

THE MAGAZINE OF THE MACDONALD-LAURIER INSTITUTE

# INSIDE POLICY

FEBRUARY 2015

A Bicentennial  
Celebration

## Sir John A. Macdonald

Bob Plamondon, Brian Lee Crowley,  
Patrice Dutil and Jimmy Carter on  
Sir John A's unique legacy

Also INSIDE:

Why the PM will *not*  
call an early election

The West's lack  
of response to  
Islamist extremism

Time to rebuild  
Alberta's Heritage  
Savings Trust Fund

Healthcare: Canada  
needs a national  
seniors strategy

Making public policy  
easier to read





# INSIDE POLICY

THE MAGAZINE OF THE MACDONALD-LAURIER INSTITUTE

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# From the editors

**G**reetings. In this issue of *Inside Policy*, we mark the 200<sup>th</sup> anniversary of Sir John A. Macdonald's birth with a series of articles focusing on a man who, perhaps more than any other, was responsible for the birth of Canada.

In our feature piece, **Bob Plamondon** examines the values, principles, and unique skills and circumstances that combined to make Macdonald so instrumental to securing agreement on Confederation. **Brian Lee Crowley** travels back in time to 'interview' Sir John A.; **Patrice Dutil** calls for more to be done to celebrate the legacy of Sir John A.; President **Jimmy Carter** pays tribute by reflecting on the challenges Macdonald faced in working to create Canada, and the great North American relationship that has flourished ever since; and **Crowley** explains how Sir John lives on in all of us.

We are also pleased to present insightful commentaries on a wide range of issues.

**Stanley Hartt** suggests that those who cite fear of the fall-out from the looming trial of Mike Duffy are failing to understand the legal issues at play. Hartt sees no compelling reason why we should expect an early election.

In response to the tragic massacre in Paris last month, professor **Salim Mansur** laments that nations such as France and Canada have failed to devise a credible policy to counter the Islamists' war against the West.

**David Perry** analyzes defence spending, noting that the federal government has been unable to spend billions of dollars Parliament has approved for new equipment even though the military needs to replace almost every major piece of military hardware in its inventory.

**Laura Dawson** suggests North America is increasingly going to fall behind in the growing global economy if Canada and the US can't sort out their differences.

**Mike Priaro** examines how successive provincial governments have failed to live up to the standards and objectives set by Peter Lougheed when the late former premier established the Alberta Heritage Savings Trust Fund.

**Ken Coates** suggests that fundamental relationships in this country will soon evolve as the number of successful Aboriginal businesses continues to grow and as more Aboriginal people find employment.

Canadian Medical Association president **Christopher Simpson** suggests that older Canadians want the type of support and services that will help them stay in their homes and communities. Arguing for 'de-hospitalization', Dr. Simpson calls on Ottawa to take a leadership role in developing a national seniors strategy.

**Brian Lee Crowley** suggests provincial governments need to re-evaluate how they treat resource revenues, as such revenues are subject to huge and unpredictable swings.

Suggesting that the complexity of texts used to describe parliamentary processes or policies serves to exacerbate political apathy, **Andrew Rodych** makes the case for simplifying the language used in laws and regulations.

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# Why Stephen Harper will *not* call an early election

*Stanley Hartt sees no compelling reason why we should expect the Prime Minister to call an early election. He suggests that those who cite fear of the fall-out from the looming trial of Mike Duffy are exaggerating the risks and failing to understand the legal issues at play.*

## **Stanley Hartt**

In football, the “trap play” is a simple manoeuvre where one of the offensive guards vacates his position, making it look to his defensive opponent as if he has a clear path to sack the quarterback. When the defender takes the bait and runs through the open space, he is met with a crushing and unexpected block from the *other* offensive guard, opening a huge hole available to the ball carrier.

This is a metaphor for what Opposition strategists think they are doing when they commission or encourage op-ed or analysis pieces from partisan or sympathetic commentators insisting that


Stephen Harper will be forced to call an early election to avoid having to face the fall-out of the Mike Duffy trial.

The Conservative government is very unlikely to fall for this sort of planted inducement and make a serious tactical blunder.

There are a number of reasons why this is so. The most elementary of these is that, having established a regime of fixed election dates (the next one we already know is supposed to be October 19, 2015), the Prime Minister is unlikely to expose himself to the double whammy of, first, being accused of going back on his

announced commitment and, (worse) second, allowing all of the prattling pundits to assert that this was done because of his terror of the revelations to come in the Duffy trial, which, at a time when not one piece of evidence will yet have been adduced, they will proceed to “review” ad nauseum in condemnatory fashion.

Now, there are those who believe that the Prime Minister and his party were wrong to weaken the prerogative which our system places in his hands to advise the Governor General to dissolve Parliament and trigger an election at any time. This power



*The Conservative government is very unlikely to fall for this sort of planted inducement and make a serious tactical blunder.*

can be used to keep frisky caucus members in line when they are free-lancing but are still unsure of their electoral chances in an imminent vote by their constituents. It was also very helpful during the “coalition” crisis, when three political formations which had recently been defeated at the polls did some quick addition and calculated that together they could offer the Queen’s representative an alternative to a general election by combining forces to take the reins of government from the party that had actually won the most seats, namely the Conservatives.

Of course, all executive prerogatives must be used with caution: there was some significant amount of outrage at the PM’s use of prorogation and the ultimate calling of another election which produced the current majority government. (It was a bit strange that this indignation was not repeated when Dalton McGuinty used the very same tactic in Ontario. McGuinty, it should be remembered, did it to avoid the certainty of a vote of censure in the Legislature over the cost of the gas plant cancellations, whereas the upset of the “gang of three” coalition partners was triggered by nothing more than self-interest as a protest against the imminent demise of the public subsidy their parties had been receiving from the federal treasury based on the number of votes cast for them in the most recent election).

Indeed, all of the mechanisms which we have inherited from the constitutional practices of the United Kingdom (and built upon, it can be argued, very successfully) which militate for stable, majority government come under attack from observers who don’t have to face election to keep their jobs. So, for example, the “first past the post” vote-counting system means that a majority government can be elected with 40% or even less of the popular vote, but there are constantly those who urge us to weaken this important and intended feature by adopting some form of proportional representation or preferential ballot.

Similarly, there is a steady objection to the control of the operations of government by the “centre”, which is seen as the dictatorial usurpation of the freedom and independence of MPs to act according to conscience and the instructions of their electors, when in fact it is nothing more than an organized plan to ensure that the government plays “error-free baseball” and maintains the discipline which ensures that it retains the confidence of the House of Commons, failing which the government falls and we have what, amazingly, we invariably describe as an “unnecessary” election!

So, while the idea of committing to an American-style fixed election date meant appearing to abandon a tool we had collectively *intentionally* placed in the hands of our head of government, given the opprobrium that invariably attends the actual use of such a prerogative, perhaps the PM has surrendered little of material value at all. But the most important reason not to be lured into the strategic abyss which the Sirens of Opposition mirages would like to tempt the PM to fall into could be the fact that there is nothing at all to fear in the upcoming Duffy trial.

Suspended Senator Duffy has been charged with 31 counts of criminal activity in all: one count of fraud and one count of breach of trust connected to his expense claims in relation to his residency; nine counts of fraud and nine counts of breach of trust in relation to expense claims unrelated to Senate business; four counts of fraud and four counts of breach of trust in connection with the awarding of consulting contracts and one count each of bribery of a judicial officer, fraud on the Government and breach of trust by directly or indirectly corruptly accepting, obtaining, agreeing to accept, or attempting to obtain, money for himself, namely the famous \$90,000 from Nigel Wright.

Now, it is very important to remember that Nigel Wright himself has *not* been charged with the mirror indictable offense under Section 119 (1) (b) of directly or indirectly, corruptly *giving* or *offering* to the holder of a judicial office, a member of Parliament or of the legislature of a province, or to anyone for the benefit of that person, any money, valuable consideration, office, place or

*Much puzzlement has been expressed at how it is possible for the giver in a transaction to be innocent of wrongdoing when the recipient in the very same transaction has the legal book thrown at him.*

employment in respect of anything done or omitted or to be done or omitted by that person in their official capacity.

Much puzzlement has been expressed at how it is possible for the giver in a transaction to be innocent of wrongdoing when the recipient in the very same transaction has the legal book thrown at him. The answer lies in the word “corruptly” which appears in both subsection (a), the section that relates to receiving, and subsection (b), the subsection that relates to giving. While no one knows the details of why the RCMP chose to declare that no charges would be laid against the Prime Minister’s former chief of staff, logic would say that the evidence showed that Nigel’s intentions were not corrupt. Anyone who knows Nigel would understand how straightforward such a conclusion would be to arrive at.

That means that Duffy *is* alleged to have had corrupt motives or intentions in seeking and accepting the payment so that he could repay his improperly submitted expense claims. And thereby hangs the basis for the proposition that the Prime Minister has nothing to fear from the trial and may not even be a compellable witness.

On September 16, 2014, the *National Post* ran a story, on the occasion of a court appearance by Duffy’s lawyer to discuss procedural arrangements surrounding the forthcoming trial, in which Donald Bayne is reported to have said, “This isn’t a political case. This is a criminal case. It’s going to be conducted professionally” and, “please understand, this isn’t being run as a personal or political vendetta.”

“The very strong judiciary in the Ontario Court of Justice”, he continued, “will not allow this case to be turned into a political circus and we certainly don’t intend to conduct the matter that way.”

While Bayne added that he wouldn’t rule out the possibility

that Prime Minister Stephen Harper will be called to testify, a real question arises about what the Prime Minister could usefully be asked about Duffy’s state of mind. An attempt to stoke pent-up curiosity or to probe the question that has pre-occupied the media, namely what the Prime Minister knew about Wright’s payment of \$90,000 to Duffy, might make for journalistic buzz, but it would not appear to satisfy the test of relevance, which is what the court cares about.

A person can be subpoenaed to give evidence in a Canadian criminal proceeding if the party issuing the subpoena can establish that the witness would likely or probably have material evidence to give. It is not enough that the witness “may have” material evidence. Neither a “reasonable hope” nor “a possibility” is enough to justify compelling a person to testify.

So, unless the “political circus” remark was facetious, or feeding reporters’ curiosity is considered a proper function for our criminal justice system, it would seem that the evidentiary foundation for a subpoena being issued to the Prime Minister in the Duffy case would face serious hurdles and would be subject to being quashed.

This does not even raise the issue of parliamentary privilege. In the Commons, the Prime Minister was asked, “Will the prime minister attempt to hide behind parliamentary privilege to avoid testifying?” by NDP Leader Tom Mulcair. The PM’s response was, “Obviously if you read the investigator’s report, there’s absolutely no reason to suggest I would do that”. Indeed, doing that would permit the speculation and spinning of invented facts to run amuck and undo any good the avoidance of actually testifying might have achieved.

