provincial premiers on the financing of health care says a lot about the absence during his mandate of a culture of dialogue and open bargaining. Finally, the referendum crisis with Quebec worked to strengthen the trend toward the greater concentration of power in the hands of the prime minister. For most people outside of Quebec, caught in a "nation-saving" mind-set, it did not matter at all.

Third, the dramatic results on referendum night, coupled with Mr. Parizeau's widely publicized remarks, had a huge impact on the evolution of the Canada-Quebec game. Suddenly, the international community, and the major power centres within it, became keen observers. On this stage, it was simply no contest between Ottawa and Quebec City. Fully awakened by the great scare of October 30, the Canadian state led by Mr. Chrétien firmly decided to use all the considerable foreign policy means at the disposal of Ottawa to fight Quebec's drive toward sovereignty in bilateral relations and multilateral forums. All in all, seen from the perspective of late 20th century world politics, Canada's accomplishments on issues such as peace making, multiculturalism and human rights, vaunted by the resources of the Canadian state, have persuaded more people beyond our borders than the critical vision of our political regime argued by sovereigntist circles.

## POST-REFERENDUM POLITICS

Sheer luck provided Mr. Chrétien with an opportunity to devise a coherent post-referendum plan. Quebec City helped Mr. Chrétien by performing miserably. Cold logic requires coherence. The 1980 and 1995 Quebec referendums were forms of political rebellion. Whenever one rebels, it is with the premise that one

**A political party carrying an election with 40 percent of the vote, but with a majority in the National Assembly can impose its referendum will on the Assembly and on the whole people of Quebec. The existence of lacunae such as this one was skillfully exploited by the Chrétien government in the debate over the *Clarity Act*.**

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will be stronger if he or she triumphs. Logically, this means accepting that one will be weaker if one suffers defeat, notwithstanding the narrowness of such a defeat. For the sovereigntists in Quebec, fully in control of the referendum process, the results on October 30 did not signify "near-victory." The difference of a few thousand votes meant a crushing defeat.

In the post-referendum strategic configuration, Ottawa held most of the trump cards, and it must be recognized that Mr. Chrétien played them brilliantly. He soon realized that the key global power circles, including those in Paris, were on his side, and he made sure that on this issue above all else, complete coordination and unity of resolve would exist between the central agencies, the PMO and PCO, and key departments such as Finance and Foreign Affairs. To the best of my knowledge, we have gotten so far only glimpses of this story.

In addition, mounting health costs in all provinces, particularly in a rapidly aging Quebec, joined with the need to put Ottawa's fiscal house in order by reducing deficit and debt, enabled Mr. Chrétien to deprive the governments of Lucien Bouchard and Bernard Landry of the key financial pillars to their "winning conditions." This led to unintended consequences in all provincial capitals but, again, public opinion was firmly on Mr. Chrétien's side. A fair share of the monies thus saved by Ottawa was used to create many new national programs re-

lated to education, and to promote the Canadian national identity in every town and village of Quebec. The latter endeavour has enjoyed mixed results, if we can believe the monthly and obsessively computed figures provided by the Centre for Research and Information on Canada for the benefit of the Council for Canadian Unity.

## DEMOCRATIC DEFICIT AND THE CLARITY BILL

Bouchard and Landry helped Mr. Chrétien by not recognizing that there were some flaws in the referendum process controlled in Québec City. As it stands, a political party carrying an election with 40 percent of the vote, but with a majority in the National Assembly can impose its referendum will on the Assembly and on the whole people of Quebec. The existence of lacunae such as this one was skillfully exploited by the Chrétien government in the debate over the *Clarity Act*.

For the time being, this is my Jean Chrétien: imprudent throughout, lucky in the crunch, skillful and acting with cold and renewed resolve after 1995, a true Canadian nationalist rather than a federalist. With his departure from political power in 2003, coupled with the defeat of Bernard Landry, we lose the last big figures who carry all the scars of 40 years of our constitutional and identity struggles. It is just too early to say if this will lead to a new departure in the relationship between Canada and Quebec. 

# The Chrétien legacy: Courting democracy?

## THE CHARTER AND PUBLIC POLICY

There can be no doubt that Jean Chrétien left his mark on Canadian law and society to an extent that few others have or could rival. If Trudeau was the constitutional prophet, Chrétien was, first as justice minister and then as prime minister, his leading disciple. For good and bad, the fates of Canada's *Charter of Rights and Freedoms* and the Shawinigan lawyer go hand in hand.

While Chrétien's influence is immense and unarguable, the more contested question is whether that legacy has advanced or retarded Canadian democracy. In "courting democracy" by putting the Supreme Court of Canada at the heart of Canadian politics, has Canada become a more or less democratic country? Has the switch from politicians to judges as the ultimate arbiters of much public policy been a boon or a bust?

Between 1980 and 1982, it was Chrétien who brokered the deal that made the Charter possible, with its characteristic mix of a balancing s. 1 and an overriding s. 33. Whether the resulting decisions have been substantively good or bad is the stuff of ideological parlour games—*Hunter* and *RJR-Macdonald* on corporate rights, the *Alberta Trilogy* on (lack of) union rights, *Dolphin Delivery* on private rights, *Andrews* on equality, and the list goes on.

## CHARTER ACTIVISM AND A RIGHTS CULTURE

The cumulative force of the court's jurisprudence is significant and compelling. Yet, it is the shift in the balance of constitutional power between courts and legislatures over the last 20 years that is more telling. For all the hype and ballyhoo, Canadian democracy is in trouble. Chrétien leaves the country in worse democratic health than he found it. Notwithstanding increases in many economic and social indicators, Canadians are less involved in governing themselves.

Despite the regular rounds of self-congratulation about Canada's ranking as

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The twin foundations of democracy—popular participation and political accountability—are going the way of the polar ice-caps.

one of the best societies to live, there is a serious erosion of basic democratic precepts. The twin foundations of democracy—popular participation and political accountability—are going the way of the polar ice-caps. There seems to be an implicit Faustian bargain between elite and rank and file that the price of socioeconomic advancement (which is still questionable when looked at in other than mean or median terms) is at the cost of democratic involvement. And the Charter is part of that setup.

While there has never been a golden age for Canadian democracy, what now passes for "democracy" is an elite and stilted conversation between the judicial and executive branches of government over what is best for the country. In this exchange, the voices of ordinary Canadians play no real or substantive role. Whatever ideological course is to be followed, the democratic choice should not be only between rule by a judicial elite or a governmental elite, but by a political process that is more responsive to broader democratic concerns.

## JUDICIAL ELITES AND DEMOCRACY

Of course, a robust judiciary has a defi-

nite role in a vital democracy, but it should be limited and partial. Being neither elected by nor representative of Canadians, judges can hardly claim to have much democratic legitimacy. Their contributions must be restricted to the discrete resolution of disputes: extensive policy making seems outside their democratic ambit. On the other hand, while the executive can lay claim to greater democratic legitimacy, its actual exercise of power offends its democratic pedigree. Too often, political leaders dance to their own tune and interests. Increased "rule by Cabinet" is hardly better than extended "rule by the Supreme Court."

The fact that public opinion polls show almost overwhelming support (between 80 and 90 percent) for the Supreme Court is less an accolade for judges and more a slap in the face for politicians, particularly those leaders, like Chrétien, who preside in and over cabinet. Judges can only ever do a second-best job at making up the democratic deficit in the present performance of Canadian politics; they are neither positioned nor skilled at such a task.

Moreover, the debate over whether courts can or should invade the political domain misses the whole point. It is now surely accepted that courts cannot exercise their powers and responsibilities without reference to contested values and principles of governance. The real and neglected issue is not the politicization of the judiciary, but the democratic failure of the executive and legislative in fulfilling their constitutional responsibilities and mandate. This is the true and ironic measure of the populist Chrétien's legacy.

## REDRAWING THE LINE BETWEEN LAW AND SOCIETY

If governments and legislatures were constituted properly and doing what they were supposed to be doing, the question of what judges do would be less pressing and more incidental. If there is

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# Turning the page: Deterrence against legitimacy

*“Nothing gives me greater satisfaction than  
the knowledge that we have prevailed in Quebec.  
That we have earned the respect of the people of Quebec.  
That we have turned the page and are working  
on real solutions to real problems.”*

— Jean Chrétien, Liberal Convention, November 13, 2003

Is Jean Chrétien right when he asserts that the Quebec question has finally been resolved under his reign? Is he justified in saying that he has gained respect from the people of Quebec for his role in clarifying the stakes concerning the future of Quebec within Canada?

In his Toronto farewell speech to Liberal Party members, Chrétien justified with great emphasis and emotion the efforts he deployed to reconstruct Canadian unity, once jeopardized by what he calls “the myths that had been created by those who wanted to break up Canada.” Canadian unity was restored with the 2000 *Clarity Act*, which, in his own words, “secured the future of Canada.” One thing is for sure, Chrétien can be proud of the fact that he paddled against the current, first bringing Stéphane Dion to the forefront of the constitutional debate and then imposing the idea of the *Clarity Act*, thereby going against most political pundits and media elites in Canada.

It can easily be said that English Canada rallied around his strategy but it is not at all clear whether Quebecers, politicians as well as a majority of the population, have agreed upon what has been interpreted there as a “coup de force.” There is a difference between passive acceptance and active agreement. We must remember that Quebec has not yet signed the Canadian constitution and that its Parliament, under a federalist government, recently voted unanimously on a motion recognizing Quebec as a nation.

BY JULES DUCHASTEL

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commander Trudeau.

## CHRÉTIEN’S CONSTITUTIONAL LEGACY

Nevertheless, we have to recognize that Chrétien has been a major player at

three important moments of recent Canadian constitutional history. The first moment was the patriation of the Canadian constitution in 1982, in which the *Charter of Rights and Freedoms* was entrenched. This event has profoundly transformed both French and English Canada. The Charter came as the outcome of a cultural and social dynamic that redefined Canada from the traditional opposition between two founding peoples to the much more complex representation of a multicultural society where citizenship is based on a multiplicity of rights. But the vision was Pierre Elliot Trudeau’s, not Chrétien’s.

As chief negotiator, Chrétien played a more instrumental role in rallying the English provinces against Quebec, around the project of patriating the constitution. A confidence from Claude Charron, at the time an important minister in the PQ government, convinced him that Quebec manifested no goodwill in the negotiation process and that it would never agree to any form of compromise. With his allies from Ontario and New Brunswick, Chrétien succeeded in breaking up the alliance formed against Trudeau’s project by the eight remaining provinces. Quebec was kept out of the final decision. If there was a vision on the part of Chrétien, it was a very simplistic view about the greatness of Canada and a profound insensitivity to Quebec’s own identity. For the rest, he was a brave soldier, faithfully and effectively accompanying his commander Trudeau.

## FOLLOWING TRUDEAU’S FOOTSTEPS

Chrétien’s second opportunity to reaffirm his vision of Canada came in 1990 when he became leader of the Liberal Party. From the beginning of the Meech Lake campaign, he had been hesitating

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on the position he should take. At first, he approved of the distinct society clause, but his statements introduced many innuendos. In his view, the Accord was to be seen as a basis for future negotiations. Furthermore, the man who had secretly negotiated the patriation of the constitution introduced the idea that any Accord should give way to a referendum.

By the end of the campaign, under constant pressure from Paul Martin and Sheila Copps to take a clear position on the Accord, he finally stated that "If the Charter of Rights is not protected, it's no." Chrétien showed no courage on this occasion. Again, he appeared as Trudeau's follower. Pierre Elliot Trudeau spent much energy in sinking the Accord with the complicity of, among others, Clyde Wells, who was seen "hugging [Jean Chrétien] in front of the nation" on the night of his election as Liberal Party leader, just one day after the collapse of the Meech Lake Accord.

## THE CLARITY ACT: A TEST OF VISION

The *Clarity Act* represents the third moment in the constitutional epic of Jean Chrétien. Once again, there are questions surrounding Chrétien's political vision. It seems that he was devoid of any vision at the time of the 1995 Quebec referendum, except to maintain the status quo. All testimonies concur that up to nearly the end of the referendum period, Chrétien was paralyzed. He remained backstage and refused to cooperate with the provincial committee for the No side.

