

## **CBC Radio, "The House", January 8, 2000**

### **HOW CANADIANS LOOK AT THEMSELVES**

Host: Jason Moscovitz

Panellists: Frank Graves, President of Ekos Research  
Judith Maxwell, President, Canadian Policy Research Networks  
Janice Stein, University of Toronto  
David Zussman, President, Public Policy Forum

Quotes from: The Honourable Lucien Bouchard, Premier of Quebec  
The Right Honourable Kim Campbell, former Prime Minister  
Adrienne Clarkson, Governor General

Jason Moscovitz: From the Parliamentary Bureau of CBC Radio, this is The House, the Week in National Politics.

Governor General Adrienne Clarkson: My parents, like so many other immigrants, dreamed their children into being Canadians.

Unidentified: There are times in the progress of a people when fundamental challenges must be faced. When fundamental choices must be made and a new course charted.

The Honourable Lucien Bouchard: There is absolutely no way that we will allow Mr. Chrétien to play a role in the finishing of anything relating to the itinerary of the people of Quebec towards the future.

Moscovitz: Good morning, I'm Jason Moscovitz. At this time of year politicians are pretty quiet. In fact, in Ottawa, the quietest periods of the year are the beginning of January and the beginning of July. And hold on, we certainly don't want to say we don't have anything to say on our program today, we have lots to say. But it will be a different kind of program, more public policy than politics. We will take a look at Canadians, their thoughts, their hopes, their changing views on the country and Canada's place in the world. To do this we have four guests, and I don't want to embarrass anyone, but we have a group of really smart people, now why would that embarrass anyone? But in any case, knowing the people and having interviewed them all at one time or place in the past, I know the four of them together will make the program a special one. In our Toronto studio, Janice Stein, who heads the Conflict Management School at the University of Toronto.

Janice Stein: Good morning.

Moscovitz: 'Morning. And here with me in Ottawa in studio, Judith Maxwell, President of the Canadian Policy Research Networks.

Judith Maxwell: Hello, Jason.

Moscovitz: David Zussman heads the Public Policy Forum.

David Zussman: Hi, Jason.

Moscovitz: And Frank Graves is the President of Ekos Research here in Ottawa.

Frank Graves: Hi, Jason.

Moscovitz: Now, Frank Graves, I want to begin with you because a lot of what we're going to discuss today is based on work that you have done at Ekos and it is called "Rethinking Government." Now, this is polling that you've done over many years. It's focus groups. How many years does it go back?

Graves: Well, it's now entering its seventh year, Jason, although I recall trying to develop this product back in 1991 and David was actually helping me at that stage. So it's almost a decade since we started thinking about doing this.

Moscovitz: And this year you did it a little differently because you polled Canadians about their attitudes toward government but at the same time you polled Americans on their attitudes asking the same questions?

Graves: That's right. We thought it would be useful to try and take some of the key indicators we've taken from "Rethinking Government" and see how Americans would respond to the same questions. And the results are fairly interesting.

Moscovitz: How different are we?

Graves: Well...

Moscovitz: That's a big question.

Graves: It seems we're a lot more similar than perhaps we'd like to believe. On most of the key questions about policy choices, values and how people would like governments to conduct themselves, the amount of trust they invest in governments, the American sample looks almost identical to the Canadian sample. There remain important differences in terms of labels, and Canadians remain convinced that there are vivid differences. But they're harder and harder to discern as the North American market becomes more integrated. The social and political values that underlie that seem to be becoming unified at the same time.

Moscovitz: Well, thank you. And now we're going to begin with our first section of discussion and it's Canada, Canadians, how Canadians look upon themselves and look upon the country and Canada's place in the world. And we're going to begin with the new Governor General of Canada, Adrienne Clarkson.

Clarkson: My parents, like so many other immigrants, dreamed their children into being Canadians. And as the explorers pushed every day beyond the limits of their knowledge, what were de la Salle, Laverendrie, Hern, and, MacKenzie doing if not imagining themselves spanning this astonishing space. Luckily all of us came to a land where the aboriginal peoples had always dreamed life into being. It is customary to talk about how hard immigrants work and how ambitious they are. But those of us who have lived the process know that it is mainly the dream that counts. And I'm not talking here of fantasy. I'm talking of the true dream. The true dream that's caught in the web of the past as it meets the wind of the future. All of us have this. Even if we cannot and do not express it. This is what gives a nation such as ours its resonance, its depth and its strength.