Having made the commitment to fixed election dates, not having a precarious minority government situation to deal with, and absent a cabal of the defeated to seize the very power the Canadian people had just denied them, the PM should stick to the pre-determined election date and use the intervening time, as is appropriate in any democracy, to convince the electorate that his government deserves to be re-elected. ✱

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**Stanley Herbert Hartt, OC, QC** is a lawyer, lecturer, businessman, and civil servant. He currently serves as counsel at Norton Rose Fulbright Canada. Previously Mr. Hartt was chairman of Macquarie Capital Markets Canada Ltd. Before this he practised law as a partner for 20 years at a leading Canadian business law firm and was chairman of Citigroup Global Markets Canada and its predecessor Salomon Smith Barney Canada. Mr. Hartt also served as chairman, president and CEO of Campeau Corporation, deputy minister at the Department of Finance and, in the late 1980s, as chief of staff in the Office of the Prime Minister.





A silent march of solidarity for the victims of the Paris terrorists takes place in Montréal, January 11, 2015.

# The West cannot indefinitely accommodate Islamist extremism

*Writing in response to the tragic massacre in Paris, Western University professor Salim Mansur writes that nations such as France and Canada have failed to devise a credible policy to counter the Islamists' war against the West.*

**Salim Mansur**

After the public outrage over the massacre at *Charlie Hebdo*, after the denunciations and piles of editorials condemning the chillingly bloody assault on free speech by Muslim extremist terrorists, after holding hands and marching in Paris with political leaders from around the world, the question remains “then what?”

More than a dozen years after 9/11 – and a list of Islamist terrorist atrocities that keeps growing in length – the question “then what” persists not as an impertinent afterthought, but as a damning critique of the West’s failure to be truthful to itself in formulating the policy needed to effectively contain and defeat radical Islam or Islamism in its midst.

The two masked men who stormed the office of *Charlie*

*Hebdo* were brothers Saïd Kouachi and Chérif Kouachi. They were in their early-thirties born of Algerian immigrant parents in Paris, and more or less abandoned to the vagaries of life in poverty. From the shadowy under-class world of low crimes to the certainties of *jihād* as a soldier of Allah is the allure of Islamism for those, such as the Kouachi brothers, searching for some purpose in life. Their numbers will grow as Islamism grows, as was once with the phenomena of Nazism and Communism.

Once the brothers were done with the massacre they raised the cry of “*Allahu Akbar*” (“God is great”), as reported by those who heard them, and “the Prophet is avenged.” A couple of days later and surrounded by police forces inside a printing plant in the vicinity of Paris, Chérif Kouachi recorded a telephone interview with a French



Sue Dewar/artizans.com

reporter from BMF TV before he and his brother were fatally shot. “We are defenders of the Prophet,” Chérif Kouachi told the French reporter. “We defend the Prophet from people who insult him. Then there is no problem. We can kill them.”

The Kouachi brothers faced death believing until the end they acted righteously in accordance with their belief. They chose to be martyrs just as their al Qaeda sponsors in Yemen, according to Chérif Kouachi in his final interview, had instructed them.

To engage with the question whether the *Charlie Hebdo* massacre was religiously or politically motivated is intellectually seductive. It is the sort of question, academic in nature, however, that ultimately is irresolvable – a paradox which spirals down into a mind-numbing vortex.

Historically the line separating religion and politics in any culture has been mostly non-existent. Religion and politics are both human activities driven by human needs, and when in relatively recent history the line demarcating the two becomes somewhat

discernible it is as a result of lessons drawn from experience on how to meet the requirements of both without being crushed by either.

The distinguishing feature of the West is the extent to which the line demarcating religion and politics is clearly discernible. This sets the West apart from other cultures, and especially that of the world of Islam. Upon this fragile line rests the unique political system the West built over time, and through trials and errors, with its culture of freedom and democracy.

The massacre at *Charlie Hebdo* – irrespective of whether the irreverent cartoons were insulting to some or all Muslims, or how Muslim sensitivities relating to their religion should be accommodated within a secular culture – was not an isolated event. Since Khomeini, the Iranian religious leader, pronounced in 1989 the death sentence on Salman Rushdie for his novel, *The Satanic Verses*, a significant segment of the Muslim world has been ideologically mobilized to a state of war against the West. The religio-cultural dimension of this war is imposition of Islamist categories of permissible (*halal*) and impermissible (*haram*) based on Shariah on Muslims and non-Muslims alike.

This war came to France before 9/11, and Arab-Muslim terrorists from France’s former colonies in North Africa have waged *jihad* in French towns for some time now. French citizens, especially French Jews, have been terrorized and some killed. One of the most outrageous *jihadist* crimes were the killings in May 1996 of seven French monks belonging to the Trappist Order. They were taken from the monastery in Tibhirine, Algeria, by terrorists of the Armed Islamic Group (GIA) and murdered to drive deep the wedge between France and her former colony.

France, as with other western democracies including Canada, has failed to devise a credible policy to counter the Islamist’s war against the West. This failure arises in part from denial of any connection of terrorist acts by Muslims with Islam. President François Hollande speaking to his nation on television, on January 9, observed the killers at *Charlie Hebdo* had nothing to do with Islam.

Unlike President Hollande, Jeannette Bougrab had no reason to dissemble why her partner Stéphane Charbonnier was murdered. Ms. Bougrab is of Algerian and Muslim origin like the Kouachi brothers and, as she told French reporters, had lived for a long while with the fear that the man in her life – the editor of *Charlie Hebdo*, who signed his cartoons as ‘Charb’ – would be killed for his work as a satirist. She described his killers as “barbarians.”

The sad irony here is that Bougrab understood well not only the culture of her lover’s murderers but, in sharp contrast to President Hollande, had a deeper appreciation of what France once represented. Ms. Bougrab, in speaking about the terrible

*This war came to France before 9/11, and Arab-Muslim terrorists from France’s former colonies in North Africa have waged jihad in French towns for some time now.*



*The killings last October of two Canadian soldiers in Montreal and Ottawa, and the storming of the Canadian Parliament by a lone jihadist, fit the pattern of a rising curve of Islamist atrocities in the West.*

loss of her man, said, “He defended secularism. He defended the spirit of Voltaire. He, in fact, was really the fruit of this ideal of the Republic that we’ve almost forgotten.”

The politically correct speech of President Hollande instead was symptomatic of multiculturalism, a deeply flawed idea based on the false premise that all cultures are equal. But as a policy, multiculturalism with its origin in Canadian politics maintains the illusion for western democracies that by appeasing Islamists the West will win them over, and undo homegrown terrorism. The facts are depressingly otherwise, as increasing numbers of immigrant Muslims born in the West and Muslim converts have embraced *jihadi* politics. The killings last October of two Canadian soldiers in Montreal and Ottawa, and the storming of the Canadian Parliament by a lone *jihadist*, fit the pattern of a rising curve of Islamist atrocities in the West.

Multiculturalism, as the flip side of appeasement, is the West’s display of guilt for its past history of colonial relationship with non-western societies. In seeking to make amends for past sins, the West ironically assumes responsibility for the sins of the non-West also. Hence, the murderous rampage of Kouachi brothers, as President Hollande solemnly declared, had nothing to do with Islam; left unstated, in terms of multiculturalism, was that the “root cause” of their savage Islamist acts was buried in the French colonial rule of Algeria in the not so distant past.

Multiculturalism deflects away from Muslims in the West their responsibility to publicly repudiate Islamism, and renounce any effort to import Shariah that would degrade the nature of the political system whose benefits attracted them at the outset to emigrate and settle within western democracies.



In the aftermath of *Charlie Hebdo*, it would be fitting for a Canadian politician to show rare courage by calling for repeal of multiculturalism. The proper and unflinching response to Islamism requires the West to set aside political correctness and plainly assess the prevalent reality of the Islamist war.

It is not for the West, however, to resolve the immense political and cultural upheaval inside the world of Islam; nor is it for the West to dictate the modalities of Islamic reform for Muslims. But the West, including Canada, cannot indefinitely accommodate Islamists in its midst without doing irreparable harm to its culture.

It should instead urgently take a page from its own history within living memory, of the struggle to contain and defeat Soviet Communism. The struggle of the West against Islamism is similarly historical in nature; and it is long over-due that Islamists in the West heard from our political leaders in no uncertain terms that they have a choice to make: either they learn to assimilate into their host culture, or return to the house of Islam (*dar al-Islam*) whose values they cherish. ✱

**Salim Mansur** is a professor of political science at Western University, and a founding board member of *Muslims Facing Tomorrow*.

RADICAL ISLAM'S  
BADGES OF HONOR...



*In the wake of Islamist terrorist attacks in Paris last month that killed 12, including eight journalists at the satirical magazine Charlie Hebdo, cartoonists around the world put pen to paper to comment on the murder of their comrades and the assault on press freedom.*

Ed Hall/artizans.com

## Charlie Hebdo remembered



Bob Krieger/artizans.com



Bruce MacKinnon/artizans.com

# Putting the ‘Armed’ back into the Canadian Armed Forces

*David Perry writes that the federal government has been unable to spend billions of dollars Parliament has approved for new equipment even though the military needs to replace almost every major piece of military hardware in its inventory.*

**David Perry**

The Department of National Defence is facing a bizarre situation. Despite a pressing need for new equipment, and parliamentary approval to replace almost every major piece of military hardware in its inventory, it has been unable to actually spend billions of dollars allocated to equipping our fighting forces. Since 2008, nearly a quarter of DND’s procurement funds went unspent every year, more than \$7 billion in total. This is a historically unprecedented problem; dating back to the 1970s, the average funds DND left unspent averaged only two percent a year.

The best example is the replacement of Canada’s ageing fleet of CF-18 fighter jets. After the Auditor General’s 2012 report slammed the process that led Canada to the F-35, the project was placed on hiatus pending the completion of a seven-point plan. That effort was finished last spring, but the government has not yet made a decision 33 months after it charted a new way forward.

While the unused money has significantly helped the federal bottom line, making a major contribution to reducing the deficit, DND has lost millions in purchasing power due to inflation. Without an infusion of additional procurement funds, fewer, or less capable, ships, aircraft and trucks can now be afforded within the current budget. This also means the military must wait longer for new equipment, which in some cases has been on order for over a decade. Meanwhile current fleets become increasingly obsolescent, or in the case of the navy’s supply ships, are taken out of service years before they can be replaced.

A new Defence Procurement Strategy (DPS) was launched almost a year ago by the federal government. While this is mostly oriented towards improving the domestic economic benefits of defence acquisitions, it is also intended to facilitate timely delivery. The strategy is a good start, but must be accompanied by other changes.

First and foremost, the capacity of the acquisition workforce must be improved. Over the last decade, the number of big and complex defence procurements increased significantly but the

acquisition workforce did not, resulting in too few people with too little experience spending too little time on complicated files before rotating off to their next job. The system needs more acquisition experts, increased access to training and professional development, and retainment in key positions. The workforce should then be assigned based on a prioritized shortlist of key projects, identified through the renewal of the Canada First Defence Strategy (CFDS). Given their huge costs and how critical these capabilities are, the fighter procurement and entire shipbuilding program should top this list.

That same review needs to fundamentally reassess how much of the CFDS procurement plan is still affordable in lieu of lost buying power, budget cuts and inadequate initial funding. Financial resources should be directed to a few key priorities, instead of simply buying a little less of everything, as in the past. This needs to be accompanied by improved efforts to cost defence projects according to an accepted, government-wide life-cycle costing framework that reflects the realities of the Canadian acquisition system.

