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### **What it means for Manitoba**

*Role of government is most important issue*

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BRIAN Mulroney once quipped that he was hearing criticism about the Chrétien government such as the appointment of friends and relatives to high positions, and "for a minute, I thought I was right back in office."

One view of politics is that there are fundamental forces of our social condition and circumstances that will leave us in roughly the same condition regardless of who is in office or even what laws are passed. The vast geographical expanse of Canada and the linguistic divide and lack of other organizing principles, such as shared ethnicity or religion, mean that the federal government will always try to "unify" Canada by shifting wealth to potentially dissatisfied regions. Federal governments will always want to engage in discretionary spending programs, like regional diversification or urban infrastructure grants, because it is a way of buying credit and votes in bulk.

The "sacred text" may say this or that about the division of power between the provinces and the federal government, but the core of the system is about federal spending, and that is governed mostly by politics, not legal constraints. A bill or charter of rights may protect some basic human rights, but a web of ordinary laws, like human rights statutes, would largely do the same job anyway. The Canadian electorate is moderate by temperament, and will not tolerate great swings to the left or right on economic and social regulation.

That is one part of the truth. Another is that within the bands of choice available to government, policy choices that are practically available do have a fundamental effect on the lives of Canadians. In Manitoba, the provincial government funds and to a considerable extent manages the universities, pays for and actually manages and delivers a large part of the health-care system, and both owns and regulates the electricity monopoly. The agriculture sector, a pillar of Manitoba's economy, is highly influenced by the ongoing monopoly of the Canadian Wheat Board.

The choices people make about education and careers are influenced by a complicated and selectively subsidizing tax system, and the quality and choice of services received are to a large extent determined by what their tax dollars can buy.

The 25 years since the Trudeau package have seen some permanent changes in the Canadian landscape. The protection of basic civil and political rights has been somewhat strengthened by both the Charter of Rights and Freedoms and quasi-constitutional measures such as privacy laws. Canada's international trade agreements have probably had the largest practical influence.

The threat of Quebec secession may be receding. The gritty business of actually exercising power has taken some of the romance out of the separatism movement. The linguistic predominance of French in Quebec appears to be secure as a result of both legal measures and the outmigration of many anglophones. Canada's trade agreements have helped to open up the economy of Quebec as well as the rest of Canada, and more young people now may be interested in expressing themselves through business careers than through government. Even Lucien Bouchard has boldly called for a reconsideration of the extent of governmental control over Quebec society and economy. While the "sacred text" has not been changed since 1982, a variety of quasi-constitutional laws have addressed symbolic issues. Parliament has "lent" Quebec a constitutional veto over certain matters, the House of Commons has acknowledged the Quebec "nation." The Clarity Act has reduced the ability of separatists to produce a constitutional crisis in Canada by securing a "yes" answer to a seductively ambiguous question.

Several attempts at massive constitutional reform have eliminated public enthusiasm for tying up the country with such exercises. Few still believe that the state of the "sacred text" is a cause of abiding separatism sentiment in Quebec or that changing it would forever appease it.

The biggest practical impact on Canadian life over the last 25 years may be from trade agreements, rather than internal constitutional arrangements. World trade talks have stalled, however, and while NAFTA needs some reforms, the political will to make them happen is nowhere to be found among the three amigos.

An emerging candidate for elevation to semi-sacred status in Canada is the Kyoto Accord. It remains to be seen whether, like the Canada Health Act, it rigidifies policy-making and a taboo emerges against expressions of doubt or disagreement. The general principles of sustainable development, which require a balanced commitment to both environmental protection and economic growth, makes eminent sense.

Rigid compliance with one particular program, regardless of costs or emerging scientific understanding, does not. Ideological purism could be combined, in a worse case scenario, with all kinds of governmental programs that are cynically aimed at spreading around the green. Environmental concern may be the excuse for a new generation of uneconomic subsidies and pork-barrel programs. There are many ways of addressing environmental issues that allow individual choice and market forces to produce socially useful outcomes.

The future of Manitoba and Canada might not be changed in the next 25 years by fundamentally new trade agreements or by formal changes to the Constitution. Even if these do not occur, however, there are major choices that can and must be made.

The most important issues for Manitoba concern the role of government. Right now, it is both pervasive and intrusive. It not only funds, but to a large extent, manages and delivers health care. It owns and operates the electricity monopoly and regulates its prices. By maintaining high taxes with one hand and offering counterbalancing subsidies with the other, it makes itself a not-so-silent partner in many business deals. Higher education is concentrated in a few institutions which government in many respects micromanages through subsidies and controls over tuition.

Government can define and secure important objectives in ways that are less intrusive and more compatible with individual choice and creativity. As the Kirby Report reminded us, for example, the

medicare system is about public funding for medical services, not government delivery. More efficiency, innovation and patient choice might be achieved by allowing more room for delivery among competitive private-sector providers. Robust competition may help to achieve that end, sometimes more effectively than detailed regulation.

I do not believe that there are sages with privileged access to the truth about public policy choices. Many heads, with many kinds of experience, are better than one in imagining and devising choices. There can be a massive gap between the best intentions and the way policies work out in practice. (The war on drugs has probably caused far more harm than good.) A society has to be constantly ready to rethink and reform. Collective policy choice and a spirit of innovation can only operate effectively, however, in an atmosphere of free thinking and free expression.

There is a lot of fresh thinking to be done about how to make Manitoba freer, fairer and more prosperous. It is being inhibited, to some extent, by the very conditions that need reform -- including too many people being dependent on continuing government goodwill for their livelihood or advancement. What may best serve the future of Manitoba is that it is not hermetically sealed. It is located in a North America where people, ideas and investment are highly mobile. The pessimistic view is that too many creative and dynamic people will tend to leave, and those satisfied with the status quo will remain behind to perpetuate it. The optimistic view is that ideas whose time has come will eventually prevail.

Not sooner, but later, and not too late.

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