



*Public Archives of Canada.*

*A frequent Canadian theme: Man dwarfed by nature. This view of the forests of British Columbia was sketched in 1882 by the province's Governor-General, the Marquis of Lorne.*

# Canada

Americans have many things in common: Washington's Birthday sales, summer reruns, FICA, the Goodyear blimp, to name only a few. Canadians, it is sometimes said, have in common only a map. Still, it is a very large map. And lately, it has been appearing in the news. Canada and Great Britain severed their last formal constitutional links in March 1982. Ottawa has taken steps to curb U.S. economic and cultural "imperialism." Quebec separatists have edged closer to secession. Oil-rich Alberta is resisting Ottawa's move to tighten up the world's loosest federal system. Considering everything above the 49th parallel to be like everything below it, most Americans pay little attention to their neighbor "upstairs." Yet Canada is a very different place, with very different preoccupations, and it lacks the luxury of being able to ignore its neighbor. Here, Kristin Shannon and Peter Regenstreif review the past decade's tumult up north. Robin Winks looks at the Canadian character—if, he muses, there is such a thing.

## HANGING TOGETHER

*by Kristin Shannon and Peter Regenstreif*

"Some countries have too much history," Prime Minister Mackenzie King once said; "Canada has too much geography."

The intense cold and forbidding landscape of northern Canada—thick forests, mountains, frozen tundra—have discouraged settlement ever since the first permanent colonists, led by Samuel Champlain, stepped ashore in New Brunswick in 1604. Even the Vikings, visiting Newfoundland some 600 years earlier, found ice-bound Greenland more congenial than "Vinland." Today, three-fourths of Canada's people live and work where it is warmest, within 100 miles of the U.S. border.

Human beings are rare in much of Canada. The nation is second only to the Soviet Union in land area, encompassing more than 3.8 million square miles, but, with only 24 million

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people, its population density is less than that of arid Saudi Arabia. English poet Patrick Anderson once called Canada

America's attic, an empty room  
 a something possible, a chance, a dance  
 that is not danced.

Isolation, reinforced by ethnic differences, has bred distinct regional cultures in Canada. The country, it is often said, is a "mosaic," not a "melting pot." Descendants of the original French colonists dominate the province of Quebec. But Newfoundland, Nova Scotia, Prince Edward Island—these are bastions of the descendants of early English and Scottish settlers. Further west, Ukrainian and German communities dot the landscape. The result is strong local allegiances.

In 1907, Canadian nationalist Henri Bourassa lamented: "There is Ontario patriotism, Quebec patriotism, or Western patriotism, each based on the hope that it may swallow up the others, but there is no Canadian patriotism."

Optimists, especially provincial politicians, extol Canada's "unity without uniformity." But regional economic and cultural differences have, since the early 1970s, become increasingly troublesome. Canada's constitution leaves many responsibilities in the hands of its 10 provincial governments, and their leaders have been feuding bitterly with the national government in Ottawa and among themselves over the division of governmental powers. In French-speaking Quebec, a powerful movement has been pressing since the early '60s for independence of some sort from the rest of Canada.

Owing partly to these domestic difficulties, Canadians are becoming increasingly unhappy over the influence of their southern neighbor. In 1974, Parliament established a "takeover tribunal," the Foreign Investment Review Agency, whose approval is needed for new investments or purchases of Canadian corporations by foreigners (Americans, for the most part). In 1975, Parliament barred Canadian companies from taking tax deductions for advertising in media—print, television, radio—

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with less than 75 percent Canadian ownership and content. One result: "affirmative action" for Canadian rock musicians as top-40 radio stations scrambled to meet the new content rules.

To most Americans, all of this comes as something of a surprise. As recently as 1970, University of Minnesota historian William Kilbourn described Canada as the "peaceable kingdom." But a few years later, peace gave way to confrontation. American businessmen were astonished to find themselves suddenly regarded as representatives of "foreign" interests, as though they were Arab sheiks. American tuna boats were seized off Vancouver Island for fishing within the expansive 200-mile territorial limit claimed by Ottawa. Militant separatism, chronic political squabbling, and sporadic outbreaks of terrorism within Canada all added to the impression abroad that Canada was no longer the gray Good Neighbor it once seemed.