Although progress has been made, Canadians are still concerned about overly complicated requirements, flawed project costing, strained relationships with the defence industry, and several failed procurements. Until trust in the system is restored, acquisitions will suffer.

The Defence Procurement Strategy’s new governance structure should help, but ultimately, trust in the procurement system won’t be restored until it can demonstrate repeated success. Some recent projects have gone well, such as the upgrade of the navy’s frigates. But more change is needed to prevent billions in much needed procurement funds going unspent each year. ✱

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**David Perry** is the Senior Security and Defence Analyst of the Conference of Defence Associations Institute, and a doctoral candidate in political science at Carleton University where he studies defence privatization. Perry’s paper, “Putting the ‘Armed’ Back Into The Canadian Armed Forces”, is a joint release of MLI and the Conference of Defence Associations Institute.





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# Much depends on improving the Canada-US relationship

*Macdonald-Laurier Institute Senior Fellow Laura Dawson argues that the United States' government is acting with "callous disregard" for its relationship with Canada. She says North America is increasingly going to fall behind in the growing global economy if Canada and the United States can't sort out their differences. This column first appeared in the Globe and Mail in January.*

## **Laura Dawson**

**A**mong Canada-U.S. watchers, I have been one of the slowest to admit that we are at a low ebb in bilateral economic relations.

Presidential permit on for Keystone XL pipeline? I argued that it's not about Canada, it's a U.S. domestic squabble. Country-of-origin labelling that excludes Canadian meat exports? I rationalized that Americans are concerned about the safety of food products from China and Canada got caught in the crossfire. No money for a bridge across the Detroit River but tens of millions of

dollars to upgrade crossings to Mexico? Sure, I said, it makes sense to focus on security and immigration, and we'll get it next time around. Buy America restrictions on goods and services for a port terminal on Canadian soil? Okay, I give up.

There is nothing left but to admit that the White House is behaving with callous disregard for the relationship with Canada. Once in a while, you've got to do the right thing for your neighbours, even if doing so fails to score political points at home. This argument is lost on the current President.



And it's not just the United States. When faced with the opportunity to sit down and talk about North American priorities with President Barack Obama and President Enrique Peña Nieto of Mexico, Prime Minister Stephen Harper decided to cancel a long-planned leaders' summit proposed for early this year. The reasons he cancelled are not clear. Some speculate that pique over Obama's recent salvo against Keystone and Canada's unwillingness to give Mexico any comfort on visa reforms led the Prime Minister to avoid engaging with the North American free-trade agreement neighbours entirely.

*As any marriage counsellor  
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*The silent treatment achieves  
precisely nothing.*

As any marriage counsellor (or playground monitor) will tell you, you can't solve a problem if you don't talk about it. The silent treatment achieves precisely nothing and it leaves the shunner feeling even worse if the shunned go off and talk to each other.

It seems as though Mr. Obama and Mr. Harper are thinking more about the elections taking place over the next couple of years than they are about the economic challenges facing North America. The President, who cannot be re-elected, is attempting to carve out a legacy as an eco-warrior and an idealist. He will not yield to reason or concede to Republican wishes, even if it denies opportunities to Americans.

The Prime Minister, who wants to be re-elected, seeks to stop the clocks in order to better construct a campaign that claims credit for the positive elements of the Canada-U.S. relationship (primarily found in the Beyond the Border and Regulatory Co-operation Council initiatives) while heaping shame on U.S. bullies for pipelines, pork and ports.

But locking in the status quo and eschewing progress in favour

of legacies and campaign promises serves the public very poorly. Change is the only constant in the global economy. Through investments in technology and reshoring, manufacturing in North America may be wobbling back to life even as the carbon fuels cash cow is faltering. What we need to manage this paradox and widen the window of opportunity is leadership, vision and big ideas.

Do you remember the role of big ideas in the North American relationship? They are now the stuff of history books but they gave us the confidence to build great trade routes such as the St. Lawrence Seaway and cross-border stewardship plans like the Boundary Waters Treaty and the acid rain agreement. They gave us bold trade agreements such as the auto pact, the Canada-U.S. free-trade agreement and NAFTA.

Today, the relationship is characterized by churlish griping with very little forward motion. Big ideas require sustained co-operation, dialogue and a willingness to do the right thing.

The world is changing around us. North America's relative economic strength in the world is plummeting. Citibank and PricewaterhouseCoopers predict that by 2030, Asia will be the centre of most global trade and by 2050 even Africa will leave North American trade in the dust. We can't afford to sit around and watch an election clock before taking action.

Canada and Mexico are the largest U.S. trading partners. The United States gets away with shoddy treatment of its best customers because the partners pose no credible threat of retaliation. We're not going anywhere. We're not going to stop selling them goods and services. Similarly, U.S. companies invested in Canada are tuned into long-term economic signals, they're not going to leave as a result of short-term political melodrama.

But succumbing to petty squabbles misses the larger point. Canada and the United States are not going anywhere in the global economy if we don't do it together. Mexico offers us a lifeline into emerging markets and we mostly ignore it. Meanwhile, China has eclipsed us in basic manufacturing and development of new markets.

North America can strike back with rapid, focused investment in human capital, technologies, infrastructure, and red tape reduction to make the border less important. But a counterstrike requires big thinking and big co-operation, not the bad-neighbour policy. As long as we are held captive by small mindedness, we are going nowhere. ✱

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**Laura Dawson, PhD,** is president of Dawson Strategic and an expert in international trade and cross-border issues.



Sir John A. Macdonald official portrait

# John A. Macdonald: the Chieftain

*Author and public policy consultant Bob Plamondon marks the 200<sup>th</sup> anniversary of John A. Macdonald's birth with an insightful examination of the values, principles, unique skills and circumstances that combined to make Macdonald so instrumental to securing agreement on Confederation.*

## **Bob Plamondon**

**J**ohn A. Macdonald has no equal.

Born to Hugh and Helen Macdonald in Glasgow, Scotland, on either January 10 or 11, 1815, John was five years old when his family emigrated to Canada. His father was a shopkeeper, and later ran a milling business.

Family finances precluded John attending university so he entered the workforce at age fifteen at a prestigious commercial law practice. By the time he turned 20 he had his own law office in Kingston, specializing initially in criminal law before switching to a more lucrative commercial practice.

Macdonald entered the workforce at a time of political tension and uncertainty. Fuelled by a weak economy and a desire for democratic reform, matters flared up on December 6, 1837 when a group of Reform radicals led by William Lyon Mackenzie gathered with 1,000 men at the Montgomery Inn in Toronto in an attempt to seize control of the government. But Macdonald was not a reformer and was committed to British institutions, in part due to his fear that Canada would not survive annexation to the United States without the might of the British military by its side.

When running as a candidate in the 1844 election for the

Assembly of the Province of Canada, Macdonald outlined the cornerstone of a vision that would endure throughout his political career: “I...scarcely need state my belief that the prosperity of Canada depends upon its permanent connection with the Mother country and that I shall resist to the utmost any attempt which may tend to weaken that union.”

Macdonald was a man of vision and progress, not details and ideology. A moderate, he was more interested in accomplishment than in debate. He had a common touch, remembered names and faces, made people laugh and feel good about themselves, and developed the reputation for being something of a charmer.

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In Parliament, Macdonald fought extreme elements from both sides of the aisle. Opposing annexation by the United States, or countering Tory elements that sought to assimilate the French, Macdonald stood for tradition.

In 1847, Macdonald accepted the invitation to serve in Cabinet as Receiver General. Given Macdonald's general disregard for his personal finances, the appointment was panned by the press. The *Montréal Gazette* claimed, “The intrusion of a young lawyer into the situation of Receiver General appears to our eyes, and if we are not very much mistaken, will appear also to those of the public, a blunder of the most stupid kind.”

By the age of thirty-seven, Macdonald's legal career was a distraction to the promising political future which beckoned. Macdonald was leadership material, not because he had great oratorical skills or passion, but because of his inclusive and amicable approach to

issues and people on all sides of the legislature. A conversationalist with an endearing capacity for flattery, he was an entertaining storyteller who often used wit to extract himself from a tough spot. To one supporter's demand for a specific patronage appointment, Macdonald countered, “Why on earth would a man like you want a paltry job like that? It's not good enough for you. Just you wait awhile, and we'll find you something much better.” Another man pursued Macdonald at the funeral for a deceased senator, declaring, “Sir John, I would like to take that man's place.” Macdonald replied, “I'm afraid it's too late. The coffin is nailed shut.”

Macdonald saw his role as a centrist coalition builder. A leading political commentator of the day described Macdonald's unique skill: he could herd cats. Macdonald himself often used the term “catching loose fish,” by which he meant bringing to his side members with no commitment to any particular party.

Tolerant, and opposed to the rigid separation of church and state, Macdonald believed that government must recognize and respect religious diversity and the cultural divisions between English and French-speaking Canada.

In 1853, Canada East and Canada West had an equal number of seats in Parliament. When the British Parliament passed the Act enabling the Union in 1840, the population of Canada East was larger, but the 1851 census revealed that Canada West now had the greater number. Macdonald hoped to fashion a new coalition of Conservatives, combining moderate Reform elements with French-Canadian support. George Brown sought a Conservative coalition of his own that, in part, stood for the end of French-Canadian supremacy in the legislature. Macdonald was clear that his goal was to unite all the peoples of Canada, regardless of language or religion.

When George Brown attacked the notion of religious schools, Macdonald defended the historical rights of French-Canadian Roman Catholics. When the Separate School Bill passed in 1855, George Brown called it French-Canadian tyranny, and reaffirmed his commitment to representation by population. His goal was to diminish the influence of French-speaking legislators. However, it was not just the church and the language that Brown sought to control. He also wanted to make French culture extinct, just as Lord Durham had proposed in his 1839 *Report on the Affairs of British North America*, in which he described “two nations warring at the bosom of a single state...a struggle not of principles, but of races.”

Writing to a reporter for the *Montréal Gazette*, Macdonald lambasted the Anglophone attitude towards the French in Lower Canada: “The truth is that you British Lower Canadians never can forget that you were once supreme — that Jean Baptiste was your hewer of wood and drawer of water. You struggle, like the

Protestant Irish in Ireland, like the Norman Invaders in England, not for equality, but ascendancy — the difference between you and those interesting and amiable people being that you have not the honesty to admit it.”

Macdonald believed that any attempt to assimilate or dominate the French was pointless and ignored reality: “No man in his senses can suppose that this country can, for a century to come, be governed by a totally un-frenchified government. If a Lower Canadian Britisher desires to conquer he must ‘stoop to conquer.’”

*To Brown and his ilk,  
Macdonald had sold his  
soul for the sake of power.  
Macdonald countered that  
his interest was not power,  
but simple fairness.*

Macdonald’s moderate and respectful views enabled him to build bridges with French Canadians. He understood that for the French these battles were a matter of survival. Far ahead of his time, he was perhaps the first English politician to recognize the French people of Québec as a nation: “(We) must make friends with the French, without sacrificing the status of his race or religion or language (we) must respect their nationality. Treat them as a nation and they will act as a free people generally do — generously. Call them a faction and they become factious.”