The declaration of Verdun on the 24th of October 1995, a few days before the referendum, was a last minute initiative to try to reverse the momentum that was going the way of the Yes camp. Chrétien's speech illustrates two things. He had no problem with the complexity of the question and made it very clear to Quebecers that a Yes vote would be a vote for separation from the rest of Canada. Second, Chrétien re-employed Trudeau's

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strategy of 1980 by promising changes after a No victory. He promised that Quebec would be "if possible, constitutionally" recognized as a distinct society; he reintroduced the idea of Quebec's veto, and he promised new arrangements concerning labour training programs. The victory for the No side was extremely close with less than 51 percent of votes.

Chrétien met his obligations: first with the adoption in Parliament of a motion that recognized Quebec as a distinct society without any legal binds; second with the obligation of consulting all regions of Canada before any change in their constitutional jurisdictions could be adopted, a far cry from the traditional demand for a Quebec veto; and third, by making the proper arrangements with the provinces in the labour training programs. At that point, after a mission during which he met with many world leaders, he was convinced that no further referendum should constitute a menace to Canadian unity.

It is probably more accurate to speak of instinct rather than vision to characterize Chrétien's actions. The best example is the recruitment of Stéphane Dion who became his closest counselor on the Quebec front. From that point on, the federal government became much more aggressive toward the demands of Quebec. Taking advantage of a legal victory in Quebec Superior Court

by the former sovereigntist Guy Bertrand, who had challenged the right to secession for a province, the federal government went to the Supreme Court with two additional questions on the right to secede in both Canadian and international contexts. "The decision allowed each side to claim victory" and in turn opened the way for the introduction of the *Clarity Act*, which stated that the question should be clear and the majority significant.

## THE CONSTITUTIONAL STANDOFF

The *Clarity Act* was condemned by all parties in Quebec, and at the same time celebrated in the rest of Canada. Nevertheless, contrary to expectations, the Act did not spark political turmoil in Quebec. Its practical effect has been to deter any future referendum project. At the same time, the legitimacy of the *Clarity Act* was not accepted in Quebec, no more than the patriation of the constitution had been.

What is there to conclude? Chrétien is not a man of vision, unless we consider his basic attachment to Canada to be a vision. More than a man of vision, he is a fighter, a scrapper. Although he suffered from his engagements against the nationalist movement in Quebec, he has fought to the end against what he always considered an evil. His actions, the means to Trudeau's ends, contributed to reinforcing a new Canada. Like Trudeau, he was allergic, from the beginning to the end, to any form of national political identity for Quebec. Their common work has contributed to a new form of national representation, which has had some influence in the evolution of Quebec's own representation.

But the limit of that vision is the impossibility of recognizing any form of distinctiveness for the historical situation of Quebec. In that sense, Chrétien has not succeeded in turning the page and his view has certainly not prevailed in Quebec.



# The biggest deficit of all?

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cerned by the degree to which the CRTC had displaced the government as the chief policy maker in broadcasting. They wanted to see greater transparency and accountability and indeed checks and balances in the system including the appointment of a media monitor who would report annually to Parliament on the health of the *Broadcasting Act*. In addition, they called for the creation of a single communications act and indeed a single department (merging Industry and Heritage) because in an age of media convergence, telecommunications and broadcasting could no longer be seen as separate universes.

The report also had a great deal to say about cross-media and foreign ownership. Under the Chrétien government, conglomerates have gained strangleholds in several Canadian media markets. In the Vancouver/Victoria market, for instance, CanWest Global owns all three major newspapers and the two most-watched TV stations. In Montreal, Quebecor owns *Le Journal de Montreal*, cable giant Videotron, the largest TV

franchise, TVA, as well as a bevy of magazines. Laws strictly limiting cross-media ownership have been introduced in France and in the UK. Even in the United States, the Senate recently passed for only the second time in history a resolution of "disapproval" to overturn the Federal Communications Commission's decision to increase the reach of media companies from 35 to 45 percent of TV viewers. Yet the Chrétien government has failed to address the issue at all. Given that the right of citizens to have access to a diversity of viewpoints is the basic linchpin of a healthy and educated democracy and society, the silence is haunting.

The Lincoln report recommended that there be a moratorium on the granting of any new licences involving cross-media ownership until the government formulates a clear policy. MPs also drew a line in the sand on foreign ownership. The argument was that Canada had enough talent, imagination, and capital to be able to harness its own cultural industries without needing to sell the farm

to foreign interests. Moreover, current provisions allow foreign companies to invest relatively heavily in Canadian enterprises if they wish, but they have invested relatively little so far.

## A VAGUE RESPONSE

The Chrétien government's response to the Lincoln report is filled with vague promises to do better on some issues and abject silence on others. Indeed the response is to some degree a symbol of the attitudes that seemed to prevail during Mr. Chrétien's tenure as prime minister. Key decisions are avoided, entrenched bureaucratic and corporate interests prevail, small steps are preferable to bold moves, and the government compliments itself on doing such a good job.

Jean Chrétien, adept politician and political battler, seemed to take little interest in Canadian broadcast policy. From his vantage point, there were few political fires that had to be put out. The irony is that he may have missed the larger fires that were blazing all around him. 

# Courting democracy?

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a crisis in Canadian democracy, it is to be found in the fact that politicians and legislators are simply not "democrats" in the full sense of the term. "Democracy" is used more as a rhetorical cloak for elitist practice than a measure and guide for popular politics. After all, a drop in turn out in federal elections from 76 percent in 1979 to 61 percent in 2000 is hardly reassuring.

There are no easy solutions to the present undemocratic trends. But improvement will not come from increased interventions by judges in the micromanagement of governmental policies. Chrétien midwived and parented a constitutional change with limited democratic value. Indeed, judicial prominence is a short-term crutch that actually harms a limping polity in the medium and long term. The replacement of one elite rule (executive) by another (judicial) can be

**If there is a crisis in Canadian democracy, it is to be found in the fact that politicians and legislators are simply not "democrats" in the full sense of the term.**

considered positive only under the most warped sense of democracy.

## POWER TO THE PEOPLE

So, if we want to reign in the judges, we need to ensure that politicians and rep-

resentatives are living up to their constitutional and democratic responsibilities. At present, they are palpably not. But simply construing the democratic challenge as being one about whether the judges stay out of or stray onto the political terrain is to misrepresent the problem and, therefore, to hamper any genuine solutions. The Charter is here to stay, but the elitist mentality that enrusts it need not be.

Whatever else it means, democracy demands more power to the people and less to the elites. Aristocratic rule is no less palatable because judges and political leaders are the new dukes and barons. And, it is certainly no more acceptable when such elites wrap themselves in the trappings of democracy. Chrétien's Charter has turned out to be more about elite power than about genuine democracy. 

# Liberalizing Canada: A political calculation, not a question of principle

## MARIJUANA AND THE PM'S PRINCIPLES

Liberalizing Canada's marijuana laws and legalizing same-sex marriage were two of the Chrétien government's last, unfinished initiatives. In answer to the controversy that accompanied each proposal, Jean Chrétien said: "I am a public person in a very diverse society, and I don't think I can impose every limit of my morality on others, because I don't want others to impose their morality on me." That account of the relationship between freedom and morality states a principled position on rights: no person, including the prime minister, can claim a right or freedom for himself that he would deny others.

That attitude could explain the Chrétien government's plan to decriminalize the simple possession of marijuana, and impose a fine on offenders instead. Though reforms of this kind have been under discussion for years, and marijuana laws have successfully been challenged under the *Charter of Rights and Freedoms*, it is unclear what prompted the federal government to take the initiative at this point in time. On that, Chrétien simply stated that decriminalizing marijuana use would be "making normal what is the practice"; he noted that "it is still illegal, but they will pay a fine. It is in synch with the times." Either to prove the point or indulge a moment of mischief, the prime minister added: "[p]erhaps I will try it when it will no longer be criminal." "I will have my money for my fine," he joked, "and a joint in the other hand."

## MORALITY AND SAME-SEX MARRIAGE

The same approach to morality could also explain Jean Chrétien's decision to introduce draft legislation that would legalize same-sex marriage. The complication there is that his government defended the definition of "marriage" as the union of a man and a woman, to the ex-

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Contrary to what Jean Chrétien claims, the protection of rights under his administration was a matter of political calculation, and not a question of principle.

clusion of all others, in test cases that arose under the Charter. A different strategy emerged, however, when the Ontario Court of Appeal held that same-sex marriage is guaranteed by the Charter. Rather than appeal the decision to the Supreme Court of Canada, the government prepared draft legislation and referred three questions as to its constitutionality to the Supreme Court.

There is no way to understate the volatility of debate on this transformative issue that continued throughout the summer and fall of 2003. A variety of constituencies were offended, either by the perception that the courts had been high-handed or by the fear that Parliament would acquiesce in a Charter status quo of gay marriage. The prime minister responded that "[o]n . . . equality of rights the courts spoke," and added that "I am a great defender of the Charter of Rights." To those who insisted that Parliament should be deciding these issues, not the courts, he stated that "[t]here is an evolution in society" and "[a]ccording to the interpretation of the

court, they concluded these unions are legal in Canada."

Last fall, Jean Chrétien urged angry and divided Liberal MPs to vote against a Canadian Alliance motion that attempted to re-introduce a heterosexual definition of marriage and require Parliament to take "all necessary steps" to protect that definition. The problem for the prime minister was that if the Alliance motion passed, Parliament could be asked to use s. 33 of the Charter to override the courts' decisions on same-sex marriage. In pressuring Liberal MPs not to betray the government's position, Jean Chrétien argued that the override was unacceptable, because "[i]t is something what we, promoters of the *Charter of Rights and Freedoms*, never use, the notwithstanding clause."

## PROTECTING AND DEFENDING THE CHARTER?

It bears noting, in passing, that as the late Prime Minister Trudeau's minister of justice, Jean Chrétien played a central role in Canada's decision to adopt the Charter. Yet in November of 1981, it was clear that there would be no constitutional rights for Canada unless the federal government agreed to include s. 33, the provision that allows legislatures to override some—though not all—of the rights and freedoms that are protected by the Charter. It made him extremely uncomfortable, Chrétien later said, to see Charter rights being bargained against more power for the provinces.

The evidence is selective, but it does support the claim that Jean Chrétien is a defender and promoter of the *Charter of Rights and Freedoms*. It is no doubt the way the prime minister would like to be remembered. Though a laissez-faire conception of morality might describe his position on marijuana use or the right to marry, it hardly describes his government's attitude on other rights issues.

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# Chrétien and the Aboriginals

BY ANDRÉE LAJOIE  
AND ÉRIC GELINEAU

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Before becoming prime minister in 1993, Jean Chrétien had already held no less than 10 portfolios, not counting his vice-premiership. But who remembers that he was head of Treasury Board or Secretary of State for Social Development? Or that he spent three months in External Affairs in 1984 or even six in National Revenue in 1968? Yet his name certainly comes to mind when one thinks of aboriginal affairs, where he definitely left his mark, for better or, rather, for worse. Appointed there by Pierre Trudeau in July 1968, despite protesting he knew nothing about the field, he stayed in that department a full six years until August 1974—his longest tenure except as prime minister.

## A TURNING POINT?

However, it is less for the years he spent there that he is remembered than for the white paper produced under his leadership the year following his appointment. The *Statement of the Government of Canada on Indian Policy, 1969*, the third reform on aboriginal affairs that federal authorities initiated in the 20th century, and the first since 1951, had far-reaching effects. In line with these previous reforms—in 1951 assimilation was still perceived as an instrument for educating Aboriginals in the art of democracy, even though it was no longer politically correct to mention it by name, and the term was replaced by “special status” involving the same rights as other Canadian citizens—the white paper still promoted assimilation, but brought aboriginal rights to the fore of the debate. It stated as its “new policy”:

True equality presupposes that the Indian people have the right to full and equal participation in the cultural, social, economic and political life of Canada . . .

But even though this full participation required that

Given the underlying  
assimilation policy  
that was very much  
the Chrétien legacy,  
it was not surprising  
that the specific and  
collective character  
of aboriginal rights  
did not receive  
enthusiastic support  
from Liberal MPs.

- the legislative and constitutional bases of discrimination be removed,
- positive recognition be given to the unique contribution of Indian culture to Canadian life,
- services be provided through the same channels for all Canadians,
- the neediest be helped most,
- lawful obligations be recognized, and
- control of Indian lands be transferred to Indian people, the discourse and practices derived from this policy would favour plain assimilation.

Admittedly, the white paper was the watershed after which members of Parliament began to take aboriginal rights into account. The New Democrats were

already asking for their constitutionalization as early as 1969. But walking in the centre as usual, the Liberal government, led by Chrétien personally, refused to go along, deeming such constitutionalization an error, because the constitution must protect all citizens equally, and should not provide a special status for anyone, nor attribute to Aboriginals any other status than full Canadian citizenship.