#### Five Canadas or One?

In truth, Canada is showing the strains partly imposed by sheer geography. In addition to the vast but nearly uninhabited Yukon and Northwest Territories (both governed directly by Ottawa), there are five distinct Canadas inside Canada:

¶ British Columbia, like the American Northwest, enjoys a relatively mild climate and is rich in natural resources—lumber, fish, copper, and zinc. Cut off from the rest of the country by the Canadian Rockies, and with a California-style ambience, the province tends to look south to the United States and across the Pacific to Japan and other Asian customers whose ships dock at the port of Vancouver, Canada's third largest city.

¶ The Prairie "breadbasket" provinces—Alberta, Saskatchewan, Manitoba—produce more wheat each year than 10 South Dakotas, making Canada the world's No. 2 grain exporter. Germans, East Europeans, and Ukrainians (refugees from another breadbasket) and other relatively recent immigrants make up about one-quarter of the population here. Alberta, enjoying a Texas-style economic boom led by petroleum (the province contains 85 percent of Canada's proven oil and gas reserves), has been one of the chief obstacles to Prime Minister Pierre Elliott Trudeau's attempt to gather more power in Ottawa's hands.\*

\*Canada must still import about 25 percent of the oil it needs annually, but it also exports relatively small amounts of oil and gas to the United States. The Northwest Territories and the Yukon are thought to contain vast hydrocarbon deposits, and Alberta's virtually untapped Athabasca "tar sands" could yield between 650 billion and 1.3 trillion barrels of oil. (Saudi Arabia, by comparison, possesses proven reserves of 200 billion barrels.) Development of the "tar sands" has been slowed by high costs and technical problems; only one small processing plant is in operation.



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*Who's in charge? Prime Minister Trudeau fiddles as provincial Premiers conduct. Quebec's Premier, René Lévesque, is front row, second from left.*

¶ Ontario, the most ethnically diverse province, is the nation's commercial and industrial heartland. It contains Ottawa, the placid capital, and Toronto, Canada's financial center and, with almost three million people, its biggest city and home of the world's tallest structure, the 1,821-foot-tall CN Tower. To the American Midwest, it sells autos, auto parts, and other manufactured goods, mostly produced by U.S.-owned companies.

¶ To the east of Ontario lies the province of Quebec, the heart of Francophone Canada (80 percent of its citizens are of French descent). Quebec's economy is based on mining, forestry, and light manufacturing—e.g., clothing, furniture, and newsprint for U.S. newspapers. All of these industries are in decline because of the worldwide economic slump and brisk competition from the Third World, where labor is cheap. The bright spot: Quebec's flourishing hydroelectric industry, centered on James Bay, which will export electricity worth about \$120 million annually to the United States during the 1980s, equivalent to 15 percent of New York City's electric bill.

¶ On the rugged east coast lies a fifth Canada, the Atlantic

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provinces—New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island—dominated by the descendants of early British, particularly Scottish, settlers. Dependent chiefly upon fishing and forestry, the Atlantic provinces have long been Canada's economic poorhouse. Brightening their prospects is the recent discovery of offshore fields of oil and gas near Newfoundland and Nova Scotia.

### Strikes, Separatism, and Taxes

Despite diversification and an abundance of oil and gas, Canada's \$274 billion economy is in the doldrums. The lingering effects of the 1973–74 and 1979 OPEC price hikes, tight money, and high interest rates account for much of the problem. Unemployment reached 8.6 percent in 1981, inflation 12.5 percent, uncannily similar to the corresponding indices south of the border. The Canadian economy is (and always has been) heavily dependent upon exports, which amount to 25 percent of gross national product, and the United States is its chief customer. When the United States catches cold, Canada sneezes.\*

Thanks in part to high tariffs that long shielded Canadian industry from foreign competition, Canada's labor productivity is about 20 percent lower than that of the United States, adding to the price of Canadian products. Productivity growth has been hampered by strikes. Canada loses more working days (782 per 1,000 employees) due to strikes each year than any other country in the world except Italy. One reason: Canadian trade unions, particularly in Quebec, are highly politicized. In Canada, writes Toronto journalist F. S. Manor, "strikes [become] battles in a class war."