Presciently, Macdonald foretold how French Canadians would react when threatened: “Supposing the numerical preponderance of British in Canada becomes much greater than it is, I think the French would give more trouble than they are said now to do. At present they divide as we do, they are split up into several sections, and they are governed by more or less defined principles of action. As they become smaller and feebler, so they will be more united; from a sense of self-preservation, they will act as one man and hold the balance of power... So long as the French have twenty votes they will be a power, and must be conciliated. I doubt very much however if the French will lose their numerical majority in Lower

Canada in a hurry...I am inclined to think they will hold their own for many a day yet.”

These views were instinctive to Macdonald. His impulse was to look to the French to build a stronger coalition in the Union. On a practical level he understood that whoever could forge and sustain a partnership with francophones would govern; and that the “representation by population” forces were motivated, not by pure democratic principles, but by a desire to diminish the French fact and French influence. By standing up to these forces, Macdonald solidified his coalition with the *Bleue Canadien* members. “Do not put yourself in opposition to the French,” Macdonald told a colleague. “The French are your sheet anchor.”

To Brown and his ilk, Macdonald had sold his soul for the sake of power. Macdonald countered that his interest was not power, but simple fairness. His responsibility was to govern “for the good of the whole country and the equal interests of all.”

When Alexander Tilloch Galt boldly proposed the idea of establishing a federation of British North American colonies to form one great nation Macdonald was interested, but cautious.

A delegation not including Macdonald — consisting of Georges-Étienne Cartier, John Ross, and Alexander Galt — travelled to England to explore the case for a Canadian federation. The five colonies included in Canada’s proposal were Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Canada. At the time, the Maritime provinces were considering a union among themselves and were opposed to joining with the Canadian provinces. The colonial office supported Confederation but it was looking for some indication that the venture would succeed before endorsing it.

George Brown continued to articulate an alternate vision. He preferred the design of the United States of America: representation by population, a written constitution, the separation of executive from the legislature, and restraints on federal powers.

If the American model had any credibility, it vanished on April 12, 1861 when cannons were fired at Fort Sumter, South Carolina, starting the Civil War. The American design, with its weak central government, now looked flawed. With talk of a federal union of British colonies in North America, Macdonald feared that powerful provinces in a federated state of British colonies could also lead to conflict and war.

Unlike Brown, Macdonald wanted the federal government to have all the key powers of sovereignty, with one clear voice, “an immense Confederation of free men, the greatest confederacy of civilized and intelligent men that ever had an existence on the face of the globe.”

In the election campaign of 1861, Macdonald argued for his



*The American threat was evident from many sources, including William Seward, Abraham Lincoln's Secretary of State, who said Canada was "ripe fruit" that would naturally fall into the hands of post-Civil War America.*

design of Confederation. He used the American Civil War not only to argue for a strong central government but to make the case that Confederation itself would counter an American takeover. The American threat was evident from many sources, including William Seward, Abraham Lincoln's Secretary of State, who said Canada was "ripe fruit" that would naturally fall into the hands of post-Civil War America.

Not long before the critical debates on Confederation were held, the Macdonald-Cartier government resigned after a group of French-Canadian supporters sided with the opposition to defeat a bill to appropriate \$500,000 for the militia in May 1862. The bill called for a military of 50,000 men, in large measure to protect Canada against an invasion from America (then in the middle of a civil war). The defeat met with annoyance in Great Britain as an editorial in the *London Spectator* noted in July 1862: "It is, perhaps, our duty to defend the empire at all hazards; it is not part of it to defend men who will not defend themselves."

Yet even in defeat, Macdonald was strategic and patient. To Macdonald, there was a time to be in power and a time to consolidate a coalition, a political astuteness that led to his nickname of "Old Tomorrow." "We can put a Ministry out whenever we like, but the pear is not yet ripe. We have shown that we did not wish to cling to office for its own sake and we wish to show that we prefer the good of the country to mere party triumph..."

When the Liberal government of John Sandfield Macdonald was defeated, John A. Macdonald and Étienne-Paschal Taché formed an administration under the banner of the Liberal-Conservative party on May 30, 1864.

The Macdonald-Taché government did not initially take the

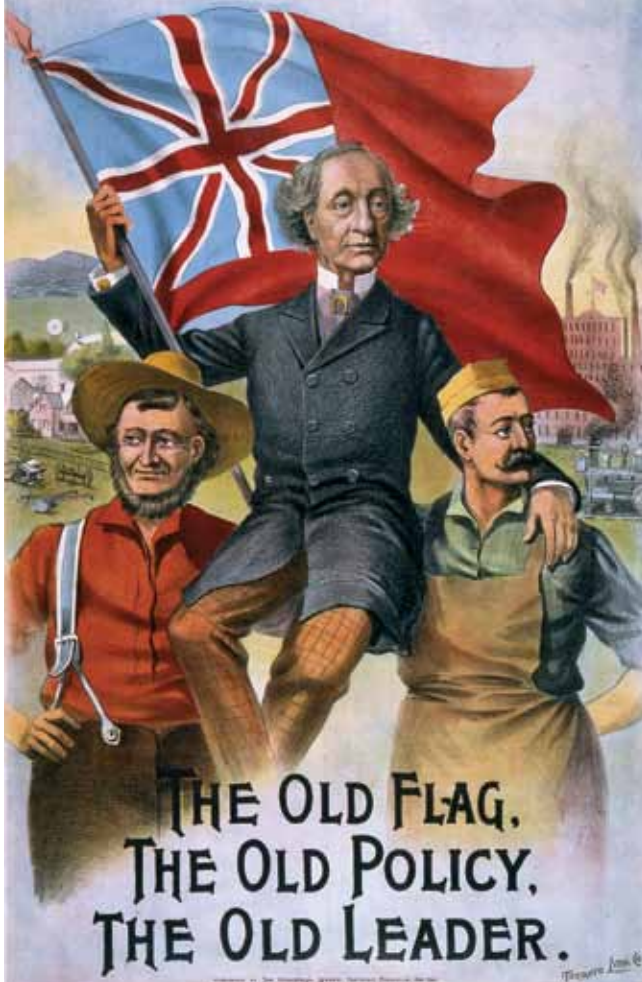
lead on Confederation. It was Macdonald's longtime nemesis, George Brown, who introduced a resolution in the legislature asking that a committee examine alternative forms of federation. Most likely because it was a Brown initiative, Macdonald, Cartier, and Galt voted against the resolution. Nonetheless, it passed.

The committee reported on June 14 that, "A strong feeling was found to exist among members of the committee in favour of changes in the direction of a federative system, applied either to Canada alone or to the whole British North American provinces." To Brown, a federation was akin to a divorce of Canada West and Canada East, a means to achieve both representation by population and a diminished influence by the French over Canada West. Including the Atlantic provinces in a federation was a possibility, but Brown would have been satisfied with a "mini-confederation" of Canada West and Canada East with some undefined political structure above them both. The fate of the English in Canada East was of no concern to him.

Macdonald disagreed with Brown's intent to isolate the French, but he agreed with the design. For Macdonald, keeping the British colonies strong both affirmed Canada's independence from America and assured its connection with Great Britain. As a result, his government was fully committed to a general federal union of British North America when, on August 29, 1864, he and some colleagues set sail aboard the *Queen Victoria* for Charlottetown, PEI, to drop in on a conference that was considering a possible union of the Maritime provinces.



Sir John A. Macdonald (front, seated on stair) at the Charlottetown Conference of 1864, Charlottetown, P.E.I.



Sir John A. Macdonald campaign poster, 1891

Unlike Brown, Macdonald was determined that the Atlantic provinces would join in Confederation. Together with Galt and Cartier, Macdonald persuaded the Maritimes to set aside the idea of a Maritime-only union, not a difficult sell because the federated model would enable each Maritime province to retain its border (whereas the proposed Maritime union would have created a single entity). A second conference to consider the larger national union was scheduled for October at Québec City.

The seventy-two resolutions passed at Québec City became the basis for the British North America Act. Canada would be a federal union, formed under its “mother country” Great Britain. There would be a general government charged with matters of common interest to the whole country and local governments charged with the control of local matters in their respective sections. (It is noteworthy that the term “general” was used rather than “federal”; “local” rather than “provincial.”)

The Maritime provinces, fearful that their interests would be subservient to the larger populations of Canada East and Canada West, wanted equal representation in the Senate. However, the Senate was designed with regional, not provincial, equality in mind. There were to be 24 members each for Canada East and

Canada West; and 24 for the Maritime provinces (Nova Scotia: 10, New Brunswick: 10, and Prince Edward Island: 4). In an early design members of the Senate would be appointed by the Crown, after being nominated by local governments. Those nominated were to include those from opposition parties in each province so that all political parties would be fairly represented.

Macdonald believed an appointed Senate composed of men of substance was necessary, humorously adding, “The rights of the minority must be protected, and the rich are always fewer in number than the poor.”

The general Parliament, which required elections at least every five years, had the power to make laws for peace, welfare, and good government in a broad range of categories. The local legislatures had more limited responsibilities. To ensure the authority of the general government, its laws were to be supreme in any area of shared jurisdiction. The weighting of powers and jurisdiction was, as Macdonald had sought in the negotiations, precisely toward a strong federal Parliament. “We...make the Confederation one people in one government, instead of five peoples and five governments, one united province, with the local governments and legislatures subordinate to the general government and legislature.”

Both English and French were to be used in the general Parliament and in the local legislature of Canada East, and also in the federal Courts and the courts of Canada East.

Whenever confederation was in political danger, Macdonald would raise the spectre of problems south of the border. Meanwhile, all was not well in the Maritime provinces. Prince Edward Island did not make it into the first phase of Confederation. In Nova Scotia, Joseph Howe took up the struggle against the Québec plan and demanded a referendum or election on the issue. He believed that Confederation would weaken the bond with the British; that it would be used by the British to justify withdrawing its troops from Nova Scotia, and thus weaken commercial ties.

In New Brunswick, both the Québec resolutions and Premier Samuel Leonard Tilley were defeated in the legislature. With an anti-confederation government in place in New Brunswick, expanding the union seemed doubtful. But, supported with ample secret donations arranged by Macdonald and railway supporters, Tilley was returned to power in short order and the Confederation resolution was adopted in 1866.

The Nova Scotia legislature approved the union in 1866, but its approval expired in the spring of 1867. Unless Confederation was a reality by that date, a new bill would have to be introduced. A provincial election was likely before then, providing another opportunity to derail Confederation in Nova Scotia.

Within Canada West and Canada East, the Confederation debate drew generally positive conclusions, but for different reasons. In Canada East, George Brown triumphantly declared, "...constitution adopted – a most credible document – a complete reform of all the abuses and injustices we have complained of. Is it not wonderful? French-Canadianism is entirely extinguished."

Brown's newspaper, the *Globe*, elaborated: "We desire local self-government in order that the separate nationalities of which the population is composed may not quarrel. We desire at the

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– Sir John A. Macdonald

same time a strong central authority. Is there anything incompatible in these two things?"

In Canada East, Quebecers viewed Confederation as a framework that would allow them to control their own destiny. Editors at *La Minerve*, a newspaper closely aligned with the Tories, proclaimed, "As a distinct and separate nationality, we form a state within a state. We enjoy the full exercise of our rights, and the formal recognition of our national independence... In giving ourselves a complete government we affirm our existence as a separate nationality."