## 1982 AND ABORIGINAL RIGHTS

The next 30 years were spent by the Liberal Party in an effort *not to define* those aboriginal rights, even after they were recognized in the *Constitution Act, 1982*. They tried to achieve this first by creating the Royal Commission on Aboriginal People and not implementing its recommendations. They then tried to sign agreements with First Nations with, as a precondition for signature, having them extinguish those rights unmentioned in the text. Mostly, they passed the buck to the courts. This last policy was explicitly based on the premise that if the constitution, from 1982 on, protected aboriginal rights, it did not define them, and since unresolved claims have hampered economic development, the courts should perform their interpretative duty.

We have extracted the meaning that the Liberals gave to these rights from the House of Commons debates. Our findings refer both to the specific and collective character of these rights, and to the content of political and economic rights.

## THE LIBERAL RECORD UNDER THE MICROSCOPE

### Specific and collective character of aboriginal rights

Given the underlying assimilation policy that was very much the Chrétien legacy, it was not surprising that the specific and collective character of aboriginal rights did not receive en-

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# Take a green poultice and call the next prime minister: Mr. Chrétien's remedy in federal health policy

## THE THREE PHASES OF MEDICARE POLICY

Chrétien's legacy to Medicare can be viewed through the lens of his three terms in office—the first a period of re-trenchment and study, the second, an effort to buy off provincial discontent with federal money; and the third and final period, characterized by further study, further money, and a paralysis in leadership.

In the early 1990s, the entire effort of the government of Canada was focused on constraining the growth of the federal deficit. However, as promised in the Red Book, in October 1994, the National Forum on Health was created to advise the federal government on innovative ways to improve the health system and the health of Canadians. The forum consisted of 24 volunteer members, including the federal minister of health, and the prime minister. Being largely a creation of the federal government, it was perhaps not surprising that while the forum's ideas were well received by academics and did to a limited extent penetrate provincial policy circles, the forum's recommendations were largely unimplemented.

While the forum was doing its work, the federal government was busy folding the Canada Assistance Plan with Established Program Financing, and creating one consolidated and much smaller Canadian Health and Social Transfer regime. The passing on of enormous fiscal pressure to the provinces gave rise to a whole set of cost-reduction strategies arising from this tricky transfer, and the pressures to cut services were shifted from the federal to provincial levels of government. The result of this was that between 1990 and 1996, total real per capita spending on health in Canada rose by 3.6 percent, but total real per

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## The ghost of regional succession threats has stalked a fearful and tentative federal government during Chrétien's tenure.

capita *public* spending declined by 2.3 percent. Slamming on the brakes of fiscal constraint had effects throughout the system and inflicted lasting damage on federal-provincial relations in health care.

### THE HEALTH TRANSITION FUND

The National Forum on Health sketched out a number of areas for reform and called for both a national home care and national pharmacare effort. In addition, the forum called for primary care reform and greater investment in research. The federal government then began a new effort to steer some provincial reform efforts, not through direct transfers, but by creating the "Health Transition Fund," to promote primary care reform and improved wait list management in Canada. While the work of the National Health Forum created a sense of optimism and direction for the health care system, the fiscal squeeze of the early '90s took an

enormous toll on provincial governments and, consequently, hospital and community agencies. It also took an enormous toll on Canadian confidence in Medicare and support for publicly funded Medicare—always historically very high in Canada—started to decline.

In the fall of 2000, Chrétien convened the first meeting of the first ministers to announce a major federal investment in transfers related to health, and provided close to 23 billion dollars in new investments related to health, including—among other things—large investment in health infrastructure. These funds were delivered to the provinces on the eve of an election call, virtually without conditions. Some of the funds were later discovered to have been spent on lawnmowers and other surprise areas by the provinces. This manoeuvring on the part of the prime minister and the federal government was blatant and the whole effort was seen for what it was—an unsuccessful attempt to buy back moral authority by the federal government in the health sector.

### THE ROMANOW COMMISSION

On April 4, 2001 (a mere seven months since the last giveaway of federal funds), Chrétien, now in his last term in office, appointed Roy Romanow to head the National Commission on Medicare. And during the period 2001 to 2003, the national psyche was seized with matters of Canadian values and vision related to health reform, precipitated in large measure by Mr. Romanow's commission and Michael Kirby's parallel Senate investigations into health reform. In February 2003, Chrétien convened a second first ministers meeting related to health care to deal with recommendations arising from the Romanow commission.

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# Federal social policy, the provinces, and the rise of cities

## ADDRESSING URBAN ISSUES

The most dramatic socioeconomic transformation in Canadian society during the Chrétien years was the growing distinctiveness of large urban regions. The most prominent, unaddressed issue in social policy remains the particular social challenges facing large urban regions, and the capacity of municipalities to develop social policy innovations.

The Chrétien government's first years in office were influenced primarily by fiscal restraint and the near-death experience of the Quebec referendum. Neither of these influences was conducive to bold social policy initiatives. In the second half of the prime minister's tenure, with the deficit conquered, there was renewed appetite for social policy interventions. The primary restraint in this period was the transformed federal-provincial dynamic, as demonstrated by the Social Union Framework Agreement (SUFA). This restraint was particularly strong in Ontario, whose government during this period was reducing social services expenditures, and implementing private sector solutions to social policy challenges.

The United Way of Greater Toronto's most intensive work with the federal government was in the area of homelessness. At the centre of Ottawa's National Homelessness Initiative is a program called Supporting Communities Partnerships Initiative (SCPI, pronounced "skippy"). The theory behind SCPI is that responses to homelessness should be developed and implemented locally; the federal government—through community entities—supports these local plans. In Toronto—and in many other communities—the federal government discovered that the local entity with the greatest expertise in serving homeless populations and developing prevention strategies was the municipality.

This is not a radical step. But to municipalities, and to many social policy

BY FRANCIS LANKIN

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The greatest divide in Canada today is between the country's large urban regions and the rest of the country.

advocates, it was significant. In Ontario it was particularly significant because, as the federal government re-asserted its role in areas such as housing, early childhood development and child care, the ability of the provincial government to influence (and—according to some advocates—undermine) federal initiatives was a serious challenge.

## AFFORDABLE HOUSING

In the early 1990s, the federal government withdrew from funding new affordable housing. This project was initiated by the Mulroney government, and completed by the Chrétien government. A few years later, the federal government was persuaded to get back into the business of providing affordable housing. The 2002 and 2003 federal budgets contained separate federal multi-year commitments totalling over \$550 million. But both of these commitments depend on provincial participation, and matching funds.

This set the stage for considerable argument between Ottawa and Ontario. The two governments signed an agreement to implement the first of the federal government's commitments. As it turned out, the vast majority of provin-

cial matching funds came from municipalities or other third parties. Even more important, the province of Ontario was committed to building rental units at market rents, not affordable rents. At the same time, many municipalities were indicating their reluctance to participate in any housing program in which provincial matching funds included municipal dollars. When the war of words between Ottawa and Ontario heated up, the federal government issued this warning to the provinces: if provinces like Ontario drag their feet, the federal government was prepared to deal directly with the municipalities ("the SCPI model").

## CHILD CARE

Child care is a very different issue, but the script is remarkably similar. The 1993 Liberal Red Book contained a commitment to a \$720 million national child care strategy. Fiscal restraint and inter-provincial paralysis conspired to scuttle the plan. Later in the decade, the federal government once again had an appetite to address early childhood development. But in the post-SUFA environment, this required the participation of the provinces.

In Toronto, where the municipality is the leader in children's services, the city and the province had radically different concepts of the role of child care. To the dismay of child care activists, the province was withdrawing support from regulated, high-quality child care; it developed a separate plan for early childhood development. The city's view was that the distinction between early childhood development and high-quality child care is—in the words of a city-appointed task force—"meaningless and misplaced." The task force was established in response to the city's frustration that no federal funds under the Early Childhood Development Initiative were invested in child care.

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# The Chrétien legacy and women's equality

From the perspective of women's economic equality, the Chrétien era amounted to 10 lost years. The momentum begun with the 1970 Royal Commission on the Status of Women slowed during the second Mulroney mandate and came to an almost complete halt during the Chrétien years.

## THE LIBERAL MODEL OF EMPLOYABILITY

Taken as a whole, the changes contributed to the construction of a new model of the welfare state, which political scientist Ann Porter has characterized as the "employability model." This model is premised on a polarized labour market for both men and women with state policies for income support and services reinforcing the precariousness of those at the bottom end. It assumes the labour market participation of the overwhelming majority of women but on terms of inequality for all but a small stratum of the professionally trained or highly skilled. In the absence of services to replace the domestic labour of women in the home, improved opportunity for women at the upper end of the labour market is subsidized by the low wages of women employed in caring services in commercial establishments or in private homes.

Policies of the Liberal government have contributed to the construction of this new model in a number of areas, including unemployment insurance, social assistance, training policy, and children's benefits and services.

By the time the Liberals assumed office, changes by the previous government to Employment Insurance had reduced the percentage of the unemployed actually receiving EI benefits to 57 percent, down from 74 percent in 1987. Under Liberal government changes, the coverage rate declined to 39 percent by 2001. The change to basing eligibility on hours worked rather than on weeks worked hit women particularly hard and resulted in a steadily increasing gender

BY BARBARA CAMERON

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Along with cutting the social transfer to the provinces, the 1995 federal Liberal budget eliminated the Canada Assistance Plan and with it the federal conditions, including the right to social assistance based on need that constituted basic social rights for the poor.

gap in coverage. In 1994, there was a four point difference between the coverage rates of men and women; by 2001 this had grown to 11 points. The gender gap reached 15 points in the childbearing and early child rearing age groups. Married women were further disadvantaged by the 1997 shift from individual to household income testing for the family supplement.

## BROKEN PROMISES

Adequate levels of social assistance are a cornerstone of autonomy for many women with children, providing an exit option for those in abusive or otherwise unsatisfactory relationships and basic

subsistence for single mothers. Along with cutting the social transfer to the provinces, the 1995 federal Liberal budget eliminated the Canada Assistance Plan and with it the federal conditions, including the right to social assistance based on need that constituted basic social rights for the poor. The elimination of the conditions signalled federal support for the workfare strategies of provinces, which as Jamie Peck points out, are directed not at creating jobs for workers who need them but at "creating workers for jobs nobody wants."

When the Liberals came into office, the Conservative policy of targeting funding for labour market training to equity groups was still in place, although the shift to "employability" training for social assistance recipients had begun. The offloading of federal training expenditures onto the EI fund was also already underway. The Liberals accelerated the pace of change in the same direction, eliminating spending on training out of general revenue in the name of devolving responsibility to the provinces and entering into bilateral agreements to allow provinces to use EI funds to train social assistance recipients. In the process, funding for training programs targeted to women disappeared and the infrastructure of women's community-based training organizations was undermined.

## CHILD CARE AND CUTBACKS

The 1993 Liberal Red Book promised a significant expansion of funding for child care through cost-sharing arrangements with the provinces. If fully taken up by the provinces, the promised \$720 million in cost-shared money over three years would have resulted in an infusion of over \$1.4 billion of government money into the child care system and 150,000 new regulated spaces. The promise, along with the cost-shared Canada Assistance Plan, fell victim to Paul Martin's 1995 budget. Child care came back on the

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# Women, work, and social policy reform: The Chrétien legacy

## THIRD WAY REFORMERS

When they ran for the highest political positions in their respective countries, Bill Clinton, Jean Chrétien, and Tony Blair seemed like balanced, compassionate campaigners who might fulfill at least some progressive, pro-feminist, pro-welfare state expectations. As politicians who claimed to borrow the best from a variety of ideological traditions, these leaders presented the public face of what became known as the “Third Way” approach to politics.

At one level, they offered a compelling critique of conservative political executives then in office. George Bush, Brian Mulroney, John Major and their fellow partisans were portrayed as too harsh, too extreme, too immoderate in their handling of the delicate mix of state and market forces that shape people’s lives. Rather than dismissing the idea that society exists as an organic unit beyond the realm of individuals and families, as Margaret Thatcher had famously done, new leaders were anxious to talk about how they would bring communities closer together so as to renew a frayed social fabric.