In general, the West, paced by Alberta, has fared better than the East, deepening rifts between "have" and "have-not" provinces. Ottawa's attempts to remedy some of the inequality via taxation—encroaching thereby on traditional provincial prerogatives—have stirred further animosity. A new Western separatist party won its first seat in the Alberta legislature in February 1982.

Underlying all of these controversies is one question: Must Canada remain a loose collection of 10 provinces, or can it become a genuine political community?

Canada's form of government was laid out by Great Britain

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\*The export problem has been eased somewhat by the decline of the Canadian dollar, which has been worth between 81¢ and 84¢ (U.S.) since 1979, down from about 96¢ in 1974. This makes Canadian exports cheaper. It also makes imports more expensive. The United States buys 73 percent of Canada's exports and provides an equal proportion of its imports.

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in the British North America (BNA) Act of 1867. This act gave Canada partial independence and today serves as its constitutional foundation.\* The act established a "Westminster" parliamentary system modeled after Britain's, with a popularly elected House of Commons and a largely ceremonial (and appointed) Senate, analogous to the House of Lords. At the same time, the BNA Act also established a federal system; it granted each province many more powers than the U.S. Constitution gives to the states. For instance, the provinces, each with its own legislature and laws, have responsibility for public health, education, and welfare—responsibilities that did not loom large in 1867. Yet the BNA Act also left all powers not specifically granted to the provinces in the hands of the federal government, leaving room for shifts in the balance of power.

### Dividing the Spoils

During the Great Depression and, later, during World War II, Ottawa's power grew as Parliament tried to cope with new crises. Later, the absence of any immediate external threat and the widespread prosperity that began during the 1950s seemed to reduce the need for strong federal leadership. The provincial governments took on more functions in such areas as labor relations, economic policy, the environment. They built bureaucracies and local constituencies that undercut Ottawa. Today, polls show that more than half (56 percent) of Canada's people identify more closely with their province than with the country as a whole. Only Ontarians tend to look to Ottawa's leadership, and then only by a narrow margin.

By the end of the 1970s, the fault lines in the Canadian federal system were becoming increasingly apparent. With the help of the Supreme Court, Americans had sorted out most of their "states' rights" versus "federal powers" issues during the 19th century. By contrast, *Canadian Trend Report* studies showed that Canadian politicians in 1980 were hotly debating some 70 jurisdictional disputes.

Chief among these, as noted, was the question of taxes. The issue: Who would have the right to tax what? Ottawa, for instance, wanted to increase its levies on oil and gas production, mostly at the expense of the producing provinces. At stake were some \$212 billion in total tax revenues expected by 1986, and

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\*Canada became a constitutional monarchy under Great Britain, but the mother country retained crucial powers, especially in foreign affairs. These powers have been ceded to Canada in stages since the turn of the century. The last of them, the formal power to amend the Constitution, was ceded this year.

the Constitution offered no clear guide to division of the spoils.

Some of the less monumental inter-provincial disputes illustrated the extent of the problem. Could Quebec bar Ontario's eggs from its markets? Could Ontario, in retaliation, restrict sales of Quebec's chickens in its markets? Such ques-

### NORTH AMERICA'S BIG ATTIC



- Potential petrol basin
- Oil and gas fields
- Existing pipeline
- "Tar sands" deposits
- Distant Early Warning Line
- Planned pipeline

Source: Canadian Department of Energy, Mines, and Resources; *International Petroleum Encyclopedia* (1970); The Northwest Alaskan Pipeline Company; *The Times Atlas of the World* (1977).

*Not shown: potential offshore oil and gas basins. The \$23 billion Alaska Natural Gas Pipeline will stretch 4,800 miles from Prudhoe Bay to Chicago and San Francisco when completed in 1987. The 31 radar stations of the U.S.-Canadian Defense Early Warning (DEW) Line watch for any Soviet missile attack across the Arctic.*



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tions rarely arise in the United States, because the U.S. Constitution was designed in part to resolve just such ambiguities that had caused problems under the earlier Articles of Confederation. But, in Canada, each province has scores of rules that constrain the inter-provincial movement of people, goods, services, and capital.