Moscovitz: I want to begin with Janice Stein in Toronto. I don't want you to feel too lonely, all alone there. I want to begin the discussion with one statistic that struck me as being unbelievable. And it's when Canadians were asked, how do Canadians feel about their futures, their personal

futures? And 77 percent of Canadians responded by saying they were very optimistic. Did that surprise you Janice Stein?

Stein: No, I wasn't surprised, really. There is this disconnect as Frank points out in his analysis of the data, that we're very optimistic about our future the same time as often we are cynical and distrustful of government. But the optimism about the future is long-standing in Canada. Adrienne Clarkson, very poetically there, Jason, tapped into that sentiment. But generically I think this is true and Canadians look outward at the world as well, in an optimistic way.

Moscovitz: Judith Maxwell, domestically, optimism. When you hear so much about people being concerned, we're going to get to this later. But just as an example to begin. Worried about health care. Worried about taxes. Worried about any number of things. Where does this optimism come from?

Maxwell: Well, the economy has been much better in the last year. And people know that it's easier to find a job and I think there are large numbers of people that are doing very well. What's worrying in the data from this survey and from what we see in our research is that not everybody is participating in this optimism. And there are deeper divisions in our society, both in terms of political values and in terms of economic and social well being.

Moscovitz: Growing divisions?

Maxwell: Growing divisions. The big divisions seem to be around education. The well educated have good life chances. The poorly educated have terrible life chances. There is increasing concentration of poverty in inner cities, with a lot of very worrisome social problems associated with the poverty there. So we are a country that faces challenges. But I think that we still have that innate sense of optimism that we can make our way through this. I should say another different group here is a lot of the leadership in the business community that is facing the full brunt of the cold winds of globalized markets and feeling quite vulnerable about the speed of change and the unpredictability of the changes that they face in their markets. And so I think we're hearing, at a time of high profits, we're hearing some very anxious voices in the business sector.

Moscovitz: David Zussman, you were on this program about a year ago and we got so much response from a discussion about job training, jobs. And you said that one of the great difficulties for government is not being able to plan five years in advance because government didn't know what was going to happen in five years in regards to what kind of skills would be required. How does that blend with this optimism?

Zussman: Well, I think as Judith has just pointed out, our economy has in fact been supercharged over the past five years and to some extent, many of the sectors of our economy have really been unprecedented in terms of the levels of activity. But I think that Judith is quite right. As we've heated up and raced off to new opportunities, we've left quite a few people behind. And I would expect also that the next five years for us and this country are going to be extraordinarily significant in the sense that it will be a challenge for us to take advantage of all the opportunities that are there in the workplace and more generally in the global economy. And as Judith has also pointed out, for business leaders this is not the easiest of times. The speed of change has required people to move more quickly than we ever had before in rather uncharted waters. Having been forced to make important decisions and huge investments without the full knowledge of what even the next year will look like.

Moscovitz: But Frank Graves, people are learning in Canada to move quickly, aren't they?

Graves: I think it's a very different Canadian public than what we would have seen, say at the close of the last decade. And I'd like to accent the notion of optimism and confidence because even though there's been a lot of confidence and optimism in Canadian society for a long time, I think the current levels are the highest we've seen in at least a decade. And perhaps more importantly, the levels of insecurity, the last decade was an age of insecurity. People felt unhinged in some respects dealing with all this massive change in their lives. And what's happened is that insecurity has really come down significantly. That's interesting in itself but it really sets the table as far as Canadians are concerned for a different set of expectations about what they'd like to do with their society. And in many fundamental respects, Canadians are quite different in terms of the way they approach that question today than they were ten years ago.

Stein: You know, just to jump in on this Frank, I think it's interesting how relatively optimistic Canadians are in comparison with other societies that we know about. If we compare, for instance, the way Canadians think about themselves and their future, and what they can do in the world, to the Germans, who two decades ago were the motor of Europe, the engine of Europe. You see very high levels of anxiety now in the European Union, in France and Germany, quite different from where we find ourselves as Canadians at the end of the century.

Moscovitz: Why is that the case?

Stein: It's difficult really to get a real handle, Jason, on why this is. But part of the story I think, and Judy I think will have something to say about this, is that Europeans have been forced as a result of the European Union, the harmonization policies, to rethink their social systems in ways that have given rise to real and deep insecurities among the European publics especially in Germany, France and Italy. We've gone through that period, not entirely satisfactory. Left a significant chunk of the population behind and that gap is growing. But the optimism that Frank is finding, I think, are those who have gone through and are now engaged for better or worse in an economy that moves out beyond their borders and in a society that moves increasingly beyond their borders.