At the level of rhetoric, proponents of the Third Way emphasized moderation and centrism as antidotes to the rough, tough “market fundamentalism” of Reagan, Thatcher, and company. Yet on another plane, they also suggested it was time to displace the unwieldy, statist and rights-based preoccupations of left-of-centre interests. For example, Third Way leaders promised to respect traditional values including individual responsibility and local community autonomy. The initial electoral platforms of Bill Clinton, Jean Chrétien, and Tony Blair differed in their specific details, but all were shaped by a common thread that spoke to renewed social cohesion and, in particular, to a judicious rather than heavy-handed use of state levers

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Chrétien era welfare  
reform directions in  
Canada, when closely  
compared with  
conservative  
precedents in this  
country and  
elsewhere, often  
reflected more  
similarities than  
differences.

to temper the rising clout of international market forces.

## BROKEN PROMISES

Just how balanced and moderate would these new leaders turn out to be, particularly with reference to single mothers and social assistance policy? Three consecutive Chrétien majority governments in important respects produced policies that were *more* punitive, more restrictive and more obsessed with paid work than those of Conservative leaders. After 1993, Canadian Liberals introduced a layer of what were effectively *work-tested social benefits* in most provinces, notably the National Child Benefit. These work-tested benefits were largely developed and administered as part of tax or fiscal policy, rather than in the context of tradi-

tional social welfare programs. The “post-conservative” approach to benefits was thus increasingly *taxified or fiscalized*, in contrast to the usual social program expenditure route that had been followed in older schemes.

## ATTACKING THE SOCIAL BOND

Chrétien’s use of tax-based vehicles to target work-tested benefits to parents who were employed for pay contributed to an *erosion of social citizenship norms*. Rather than building a more robust regime of universal social engagement and rights, as campaigners on the left had hoped, Third Way efforts tended to define in more narrow terms the paid employment of parents as the *sine qua non* of post-industrial belonging. In so doing, Chrétien and others effectively demeaned the unpaid caring work of many adults, overwhelmingly mothers, at the same time as they diminished the citizenship status of people without children and conveniently ignored the erosion of wages and permanent work in the Canadian economy.

In this respect, Chrétien’s approach obscured the profoundly unequal outcomes produced by the economy that social benefits recipients were supposed to join. As British social scientist Ruth Lister observed, Third Way strategies attempted the impossible—namely, “to divorce the rights and responsibilities which are supposed to unite citizens from the inequalities of power and resources that divide them.” They glossed over fundamental social divisions involving gender, class, and race using a seemingly balanced discourse about cohesion and inclusion, which in turn eclipsed any basis for exclusion other than failure to pursue paid work.

The very significant withdrawal of federal funds from social programs that was announced in Paul Martin’s 1995 budget

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# The non-legacy: Health care in the Chrétien decade

BY GERARD W. BOYCHUK

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Overall, the Chrétien government appears likely to leave little in terms of a significant enduring legacy in this area.

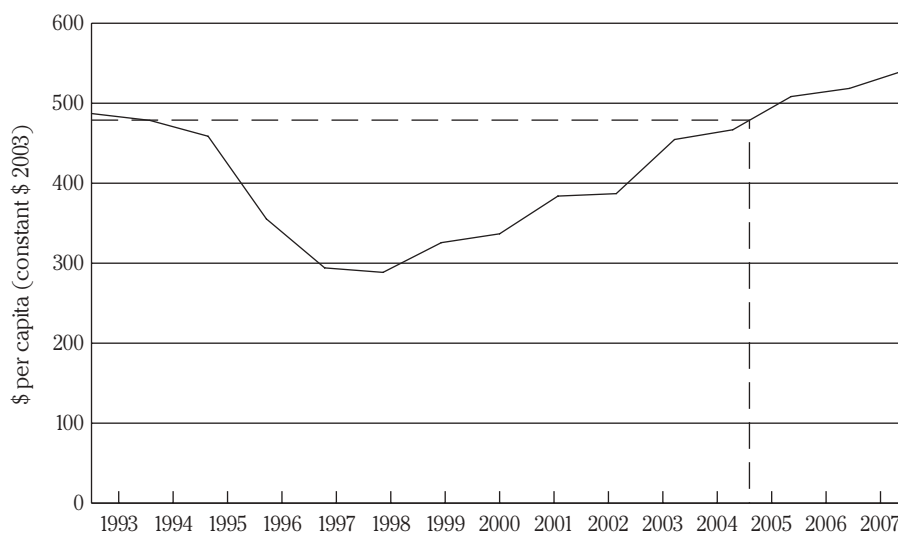
While health care reform has been a major plank in each of the three election campaigns of the Chrétien Liberals, substantive reforms have been less in evidence and, overall, the Chrétien government appears likely to leave little in terms of a significant enduring legacy in this area.

## THE BIG STORY: A LOT OF BAD NEWS

The first Red Book of 1993 outlined the “unwavering” Liberal commitment to the five principles enshrined in the *Canada Health Act* (CHA) and a commitment not to withdraw from the federal role in the health care field. Little more than a year later, the federal government announced, without prior consultation with the provinces, that federal transfers (including those for health care) would be shifted from their existing basis to a new Canada Health and Social Transfer (CHST) regime and, concomitantly, reduced by \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98. While federal transfers for health grew in the late 1990s and early

2000s, they are not scheduled to reach the real per capita levels of 1993 until mid to late 2004—much less make up for the cumulative federal shortfall over time in cash transfers for health, which, by the end of 2002, were \$26 billion less than they would have been if simply maintained at 1993 levels.

## FEDERAL CASH TRANSFERS FOR HEALTH, 1993-2007



**Sources and notes:** Federal cash transfers for health from 1993 to 2003-04 are calculated as 62 percent of actual CHST cash transfers (using the Department of Finance estimate of the proportion of GST going to health.) Federal cash transfers for health after 2004 comprise the cash component of the Canada Health Transfer (CHT).

The first Red Book also committed the government to studying the issue of health care through the establishment of the National Forum on Health (NFH). In its 1997 report, the NFH made a number of recommendations for substantive reforms including reforms to federal transfers (to make them more stable and predictable), a number of reforms to primary care, and the extension of universal coverage to homecare and prescription drugs. Gearing up for the 1997 election, the second Liberal Red Book committed the government, among other things, to working toward universal pharmacare. However, after the election, federal initiatives were largely limited to re-injecting cash in exchange for provincial commitments to respect the principles of the CHA. In the Social Union Framework Agreement (SUFA) of February 1999, the federal government (as part of a much larger package) enriched the cash component of the CHST by \$11.5 billion that was earmarked for health. Provincial governments, in turn, provided assurances that they would respect the five principles of the CHA and spend the increased transfers on health care. However, the agreement provided little in the way of substantive reform.

## PEDALLING BACKWARD

After a hastily abandoned federal plan to “save health care” in early 2000 and with the spectre of an election looming, the federal Liberals were increasingly pressed to do something. In September 2000, the federal and provincial governments reached an agreement on funding—again largely a simple enrichment of the CHST.

The Health Accord 2000 included a statement of support for the principles of the CHA as well as a commitment on the part of both levels of government to work together collaboratively—sharing information, reporting to Canadians, in-

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# The Canadian contribution to international security under Jean Chrétien: The good, the bad, and the ugly

During Jean Chrétien's tenure as prime minister the international security environment was more complex, ambiguous, and multidimensional than those experienced by his predecessors. Over the Chrétien years, Canada faced the Rwandan genocide, ethnic cleansing in the Balkans, warlordism in Africa, crises in the Middle East, massive human rights violations, the proliferation of weapons of mass destruction, NATO's expansion and new role, regional famines, the Asian financial crisis, mounting environmental degradation, Russia's ongoing transition and Cold War weapons legacy, the global AIDS epidemic, resurgent irredentism, transnational crime, growing tensions in South Asia, the rise of "rogue" states, massive migration and refugee flows, terrorism, renewed American unilateralism, and Gulf War II. While this list is by no means comprehensive, it does give an indication of the range of dynamics that shaped the international security environment and provides a compelling backdrop for determining and analyzing Chrétien's security policy legacy. Moreover, it speaks to the global recognition of an expanded notion of security beyond the military affairs of state actors, a redefinition in which Canada played an integral role.

Although there were significant accomplishments under Chrétien's leadership, Canada's overall record in confronting the challenges of an international security environment composed by a vast array of vulnerabilities and opportunities was often fraught with internal contradictions and the lack of a comprehensible unifying vision. Thus borrowing from the title of Sergio Leone's epic spaghetti western, Canada's international security policy during the Chrétien years was a mix of the good, the bad, and the ugly.

BY KYLE GRAYSON  
AND DAVID DEWITT

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## THE GOOD

By far, the greatest Canadian contribution to international security has been in its promotion of a human security agenda under Jean Chrétien's leadership. Although the concept was initially put forward by the United Nations Development Programme, Canada's championing of human security has both broadened and deepened global understandings of what it means to be secure in two interrelated ways. First, human security has expanded the focus of se-

curity policy beyond states toward a new referent object, the individual human being. Second, "freedom from fear" issues missed by traditional national security doctrines including human rights, the targeting of civilians, child soldiers, good governance, and transnational crime have been granted a priority status. Thus, the Ottawa process to ban landmines, the International Court of Justice, the International Commission on Intervention and State Sovereignty, and the Kimberley Process to ban conflict diamonds are evidence not only of significant Canadian diplomatic accomplishments in the area of international human security but of Canada's continuing commitment under the Chrétien government to multilateralism and the strengthening of international norms and laws.

The prime minister's G8 Kananaskis commitment of one billion dollars in support of the global partnership efforts to address the security and environmental challenges posed by the deteriorating former Soviet nuclear stockpile is a significant indicator of Canada's continued involvement in longer-term global security problems. With Canada's military and police force contributions to Kosovo, East Timor, and Afghanistan, in spite of a severely constrained force capacity, and in a few other circumstances, the government chose to act responsibly and in the best traditions of Canadian liberal internationalism.

## THE BAD

Although the public rhetoric of the Chrétien government claimed that Canadian security policy was being guided by the human security agenda, in practice, there were several competing sources providing security policy frameworks, some of which were demarcated

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# Chrétien, NAFTA, and the United States

For Canada's economic nationalists, Chrétien has been a bitter disappointment. During the 1993 national election campaign, which would catapult him to the premiership, he was quite critical of the Canada-US Free Trade Agreement (FTA) and expressed serious doubts about the proposed North American Free Trade Agreement (NAFTA), which had originally been negotiated by Brian Mulroney, George H.W. Bush, and Carlos Salinas in 1992. With the landslide victory of the Liberals in October 1993 (178 out of 295 seats) and the utter decimation of the Progressive Conservative Party, champions of North American economic integration, the new prime minister could have easily scuttled the NAFTA pact, which had been approved by Parliament a few months earlier and, likewise, he could have begun the process of dismantling the FTA, which had been in effect since 1989.

## BREAKING HIS ELECTORAL PROMISE

Instead, Chrétien asked for some cosmetic changes linked to protection of Canadian culture and trilateral discussions on revising subsidy rules, and then he pushed ahead with NAFTA's implementation. His new counterpart to the south, Bill Clinton, was also in a great position to end NAFTA before it was ever ratified, but chose to push forward vigorously with approval in Congress, even though a majority of the members of his own party would vote against the pact in both the House of Representatives and the Senate.

During his tenure as prime minister from 1993 until December 2003, Chrétien would be a stalwart champion of NAFTA and perhaps the chief cheerleader for the proposed Free Trade Area of the Americas (FTAA), which would involve all of the nations of the western hemisphere except for Castro's Cuba. He would periodically criticize aspects of NAFTA and chastise Washington for not living up to the spirit of the accord. He

BY EARL H. FRY

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His gamble on NAFTA has already paid big and tangible benefits for most Canadians and that Canadian "distinctiveness" today is as apparent as anytime in modern history.

also had his resident pit bull, Sheila Copps, sequestered over at the Heritage Ministry where she could periodically castigate the United States for its predatory cultural industries and work in tandem with France to forge a new international regime promoting cultural protectionism. Nevertheless, Chrétien's core policies always favoured NAFTA, and he even permitted groups within the Cabinet to meet informally and ruminate on how North American economic integration could be further strengthened through the establishment of a customs union, a common currency, the free movement of labour, or some other integrative mechanisms.

Chrétien's strategy was eminently successful in terms of the well-being of Canadians. During the NAFTA years, Canada has enjoyed one of its most prosperous periods in history. It once had one of the highest government debt burdens as a percentage of GDP among

the major western nations, second only to Italy. It now has one of the healthiest balance sheets among the 30 members of the Organisation for Economic Co-operation and Development (OECD). In addition, Canada has had the best-performing economy among the G8 nations over the past half decade and stands at the top of the OECD grouping along with Australia and Norway.