The dilemma of modern Canada is reflected in the situation of its dominant political party, the Liberals. Headed for 15 years by Pierre Elliott Trudeau, the Liberals have held power in Ottawa for 74 of the last 86 years. They have been in charge since 1963 (except for an aberrant nine-month interlude in 1979–80). The Liberals, in other words, are the “natural” governing party of Canada. But, in recent years, Quebec separatism and the disputes over energy policy and the division of powers have worn away the “Liberal consensus” that long gave the country a sense of direction.

### Phase One

Trudeau, an advocate of a more centralized regime, first became Prime Minister in 1968, propelled into office by “Trudeaumania,” a wave of enthusiasm for the Kennedyesque Justice Minister. Trudeau was not only young (he was then 48) but also, as Henry Kissinger described him, “elegant, brilliant, enigmatic, intellectual.” The Liberals suffered a defeat in the 1979 election thanks mostly to the country’s sagging economy, but Trudeau was returned to power the next year when Progressive Conservative Prime Minister Joe Clark’s government fell. (Clark’s proposal to sell off the government-owned oil company, PetroCan, and to impose an 18¢-per-gallon tax on gasoline caused a popular uproar and was rejected by Parliament.) But with only 44 percent of the votes, Trudeau and his party had no clear mandate.\*

By 1980, the Liberals’ strength—and that of their foes—had become highly regionalized. The Liberal Party held all but one of Quebec’s 75 seats in the House of Commons and 51 out of Ontario’s 95. But out in the rich, booming West, it reaped only two of 80 seats. There, the socialist New Democratic Party (NDP) and the Progressive Conservatives predominated. At the provincial level, the Liberals lost control of all 10 governments. The NDP, with its nationalistic program calling for greater federal intervention in the economy, was making inroads in tradi-

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\*The Liberals did gain a majority in Parliament by coming out on top in winner-take-all contests. They hold 147 seats to the Progressive Conservatives’ 103, and the New Democratic Party’s 32.

### CHURCH, HOCKEY, AND THE BLUE JAYS

An American visiting Canada notices several things immediately. Road signs give distances in kilometers. Gas is sold by the liter and is a few pennies cheaper than it is in the United States. Cross from Vermont into Quebec, and the road signs are in French, while the houses change colors: New England reds and whites on one side of the border; pastels on the other.

About 10,000 Americans emigrate to Canada every year. Their lives change in ways large and small. Of course, it is colder, and, as the U.S. State Department advises its personnel posted there, clothing is more expensive. To judge by the statistics, the new Canadian will learn to drink more hard liquor (2.19 gallons annually) and less beer (22.9 gallons) than before. The newcomer's chances of taking a turn in a snowmobile will increase enormously—one of every eight Canadians uses one—and his chances of getting divorced will be cut almost in half. About 25 percent of all Canadian marriages end in divorce. He cannot expect to live longer, but his chances of being murdered will be only a quarter of what they are south of the border. If caught, his murderer will not face the death penalty, but he can be tried on evidence illegally obtained.

Apart from the weather, daily life is not extraordinarily different in much of Canada. Children pledge allegiance to the Queen (instead of the flag) every morning at school and may well recite a prayer, but they pass through 12 grades, as in the United States. They will get a day off in May to celebrate Victoria Day; Thanksgiving, which falls on the second Monday in October instead of the fourth Thursday in November, may seem a bit early. Only about a quarter of high school graduates will go on to college, half the U.S. proportion. On Sundays, most Canadians take their children to church, if only because there is not much else to do. Even the oil boom town of Calgary shuts down on the Christian Sabbath.

Neither is the workaday world much different. Bankers, bureaucrats, and tool and die makers are far more common than loggers. Income taxes (provincial and federal) are high, amounting roughly to what an average New York State resident would pay to Albany and Washington. But government benefits are usually more generous in Canada. All families with children are eligible for a monthly family allowance of \$18.65 per child (1980). Everyone is covered by mandatory medical and hospitalization insurance: In some provinces, one need never pay a medical bill.