Maxwell: You know, I'd like to draw a parallel here with the early post-war period. We went through a terrible depression in the 1930s and then all the rigours of the Second World War. And we came out of that with a clear consensus that we had to change the way the country worked. And we saw profound changes in both the role of government and in our concept of what we owe each other as citizens. Now we've been through a decade of the nineties where it's actually closer to 25 years of polarization and insecurity with some boom periods in the middle. I think we've reached the stage now where we've come through this crucible. We are different and we are starting to think differently. And governments have certainly transformed their roles, not settled yet in terms of what the new model is and probably not a consensus yet, unfortunately. But nonetheless, I think we're on a threshold here. Not just because it's the end of the millennium or anything like that but because we've been through a lot together.

Moscovitz: I just want to move on to something that's really linked with this and it's how Canadians see their own country. And in the statistics, Frank Graves, compared to ten years ago, Canadians outside of Quebec saw their provinces far more important ten years ago, their identify was so much more provincial than today. And today so many more Canadians look to the national government in a way that is really new in Canada. Certainly post-war Canada. People are really identifying with the national symbol of a national government.

Graves: I think that's true but it's somewhat surprising in light of the fact that we've had a period where the traditional patterns of trading on an east-west basis have shifted dramatically to a north-south axis outside of the country. We've seen in many respects a diminished role for the federal state. It would be surprising that Canadians have maintained, and in fact, even strengthened, such an intense attachment to country. And just to mention other international -

Moscovitz: - But they have.

Graves: Yeah, in fact if you do the comparisons with, for example, the world values survey, you'll find that Canadians have the strongest sense of belonging to country of any advanced country.

Stein: That's astonishing.

Graves: It is astonishing. Now, we don't have the strongest sense of pride. We're second or third on that. But it's a little less chauvinistic. But the sense of attachment and belonging is stronger in Canada, even counting in Quebecers, who have a substantially lower level of attachment. We have recently seen, now, that is further challenged by the fact that comparing Canadians say, to the beginning of the decade, at that period, by a margin of about two-to-one, Canadians thought globalization, NAFTA, these sorts of things, were threatening things, bad things, things to be associated more with fear than opportunity. It's a decisive flip today. By almost reverse pattern, Canadians think these are generally good things, they provide more opportunity than risk. But I think the key challenge will be how, given all of these sorts of complex trends that are going on, increased globalization, very different federalism, very different type of population, very different expectations of the role of the state, how will Canadians see themselves being able to maintain or create a national identity in this new context?

Stein: And I wonder if we're not seeing a trajectory upward and outward? And if we think out now ten or fifteen years, as Canadians move out into the global economy, it's not so much global as it is North American, frankly, for most Canadians. But as they move out, work outside their borders, connect outside their borders, partner outside their borders, I think it's a very niche market role for the national state that Canadians are looking toward. It's consistent with the argument that, well we really don't need Canada as the steward of our cultural identity. What we really want here, we want support on health, we want support on education. We want support on training. We want support on infrastructure.

Moscovitz: Well, we're going to be more specific now. We're going to move on to another section, the economy. And let's hear from some of our political leaders, past and present, before we begin the discussion.

Kim Campbell (former Prime Minister): Canadians know that our difficulties will not be resolved overnight. And they're tired of politicians who pretend that they will be. Realistically, all developed industrialized countries are expecting what I would consider to be an unacceptable level of unemployment for the next three or four years. I mean, I can say, you know, how many jobs I'd like to create, but that's, I'm sorry, that's old politics.

Unidentified: There are times in the progress of a people when fundamental challenges must be faced, when fundamental choices must be made, and a new course charted. For Canada, this is one of those times. The choice is clear. We can take the path, too well trodden, of minimal change, of least resistance, and of leadership lost. Or we can set out on a new road of fundamental reform. Of renewal, of hope restored. Today, we have made our choice. Today, we take action.

Preston Manning (Leader of the Reform Party): I recently received a letter from a man whose family immigrated to Canada many years ago, who wrote to object to the Liberal government's high tax policies which have confiscated over a third of his income. He says that before coming to Canada that he lived under an oppressive Communist regime. But then he says, and these are his words, not mine, "these days I am living under an oppressive Liberal tax burden, and at times I find it difficult to differentiate between the two."

Moscovitz: Well, if our listeners didn't recognize the first voice, it was Kim Campbell the day she called the '93 election, assuring people that in her view, unemployment would not be reduced significantly before the turn of the century. And if she's listening on Internet in Los Angeles as Consul General we can all say she was right, right?