In Canada East, the threat of American domination came into play. Cartier observed, "The question is reduced to this: we must either have a British North America Federation or else be absorbed into the American Federation." Indeed, just as Confederation was becoming a reality, American expansionist designs included the purchase of Alaska from the Russians for US \$7.2 million. American Senator Charles Sumner boasted that the purchase was "the visible step to the occupation of the whole North American

continent." Perhaps Confederation had arrived in the nick of time.

The final battleground for Confederation was England, where the Imperial Parliament would be asked to pass the British North America Act. But first, the "London Conference" was convened on December 4, 1866 to hold hearings on the matter. Macdonald was chosen conference chair. Sir Frederick Rogers of the Colonial Office commented on Macdonald's mastery at nation-building. "Macdonald was the ruling genius and spokesman and I was very greatly struck by his power of management and adroitness... the slightest divergence from the narrow line already agreed on in Canada was watched for – here by the French and there by the English – as eager dogs watch a rat hole; a snap on one side might have provoked a snap on the other; and put an end to the accord. He stated and argued the case with cool, ready fluency, while at the same time you saw that every word was measured, and that while he is making for a point ahead, he was never for a moment unconscious of any of the rocks among which he had to steer."

Despite Joseph Howe's pleas to delay legislation until after the Nova Scotia election, the bill establishing Canada was first read in the British House of Lords on February 12, 1867 and passed four days later. Macdonald commented that the bill received the same consideration "as if it were a private Bill uniting two or three English parishes." Nonetheless, the Colonial Secretary, Lord Carnarvon, remarked, "We are laying the foundation of a great State, perhaps one which at a future date may overshadow this country."

In addition to being knighted, Macdonald was chosen by Queen Victoria, in advance of an election, to be Canada's first prime minister. He was, of course, the logical choice. He had carried the day on matters of vision with abundant political skill. And his peers had chosen him to chair the London Conference. This latter choice was the test the Queen used to identify the man who possessed the confidence of a Parliament that did not yet exist. Being chosen prime minister before Canada's first election gave Macdonald and his Liberal-Conservative colleagues an enormous advantage that they did not fail to exploit.

When John A. Macdonald was sworn in as Canada's first prime minister on July 1, 1867, a national holiday was declared. But the slow and sometimes painful work of nation-building was only just beginning. ✱

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**Bob Plamondon** is a public policy consultant and author of *The Truth about Trudeau*, *Blue Thunder: The Truth about Conservatives* from Macdonald to Harper, and *Full Circle: Death and Resurrection in Canadian Conservative Politics*.

# An interview with Sir John A., the ‘Man who made Canada’

*Using quotes from some of Sir John A. Macdonald's famous speeches and other recorded remarks, MLI Managing Director Brian Lee Crowley “interviewed” Canada's first prime minister on the subject of what it takes to lead this great country, and why it is a task worth taking on. The transcript is reprinted here in honour of Macdonald's 200<sup>th</sup> birthday.*

## Brian Lee Crowley



### Brian Lee Crowley:

It is an honour and a privilege to welcome back today Sir John A. Macdonald, the “Man who made Canada”. We're all very grateful to you for that of course. But it must strike you that, well, the place has had more than its share of troubles.



### Sir John A. Macdonald:

“Do you expect to go through life without troubles? If you do, you have been deceived. Troubles come as naturally to man as sparks fly upward from a fire.”



### BLC:

Fair enough. But in your day the Americans and French had a lot to say about newfangled notions like abstract rights of people as a way to solve our troubles. What made you think the ancient British system was superior?



### Macdonald:

“In all countries the rights of the majority take care of themselves, but it is only in countries like England, enjoying constitutional liberty, and safe from the tyranny of a single despot, or of an unbridled democracy, that the rights of minorities are regarded.



### BLC:

You are obviously proud of your British heritage.



### Macdonald:

“A British subject I was born, a British subject I will die.”



### BLC:

But what about Canada?



### Macdonald:

“For a century and a half, this country has grown and flourished under the aegis of the British Crown. We enjoy the blessings of civilization, forming one of the most law-abiding peoples.... Under broad folds of the Union Jack and of the Crown, we enjoy the most ample liberty to govern ourselves as we please. ... Let us be proud and show ourselves worthy of this centuries-old tradition.”



### BLC:

This talk of Britain and the Empire is all fine and good for white Anglo-Saxon males. But what about ethnic and cultural minorities? Starting with Quebecers?



### Macdonald:

“We have a constitution now under which all British subjects are in a position of absolute equality, having equal rights of every kind -- of language, of religion, of property and of person. There is no paramount

Photo of Sir John A. Macdonald courtesy Library and Archives Canada / C-021604



race in this country; we are all British subjects, and those who are not English are nonetheless British subjects on that account.”



**BLC:**

You were always a bigger fan of Britain than the United States. How do you feel about a Conservative Prime Minister a century or so after your time negotiating free trade with the Americans, when you are famous for your protectionist National Policy?



**Macdonald:**

“A National Policy ... will prevent Canada from being made a sacrifice market ... and ... will greatly tend to procure for this country, eventually reciprocity of trade ... It is only by closing our doors and by cutting them out of our market, that they will open theirs to us ...”



**BLC:**

I guess you know that in the years since your last electoral victory, Canada has become a much more modern place. Why, in the 1940s your own party even renamed itself the Progressive Conservatives.



**Macdonald:**

“Anyone desirous of being a progressive conservative should follow me.”



**BLC:**

Wow. I’ll bet not many people know that you said that in 1855. Yet people say you were no visionary, just an opportunist who happened to make a nation along the way.



**Macdonald:**

“I am satisfied to confine myself to practical things – to the securing of such practical measures as the country really wants. I am satisfied not to have a reputation for indulging in imaginary schemes and harbouring visionary ideas.”



**BLC:**

Well, one practical thing you managed, that we’re still struggling with today, is making Quebec a vital

part of your project to build a Canadian nation.



**Macdonald:**

“No man in his senses can suppose that this country can, for a century to come, be governed by a totally unfrenchified Government. ... Treat them as a nation and they will act as a free people usually do – generously. Call them a faction and they become factious.”



**BLC:**

It’s nice to have friends. But weren’t some people uneasy about the way you used the powers and perks of government to, uh, reward loyalty?



**Macdonald:**

“I think that in the distribution of governmental patronage we carry out the true constitutional principle. Whenever an office is vacant it belongs to the party supporting the Government; if within that party there is to be found a person competent to perform it. Responsible Government cannot be carried on by any other principle.”



**BLC:**

Didn’t that sometimes result in a cabinet full of hacks?



**Macdonald:**

“Give me better wood and I will make you a better cabinet.”



**BLC:**

That sort of attitude got you branded an opportunist. Why, the opposition once even accused you of stealing their brains.



**Macdonald:**

“I have been accused of many offenses in my life time, but this is the first time I have ever been charged with petty larceny.” ✦

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**Brian Lee Crowley** is managing director of the Macdonald-Laurier Institute.

# How will Sir John A. be remembered in his third century?

*Professor Patrice Dutil writes that while many communities and individuals have risen to the occasion of Macdonald's bicentennial, more needs to be done. He offers several interesting ideas for how to secure the position of the man and his times in the Canadian imagination.*

## Patrice Dutil

**T**he 200<sup>th</sup> anniversary of Sir John A. Macdonald's birth has come and gone. What will Canada make of it?

Macdonald – whose death in 1891 occasioned the largest outpouring of grief in Canadian history and no less than five monuments within four years – has seen his reputation fall on hard times since.

Sure, his portrait has been a feature of the ten dollar bill since 1971 (though the current picture bears little resemblance to the man) and, more recently, Richard Gwyn's highly readable two-volume biography showed that Canada's first prime minister had not been entirely forgotten. The experience of the 200<sup>th</sup> anniversary indicated that there is a light of hope for his memory as he enters his third century.

Here is what is encouraging. A smart policy entrepreneur, for instance, launched a think tank in Ottawa and dedicated it to the memory of Macdonald (and Laurier). A number of books have appeared to discuss Macdonald. Patricia Phenix's *Private Demons: The Tragic Personal Life of John A. Macdonald* offered a more intimate look at the man. Ged Martin, the Ireland-based scholar who has penned most thoughtful essays on Macdonald assembled his interpretations in a nifty short biography, *John A. Macdonald: Canada's First Prime Minister*, and a probing study of Macdonald in his milieu, *Favourite Son? John A. Macdonald and the Voters of Kingston 1841-1891*. An important selection of Macdonald's speeches was assembled by Sarah K. Gibson and Arthur Milnes (*Canada Transformed: The Speeches of Sir John A. Macdonald*) and a probing collection of essays by historians, co-edited by Roger Hall and I, *Macdonald at 200: New Reflections and Legacies* came out in time for the anniversary.

Even novelists have taken a crack at Macdonald. Roy MacSkimming published *Macdonald*, Richard Rohmer wrote *Sir*

*John A.'s Crusade and Seward's Magnificent Folly*, set in Highclere Castle, the set of *Downton Abbey*. Roderick Benne wrote *The Legends of Lake on the Mountain*, a novel for young readers that presents an adventure of a teenage John A. Macdonald.

Dinners were offered in various parts of Canada. The most important one was held in Toronto, with over 450 guests, but others attracted important audiences in Orillia, Ontario (which has been holding these events for decades), the Manitoba Historical Society (which has organized annual Macdonald dinners since the early 1960s) and Hamilton. Not least, Kingston, Ontario was the site of a week-long festival of Macdonald-related events. In Picton, Ontario, a new statue of Macdonald was commissioned by citizens from artist Ruth Abernethy.

Media coverage of the 200<sup>th</sup> anniversary was fairly good. Among the national papers, the *National Post* distinguished itself with many essays. According to a recent poll done by Ipsos-Reid for Historica Canada, one in four Canadians still could not identify Sir John A. Macdonald as the first prime minister of the country. This was not a bad result, considering that a similar poll conducted in 2008 showed that 42% of Canadians had no idea who Macdonald was.

The notable absence in the festivities, surely, was Official Ottawa. The Monarchist League has done its bit and MLI is planning to do Macdonald proud at a February soiree, but the federal Canadian Heritage department funded the Kingston Festival and little else. Plans are now afoot to fund Macdonald-related projects, but they are happening more in the context of the upcoming 150<sup>th</sup> anniversary of Confederation. (The Ipsos-Reid poll found that 28% of Canadians don't know the year of Confederation and 44% don't know Canada turns 150 in 2017.)

In striking contrast (even considering scale) has been the

decade-long work of the Lincoln Bicentennial of 2009 or, just to give another example, what has taken place in France this summer to honour the 100<sup>th</sup> anniversary of the murder of Jean Jaurès, the leader of the Socialist party and of pacifism. By those standards, were it not for the efforts of the community, Macdonald's memory would have been by-passed on this solemn occasion.