Hockey is the Canadian national sport, and the transplanted American would be well advised to cultivate a taste for curling and skiing. But he need not abandon the American national pastime: Canada has two professional baseball teams, the Toronto Blue Jays and the Montreal Expos. In French-speaking Montreal, of course, the fans sound a little different. When the Expos come up to bat, one prays for a *circuit* (home run) and curses every *retrait* (out).

## ECONOMIC CONTRASTS

PERSONAL DISPOSABLE INCOME (in U.S. dollars)	1950	1955	1960	1965	1970	1975	1980
	CANADA	890	1,248	1,533	1,712	2,429	4,807
Nova Scotia	671	941	1,180	1,297	1,926	3,835	5,561
Quebec	769	1,083	1,354	1,567	2,192	4,341	6,351
Ontario	1,069	1,472	1,777	1,954	2,815	5,265	7,390
Alberta	899	1,262	1,550	1,690	2,427	4,953	7,681
UNITED STATES	1,362	1,664	1,947	2,448	3,390	5,075	8,002

Source: *Bank of Canada Review* (Dec. 1972 & Nov. 1981); *Bank of Canada Statistical Summary Supplement* (1965); The Conference Board in Canada; Statistics Canada; U.S. Department of Commerce, Bureau of Economic Analysis.

Prosperity varies from province to province, but on average, Canadians do not lag far behind Americans. Canada's economy moves in tandem with that of the United States, sharing its ups and downs, its air pollution, even its unemployment rates. "Living next to you is like sleeping with an elephant," Pierre Trudeau once told President Nixon. Canadian industry has been especially hard-hit by chronic recession south of the border. The Canadian Science Council warned in 1979 that the country was moving "away from an industrialized economy back to one based on the export of raw materials"—timber, ores, grain, gas, and oil. The council charged that U.S.-based multinationals had deprived Canada of 200,000 skilled jobs by locating assembly plants in Canada while keeping research and management operations in the United States. Ottawa's solution: a \$1 billion program to aid domestic high-technology industries (e.g., aerospace, electronics, medical equipment) and new laws curbing foreign investment. Results are not yet in. Predictably, foreign investment has fallen off—a mixed blessing.

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tional Liberal urban strongholds in Ontario. It controlled the provincial government in Saskatchewan and was the official "opposition" (No. 2) party in Manitoba and British Columbia.

After the February 1980 election brought Trudeau back to power, Liberal strategists assessed the vote and decided they would have to move quickly to reassert their presence country-wide. Their plan: shift leftward (to head off the New Democrats) and establish a firmer constitutional basis for the stronger role that they needed Ottawa to play in order to enact Liberal policies. But before Trudeau and the Liberals could take any action at the federal level, they had to deal with the approaching referendum on the status of Quebec. A May 1980 vote was scheduled in the province. The issue: Should Quebec, for all practical purposes, secede from Canada? Countering secession became Trudeau's Phase One campaign. Trudeau, himself a Quebec native, told an audience: "It takes more courage to stay in Canada and fight it out, than to withdraw into our walls."

### **Surviving by Habit**

Quebec's position within Canada has always been unique. Much of present-day Canada was French territory until 1759, during what Americans call the French and Indian War. In September of that year, a British army under General James Wolfe defeated an outnumbered French force under the Marquis de Montcalm on the Plains of Abraham, just above Quebec City. In a 1763 treaty, King Louis XV formally ceded much of New France to King George III except part of Newfoundland (later sold to Britain) and two tiny islands, St. Pierre and Miquelon, that today are departments of metropolitan France. But under the 1774 Quebec Act, London granted French-speaking, Catholic Quebec substantial political and religious autonomy.

Quebec remained relatively quiescent for nearly 200 years. That began to change when Canada, like the United States, experienced a boom in industrialization and urbanization during the 1950s and '60s. "Prosperity was creating not only industrial development but a new type of French Canadian," notes Quebec journalist Peter Desbarats, "educated, aggressive, and eager to play an active and complete role. . . . This was the beginning of what is now called 'the quiet revolution'—a revolution by French Canadians against the conservative Catholic ideals of a poor agricultural society and against dull acceptance of their position as a minority group."