Maxwell: It took a long time for unemployment to come down. But we do have an economy that on all the evidence is percolating at a good speed. And that's part of the optimism we talked about earlier. But there is an underside to this economic story and I don't think we should lose sight of that.

Moscovitz: Well, I think I want to pick up on this right away with you, Judith Maxwell, you're in the business of studying social policy in the country. And Ekos' polls clearly show that for all this talk, and we heard it from Preston Manning on the need for tax cuts, that the polls indicate that that's not a priority among Canadians. They prefer to see the money spent, the surplus, in social spending.

Maxwell: Well, first of all, I mean everybody would like a tax cut. And it's always easy to get them to answer a question in the positive. What's interesting is that when people like Frank present real trade-offs, that what people are more concerned about is the erosion in the quality of the public services, whether that's education or health care or pot holes in the road or whatever, and the sense that we have to repair some of the damage. That doesn't mean that tax cuts should be off the table in my view, because taxes are too high. And that's a reflection of the deficit and debt problems we've had over the last fifteen years. But there's also a time now to really think about what our social priorities are. And that's the nation building part of the agenda.

Moscovitz: Frank Graves, though, the polls, it's not close between social spending and tax cuts. Explain. Social spending as a priority is much higher.

Graves: This is one of the more confusing areas of public judgment today and I think it's one of those areas the public actually have thought long and hard about it and don't just have opinions, they have judgments. And I'd first like to say the public are concerned about taxes and there's a significant number out there that say, "you know what, this has to be dealt with, and sooner rather than later." And that somehow becomes confused by saying they want that as the centrepiece of their economic policies. In fact, they see it as one ingredient of a longer-term agenda, one that we need to pick up the pace. But they don't see it as a defining feature. They see it as one that should fit into a program of continued debt reduction. And also they say the lion's share of investment should go into things like human capital projects around health care, around education, around kids.

But you can find that their attitudes will vary somewhat depending on what type of example you use. For example, support for some of the traditional paths of income distribution schemes is very low today. People have said, you know, really that didn't work. We don't want to do that. But what's really interesting here is I think if you go and ask those same questions of the country's leaders, particularly in the private sector, for example, we asked Canadians how would we deal with the long-term productivity agenda. And they say, "you know what we need, a blend of skills, tax relief and technology and innovation," in that order.

We went and asked the same question for the presidents of the biggest corporations in Canada, and about two percent said, "you know what it's about, technology." About ten percent said "it has something to do with skills," and eighty-odd percent said, "it's tax relief." So we're really reading from different scripts here and it explains some of the frustration and confusion in what these attitudes really are out there.

Moscovitz: But David, is it difficult to read public opinion on this, because...

Zussman: I don't think it's difficult to read it. And I think Frank has captured some very interesting data. And I think for me the thing that I find most bothersome is the fact that there appears to be a dichotomy in the opinions of the public and that decision makers as defined as the elite group that Frank talks about, a very different and strongly held agenda, which seems to be somewhat in conflict with the general public. And that makes me very, very nervous. Because for political leaders it's going to be very difficult for them to talk to both groups simultaneously. And what is really lacking, I think, in this debate is there isn't really sufficient place yet for some dialogue on this.

Stein: You know, David, it's interesting that when you talk to some of the business leaders, and you push, I mean, as you've done, Frank, in the data, but when you push beyond, do you want a tax cut, is a tax cut imperative? And then you start to talk about the quality of people available, the skill qualifications, the educational qualifications, you get a very quick movement on the part of many of them to the importance of additional educational opportunities and additional training in the Canadian labour market if Canadians and Canada are going to remain competitive in the global market. So I wonder how real this dichotomy is. This kind of almost reverse image where you get 82 percent of corporate leaders favouring tax cuts as a heavy, heavy priority. Do you think, Frank, that it has to do in part with the way the conversation was conducted? Because it doesn't fit with what you hear many of them saying when you move the discussion along a little bit.

Graves: Well, frankly I think there's a little bit of pollmanship going on here, and that there's a bit of a full court press going on now amongst some of the Canadian business establishment and some of the national media, who feel, for perhaps good reasons that they're entitled to feel, that this issue really needs to be accelerated at a dramatic pace. So, no, I quite agree that they probably don't really believe that only two percent of the productivity problems in the country are a function of innovation and that only ten or twelve percent of the problems are a function of the quality of the labour market skills. But it is nonetheless, even discounting those effects, a breathtaking gap between the kinds of judgments that have emerged out of the public and that you see emerging out of leadership, particularly in the private sector.