Mission accomplished? No. The 200<sup>th</sup> anniversary presented a unique opportunity to address many of the myths that have grown around Macdonald's memory, but the work has only begun. More people have to give time, effort and funding to ensuring that Canada's most significant historical figure and his great contribution — Confederation — is rightfully given his due. At the federal level, funding must be boosted to make historic sites more accessible (during winters, particularly for school children, and on weekends). Demands must be made that the CBC-SRC, which is charged with a public mission, must do more for history. In contrast with its counterparts such as the BBC, PBS or France 2, the CBC-SRC accords nearly none of its budget to historical projects. This situation is intolerable. At the provincial level, governments must do much more to improve the teaching of history. Currently, only four provinces require high school students to take a Canadian history course in order to graduate (Ontario, Quebec, Manitoba and Nova Scotia). It is, quite simply, unbelievable.

The future of Sir John A. Macdonald will depend on what the community makes of his memory. Here are some suggestions.

- Governments and the community fund a Sir John A. Macdonald Centre for the Study of the Nineteenth Century. This would be done efficiently and inexpensively by an alliance of scholars and amateurs. The idea would be to use Macdonald as a lens for his time. Wilfred Laurier did say that the story of Macdonald was the story of Canada, after all. This centre would be tasked with the organization of colloquia, materials in all media and, above all, transcribing the Macdonald papers so that they could be used by scholars, teachers and students across the country.

- Name streets in honour of Sir John A. Macdonald. Until very recently, there were only two streets named to remember Canada's first prime minister: in Kingston and Saskatoon. Ottawa finally added its name to the roster a few years ago with the Sir John A. Macdonald Parkway, after previously requiring that Macdonald share billing with George-Étienne Cartier. There are "Macdonald" streets across Canada. Why not rename them "Sir John A. Macdonald"? Municipalities with no Macdonald venues should make the effort to change the situation. In Toronto, I have publicly argued that Avenue Road (surely one of the stupidest



names ever attributed to an important artery) be renamed in honour of Sir John A. Macdonald. City Council referred the idea to staff, where it was promptly, and quietly, drowned.

- Prime Ministers, Premiers, Mayors and all elected officials should make an effort to recall historic events, Macdonald and people of the "Confederation Generation" in their allocutions and messages. They set the example, and by routinely ignoring events, ideas or the resolve of past generations, they simply show that it is perfectly acceptable to be amnesiac about Canada.

Macdonald's 200<sup>th</sup> birthday has shown that individual writers, scholars, and artists in the community can rise to the situation in organizing events and saluting heroes. Governments at all levels, however, must play their parts in helping individuals and communal forces reach more members of the public. Macdonald, who was a careful reader of history, might finally be "at rest" in his grave, as his tombstone proclaims. ✱

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**Patrice Dutil** is a Professor in the Department of Politics and Public Administration at Ryerson University. He is the co-editor, with Roger Hall, of *Macdonald at 200: New Reflections and Legacies* (Dundurn).

# The Canadian unity forged by Sir John A. is an example to the world

*In a letter celebrating Sir John A. Macdonald's 200<sup>th</sup> birthday, former US President Jimmy Carter reflects on the challenges Macdonald faced in working to create Canada, and the great North American relationship that has flourished ever since.*

## *Jimmy Carter*

It is a pleasure for me to join my Canadian friends and neighbors as they mark the bicentennial of the birth of Canada's first and founding Prime Minister, Sir John A. Macdonald.

Just as Americans came together in 2009 to mark the 200<sup>th</sup> anniversary of the birth of Abraham Lincoln, Canadians are uniting to celebrate your Father of Confederation's commanding legacy. Such an anniversary is a once-in-a-generation opportunity to celebrate a nation's history and Canada is rightly seizing this moment.

The residents of Kingston, Ontario have played a leading role in organizing Canada's celebrations of her Founding Father, and I congratulate them for all their hard work and dedication in preserving Macdonald's legacy. I witnessed Kingston's pride in Sir John A. when Rosalynn and I visited Queen's University in 2012.

Rosalynn and I join with Kingstonians and all Canadians because Sir John A. not only established a great nation in 1867, but also bequeathed a firm partner and friend that my own fellow citizens and our leaders have relied upon ever since. One of the highlights of my own Presidency was the brave role that Canada's Ambassador to Iran Ken Taylor and his wife and colleagues played in bringing six American hostages home to safety in early 1980.

From Sir John A.'s time onward, Canada and the United States have continued to build a relationship based on peace, mutual prosperity and progress. This relationship between two sovereign countries is an example for the world.

We have only to look at a map to realize the daunting challenges Macdonald and the other Canadian Fathers of Confederation faced in forging Canada as one. From Atlantic to Pacific and north toward the Arctic, Canada's geography must have seemed endless at the time.

In between, the citizens of British North America were divided by race, language, geography and religion. To the south of you, our Civil War raged. Unity must have seemed an impossible dream.

It took political skill, passion, and vision to accomplish the Canadian dream, and it is Sir John A. and his talents that are being honored today.

"For 20 long years I've been dragging myself through the dreary waste of colonial politics. I thought there was no end, nothing worthy of ambition, but now I see something which is well worthy of all I have suffered in the cause of my little country," Macdonald said in the run-up to Confederation.

In a world divided by race, religion and culture, Canada's ability to unite French and English in 1867 was a shining moment for the world. This unity of purpose and the pluralistic society Canadians continue to build remains Macdonald's greatest legacy.

President Truman put it best.

"Canada is a broad land," he said in Ottawa in 1947, "broad in mind, broad in spirit and broad in physical expanse ... the composition of your population and the evolution of your political institutions hold a lesson for the other nations of the Earth. Canada has achieved internal unity and material strength by ... solving problems that might have hopelessly divided and weakened a less gifted people."

It is reassuring that America shares a border with Canada. We are blessed to do so. Together we have united our continent in trade with the NAFTA, protected our shared environment, and defended freedom from the beaches at Normandy to the mountain passes of Afghanistan.

From the United States we, too, pause to pay tribute to your Father of Confederation.

Happy 200<sup>th</sup> Sir John A. Macdonald.

And may God continue to bless the nation he did so much to create, America's great friend and neighbor, Canada. ✱

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**Jimmy Carter** was 39<sup>th</sup> President of the United States.



# Sir John A. Macdonald lives on in us

*In a column originally published in the Ottawa Citizen, Macdonald-Laurier Institute Managing Director Brian Lee Crowley calls on Canadians to re-examine the legacy of Sir John A. Macdonald as we mark the 200<sup>th</sup> anniversary of his birth.*

**Brian Lee Crowley**

As William Faulkner wrote, “The past is never dead. It’s not even past.”

Truer words were never spoken as we enter 2015, the 200<sup>th</sup> anniversary of the birth of Sir John A. Macdonald, Canada’s principal founder and first prime minister.

Those who think that Sir John’s only legacy to Canada is a few statues around the country and a poor likeness on the ten dollar bill do not understand that the very warp and weft of this country are made up of threads drawn from this man’s strategic and tactical genius. Out of the unpromising materials of thinly-populated and mutually antagonistic British colonies unloved by London and coveted by Washington, riven by racial and linguistic disputes, he distilled the ideas, politics and institutions that today place us at the forefront of the nations of the world. We are his legacy.

In his magisterial new history of Canada, Conrad Black does not exaggerate when he asserts that, had Canada not been so small at the outset, Macdonald’s feat would have undoubtedly won him the acclaim history accords to the other great statesmen of the 19<sup>th</sup> century: Lincoln, Palmerston, Disraeli, Gladstone, Salisbury, Cavour and Bismarck. There is still time for history to be revised.

Much as he admired the United States and its founders’ vision (he carried his copy of the Federalist Papers with him to the conferences that led to Confederation) he saw the weaknesses of their creation, not least in the sanguinary civil war that had just wracked their great republic. Chief among those defects was a constitution that gave too much power to the states and too little to the federal government with the result that the centre could not hold.

To make a nation out of British North Americans, therefore, he knew that he had to create for them the instruments of nationhood and not merely project into the future the local and parochial interests of the individual colonies. Accordingly he defended the idea of a powerful national government and parliament that would represent and unite all Canadians and

be the instrument of the construction of a national consciousness, pride and action. He had to compromise and accept the creation of provinces independent of Ottawa, but if you read the actual text of the British North America Act (subsequently and prosaically renamed the Constitution Act 1867) he clearly won his point and Ottawa was intended to be by far the more powerful agent of Canadians’ political will.

Ignorant and busybody judges along with Ottawa’s political timidity, including in the face of separatist provocations in Quebec, have watered down Sir John A.’s wine but even in that insipid tippie you can still detect the full-bodied flavour that fuelled this man and his vision. And those politicians who have known how to tap into Canadians’ desire to rise above petty regional squabbles and articulate what Canada could be if it transcended parochialism have often found themselves richly rewarded. That is one of Macdonald’s lurking legacies.

But there was more. He didn’t just want a nation. He wanted a nation that would preserve and promote a way of life that he believed had proven its superiority over all others. That meant embracing a society of freedom. Peace, Order and Good Government are not boring and uninspiring; they are the wellspring of progress. The constitution “similar in principle to that of the United Kingdom” promised by the BNA Act was one based on the freedom of the individual, limited government, an independent judiciary, the rule of law and a powerful civil society. Those who think the Charter introduced rights into Canada fail to grasp how deeply infused our founding institutions were with those values, thanks in large part to Macdonald.

On his birthday (January 11<sup>th</sup>) and throughout Macdonald’s 200<sup>th</sup> anniversary year, Canadians might well celebrate their impressive present and brilliant potential by raising a toast to our first prime minister. He lives on in us. ✱

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Brian Lee Crowley is managing director of the Macdonald-Laurier Institute.

# Jim Prentice's government should revitalize Peter Lougheed's legacy

## Time Albertans rebuilt Heritage Savings Trust Fund

*Mike Priaro, a resource engineer with 25 years experience in Alberta's oil patch, outlines how successive provincial governments have failed to live up to the objectives set by the late former premier Peter Lougheed when the Alberta Heritage Savings Trust Fund was established in 1976. Priaro contrasts Alberta's management and use of the fund – now worth close to \$18 billion – with that of Norway, whose government has accumulated almost \$900 billion in a similar fund.*

### Mike Priaro

Alberta's Heritage Savings Trust Fund (HSTF) was worth \$17.5 billion as of March 31, 2014 according to the Alberta government's 2013-2014 annual report.

Before anyone gets too giddy, this news should be tempered by the fact that in 1987 the value of the fund was \$12.7 billion. This means that in the intervening 27 years of Progressive Conservative governments under Getty, Klein, Stelmach, Redford, Hancock, and now Prentice the fund has grown by an average of only 1.4 percent per year. Adjusting for inflation, which averaged 3.1 percent per year over the same period, the fund has actually **shrunk** in real terms by 33 percent since 1987.

The HSTF was established by Peter Lougheed in 1976. Thirty percent of resource revenue received by the Government of Alberta was to accrue to the Heritage Fund. As well, a special initial contribution of \$1.5 billion of cash and other financial assets was transferred from Alberta's General Revenue Fund to the Heritage Fund on August 30, 1976.