## NAFTA AND CANADIAN PROSPERITY

In the process, Canada has continued to place most of its economic eggs in one foreign basket, with almost 85 percent of all exports going to the United States. When one adds into the equation the presence of numerous US companies in Canada, which provide over one million jobs for Canadian workers, and the influx of Americans who account for over 90 percent of all foreign visitors to Canada, a staggering 40 percent of Canada's GDP is now linked to having open access to the United States, a nation with a population base 9 times higher and a GDP 13 times larger than Canada's.

The economic nationalists would argue that this dependency is utterly dangerous and that Canada will eventually be absorbed economically and then politically by its neighbouring superpower. Chrétien, however, has taken full advantage of the opportunities available and Canada has prospered while still keeping its distance in so many important ways from the United States. Canada has racked up huge merchandise surpluses with the United States—Cdn\$92 billion in 2000, Cdn\$97 billion in 2001, and Cdn\$92 billion in 2002. Its economy is more competitive than ever before in a world that is becoming increasingly interdependent in a period of globalization and the information technology revolution. Through the WTO and the proposed FTAA, Chrétien envisioned diversifying Canada's international economic linkages by expanding the overall economic pie, rather than decreasing the absolute

amount of goods and services shipped to the United States.

### **MORE ECONOMIC INTEGRATION**

Chrétien has also kept his nation at arm's length from the United States while still pushing for greater continental and hemispheric economic cooperation and integration. He and most Canadians looked disapprovingly on the chummy relationship between Mulroney and Ronald Reagan, which was exemplified by the Shamrock Summit. He insisted that Canada was sovereign and independent and that its point of view should be respected by Washington. This stance would not keep him from developing a good working relationship with Bill Clinton and he would even sneak away from time to time to play a round of golf with Clinton south of the border. He was also able to call on Clinton and Secretary of State Warren Christopher when things were going badly for the federalists during the 1995 Quebec referendum campaign. Both Clinton and Christopher were encouraged to issue veiled warnings to Quebecers that a vote in favour of separation might result in Quebec's exclusion from NAFTA, adding to the sense of economic uncertainty if Quebec voters opted for the Yes option.

## **Liberalizing Canada**

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Jean Chrétien may have been reluctant to impose his morality on others, but did not flinch from asserting his political authority.

### **APEC AND THE DISREGARD FOR DEMOCRATIC RIGHTS**

Whatever the above examples show, the Asia-Pacific Economic Cooperation (APEC) summit of 1997 is an unforgettable example of the Chrétien government's disregard for the democratic rights of Canadians. There, the RCMP cracked down on students and others who had gathered to protest the presence—on Canadian soil and at Canada's invitation—of Indonesia's President Suharto. The police seized signs and

### **BAD BODY LANGUAGE**

In sharp contrast to his warm ties with Clinton, Chrétien's relationship with George W. Bush was abysmal. Bush would never make an official state visit to Ottawa during Chrétien's term in office, and Chrétien never received an invitation to visit the ranch in Crawford, Texas. Canada's prime minister should be justly criticized for not fully explaining his remarks after 9/11, when he exclaimed that Washington was at least partially responsible for the dastardly attack on New York and Washington by the 19 fanatics. He was also too slow to respond diplomatically to the "moron" remark by his director of communications, the "failed statesman" remark by his minister of natural resources, and the "Damn Americans, I hate the bastards" utterance by a Liberal backbencher from Toronto.

On the other hand, Chrétien was fully justified in opposing US pre-emption policy and unilateralism vis-à-vis Iraq. His invitation to piece together a consensus among the Security Council members for some form of multilateral intervention in Iraq, if only the United States would delay by a few days its incursion into Iraq, was an excellent suggestion which should have been heeded by the Bush administration.

banners that could not conceivably be regarded as a threat to security but were banned, anyway, because they were offensive and politically embarrassing to the prime minister's summit guests. Not only that, the RCMP arrested some participants and threatened others. Most controversial and offensive was the RCMP's decision to use pepper spray on a crowd that was engaged in activities that should be, and are, protected by the constitution.

The APEC summit's implications for Canadian democracy are troubling at many levels. It was worrying enough that the RCMP's crowd control tactics demonstrated an abuse of authority; the further question that arose, however, was

Canada's rightful objection to US unilateralism in the Persian Gulf earned Chrétien the personal enmity of Bush, but he was in good company with Chirac, Schroeder, and many other eminent leaders scattered around the world.

### **CHRÉTIEN POLITICAL SMARTS**

In conclusion, Jean Chrétien's policy toward NAFTA has had a significant impact upon contemporary Canadian society, and, within a decade or two, Canadians will probably have strong opinions on whether the dire warnings uttered by the economic nationalists over NAFTA membership were justified or vacuous. My perspective is that his gamble on NAFTA has already paid big and tangible benefits for most Canadians and that Canadian "distinctiveness" today is as apparent as anytime in modern history.

Paul Martin has been handed a powerful economic hand to play, and he will be able to use the change in leadership and his more refined interpersonal skills to smooth the ruffled relationship with the White House and move forward with FTAA negotiations and with new plans for North American economic cooperation once NAFTA is fully implemented in 2008. 

whether the police acted under direct orders from the Prime Minister's Office. There was an inquiry, which was constituted under the RCMP Public Complaints Commission, but it was plagued by resignations and disputes about the funding of legal fees. When Prime Minister Chrétien refused to testify, key complainants withdrew from the proceedings. In the circumstances, it is difficult to conclude that either the RCMP or the Prime Minister's Office was held fully accountable for the assault on democratic values that occurred at the APEC summit.

Even so, Jean Chrétien's response to what had gone wrong at the summit may be the most shocking element of the

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story. When asked about the RCMP's use of pepper spray, the prime minister quipped, "[p]epper," I put it on my plate." The excuse he then gave for this cavalier and dismissive reaction to the violation of rights was that "I made a joke. You know me. I tried to get you to laugh. Relax a bit in the nation, I say." Nor did it improve matters when he later defended the use of pepper spray on grounds that "[r]ather than taking a baseball bat to do something, they're trying to use civilized measures." It is as if he thought Canadians should be grateful that pepper spray was the RCMP's weapon of choice.

## CHRÉTIEN'S AUTOCRATIC LEGACY

The APEC summit may have been cataclysmic for rights, but what took place there was not uncharacteristic of Prime Minister Chrétien's attitude toward freedom in the political domain. Far from being laissez-faire or libertarian, Chrétien can more accurately be described as autocratic or authoritarian on these is-

In breaking ranks with the party to vote in favour of the Alliance's marriage motion last fall, a Liberal MP defiantly stated: "You can no longer bully the caucus."

sues. As prime minister and leader of the government, he brooked no dissent in Cabinet or caucus but ruled, instead, with an iron hand. Nor did he hesitate to reward his friends and punish or isolate those he viewed as enemies or rivals. Significantly, in breaking ranks with the party to vote in favour of the Alliance's marriage motion last fall, a Liberal MP defiantly stated: "You can no longer bully the caucus."

Bill C-36, the *Anti-Terrorism Act*, is also part of the Chrétien government's legacy. This legislation grants authorities a variety of investigative and preventive powers, which can be exercised

against individuals and organizations that are suspected of engaging in terrorist activities. In operation, much of Bill C-36 is shrouded in secrecy, with as yet unknown consequences for the fairness and transparency of proceedings under the Act.

Other examples could be cited of the government's willingness to subordinate the rights of Canadians to the demands of expedience. For the purpose of this brief article the point is that, contrary to what Jean Chrétien claims, the protection of rights under his administration was a matter of political calculation, and not a question of principle. 

## Chrétien and the Aboriginals

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thusiastic support from Liberal MPs. Since the white paper, the only rights mentioned as specifically aboriginal in the House of Commons by Liberal MPs were undefined linguistic and cultural rights—rights to special medical facilities, to police services adapted to aboriginal culture, to housing, and to vote.

### Political rights

Political rights fare somewhat better with Liberals, as self-government was indeed included in aboriginal rights as an essential requirement of economic and community development. Borrowing from the Royal Commission on Aboriginal People, one aboriginal MP came forward with a suggestion for implementing this right in the form of a third chamber of government where First Nations would sit. However, the basis on which these rights were to be

grounded varied over time for the Liberals. Until 1990, they were deemed to have existed as inherent rights since before contact between Aboriginals and Europeans. But, after the Oka crisis, the Liberals wavered on that question and Chrétien himself declared that they derived from the multicultural provisions of the constitution. It was only after Charlottetown that mainstream Liberal MPs came back to their party's former position, and qualified aboriginal rights, including self-government, as inherent.

### Economic rights

While in opposition, the Liberals gave three definitions of the meaning and scope of the most important native economic right—aboriginal title. Before the Oka crisis, they defined aboriginal title as the right of Aboriginals to have their lands protected through the fiduciary re-

lationship; during the crisis, as a right to a specific territory; and later, as a moral right on land. Until more recently, it was mentioned only in connection with land and resources management. It is not surprising then that when in power, the Liberals offloaded responsibility for that definition to the courts.

### A TARNISHED RECORD

From this analysis of the Commons debates, we can see the influence of Chrétien's assimilative policy toward the Aboriginals on his Liberal colleagues (with the exceptions of the two Aboriginals among them), even before he could control them as prime minister. But his ideology has influenced actions even more than words, be it the treaty practices, or recent legislation. It is not possible to analyze those tools of neo-colonialism in the context of this symposium or the space allocated in *Canada Watch*,

but suffice it to say that they are just as restrictive as the discourse analyzed above would suggest.

The treaty practices first required explicit and, now, implicit extinguishment of rights not mentioned in the agreements, as the *Dogrib* formula for “certainty” has been described. Legislation recently both adopted and tabled was no better—it grants only administrative pow-

ers on land and governance on the precondition that the bands to whom these limited powers are recognized adopt codes regulating behaviour and dealing with prescribed topics, including alienation of lands, which was unacceptable in traditional aboriginal law.

Given the assimilative and restrictive policies that were defended in the Commons and implemented in government

while Chrétien was either minister for Indian Affairs, or influential on his colleagues even before he became prime minister and was able to appoint Robert Nault to finish his job for him, we can only conclude that if he leaves politics with a reputation for open mindedness or even enlightened self-interest, he will have earned it elsewhere than in the field of aboriginal affairs. 

## Take a green poultice continued from page 30

Once again the feds “negotiated” an agreement in which \$27 billion new dollars were transferred, but little was returned. With almost a year passed since the February 2003 accord, governments in Canada have shown little interest in acting on the major recommendations arising from Mr. Romanow, nor have they shown much appetite for living up to their end of the February 2003 bargain—that being, the establishment of a National Health Council, the definition of base elements in a national home care program, and the national establishment of a common, catastrophic drug insurance program.

So how has Chrétien fared? Notwithstanding the major fiscal squeeze arising from the recession of the early 1990s and the downward transfer of fiscal obligations to the provinces, Chrétien has quietly stood behind Canadian values in health reform. In the creation of the National Health Forum he advanced a moderate Canadian vision of reform with a wide consensus of policy elites in the country. In appointing Mr. Romanow, he stood once again close

to Canadian values in identifying a leader of immediate credibility and integrity for the Canadian public.

In contrast, Chrétien has failed to secure a solid footing for the future of Medicare and in particular to provide any significant improvement in the scope of coverage challenges that have plagued Medicare for the last 20 years, as care has shifted out of the hospital and into the community. In addition, with pharmaceuticals rising faster than other expenditures in the health care sector, there is no national formulary or national catastrophic drug program on the horizon to pick up from the calls of the National Forum or Mr. Romanow.

### THE HEALTH CARE LEGACY

In many respects, Chrétien appears to have acted as a leader spooked by the extremely narrow victory of the federalist forces in the Quebec sovereignty vote of October 1995. He never quite recovered political stability on federal-provincial relations. The ghost of regional succession threats has stalked a fearful and tentative federal govern-

ment during Chrétien’s tenure. Nowhere is this truer than in the health care sector, where the federal government has had a strong and forceful mandate to act arising from the Romanow commission, and has been unable to expand coverage in a fashion anticipated by the National Forum and Romanow reports.

Chrétien has protected Medicare from the worst—wholesale privatization—but the triumph of the politics of pragmatism over the politics of principle has allowed creeping privatization, particularly in the financing of community care and pharmaceuticals. And this is slowly and surely eating away at the heart of Medicare—national coverage for medically necessary services. Without strong federal leadership, the prognosis for Medicare is poor. Ironically, perhaps it will fall to his successor, Mr. Martin, to finally announce the creation of a National Health Council for Canada, and take a more vigorous set of steps to re-establish a federal presence and extended federal base of coverage for health in Canada. 