Moscovitz: David Zussman?

Zussman: Early on the show we talked about the huge benefits of trade with the United States. And I think that trade has had some important side effects, one of which has allowed Canadians to work extensively in the United States. And to start comparing ourselves with them and particularly with the tax rates that Americans pay. And I think this has sharpened the debate, particularly among those people who have the experience of being able to make those types of comparisons. Which brings us back to the point Judy was making earlier on, that we pay taxes in this country to pay for social services, and in particular we emphasize health care and education. And there's no doubt that in Canada we offer a different level of service than typically Americans receive. And again I would say that we haven't had an opportunity yet to make those types of comparisons and trade offs among the levels of services that we want as Canadians and the levels of taxes we want to pay.

Stein: Yes, I think there's another issue that's very closely related too. I think the opportunity Canadians have had to work outside the country is really critical. That's a critical point, David, because there's been a capacity in this last decade, to look, learn, compare and see. And one of the things we're seeing, and I think we're going to hear the echo back of this, is then the opportunities that others have for better education, for better training. Because, in the United States, for example, there's a far more stratified educational system than we have in Canada. You may have noticed that we have a new president of the University of Toronto and the language was "brain gain," which feeds precisely into this debate that we're losing our best and brightest to a system that is far more stratified, far less equitable from that perspective. You know, the opportunities are stratified in ways that they're not in Canada. These are the kinds of

challenges for social policy that are going to be very meaningful when Canada is in a more open world and Canadians are moving in and out all the time.

Moscovitz: Judy?

Maxwell: But you know, there's some real myths that are disrupting our understanding of these issues. And what Canadians do, is they compare the personal income taxes in the two countries and clearly the tax rates are lower in the United States for anybody in middle income and above. And then they assume that part of the problem is that we have to pay all this money for our social spending. In fact, the big difference between the two countries is the service on the public debt. And I've just come across an international comparison done at the OECD that looks at total public spending on social issues. And when you do the comparison on a proper basis, there really isn't a big difference between Canada and the United States. They pay a lot of in kind transfers to people, like food stamps. Huge expenditures which we compare with what we paid for the child tax benefit in Canada. They also have all their old age security and their medicare for elderly people is paid on a payroll tax. So it's in a different pocket and it doesn't show up in these cross-border comparisons.

Stein: Yes, I agree, I agree completely. But I think the contradiction is made even worse because the systems, particularly in education, are so stratified in comparison in what we do in this country, and when you look at the elite institutions in the United States and you move back and forth, that's when some of the contrasts appear to be, you know, inappropriately dramatic, frankly.

Maxwell: Yes, but let's take the health care example. That's a stratified system too.

Stein: Yes.

Maxwell: A big proportion of private insurance, about fifty percent, is privately paid. Nonetheless, because Americans have such an inefficient way of funding their health care system, it's far more expensive than ours. The total public spending per capita on health care in the United States is the same as the total public spending in Canada per capita. But our system is more generous. It gives coverage across the board. People can feel reasonably secure with that system. Whereas the United States' system doesn't have that coverage and there are a lots of people who are uninsured. Canadians have to hold in balance, I think, a better understanding of the texture of what's being compared here before we start leaping to policy conclusions.

Moscovitz: Frank Graves, in terms of social spending, the argument in Canada since the 70s, when people accused the government in retrospect of over-spending. And spending too much on welfare, spending too much on unemployment insurance. What is the mood now in terms of spending on welfare, spending to help unemployed people? Are Canadians less generous today?

Graves: Overall I don't think they are. In fact, we see rising support for government investment now. The new speak is investment. And Canadians much prefer investment to spending but not withstanding the difference -

Moscovitz: - Spending's a dirty word?

Graves: Yes. The difference is in terminology. There is a genuine belief that there's been a lot of collateral damage that's occurred as a function of the process of retrenchment as we dealt with our fiscal problems during the middle part of the decade, which people approved at the time. But they're saying, "you know what, now we can start to get back to some of those problems, and in fact, part of the way of making the economy better is to invest in the social sphere." And one of the more striking changes that we've seen out there is a desire to no longer separate the issues of social policy and economic policy into separate bailiwicks but to talk about them in an explicitly

interdependent fashion. But we see this rising support for activism coming with some very explicit conditions from the public. They don't want to see a return to the way these sorts of things worked in the past. For example, there's a lot of resistance to the notion that this should just go back into just passive income redistribution. A lot of people believe that the social safety net became a hammock, encouraged indolence and abuse. And they would prefer now to see much of that same funds invested in active tools. Things like learning, self-employment, loans for micro-entrepreneurial activity, relocation. Those sorts of things are far more relevant.