From 1976 to 1982, the government transferred thirty percent of resource revenue to the Heritage Fund. From 1983 until 1987, under low oil prices that bottomed out at \$10/bbl in 1986, the percentage was reduced to fifteen percent. Due to low oil prices, however, the last transfer of resource revenue to the HSTF was made by Premier Getty in 1987. In 2006, two special contributions were made to the HSTF.

The Alberta HSTF investment portfolio earned \$2.1 billion in fiscal 2013-2014 but only about \$0.2 billion, roughly one percent of the fund's current value, will be retained in the fund to protect the fund against inflation. The remaining \$1.9 billion will be transferred

to the province's General Revenue Fund as has all resource revenue since 1987.

According to the Fraser Institute, between 1977 and 2011 the Heritage Fund's net income totaled \$31.3 billion, of which \$29.6 billion (in investment portfolio earnings) was transferred to the General Revenue Fund. This is why the Alberta Heritage Savings Trust Fund is worse than stagnant and will never even begin to grow to the \$889 billion accumulated in Norway's fund as of June 30, 2014. Note that at the same 7.5 percent average return on investments achieved by the HSTF during the last ten years, Norway's fund would generate \$67.5 billion per year. It doesn't take a financial genius to understand that "It takes money to make money."

According to Barry McKenna, in a recent *Globe and Mail*



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(Table 1)

**Selected Sovereign Wealth Funds**

COUNTRY • STATE • PROVINCE	FUND VALUE (BILLION USD)
Abu Dhabi	\$931
Norway	\$893
Saudi Arabia	\$757
Kuwait	\$548
Qatar	\$256
Russia	\$182
Kazakhstan	\$79
Algeria	\$77.2
Dubai	\$70
Libya	\$66
Iran	\$62
Texas	\$55
Alaska	\$51.7
Brunei	\$40
Azerbaijan	\$37.3
New Mexico	\$19.8
Iraq	\$18
Alberta	\$17.5
East Timor	\$16.6

Source: Sovereign Wealth Fund Institute

article entitled “Norway proves oil-rich nations can be both green and prosperous”, Norway has managed to secure its financial future with production of only about 38 billion barrels of oil since 1971, compared to Alberta’s 54 billion.

As shown in the table above of selected oil and/or gas Sovereign Wealth Funds, the value of Alberta’s HSTF ranks just ahead of East Timor and just behind war-ravaged and looted Iraq.

The Conservative government has said that by 2017-18, all net income earned by the Heritage Fund will remain in the fund. However, even at an optimistic 7.5 percent per year this means the fund will grow by only \$1.3 billion per year, less inflation.

Instead of funding all operational and infrastructure expenses from a stable and progressive tax system, where the wealthiest and highest paid workers in this country pay an equitable share of their incomes, the Progressive Conservative Party of Alberta has so far insisted on standing by its regressive flat-tax system, relying on unstable and unpredictable non-renewable resource revenue to fund critical programs like health, education, and infrastructure.

Successive Conservative governments have also failed Albertans by insisting on one of the lowest royalty regimes anywhere. In fiscal 2013, royalties garnered Albertans only about five dollars per barrel of oil equivalent in resource revenue.

The Conservative government of Ralph Klein paid off the accumulated debt of previous Conservative Governments on the backs of those most vulnerable and least able to pay by, for example, maintaining health care premiums instituted by previous Conservative governments, and by instituting a flat-tax income tax regime — both highly regressive fiscal measures — and by demolishing hospitals and cutting back spending on other infrastructure and social services.

Premier Jim Prentice has said it is acceptable to run operational deficits that once again will force Albertans into debt to fund needed infrastructure like schools, hospitals, roads, public transit, and parks. Indeed, with the recent declines in oil prices, Prentice will have no choice but to run deficits as well as cut back on essential services and infrastructure and look for additional sources of revenue.

In a search for ways to increase government revenues, Prentice’s Progressive Conservative government has recently floated trial balloons regarding health care premiums and a sales tax. Such measures would be anything but progressive. They would also reveal a lack of both vision and courage. Have we failed to learn from previous mistakes? If the new premier proceeds along this path we are almost certainly doomed to repeat the failures and experience once again the hardships of the past. ✱

**Mike Priaro**, B.Eng.Sc., P.Eng., Lifetime Member Association of Professional Engineers and Geoscientists of Alberta, worked in Alberta’s oil patch for 25 years. He co-authored ‘Advanced Fracturing Fluids Improve Well Economics’ in Schlumberger’s Oilfield Review. He has presented to Canada’s House Committee on Natural Resources. His commentaries have also been published by U.S. energy industry website RBN Energy, in the July 17, 2014 edition of the Oil and Gas Journal, and in Petroleum Technology Quarterly, Q3 2014.



The Membertou Entertainment Centre on the Membertou Mi'kmaq native reserve in Sydney, Nova Scotia. The once impoverished Native native reserve has made huge gains in the past number of years in the business sectors.

# Increased wealth in Aboriginal communities is part of the new Canadian landscape

*As the number of successful Aboriginal businesses continues to grow and as more Aboriginal people find employment in Indigenous or non-Indigenous owned companies, there is a good chance that the fundamental relationships in this country will change, writes Ken Coates in an excerpt from a new MLI paper on resource revenue sharing.*


## ***Ken Coates***

In the 1999 Marshall decision on Aboriginal fishing rights in the Maritimes, the Supreme Court of Canada declared that First Nations had the right to earn a “moderate income” from the commercial fishery. It was a strange decision, imposing imprecise limits on the earning potential of Indigenous fishers. While the rationale behind the earning limit is unclear, there appears to be a concern about Aboriginal people making too much money.

Indigenous business and political leaders often comment on the non-Aboriginal preoccupation with the incomes of Aboriginal people, whether it is from post-secondary education grants, salaries for chiefs and councillors, or the wealth of successful Aboriginal business executives. Note the nation-wide First Nations’ reaction to the fall 2014 implementation of federal legislation requiring the reporting of incomes for chiefs and councillors, which is a useful public policy tool but



which has unleashed a torrent of public criticism of the small number of Aboriginal leaders people believe to be overpaid. This same sentiment shows up, sotto voce, in the discussions about resource revenue sharing. While Canadians are remarkably sanguine about the often-remarkable wealth accruing to real estate speculators, chief executive officers, entrepreneurs and professional hockey players, they have no shortage of opinions about Aboriginal prosperity, which many imply is unfair and unjust. That the wealth is typically held collectively, rather than individually, also troubles many non-Aboriginal observers, for it runs counter to the dominant Canadian ethos.



*Get over it, Canada.  
Indigenous Canadians  
are getting a great deal  
wealthier than  
in the past.*

Get over it, Canada. Indigenous Canadians are getting a great deal wealthier than in the past. Many of the larger impact and benefit agreements and the most substantial revenue sharing arrangements, like those in the Northwest Territories and Nunavut, already produce hundreds of millions of dollars in cash and other benefits for First Nations and Inuit communities.

The country is going to see more of these companies assembling large pools of investment capital, which they will use to purchase land, support businesses, sustain local programming, and otherwise underwrite the work and lives of Aboriginal peoples. If resource revenue sharing succeeds, Aboriginal people will become substantially wealthier. And the best communities, like the most successful non-Aboriginal communities, will use the income to build even greater wealth and regional opportunity.

Aboriginal people will respond differently to the financial and commercial opportunities presented by resource revenue sharing. Some will, no doubt, come to rely on the income from the revenue, using the funds to supplement existing economic activity and government programs. Others will, in the spirit of Osoyoos, Fort McKay First Nation, Membertou, and others, use the funding to launch new businesses, create addition-

al jobs, and drive their communities away from reliance on government transfer payments. The basic point is that resource revenue sharing will give Aboriginal peoples a great deal more money than they have at present, providing them with options, opportunities, and more financial autonomy than they have exercised in generations.

Some development corporations already have hundreds of millions of dollars. Inuvialuit Regional Corporation has more than \$500 million in assets. Athabasca Basin Development has a turn-over of more than \$100 million annually, much of it related to northern resource development.

A decade or two from now, as the number of successful Aboriginal businesses continues to grow, as more communities find their economic feet, and as more Aboriginal people find employment in Indigenous or non-Indigenous owned companies, there is a good chance that the fundamental relationships in this country will change. Wealth, communal or individual, does matter. Prosperity, elusive for generations, could make a real difference in the lives of Indigenous communities. With commercial and professional success, based in part on resource revenue sharing, Aboriginal people will have the opportunity to share in Canada's overall well-being. When this happens – and these processes are already occurring in selected communities across the country – Aboriginal communities will likely have the social, cultural, and financial resources necessary to address the socio-economic challenges that are such a significant part of Indigenous life in Canada.

There is a quid pro quo in this situation. Aboriginal communities can expect push-back from Canadians who do not have access to collective wealth, generated by a legal or treaty regime that is not available to non-Indigenous peoples. Put aside for a time questions of legal and political rights and focus on questions of public perception. To some non-Aboriginals, that Indigenous peoples are gaining financial and other resources at the same time that their demands and needs for government assistance are greater than ever, is worrisome. For the system to work going forward, Aboriginal governments are going to have to get comfortable with standard rules on accountability. ✱

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**Ken Coates** is Canada Research Chair in Regional Innovation at the Johnson-Shoyama Graduate School of Public Policy in Saskatchewan and a Senior Fellow with the Macdonald-Laurier Institute. His most recent MLI paper is titled *Sharing the Wealth: How resource revenue agreements can honour treaties, improve communities, and facilitate Canadian development.*

# Code Gridlock: Why Canada needs a national seniors strategy

*Doctor Chris Simpson, a cardiologist who is currently president of the Canadian Medical Association, recommends that Ottawa take a leadership role in developing a national seniors strategy which involves all levels of government. Simpson argues in favour of 'de-hospitalization', suggesting that older Canadians want the type of support and services that will help them stay in their homes and communities. The commentary below was adapted from a speech to the Canadian Club of Ottawa.*

## **Dr. Christopher Simpson**

**T**he urgent need for a national seniors strategy involving all levels of government, including Ottawa, can be nicely summed up with two words — “Code Gridlock.”

I hear these two words far too often at Kingston General Hospital where I am on staff.

Code Gridlock is every bit as ominous as it sounds. When a hospital exceeds its capacity, these two words go out on pagers and smart phones to physicians, administrators, nurses and support staff in hospitals all over Canada, or over the PA system as is the case at my hospital.

It means the hospital is so full that patients can't move. Patients in emergency can't go upstairs to beds because they are full. Sometimes ambulances can't offload patients into ER because it is packed — even in the hallways. Elective surgeries are cancelled. Transfers from the region are put on hold. Patient flow, has ground to a halt.

To those outside the medical world, the two words probably won't be heard over the white noise of a busy hospital. But to everybody else in the building they work like a dog whistle — start freeing up beds immediately. My hospital has been in Code Gridlock for the past three months.

The home care folks go into overdrive to try to get already-stretched services into place for patients nearing discharge. The social workers call in favours to try to get long-term care facilities to squeeze in one or two more people.

All hospitals in the region are told that we can't take any patients other than “life and limb” problems. All physicians, nurses and other health care professionals are urged to do whatever they can to expedite discharges.

Every manager, director, chief of staff and VP must focus on patient movement. That means unlogging the system one patient at a time.