## Federal social policy continued from page 31

The city’s task force recommended that the federal government get tough with the province. In its view, the federal government was not enforcing the accountability provisions of SUFA. The task force argued that the federal government should provide additional support to those provinces that have integrated child care into their plans for early child-

hood development. And in cases where the provinces fail to comply, the federal government should enter into direct funding agreements with municipalities (the SCPI model).

In the 2003 budget, the federal government made a tangible and dedicated commitment to child care. The government committed \$900 million over five

years, and invited the provinces to the table. This set the stage for another Ottawa–Ontario confrontation; the federal government’s funds were to be spent on regulated child care, but the province of Ontario favoured the inclusion of informal child care arrangements. In the end, the governments agreed that the pro-

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## Federal social policy continued from page 39

gram would benefit the regulated sector, but left the province responsible for defining “regulated.” This left child care advocates nervous.

The constraints of space do not permit me to describe in any detail all the social policy initiatives of the Chrétien government. Most notably, the National Child Benefit (NCB) was an important innovation and—as it grows—it becomes more significant. But it is worth noting that the NCB set the stage for another federal–provincial wrinkle; to the dismay of most child poverty advocates, Ontario decided to “clawback” this benefit from social assistance recipients by reducing welfare rates by an identical amount. This is permitted by the federal government, provided the province can demonstrate that the savings have been invested in child care or other in-kind services for low-income children and their families. In Ontario, many activists disputed Ontario’s contention that it was honouring the agreement, and that equivalent services were being supported.

### GETTING BACK TO THE CITIES

Finally, it is worth noting that the federal

government’s social policy initiatives have largely ignored the most remarkable social change in Canada in the past few years. As *The Economist* and many others have pointed out, the greatest divide in Canada today is between the country’s large urban regions and the rest of the country. This is a product of globalization. Large urban regions are fully connected to the global economy, particularly through immigration. Between 1996 and 2001, 62 percent of Canada’s population growth occurred in four cities—Toronto, Montreal, Vancouver, and Ottawa. Non-urban areas as a whole lost 25,000 people.

Large urban areas are characterized by extremes of wealth, and the increasing concentration of urban poverty. As Judith Maxwell has argued, poverty in Canadian cities has become more concentrated in discrete neighbourhoods. At the same time, the capacity of municipal governments to undertake significant social policy innovation is diminished by a combination of property tax dependence, and downloading. There is a growing need to focus more energy on the livability and vitality of our urban areas. This does not come easily to the

senior levels of government, which have historically expended more energy on providing services equally across jurisdictions; these governments have difficulty with what Jane Jacobs calls the “particularity” of large urban areas.

Interestingly, it was a speech on this issue that triggered the political stand-off that began with Paul Martin’s resignation as finance minister and ended with the announcement of Jean Chrétien’s retirement in August 2002. Paul Martin delivered a speech to the Federation of Canadian Municipalities that described a different relationship between the federal government and municipalities. As part of his campaign for the Liberal leadership, he confirmed his commitment to sharing a portion of the federal gas tax with municipalities.

It is not yet clear whether a Paul Martin government will have the fiscal or policy flexibility to work with municipalities on an innovative social policy that reflects the rise of city-regions. Nevertheless, there are important signals that the treatment of municipalities—and big cities, in particular—will be one policy area where he hopes his government can distinguish itself from its predecessor. 🍁

## Women’s equality continued from page 32

political agenda in 2003 when Finance Minister John Manley’s budget committed \$25 million for early childhood development services in 2003-04 with the promise of an additional \$875 million over the following four years. With Manley out of politics and Jane Stewart, the main proponent of the 2003 initiative, out of the Cabinet, there is reason for skepticism about the renewed child care promise.

Rather than direct resources to services, the Chrétien Liberals chose to frame support for working parents in terms of an employability agenda. They significantly enhanced the Conservative’s child tax benefit and offered provinces the option of reducing the amount

that goes to social assistance recipients in order to encourage labour market attachment. Structured as a negative income tax benefit, the child tax benefit might well play a role within a coherent set of family and labour market policies. In the absence of child care services and in the context of federal and provincial policies directed at creating greater competition at the bottom end of the labour market, the measure operates primarily as a subsidy to low-wage employers.

### THE ONE BRIGHT SPOT

The extension of marital/parental leave under the Employment Insurance Program to a total of 50 weeks stands out as an important exception to the over-

all lack of progress on women’s equality measures under the Chrétien Liberals. It is a gain that will be difficult for any subsequent government to reverse. The absence of a coherent Liberal family policy is, however, evident in the fact, noted above, that other changes to EI resulted in women of childbearing/rearing ages losing their entitlement to EI benefits and therefore to maternity and parental benefits.

The employability model of the welfare state was constructed primarily through measures introduced in budgets during Paul Martin’s term as finance minister. The 10 lost years for women’s equality should therefore be seen as a joint Chrétien /Martin legacy. 🍁

# The Chrétien record on environment and sustainability

## CANADA AS ENVIRONMENTAL LEADER: 1993

Jean Chrétien was elected prime minister in 1993, one year after the United Nations Conference on Environment and Development (the “Earth Summit”) was held in Rio de Janeiro. Many observers regard that event as the zenith of global concern about the environment. It was certainly the culmination of growing popular awareness and extensive engagement of decision makers in the public sector around the world. It also catalyzed the global involvement in sustainable development of businesses, NGOs, and aboriginal peoples.

Canada’s reputation as an international environmental leader was also at its zenith. The driving figure behind Rio, and the secretary general of the Earth Summit, was Canadian Maurice Strong. But Canada’s leadership had been evident for a number of years leading up to Rio. Canada had hosted the 1987 Toronto Air Conference, which first identified climate change as a major global issue. That same year, the Montreal Protocol brought international action on ozone depletion, an issue Canadian scientists had helped bring to light. The secretary general of the Brundtland Commission, and principal author of its 1987 report *Our Common Future*, which led the UN to organize the Earth Summit, was also a Canadian, Jim MacNeill.

Canada had hosted six public meetings of the Brundtland Commission, and as a result, set up the National Task Force on the Environment and Economy. Among its recommendations that Canada implemented was the establishment of the National Round Table on Environment and Economy (NRTEE). Canada introduced the Green Plan in 1990, which entailed a multibillion dollar commitment to better resource management and environmental protection. The environment portfolio was a prize

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Governance for sustainability . . . involves two challenges: making better decisions and making decisions better.

given to rising stars in the Mulroney cabinet, including Lucien Bouchard and later Jean Charest. In 1992 Canadian Elizabeth Dowdeswell was appointed executive director of the United Nations Environment Program.

No one in 1992 could have anticipated the utter collapse of the Progressive Conservative Party in the election the following year. Few expected that the environment would soon fall off the public agenda in Canada and internationally. The shift from zenith to nadir was abrupt and surprising.

The environment was certainly a key element of Liberal Party strategy going into the 1993 election, and featured prominently in the Red Book whose principal architect, Paul Martin, was environment critic in Chrétien’s shadow cabinet. Martin was well familiar with the portfolio, and was fortunate to have Maurice Strong as his friend and mentor. But the Chrétien government soon became pre-occupied with the deficit and national unity. As finance minister,

Martin presided over the program review exercise in 1994, which resulted in huge cuts to many departments, especially Environment Canada. Speaking in 1997, Jim MacNeill described the Liberal environment record as “perhaps the worst in recent memory.” But how bad was it? What happened to the Red Book promises?

Several of the key commitments contained in the Red Book focused on changes to the structures and processes of environmental decision making. In 1994, NRTEE was given a firmer institutional basis by an Act of Parliament establishing it as an agent Crown corporation. In 1995, a federal Guide to Green Government was signed by every member of the Cabinet. As promised, the Chrétien government established both the House of Commons Standing Committee on the Environment and Sustainable Development and the Commissioner of the Environment and Sustainable Development (CESD).

The 1995 amendment of the *Auditor General Act*, which introduced the CESD requires each federal department and key agency to produce a sustainable development strategy (SDS), renewed every three years and reported on annually to Parliament by the commissioner. A 1999 Cabinet directive requires all major federal proposals to undergo an environmental assessment. These governance changes may ultimately prove to be the most significant environmental legacy of the Chrétien government, but more on that later. What about the substance of Canada’s environmental policy?

## THE SUBSTANCE OF ENVIRONMENTAL POLICY

Here the record is mixed. Canada took years to pass the *Species at Risk Act*, which was finally proclaimed in June 2003. A revised version of the *Canadian*

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# Income inequality and poverty: The Liberal record

BY ANDREW JACKSON

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Despite job growth,  
it is striking that,  
on average, there  
were no real wage  
gains whatsoever  
for workers over  
the past decade.

The Liberals had the good fortune to take over as the Canadian economy was starting to recover from the severe downturn of the late 1980s and early 1990s. By the measure of growth of GDP per person over the past decade, Canada put in just about the strongest economic performance of any major industrialized country, including the United States. However, GDP is a very incomplete measure of well-being, telling us little about economic security or the distribution of income, not to mention the quality of life in communities and the state of the environment.

## THE ATTACK ON THE SOCIAL WAGE

The Liberal record is flawed when viewed from the perspective of distributional outcomes. Income inequality and poverty have both increased when account is taken of the state of the business cycle. And, redistributive economic transfers, economic security, and access to public and social services were all undermined by Liberal spending cuts, particularly cuts to the Employment Insurance program and transfers to the provinces. This short paper considers changes in market and transfer income, though cuts to the “social wage” of public and social services also greatly affected living standards.

From 1993 to 2002, government transfers to persons fell sharply, from 13.5 percent of GDP to 10.5 percent of GDP—the equivalent of \$35 billion in 2002. Seniors’ benefits were largely unaffected by policy changes, and rose due to population ageing. But, transfers to working-age households—mainly EI and social assistance benefits—fell, partly because of falling unemployment, which is a good thing, and partly because of reduced eligibility and benefits. In 1993, there were 1.6 million unemployed workers on average, 57 percent of whom collected regular EI benefits. By 2002, the number

of unemployed had fallen to 1.3 million, but just 38 percent of the unemployed now qualified for benefits. The dollar saving was much greater than that justified by the fall in unemployment, and the cost was borne mainly by lower- and middle-income households.

## SHARING THE BLAME

The Liberals cannot, perhaps, be directly blamed for deep welfare cuts in the two richest provinces of Alberta and Ontario, especially since provincial governments here chose to deliver tax cuts. But, cuts to provincial transfers and the elimination of 50–50 federal cost-sharing of welfare under the Canada Assistance Plan certainly pushed the costs of social assistance (and related social programs such as child care) onto the provinces, including provinces that had little fiscal room to manoeuvre. No province increased welfare rates at anything near the rate of inflation after the mid-1990s, resulting in deep income cuts to Canada’s poorest households. Welfare cuts fell not just on persons and families outside the workforce, but also on the

working poor who move between low-wage jobs and social assistance.

On the other side of the balance sheet, the introduction of the National Child Benefit resulted in higher benefits for some low-income working families with children but, by design, did not provide an income supplement for the many low-income families with children on provincial social welfare programs.

Under the Liberals, the national unemployment rate fell and the employment rate rose. Between 1993 and 2002, the economy created some 2.5 million new jobs. However, unemployment of young adults remained high, as did under employment of adult women in involuntary part-time jobs, and the proportion of the total workforce in “own account” self-employment rose. The modest tilt toward more precarious and insecure forms of work had disproportional impacts on women workers and recent immigrants.

## WAGE GAINS MODEST

Despite job growth, it is striking that, on average, there were no real wage gains whatsoever for workers over the past decade. Increases in average weekly and average hourly earnings for all workers just about matched the increase in prices, while even private sector unionized workers saw a very modest real wage gain of just 3.4 percent in total over the whole nine years. Real median annual earnings did increase—by 10 percent—between 1993 and 2001 (from \$23,028 to \$25,387), but this was due to working more hours in the week and weeks in the year, rather than because of higher wages per hour or week.

The boom in job creation had no impact at all on the incidence of low pay. In 2002, 25.3 percent of workers—19.4 percent of men and 31.5 percent of women—were low paid, defined as earning less than two-thirds the me-

dian (mid-point) hourly wage, the same level as in 1997. International data show that the incidence of low pay in Canada is, among the advanced industrial countries, second only to the United States.