Moscovitz: Welfare is a dirty word too.

Graves: Welfare has become a dirty word. In fact we see a newfound kind of moral account of poverty emerging in the country, which is somewhat troubling. A sense that, almost Victorian type of revisit. The poor are authors of their own misfortune. And that there's a very clear demarcation of the deserving and undeserving poor. Kids in poverty, very deserving. Working poor, struggling to make ends meet, very deserving. Welfare or social assistance recipients are in fact seen as anathema by many Canadians. So this is a somewhat disturbing new aspect to the change. But I think overall there is a very healthy desire to see Canadians developing new methods to allow people to bootstrap, to become full participants in society. One final comment on Judith's point, which I think is a very important one, that there are rising levels of polarization occurring in the Canadian society as we remove some of the buffers in the transfer system. In fact, I understand that the transfer between rich Canadians and poor Canadians, er, Americans, is actually the same or better this year than it will be in Canadian society. A lot of our increased compassion is more mythological than real. But I think what's happened here is that there's a sense that the old methods are simply ill-suited to the task, and that we need a change, and I think there is a bit of a consensus about how that should occur. That there are some main areas of agreement and we're not moving as quickly on those areas as the public might like.

Stein: I'd only add one note to this, which is the increase in private giving, which is striking in Canada and we also see it in the United States, which in the cutest way takes me to Seattle, David, where you were before. What we see as a result of the last decade and the retrenchment of the state, is the real empowerment of private groups within society, sometimes reluctantly, sometimes actively, taking on responsibilities that were those of the state. You see this on social issues in the cities, and you see it in Seattle where the distrust of government that we talked about earlier in the program, manifests itself now into an active, and I think irreversible engagement on issues of public policy no longer restricted to Ottawa.

Moscovitz: David, I want to turn to you to end this section on something you said earlier, about how on tax cuts, and how people look on social spending, that there are two polls saying totally different things, and the government is somehow trying to listen to both, but how do you get through it in the end?

Zussman: Much of the discussion, I think, about, for instance, taxes, has to be seen not only as a macro issue, but as a micro issue. And one example, or one manifestation of that is the way in which some head offices are moving from Canada and into the United States, and taking with them not a whole lot of jobs, necessarily, but the types of jobs which then are used to invest in research and development and innovation. And I think that we have to be very mindful in Canada, and I'm not saying this is particularly because of taxes, it's only an element in this whole discussion, is that we have to ensure that to be competitive in the North American environment, that we continue to create jobs and a large enough critical mass to ensure the viability of these industries, these companies, these sectors.

Moscovitz: Why does the tax discussion ultimately lead to questions of competitiveness compared to the United States? Is that just automatic because of the business world?

Zussman: Well, I think it's automatic because we want to ensure the economy is vibrant. And it's the economy, through its production of goods and services that will provide the social services that we so...

Stein: But David you would also, I think you'd acknowledge too that head office location decisions are not only tax cuts, they're quality of life issues.

Zussman: Absolutely.

Stein: They're quality of environment issues. They're where you get good, young, innovative scientists. That's the whole broad context then. I think what's troubling about the current discussion of brain drain is it's linked solely to tax cut issues. Devoid of the larger context. That's why I think this debate is really misguided.

Zussman: I think you're quite right, in fact, and that's why I use the phrase "critical mass of jobs." Because I think it's insuring that there's an environment for people in this country for people to get together in an environment that will produce more jobs. That's one small element in that.

Moscovitz: Let me put this on the table. So much of this discussion has evolved around our relations with the United States, business. We talked a little bit about Seattle. We talked about globalization. But you know, ultimately, when you go back to what we discussed earlier, that Canadians are confident about their own futures, that they look to the federal government. This relationship with the States and the whole currency debate, the whole shift toward what is being a Canadian going to be in the ten or fifteen years from now. Isn't this all related?

Maxwell: Very much so. It is. And the very real question is, as you become more engaged in global markets, how distinctive can you be as a country. And I think what we can see as we look at comparisons of social safety nets in Canada and the United States is that spending relatively similar amounts of money you can be very different.

Moscovitz: Very Canadian?