Soon, the province's political leaders began rebuffing the English-Canadian and American investors who sought tax

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breaks and low public outlays as the price of new investment. They initiated a pension plan and medical care programs, and pushed reforms in labor relations, the civil service, and government contracting. One of the leaders in this change was René Lévesque, Natural Resources Minister in Quebec's Liberal government during the early 1960s. He came to personify the slogan *Maîtres chez-nous* ("Masters in our own House") when he spearheaded the provincial government's takeover of 11 privately owned hydroelectric companies in 1962.

The Quebec government began demanding—and getting—increased taxing powers from the federal government. But the pace of change was not fast enough for some in Quebec. In 1963, the radical *Front de Libération de Québec* began a wave of random bombings. In 1967, Lévesque himself left the Liberals to form what in 1969 would become the *Parti Québécois* (PQ), uniting most of the French separatists and nationalists under its banner. Lévesque advocated "sovereignty-association" for Quebec. As first conceived, this meant that the province would be politically independent of the rest of Canada, though tied to it by economic agreements like those that "unite" the member nations of the European Common Market.

The PQ won 21 percent of the vote in the 1970 provincial election, 30 percent in 1973. Opinion surveys indicated that *Québécois* sympathized with the party and trusted Lévesque, but many were reluctant to back the PQ because they feared a complete break with the rest of Canada. To assuage their fears, Lévesque, before the 1976 election, promised that, if he won, he would not try to change Quebec's status within Canada before submitting the issue to a referendum. That was enough, and Lévesque swept to power. This was the situation confronting Trudeau.

The May 1980 referendum asked Quebec's voters to authorize the provincial government to begin negotiating for "sovereignty-association." It spurred a heated debate. Trudeau declared that a "Oui" vote would lead to a stalemate, and he promised that a "Non" vote would clear the way for a "renewed federalism" and new Constitution. On May 20, 1980, almost 60 percent of the voters said "Non."

With the Quebec question at least temporarily shelved, the Liberals were free to move to Phase Two, the Constitution.

In a June 1980 conference, Trudeau laid before the 10 provincial Premiers a 12-item constitutional package that would strengthen Ottawa's powers. In addition, Trudeau proposed to "patriate" the BNA Act: Britain would give up its last formal hold over Canada, the authority to approve amendments to the



### BACON, EGGS, AND CULTURE



*In The Nine Nations of North America (1981), journalist Joel Garreau described life in Quebec, the "improbable" ninth "nation":*

To love Québec . . . is to love the Pontiac Firebird Trans Am with a 205-bhp, 301-cubic inch V8 and a flaming eagle painted on the hood. Québécois are the worst gas guzzlers left in the world, statistics show. Any street in Québec is testimony to their affection for full-sized LTDs and vroom-vroom Corvettes. . . . It's a formidable combination in the 1980s to drive like a Frenchman in high-horsepower North American iron.

Their prides are different. Québécois make a very big deal over how terrific their women look, and, indeed, compared to some of the brown thrush understatements of which English Canadian women are capable, Québécoises can be very attractive. Women here are routinely referred to as "*tres chic*," and, in fact, the most striking statements are made by women whose heels are higher, make-up and perfume more pronounced, and fashions more Europe-conscious than others. . . . Even the politics and culture of good looks are different in Québec from those elsewhere.

They swear differently. And not just because it's in French. In order to get nasty, they don't modify with references to excrement or sex. They modify with words like "tabernacle," "sanctuary," "Chalice," and "host." If you really want to lean into a curse, you string them all together, until you get something like: "*Lui, c'est un maudit, chrisse, 'osti, calisse de tabernac'*." That'll get you a bar fight anyplace in the Gaspé.

They even think about their similarities with the rest of the continent in a different fashion. In making the point that, while Québec was French, it was also a distinctly North American culture, one observer said, "Our culture is the way we do things; the way we eat. When we have breakfast, we eat cereal, we eat eggs, we eat bacon."

It's tough to imagine another North American culture [bringing] attention to its singularity by the fact that it eats bacon and eggs.

From The Nine Nations of North America by Joel Garreau. © 1981 by Joel Garreau.

Canadian Constitution. The most controversial of Trudeau's changes was a proposed national Charter of Rights (similar to the U.S. Bill of Rights), particularly its guarantee of bilingualism throughout Canada. This would require that education and public business be conducted in both French and English.