## INCOME INEQUALITY ON THE RISE

The Liberal years were marked by a major increase in income inequality, as the gains of the economic recovery went mainly to higher-income families. The table provides data on income trends in the 1990s for economic families of two persons or more. The data are in constant (inflation-adjusted) dollars. Data are shown for 1989, 1993, and 2001 (the most recent available) to show the changes under the Liberals as well as the longer-term structural trend. (The years 1989 and 2001 are comparable in terms of the level of unemployment.)

The first part of the table shows trends in market income—that is, wages and salaries, plus small business and investment income—but not including income from government transfers.

It is clear that the market income gains from 1993 went disproportionately to the high end. The top 20 percent of families, with average market incomes of \$145,580 in 2001, took 45.6 percent of all market income in that year, up from 44.4 percent in 1993, and up from 42.4 percent in 1989. In inflation-adjusted dollar terms (measured in 2001 dollars), the market incomes of the top one-fifth rose by 23.1 percent under the Liberals, much more than the other income groups with the exception of the bottom 20 percent. However, the bottom 20 percent, which is disproportionately made up of elderly families and recipients of social assistance, receives very little market income, and is mainly reliant on government transfers.

As also shown in the table, the top 20 percent of families also increased their share of after-tax/after-transfer income between 1993 and 2001, from 37.1 to 39.2 percent of the total. The share of all other income groups, including the bottom 20 percent, fell. This is unusual in a period

of strong economic recovery, which usually provides strong benefits to lower- and middle-income groups because of falling unemployment. In the economic recovery of the 1980s (1982 to 1989), the after-tax income share of the top 20 percent of families remained the same, and their share of market income increased

only very slightly from 42.0 to 42.4 percent. Increasing inequality reflects two broad forces pushing in the same direction. As noted, the increase in market income went mainly to the top, and the cuts in government transfers to non-elderly families fell disproportionately on

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### FAMILY INCOME TRENDS IN THE 1990s

|                                               | 1989      | 1993      | 2001      | % Change<br>1989-2001 | % Change<br>1993-2001 |
|-----------------------------------------------|-----------|-----------|-----------|-----------------------|-----------------------|
| <i>Market income</i>                          |           |           |           |                       |                       |
| Bottom quintile                               | \$ 8,969  | \$ 5,307  | \$ 8,362  | - 6.8%                | 57.6%                 |
| Second quintile                               | 33,729    | 29,896    | 32,362    | - 4.1%                | 8.2%                  |
| Middle quintile                               | 53,144    | 47,235    | 54,127    | 1.8%                  | 14.6%                 |
| Fourth quintile                               | 73,844    | 68,720    | 78,389    | 6.2%                  | 14.1%                 |
| Top quintile                                  | 124,953   | 118,241   | 145,580   | 16.5%                 | 23.1%                 |
| <i>Shares of market income</i>                |           |           |           |                       |                       |
| Bottom quintile                               | 3.0%      | 2.0%      | 2.6%      |                       |                       |
| Second quintile                               | 11.5%     | 10.1%     | 10.2%     |                       |                       |
| Middle quintile                               | 18.0%     | 17.7%     | 17.0%     |                       |                       |
| Fourth quintile                               | 25.1%     | 25.8%     | 24.6%     |                       |                       |
| Top quintile                                  | 42.4%     | 44.4%     | 45.6%     |                       |                       |
| <i>After-tax/after-transfer income</i>        |           |           |           |                       |                       |
| Bottom quintile                               | \$ 20,258 | \$ 18,891 | \$ 20,721 | 2.3%                  | 9.7%                  |
| Second quintile                               | 35,979    | 32,717    | 36,830    | 2.4%                  | 12.6%                 |
| Middle quintile                               | 48,064    | 44,738    | 51,074    | 6.3%                  | 14.2%                 |
| Fourth quintile                               | 62,247    | 58,886    | 67,878    | 9.0%                  | 15.3%                 |
| Top quintile                                  | 97,242    | 91,683    | 113,615   | 16.8%                 | 23.9%                 |
| <i>After-tax/after-transfer income shares</i> |           |           |           |                       |                       |
| Bottom quintile                               | 7.7%      | 7.7%      | 7.1%      |                       |                       |
| Next quintile                                 | 13.6%     | 13.3%     | 12.7%     |                       |                       |
| Middle quintile                               | 18.2%     | 18.1%     | 17.6%     |                       |                       |
| Next quintile                                 | 23.6%     | 23.9%     | 23.4%     |                       |                       |
| Top quintile                                  | 36.9%     | 37.1%     | 39.2%     |                       |                       |

(Data are for economic families of two persons or more. Constant \$ 2001.)  
Statistics Canada. Income in Canada CD-Rom 2001.

#### Poverty (Post-tax LICO)

|             |       |       |       |
|-------------|-------|-------|-------|
| All persons | 10.0% | 12.9% | 10.4% |
| Children    | 11.5% | 15.7% | 11.4% |
| 18-64       | 9.3%  | 12.3% | 10.6% |
| 65+         | 10.9% | 10.8% | 7.3%  |

Source: Statistics Canada. Income in Canada CD-ROM. Table T802.

# Income inequality and poverty continued from page 43

lower-income groups. Tax changes also contributed to greater inequality.

## A SKEWED INCOME DISTRIBUTION AND CHILD POVERTY

Note that a family in the middle of the income distribution saw only a 14.6 percent increase in real market income over the eight years from 1993 to 2001, and a 14.1 percent increase in real after-tax/after-transfer income. A real income gain of only about 1.5 percent per year looks very small in comparison to the average real GDP growth rate of over 3.5 percent per year over the same period. The bottom 40 percent of families fared even worse in terms of growth of after-tax/after-transfer incomes. In short, there

has been a major disconnect between the statistics of overall economic recovery, and the incomes of ordinary working families, explained in significant part by the very unequal distribution of income gains.

The picture is slightly different when it comes to poverty rates, as measured by the after-tax low income cut-off line. Under the Liberals, poverty fell significantly for all age groups, reflecting the fact that the jobs recovery did give a boost to the incomes of those at the bottom, even if their share of the overall income gain was not large and was offset by cuts to transfers. However, poverty rates for the working age population in 2001 were still well above the level of 1989, when unemployment was at about

the same level. The fact that the child poverty rate was about the same in 2001 as in 1989 is no reason for great celebration given that this was the decade for the elimination of child poverty.

The clear bottom line is that income inequality increased significantly in the Liberal years, mainly because the increasingly unequal distribution of market income was not offset to the same extent as in the recent past by government transfers to lower-income families. And, poverty rates remained disturbingly high.

**A note on sources:** *Except as otherwise indicated, data are taken or calculated from the standard sources as reported in the 2002-03 issue of Statistics Canada's Canadian Economic Observer Historical Statistical Supplement.*



# Women, work, and social policy reform continued from page 33

coincided with a loss of the national policy guidelines or principles that had prevailed for three decades. The supports for job training and child care that Liberals promised in their 1993 Red Book platform failed to materialize, leaving poor women in Canada to face less generous, more punitive, and often more paternalistic welfare regimes at provincial and local levels. Since significant cuts to federal social transfers, reductions in federal spending controls and weakened protections for poor citizens characterized the Canada Health and Social Transfer regime introduced in 1996, it was not surprising that subsequent years saw the arrival of US-style workfare programs in Ontario and time-limited social assistance benefits in British Columbia.

## CHRÉTIEN'S ATTACK ON SOCIAL POLICY

So what? Of what larger significance were these patterns? Chrétien and other Third Way leaders tipped an already precarious and uneasy weighting of social rights and individual obligations toward a seemingly inexorable stress on duties owed. Over time, the combined effects

of their policies included narrowed social assistance eligibility, a glorification of paid work as the single unambiguous answer to welfare "dependency," and the growth of invasive social regulation in the lives of single mothers.

Austerity arguments as framed by Chrétien, Martin, and others suggested it was time to narrowly target scarce public funds toward selected "work-ready" recipients, in this way eliminating what were described as the wasteful universalist solutions of a "failed" welfare state. The combined upshot of their claims was the emergent Anglo-American duty state, under which individual obligations trumped social rights and administrative discretion rewarded "responsible behaviour."

For poor women, the crucial irony within the scenario of a fading residual or liberal welfare state and emerging duty state was stark and sharp. Surely among society's most dutiful members were mothers who cared for their children in the absence of a spouse or partner, in the absence of measurable financial assets, and in the absence of supportive social norms that said caring

work mattered. Yet it was precisely lone mothers at the bottom of the income scale who were singled out under the terms of the emergent duty state to find paid work, or a husband, in order to conform to moralistic norms about "self-sufficiency," "self-reliance," or "family values." Just as older social rights-based claims or entitlements were giving way to a nascent regime grounded in ideas about duties owed, women who thought they were fulfilling their obligations were assigned yet more responsibilities, and stripped of the rights they might have used to contest those additional burdens.

In short, Chrétien era welfare reform directions in Canada, when closely compared with conservative precedents in this country and elsewhere, often reflected more similarities than differences. From the perspective of late 2003, it seemed likely that a Paul Martin Liberal government would continue in the same directions as its predecessor—particularly given that Martin as finance minister had mapped out so many of those directions in his crucial budgets of the early Chrétien era.



vesting in home care and community care. However, these initiatives fell well short of such second Red Book promises as universal pharmacare—an initiative on which the federal government appeared to have expended little effort.

The third Red Book committed the Liberal government to implementing the Health Accord, guarding against the development of two-tier health care, as well as more specific promises such as a commitment to form a citizen's council on health care (appointed jointly with the provinces) to help design appropriate quality measures and performance benchmarks. Despite being armed with both an "action plan" (even if somewhat limited in scope) and what could be interpreted as an electoral mandate to proceed, the Chrétien government announced an 18-month hiatus in health care reform with the striking of the Romanow commission less than five months after the election.

To some, this announcement was surprising considering that the Senate committee chaired by Michael Kirby had already been studying the health care system at the behest of the Liberal government for over a year. The government argued that the release of both final reports in the fall of 2002 would mark the point at which health care reform would be undertaken in earnest.

## ROMANOW AND KIRBY

As the final reports of the Kirby committee and Romanow commission were in overall general agreement, together they provided a strong basis for federal action. Both recommended that the federal government use federal funding to leverage specific models of health care delivery in areas primarily falling under provincial responsibility (for example, hospital remuneration, organization of health authorities, and primary health care delivery) using a set of new federal-provincial programs targeted to specific issue areas (limited to a two-year transition period in the case of Romanow).

Despite being armed with both an "action plan" (even if somewhat limited in scope) and what could be interpreted as an electoral mandate to proceed, the Chrétien government announced an 18-month hiatus in health care reform with the striking of the Romanow commission less than five months after the election.

Both recommended that these initiatives include catastrophic drug coverage and coverage of some categories of home care. Both reports also recommended shoring up federal transfers—the Kirby committee recommended shifting the basis for existing federal health funding under the CHST to an earmarked tax comprising a fixed proportion of GST; the Romanow commission recommended converting the health portion of the CHST to a dedicated cash-only transfer, enriching it, and requiring a negotiated escalator be established for five-year periods. Both recommended a new national oversight body in the form of a national health care council, which, in Kirby's version, would include a national health care commissioner.

## THE SPIN OF HEALTH POLITICS

In response, the first ministers announced the Health Care Renewal Accord (HCRA) in February 2003, which included a large injection of new federal cash. However, the results fall well short of the recommendations of both Kirby and Romanow. The HCRA establishes a Health Reform Fund (block transfers to the provinces for health reform in *any* of the three priority areas—primary health care, home care, and catastrophic drug coverage) that, after five years, will be integrated into the general transfer for health. Although the health

portion of CHST will be renamed as the Canada Health Transfers (CHT) creating a nominally dedicated health care transfer, the new transfer will not be significantly different in structure (as suggested by Kirby), will continue to include both cash and tax point transfers (a major point of federal-provincial tension), and does not include a fixed escalator.

The achievement of other main elements of the accord seems doubtful. For example, while the accord mandated that a national health council be struck within three months, prospects for this have dimmed because the first and then a second deadline have passed.

The Chrétien government has, of course, had a number of important achievements over its tenure. There have been a number of important initiatives especially in the area of health information and research, as well as the agreement on a CHA dispute resolution mechanism in early 2002 that seemed to herald a turn toward more constructive federal-provincial relations in this area. The recently announced Health Reform Fund may prove to have important effects on the delivery of health care. However, judged against the oft-repeated promises of the Chrétien Liberals regarding major reform in health care, these modest achievements are likely to be seen, in the broader historical context, as no legacy at all.