Maxwell: You can be very Canadian and live next door to the Americans. I also think that if you compare two provinces, you look at Quebec and Ontario, or you look at Alberta and Saskatchewan, very different social safety nets and whole approaches to the way they implement their political value.

Unidentified: I think there's a real marketplace there, political marketplace, that Canadians would love for some leader to tell them, you know, that we can thrive and prosper in the global economy and at the same time develop unique Canadian values and if someone could square that circle they would be really rewarded by the public. Because at the same time we see Canadians coming out of this period, where they said, "OK, we've got things back in order. We're off life support. Now maybe we should be moving into something a little more ambitious." So what's that dream stuff that we heard at the beginning of the show from Adrienne Clarkson. I think Canadians are ready to tentatively dream again after being through a period where they thought, steady as you go is pretty good.

Unidentified: And talking to people it becomes obvious that everything is on the table, in fact. And cultural issues and delivery of social services, and how we're going to deal with health care in light of competition south of the border, or competing systems, will require us to articulate much more clearly than we have in the past or the present, is what in fact we value.

Stein: You know, one absolutely astounding statistic that I read the other day was that the (inaudible) Charitable Foundation in the United States, which is a leading edge foundation that tries to develop and steer the agenda, has put 50 million dollars, 50 million dollars, into developing a national cultural policy for the United States because they think American culture is threatened by globalization.

Moscovitz: They think American culture...[laughs]

Stein: That's right. They're just as worried about Disneyworld and some of the other big global companies that are headquartered in the United States. But when you think of the outputs of that, when you think of what the WTO will be discussing ten years after that kind of investment has been made, you see the kind of challenge we as Canadians face on this issue.

Moscovitz Judith Maxwell, Seattle. I guess, everything, you know, in this new year will come down to Seattle as we define where we've been and where we're going. But Seattle is about more free trade. More and more free trade.

Maxwell: Yes, I think it's more about pluralism and the fact that citizens generally in the industrialized countries are well educated, they have minds of their own, and they don't believe in authoritarian structures any more. That's true at the family level. I mean, when I was brought up in the 50s to obey my parents, I'm sorry but I can't possibly think about a relationship like that with my own children. It's meant to be much more democratic. And I think that what's really at issue here is how inside countries, they become more democratic and people get more voice, and that's even more true at the international level.

Moscovitz: You know, one of the incredible things that people have been saying for a few years now, is that business in this country is and has been ahead of government for quite a while. And it's government trying to catch up. Where does that leave government, Frank Graves.

Graves: Well, it's interesting. The public feel pretty comfortable about business as an institution to the degree that it generates profits, and creates jobs. They're pretty comfortable. But when we ask them how comfortable they feel about business's share of the power pie, they feel extremely uncomfortable. There's a sense that business, in fact, exerts incredible influence over the national agenda, and that that does not necessarily, probably doesn't, reflect the public interest. On the other hand, the public feel pretty good that the government, notwithstanding the fact that maybe they are slow-footed, not doing all their things right, actually are legitimate. They have power which they should be exercising. And where is the power missing, which gets back to this point we were talking about earlier, it's for the average citizen. In the sense that this little guy out there, apart from a shot every four years, really isn't represented enough in the proceedings of government. And that's probably the biggest ailment underneath all of this disconnect between citizens and government. The public interest isn't even of primary consideration.

Moscovitz: And as businesses in Canada go more and more global, the threat gets larger, does it not, Janice Stein?

Stein: I think it does, Jason. But not only for businesses as everybody goes more global. I mean, certainly, businesses are at the leading edge here. They have the capacity to jump over borders, you know, to integrate their production processes, so that they get the best tax deal wherever they are. And they are the most nimble, the most fleet footed. But again, we see citizens' groups going global. Seattle, Beijing. We're going to see more and more of this. We see educational institutions going global, distance learning. Generically what we're seeing is a capacity to move out across your own borders and engage. And it raises just huge problems of accountability once you're working no longer within the confines of your own state. You know, Talisman, who's Talisman accountable to for what it's doing in Sudan? It's certainly not the Canadian government

by any legal framework. But nevertheless these are the kinds of political issues we're going to have to think about. I don't even think we've begun the work of thinking through the problems of accountability we're going to face in the next decade.

Graves: Janice, just to add on that, what we're really searching for are new methods of global governance.

Stein: Right.

Graves: And in fact, and I think one of the things we learned from the WTO is that we took an organization which now has about 135 members, and asked them to gather in one place called Seattle to deal with two issues as you may recall, one was on agriculture and one was on services.

Stein: Straightforward.