Some of the Premiers from English-speaking provinces objected, but Lévesque protested loudest of all. Canada is officially bilingual even now, but Quebec, taking advantage of the porous Constitution, has been taking steps to curb the use of English in

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its domain—for example, by prohibiting the language on commercial signs in the province.\* Under Quebec's Bill 101, passed in 1977, only children with at least one parent who attended an English-language school are entitled to an education in English. All others must attend French-language schools.

British Columbia, Alberta, Newfoundland, and Nova Scotia, meanwhile, objected to provisions of the Trudeau constitution that would strengthen Ottawa's hand in setting oil and gas prices and taxes.

Throughout the bickering, Trudeau warned the Premiers that if no agreement were forthcoming, he would go over their heads and ask the Canadian and British Parliaments to pass his proposals. Ultimately, he did just that. But after the Canadian Parliament approved the package, Canada's Supreme Court ruled that Trudeau was bound by tradition (though not law) to obtain provincial consent.

Trudeau went back to the conference table with the Premiers and emerged with a compromise: All of his proposals remained intact, but an escape clause was added allowing any province to exempt itself from the Charter of Rights for five years at a time. Nine of the Premiers agreed to the new formula. Lévesque dissented. Last December, the Canadian Parliament again endorsed the package and sent it to the British Parliament, which finally voted its approval on March 25, 1982.

In November 1980, only four months after unveiling his constitutional package, Trudeau launched Phase Three: a new National Energy Policy (NEP). Essentially, the NEP gave government a massive new role in the energy business. It imposed new excise taxes, reduced depletion allowances, and established a price below world levels for domestic oil consumed at home. It gave Ottawa a larger cut of the tax revenues and "encouraged" Canadian ownership through a Petroleum Incentives Program that gave tax advantages to domestic firms to increase their share of the energy business.

The Liberals saw their new energy policy as a chance to accomplish two things at once. First, by fostering economic nationalism ("Canadianization"), they took a step to the left—to steal the NDP's thunder. Second, they garnered vastly increased tax revenues.

Canadian ownership is a particularly touchy issue. Canada has the highest level of foreign investment in the industrialized world. Non-Canadians own about 60 percent of Canadian indus-

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\*Last year, the national government spent \$373 million for printing documents in two languages and for bilingual education and related programs. This was a slightly larger share of the federal budget than NASA received in the United States.

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try. Trudeau hopes to reduce foreign (mostly U.S.) ownership of oil and gas production from the current level of 79 percent to 50 percent within 10 years. (So far, it has been reduced by about five percentage points.) To show that the government was serious, its PetroCan bought the Canadian holdings of Belgium's Petrofina corporation for \$1.5 billion.

It would appear from the events of the last year or so that, in domestic politics, Canadians and Americans are heading in opposite directions: Canadians toward increased federal government involvement; Americans under the "New Federalism" toward a reduced role for the central government. But this is slightly misleading. Despite Ottawa's heavy-handed intrusion into the energy field and Trudeau's success in amending and patriating the Constitution, the future will probably see a lowered profile for government in general, and for the federal government in particular, and a greater emphasis on provincial values—this is what Canadians themselves seem to want.

It is becoming clear to Canadian politicians across the spectrum that direct intervention in the economy can be politically and economically costly. It is far easier to achieve improvements in the environment, occupational health and safety, the distribution of jobs and income, and other areas of social policy by *regulating* corporations than by *owning* them. This is probably the future direction of Canadian public policy, despite the often-heard contention that Canada's natural drift has long been toward "socialism."

It is far more difficult to say how the Quebec issue will evolve. René Lévesque was reelected last year and he has vowed to continue his fight. Early in 1982, he implicitly abandoned the idea of holding another referendum, saying instead that he will regard victory in the next provincial election, which must be held by 1986, as a mandate to pursue "sovereignty-association." The outcome may well depend on how much freedom of action Quebec enjoys under the new Constitution.

Yet Canada will surely endure, if not as a "peaceable kingdom" then in fractious cohesion. As former Progressive Conservative Party head Robert Stanfield concluded five years ago: "I suppose there are times when we ask ourselves whether we deserve to survive as a country. But I believe we will survive somehow, if only from habit."