# The good, the bad, and the ugly continued from page 35

along institutional lines and interests. In particular, the Canadian military establishment remained extremely reticent to revise national security doctrines and abandon preparations for advanced state-to-state warfare, even in the absence of any foreseeable credible state-based threat to Canada or its allies, while Foreign Affairs itself remained highly divided. Thus, inter (and intra) departmental divisions on security issues often led to three kinds of problematics.

The first was the tendency for Canada to hold incongruent positions across the spectrum of security policy. For example, the rhetoric of Canada's proclaimed security policy was often secondary to the desire to expand international trade agreements, which meant that ensuring the presence in these agreements of key human security protections including human rights provisions was neither a priority nor pursued.

The second was the emergence of credibility gaps between what Canada claimed needed to be done to promote international security and what it would actually contribute. For example, Canada's UN peacekeeping commitments fell steadily throughout the Chrétien years to the point where, currently, Canada ranks 8th in the world in terms of resources donated to UN peacekeeping missions and 33rd in the level of actual peacekeepers contributed to these missions. Furthermore, Canada's inability to catalyze a more substantial UN mission to the People's Democratic Republic of the Congo after assuming the lead was also indicative of this credibility gap.

The third was the growth of Canadian "policy paralysis," which reached fruition in the aftermath of 9/11, due to a lack of a comprehensive direction and vision to guide its international security policy in a dramatically transformed political environment. In particular, important questions about the future structure of the Canadian Armed Forces and defence procurement were left unaddressed.

All three of these problematics could have been avoided with the development of a comprehensive security policy document that outlined Canadian positions on key security issues. Unfortunately, the 1994 defence white paper and *Canada and the World* (1995) were quickly dated and unsuitable for providing guidance in the new security environment. Thus, the need for such a policy document was highlighted in the aftermath of 9/11, when Canada had neither a clearly articulated view of changing international security dynamics nor a reasoned strategy for managing relations with a highly reactionary American administration.

## THE UGLY

Given that human security emphasizes that prevention is both the preferred and most effective method of responding to security concerns, economic development and good governance become central aspects of security policy. This "freedom from want" is the other aspect of the human security equation, intimately linked to the dynamics of creating the conditions for "freedom from fear." Thus, the marked degeneration of Canadian Official Development Assistance (ODA) under Chrétien was both disturbing and extremely counterproductive to constructing a safer international security environment. Canada ranked 6th out of 22 industrialized countries in terms of the level of ODA donated as a percentage of GDP when the Liberal government took office in 1993. Canada currently ranks 16th out of 22 and below the majority of G8 countries (save for Italy and the United States). Over this time period, the total amount spent on ODA annually has fallen from \$3.1 billion to \$2.3 billion. Although recent Canadian federal budgets have attempted to resurrect ODA programs even with the latest \$400 million increase, this total expenditure represents only 0.25 percent of total GDP. Moreover, an overwhelming majority (75 percent) of Canadian bilateral aid continues to be tied, one of the highest percentages in the industrialized world.

Canada's dismal ODA record under Chrétien represents a serious dereliction of duty in terms of failing to meet our international stated commitment of earmarking 0.7 percent of GDP to these human security investments. More important, even though increased ODA might not have prevented any of the current security problems facing the international community, it may have reduced their intensity and scope; in the very least it would have contributed to increasing the global capacity to manage them in an effective and responsible manner. Furthermore, at a time when economic development has been relegated in global discussions to an anticipated (but elusive) side effect of trade agreements, a robust ODA program would have provided tangible evidence that Canada is concerned with the entire spectrum of human security vulnerabilities including poverty and destitution.

## THE LEGACY

The strengths of Canada's international security policy during the Chrétien years can be located as continuations of the Canadian foreign policy tradition, which has promoted liberal internationalism, multilateralism, humanitarian intervention, functionalism, and middle-power politics. Weaknesses arose primarily from failing to rapidly adapt this tradition to transformations in the international security environment, particularly in response to post-9/11 security dynamics both in terms of new vulnerabilities and the reactions of our key allies. This was further compounded by a growing gap between rhetoric and resources. Thus, while Jean Chrétien may be remembered by the public as the man who said "no" to the United States, his legacy could be best described as one that failed to domestically institutionalize its own prescriptions for a safer international security environment.

With the transference of leadership to Paul Martin, we will likely see both a foreign policy and defence policy review,

potentially very good news for creating a more unified Canadian security policy. However, it is quite probable that the results will be less than satisfactory from a human security perspective with Canada becoming more inward looking, drawing into a closer security relationship with the United States, stressing defence of Canadian territory over humanitarian intervention, and continuing to neglect ODA as a crucial aspect of Canadian security policy.

The touchstone for a Martin foreign policy is likely to be the need both to better manage Canada's complex relationship with the United States and to be better able to protect those Canadian interests at home and abroad that may be compromised in the wake of American policies and actions. Challenges to international peace and security, whether from state or non-state actors or structural inequalities, will continue to require responsible Canadian action.

How Canada responds will determine not only our place multilaterally but especially our signature relationship with the United States. Martin will have to juggle both the growing intrusiveness of an American administration fixated on Homeland Security and peripheral defence and a global community crying out for effective multilateral institutions capable of addressing the most basic problems of human development and human security. 

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*Environmental Protection Act, 1999* was watered down after the committee stage following a coordinated assault from the business community. Meanwhile, the cuts to Environment Canada had greatly weakened its capacity for scientific research and policy development. Not surprisingly, the overall impact has been negative. As David Runnalls and Francoise Bregha concluded in "The Canadian Record Since Rio":

Biodiversity is still declining; the number of threatened species is growing, wetlands continue to be drained, and the freshwater habitats of the Fraser River, St Lawrence River and the Great Lakes are still negatively affected by commercial fishing, toxic wastes, agricultural run-off and municipal sewage.

On the positive side of the ledger, many new national parks were created and large tracts of land were set aside as protected areas. Though some observers have condemned Canada's environmental performance, others have been much more positive. For example, a 2001 Columbia and Yale universities study of 122 countries ranked Canada third overall behind Finland and Norway. The rankings were based on the Environmental Sustainability Index (ESI), which identifies 22 major factors that contribute to environmental sustainability, including air quality, overall public health, and environmental regulation. In contrast,

David Boyd's study "Canada vs the OECD: An Environmental Comparison" puts Canada near the bottom of the list, 28th out of 29. Only the United States scored lower on the series of environmental indicators (which include waste, pollution, air quality, transportation, climate change, agriculture, etc.).

### CLIMATE CHANGE

Responding to climate change is arguably the most significant environmental governance challenge of this century. Canada signed the Kyoto Accord in 1997 (against the strong objections of several provincial premiers, particularly Ralph Klein), but then gave ambivalent signals about whether it would ultimately ratify the agreement. The next five years involved a series of discussions and negotiations but little action to reduce emissions, which on the contrary continued to increase. To his great credit, Prime Minister Chrétien pledged Canada to the Kyoto convention at the World Summit on Sustainable Development held in Johannesburg in August 2002. Formal ratification by the Canadian Parliament followed a few months later.

In November 2002, the federal government unveiled Canada's "Climate Change Plan," which proposed a "national goal—for Canadians to become the most sophisticated and efficient consumers and producers of energy in the world and leaders in the development of new, cleaner technologies." Five key instruments are proposed to achieve the goal:

1. Emissions reduction targets for large industrial emitters established through covenants with a regulatory or financial backstop that would create an incentive for shifting to lower-emissions technologies and energy sources, while providing flexibility for these emitters through emissions trading and access to domestic offsets and international permits;
2. A partnership fund that will cost-share emissions reductions in collaboration with provincial and territorial governments, as well as municipalities, aboriginal communities, non-governmental organizations, and the private sector to increase energy efficiency and reduce emissions in the most effective way;
3. Strategic infrastructure investments in innovative climate change proposals such as urban transit projects, intermodal transportation facilities, and a CO2 pipeline;
4. A coordinated innovation strategy that allows Canada to benefit fully from the innovation possibilities of our climate change agenda and builds on programs such as Technology Partnerships Canada, the Industrial Research Assistance Program (IRAP), Sustainable Development Technology Canada, and the Technology Early Action Measures (TEAM); and

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5. Targeted measures including information, incentives, regulations, and tax measures that will help achieve our climate change objectives in specific sectors and program areas.

Clearly, this plan embraces a wide range of policy instruments, but it leaves in doubt how the total Kyoto commitment of 2.3mt of GHG (green house gas) reduction will be achieved. In this as in several other key areas, the Canadian government has promised much without developing mechanisms and processes to deliver on the promise. The resulting "implementation gap" has been duly noted in nearly every report of the CESD. In his December 1999 opening statement to the House of Commons Standing Committee on the Environment and Sustainable Development, Commissioner Brian Emmett lamented that "there continues to be a substantial gap between talk and action on the federal government's environmental and sustainable development agenda. As a result, we are paying the price in terms of our health, environment, standard of living and legacy to our children and grandchildren."

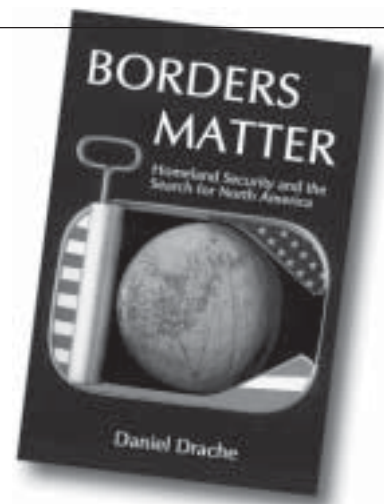
## GOVERNANCE FOR SUSTAINABILITY?

This brings us back to the effectiveness of the SDSs. Governance for sustainability, which of course requires integrated decision making that connects environmental, social, and economic components, involves two challenges: making better decisions and making decisions better. Ultimately, the changes in governance will prove the most important elements of Chrétien's legacy. His substantive accomplishments are modest. The boldest decision—ratifying Kyoto—was preceded by such temporizing and ambivalence that we are still without a plan that will bring together the coalition of commitments needed to achieve the targets.

The numerous efforts at transforming how decisions are made in Ottawa are, however, an important step in the right direction. Many of the building blocks of sustainability-based governance are now in place. But, to date, they have not been assembled into a coherent edifice. We will not move very far from the status quo until strong leadership is exercised from the centre of decision making, by central agencies (Privy Council Office, Finance, Treasury Board) led by the prime minister and supported by key ministers and deputy ministers. This in turn will require the articulation of an overall government of Canada SDS (something that until now has been lacking), absent which "the challenge faced by each department is like helping to assemble a large jigsaw puzzle without the picture box."

The torch has been passed to a new leader. Paul Martin has all the skills required to push further a transformation toward sustainability governance. He understands the issues; he has an excellent mentor and adviser in Maurice Strong; and he enjoys taking on big policy challenges. He has already announced the creation of a new Cabinet Committee on Domestic Affairs, which he has charged to take a sustainability approach to domestic policy, highlighting the interconnection of environmental, economic, and social dimensions.

Whether Martin possesses the courage and political will to push the needed changes through a largely reluctant bureaucracy will soon be evident. Only then can we take the true measure of the Chrétien legacy, for it is now incomplete and dependent on what happens next. 🍁



FORTHCOMING FROM FERNWOOD PUBLISHING

# BORDERS MATTER

HOMELAND SECURITY AND THE  
SEARCH FOR NORTH AMERICA

BY DANIEL DRACHE

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128 pages/Paperback/ISBN 1-55266-123-7/  
\$17.95/Fernwood Publishing/April 2004

The great North American border has always been a blend of the porous and the "impermeable." If the border, in all its aspects, is working well, Canadian sovereignty will be effective and focused; when the fundamentals are neglected, sovereignty becomes threatened, and economic integration becomes the focus of debate.

*Borders Matter* examines the importance of the US-Canada border against the background of the new pressures of increased security practices and the continuing need to have a sufficiently porous border for the purpose of trade. Canadians have never been very good at defining or defending their strategic self-interest. Instead, Canadians carefully negotiate between competing nationalisms, regionalisms, and localisms and the reality of being a small economy dependent on and vulnerable to US pressures.

In *Borders Matter*, Drache points to a need for a policy model and social theory that would grasp the complex, multi-dimensional, and dramatic changes to the border and ultimately help to shape the political economy and future of this country.