Graves: Exactly. That's the relatively simple stuff. And what we found is the members could not even agree on the agenda before they got to the meeting in Seattle. And so it's quite clear that the WTO as an international institution has also been challenged both within and from the outside as well, is this going to be our global governance institution that's going to regulate the flow of goods and services around the world, or are we going to find another one?

Stein: That's right. I think when we think about reinventing government, we think, as you did, Frank, about the relationship between our own government and our own citizens. That's probably the first sentence in a much longer paragraph where we're going to have to think about reinventing government at the global level. And that's going to be just as important to us as Canadians as reinventing government at the national level or the local level.

Unidentified: Sure, and the 20th century is littered with all kinds of unsuccessful examples of trying to create such global structures. It's really been a singularly difficult proposition for a whole range of reasons.

Stein: Right.

Unidentified: But as you point out it's going to be increasingly less sure. But I'd still like to go back to even the root of all this, which is the individual citizen. Who's going to perhaps be even more bewildered because he's not now just going to city hall, my provincial capital, my federal capital. Now, I've got to go to what, Geneva, Seattle.

Stein: They are. That's what they're doing.

Unidentified: Yeah, well, I'd like to just question that because I feel the folks who went to Seattle were about as representative of the public sensibility on this as the business leaders. In other words, they weren't at all. In fact the polling and careful work, I think, that we've done when we sat people down and talked about issues like trade and trade liberalization, suggest that the views of the public on this probably lie somewhere in the centre of the two extremes. And this gets at the root of the problem. The public, when they talk about the desire for more inclusion and greater space, or a seat at the table, when governments make decisions, want it to be people like them. The notions of representativeness, deliberation, are really crucial when we ask people, "How would you create a tool kit to engage citizens more, to redress this sense of not enough power representation in the way governments make decisions?" And so therefore I think one of the key problems will be not just dealing with constituent assemblies and town hall meetings, and meetings in other parts of the world, but how do we insure that representative, informed groups of

citizens can make their views known to the powers that be? So that they can influence, not necessarily determine, but influence? And I don't think they expect us to break down the very complex system of identity politics that we've developed here and in other countries over the last 20 or 30 years, either.

Moscovitz: I have a final question for all of you. And it's the following. What's the biggest challenge facing the government? What's the biggest challenge for the government in Canada facing all these changes in the next ten years? David Zussman?

Zussman: I think for all of us to decide who we are, what we cherish and what we want to keep in the face of all of the turbulent changes taking place because of North American integration and the introduction of technology into our lives.

Moscovitz: Judith Maxwell?

Maxwell: I agree with David that the identity question is central. But then I'll give you my number two for variety. The challenge we face is managing the interdependence within the country, across different jurisdictions, and around the world. Because if we don't learn how to govern globalization we'll see a backlash and it can be reversed. And that seems like an unthinkable thought at the moment but it's within the range of possibility if we don't figure out how to manage institutions properly so that citizens feel they're being served by them.

Moscovitz: Ten years ago a lot of what we discussed today would be unthinkable.

Maxwell: Yes.

Moscovitz: Nothing's unthinkable. Frank Graves?

Graves: I think citizens will be looking to governments and other institutions [...] to help generate some sense of place or meaning, perhaps even moral community in a world which is changing too fast and produces too little of what they see as the search for civic virtue, decency. A lot of things they think have been sacrificed along the path to the other parts of the successful negotiation of globalization. So I think that's where the key challenge will lie.

Moscovitz: And as always Janice Stein, the final word goes to Toronto.

Stein: I agree with Judith and David and Frank. Let me just add that I think the really critical challenge for our government will be to create a pride of place. Because Canada's going to be only one place that we live in among many places. It's going to be the capacity to lead and to partner with others, because our government is not going to be able to do what it has to do alone. So how well equipped is our government to partner? How nimble is it, how flexible is it, in joining with others to create that sense of pride of place among Canadians?

Moscovitz: "Nimble" is a great word. [laughs] Janice...

Stein: Not known for being able to jump quickly through hoops. Governments are not.

Moscovitz: [laughs] Janice Stein of the University of Toronto. Thank you.

Stein: You're welcome.

Moscovitz: David Zussman of the Public Policy Forum. Thank you. And Judith Maxwell of the Canadian Policy Research Networks. Thank you.

Maxwell: Thank you.

Moscovitz: And Frank Graves of Ekos Research. Thank you as well.

Graves: Thank you.

Maxwell: Great to talk to all of you.

Moscovitz: Well, its' been good. Bye.

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