Despite our efficiencies that compare favourably to best in class — including length of stay and other measures that help to define optimal capacity — despite judiciously balancing our shrinking budget — despite getting as lean and efficient as I think we can possibly get — we are increasingly in gridlock.

Code Gridlock was developed to deal with the inevitable surges in hospital activity — a way to squeeze extraordinary performance out of the system. But increasingly, Gridlock is becoming the norm.

Kingston General is far from alone. Victoria Hospital in London, Ont., was at 125 per cent capacity on the weekend following this past Christmas.

On January 19, the Ottawa Hospital was at 110 per cent of capacity with 51 patients in emergency waiting for beds.

Thunder Bay Regional Health Centre was hit with a fire department citation because it was reduced to squeezing patient beds into hallway alcoves.

Alberta recently decided to spend \$180 million to get 700 seniors out of its overcrowded hospitals.

So what does Code Gridlock have to do with a national seniors strategy involving all levels of government with Ottawa taking the lead?

In the hospital world we have another code — ALC. It stands for alternate level care as opposed to acute care. They are almost always seniors.

These are patients who no longer require acute care and for



Dr. Christopher Simpson,  
cardiologist and president  
of the Canadian Medical  
Association  
(photo courtesy of the CMA)

all intents and purposes are able to leave the hospital. More to the point, they should be leaving the hospital not only because the beds are needed by others but because the hospital is, ironically, a dangerous environment for patients who have chronic but not acute disease.

Hospitals are not set up to look after people with chronic diseases. Patients get deconditioned, they fall, and they suffer hospital-acquired infections. They don't get the care they need and deserve.

ALC patients are trapped. We are warehousing them. We do the best we can. But it's not anywhere near good enough. It is, frankly, disgraceful.

Fifteen per cent of acute-care hospital beds in Canada are occupied by ALC patients. The CMA estimates \$2.3 billion a year that could be used elsewhere in the health system if we could just break the habit of warehousing our seniors in hospitals.

Let's do some math. It costs \$1,000 to keep a person in a hospital bed for a day. Long-term care costs \$130 a day. Home care \$55. The CMA believes about \$2.3 billion a year could be better spent in the health care system with some strategic thinking and investing.

If anything, it is the fault of our hospital-centric system for quietly conducting an internal debate among ourselves using obscure lexicon like ALC when we should have let our patients in on this dirty little secret. It's our fault for devising workarounds to keep a broken system afloat – complicit in the knowledge that doctors and nurses and others, in sincere efforts to do their very

best for patients, too often accomplish excellence despite the system rather than because of it.

Our system has been neglected. Our health care professionals have kept it afloat.

Policy makers need to wear a big chunk of this problem. Our health care system was set up 50 years ago when the average age of a Canadian was 27. The health care landscape was one of acute disease. So we built hospitals. And we made the health care system about hospitals and doctors.

Today the average age is 47. And the landscape is now one of chronic disease – like diabetes, dementia, chronic obstructive lung disease, heart failure and arthritis.

Yet the system hasn't changed much.

So I am not talking about throwing a lot of money to update the health care system. That's not practical. We need to spend smarter.

We need a national seniors strategy involving all levels of government, and with Ottawa taking a leadership role. We see this as a much more positive alternative to quarreling over who is in charge of what and who should pay.

As an intermediate measure we need to step up investment as a society in long-term care. We must also develop and invest in a plan that recognizes people want much more support and services that will help them stay in their homes and communities.

The need to dehospitalize the system and deal with Canada's aging population should be priorities in a national seniors strategy. This is why the Canadian Medical Association, the Canadian Nurses Association and others are working to make the need for a national seniors strategy a ballot issue in this year's federal election.

Canadians over 65 currently account for half of all health costs. By 2031 seniors will present 21 percent of the populations and 59 percent of the health costs. We no longer have the luxury of time.

We can save our health care system if our governments are prepared to sit down and develop a national strategy dedicated to the principle of aging well and quality care for all.

Fifty years ago Tommy Douglas showed us a better way. Fixing seniors care will go a long way in renewing the entire health system. ✱

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**Dr. Chris Simpson** is Professor of Medicine and Chief of Cardiology at Queen's University as well as the Medical Director of the Cardiac Program at Kingston General Hospital / Hotel Dieu Hospital. He became president of the Canadian Medical Association in August 2014. He serves as the Chair of the Wait Time Alliance and as Chair of the Canadian Cardiovascular Society's Standing Committee on Health Policy and Advocacy.

# The perils of relying on resource revenue

*Brian Lee Crowley*

You can't say you weren't warned. That's a message that should be posted on billboards opposite the premier's office in Edmonton, St. John's and various other provincial capitals where falling energy prices have devastated government budgets.

Those of us who care about such things have been repeating for years the wisdom best summed up by former Alberta Treasurer Jim Dinning: "non-renewable natural resource revenues are non-reliable revenues."

When your provincial budget is the attic in a house of cards, the first breath of contrary wind brings the whole structure tumbling down. I remember when a 10 cent difference in the price of natural gas meant a swing of \$142m in Alberta's revenues. The price of that commodity has of course gyrated all over the place in the last 20 years, but mostly in a direction that has caused apoplexy at budget time.

The volatility of natural resource revenues is far less interesting than what might be done about them. On the other hand, if you can't get policymakers to grasp the fragility of their budgets, you will never get them to take the hard decisions necessary to put things on a sounder footing.

For clarity's sake, let's recognise right away that the problem isn't with income, sales and business taxes. Those too are subject to ups and downs, but a diversified economy will usually have sectors that are thriving and others that are declining. Taxes that apply to the broad-based and infinitely renewable activities of the whole population (like working and consuming) are the proper foundation for public finances.

The problem arises when a major part of your government income is derived from the sale of natural resources owned by the state. Because it is subject to huge and unpredictable price swings, the biggest risk in managing resource wealth is treating the money as if it is a reliable and stable revenue stream that will last forever. It isn't.

Big price jumps in good years create huge expectations in the population and within the government. Alison Redford got into such trouble in Alberta partly because she spent as if high priced oil was a permanent fact of life, so a few deficits here and there, even on a startlingly large scale, didn't matter. But Alberta's been there before. Ralph Klein came to power in large part because high oil and gas

revenues did what they always do: create the demand in the public for more spending. People see the money flowing in and they want a piece of the action. His predecessor had embraced that demand with gusto. Someone gets the job of cleaning up the mess. Be careful what you wish for, Jim Prentice.

The mess would not be created in the first place, though, if governments got that a rise in natural resource royalties is no foundation for ongoing spending programs. If you make a commitment this year to hiring civil servants and promise people money year after year for new programs, those commitments stand even when the resource revenues dive – unless you make painful spending cuts that upset public servants and disrupt voters' expectations.

That brings us to the alternative. There are a couple, but all take as their starting point that non-renewable natural resource revenues aren't really revenues like income and sales taxes. They result from the sale of a valuable asset that, once sold, is gone forever. Royalty money is thus capital, not income.

Capital should be preserved and invested, not spent on current consumption.

One solution then is what Norway has done. They put their royalty revenues in a sovereign wealth fund, which they invest just as Canada does with its CPP premiums. Governments can safely spend the income from the fund each year, and the fund itself confers benefits not just on those alive today, but all present and future citizens, all of whom have an ownership stake in natural resources.

A variation on this theme is to estimate what the minimum revenue is that a government can reasonably expect to realise from its royalties, year after year, regardless of price movements. It has to be a specific dollar amount, not a percentage of all such revenues. You can then fairly safely spend that amount and squirrel the rest away in the investment fund.

Finally you can invest the money in genuine infrastructure that's been subjected to a tough cost-benefit analysis, or you can pay down public debt.

Anything else makes the provincial budget an annual visit with a one-armed bandit. Very occasionally you win, but mostly not. ♦

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**Brian Lee Crowley** is Managing Director of the Macdonald-Laurier Institute.  
*This commentary was originally published in the Globe and Mail.*





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# It's time to make public policy easier to read

*Suggesting that at least some of the apathy in the political arena stems from the citizenry not being able to read and interpret the lengthy, complex texts used to describe parliamentary processes or policies, author Andrew Rodych makes the case for simplifying the language used in laws and regulations.*

## **Andrew Rodych**

“If you can’t understand it, you can’t change it,” says Eric Evans, author of numerous books discussing how to address complexity within software code. In the arena of public policy, it is no different. Even if citizens are given all the tools available to make policy change, it means nothing if they cannot understand the policy itself.

A lack of citizen understanding of policy leads to an inability to move forward with change, and consequently, a lack of engagement from the citizenry in the policy development

and overall political process. Not understanding the policy or politics of their country can lead the citizenry to apathy in large numbers.

This concept seems intuitive. As an analogy, one can look at sports. If you enjoy sports, you do so because you understand the game. You engage in the sport, either by participating or as a fan, because you understand the rules—the scoring system, the field structure, the actions of the players and so on.

In Canada, many citizens enjoy hockey. Let us assume you

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are one of those hockey-loving citizens. If you were to go watch Australian Rules football or Russian Lapta there is a good chance your engagement in the sport, your desire to play or even simply continue viewing the event, would be quite low if you did not understand the rules.

The problem of policy literacy for most citizens arises from a growing complexity within that very policy. The apathy in the political arena, within the political process and policy development, partly stems from not being able to read and interpret the rules. Many citizens are watching a game they do not understand. Two of the major elements of this problem are length and word choice.

If we review word count, the *Canadian Charter of Rights and Freedoms* has 2,609. The *By-law Concerning Towing in La Ville de Montreal* has 4,225 words. The *Alberta Personal Directives Act* is 6,324 words long. The *Parliament of Canada Act* has over 20,000 words; the *Income Tax Act* has over 1,000,000 words.

If the Charter, which assures the rights and freedoms of all Canadian citizens, can be written in under 3,000 words, it is hard to imagine why a by-law on towing cannot be shorter. The policy for income tax could surely be more concise and easy to understand.

Wordiness makes sentences difficult to read. To the reader, the large number of words makes comprehension laborious. It discourages them from reading and trying to understand the content. Even worse, wordiness can make sentences seem to contradict themselves. Some readers will become distracted or fail to understand the purpose or connection between sentences,

especially with multiple references to other sections within the same policy. The whole topic of a section can be lost. Too many words can create confusion instead of clarity.

Word count is not a perfect measurement. More words do not necessarily mean more confusion. However, there is a difference between elaboration and complication. Using more words to better describe concepts within a policy is acceptable as long as this description creates ease in understanding and makes application of the policy easier.

Not only does the length of policy make it inaccessible to many citizens, but also the level of writing is an issue. Specialized words fill policy and regulation; these words are jargon and other technical terms.

Terminology also becomes more troublesome when we look at definitional misunderstand of “direction words” – the lack of clarity around words such as “should, shall, must, can, require.” The use of direction words needs to clarify what is an unavoidable requirement and what is just a goal of the policy.

So the challenge is finding a means to make policy literacy easier, and hopefully engagement more meaningful. If the twofold problem above exists, the solution should be the two-part action of both reducing the number of words and using simpler ones. However, both politicians and legislative drafters need more guidance to improve policy readability.

A first step would be looking back at the essay, “Politics and the English Language”, by George Orwell. Within the essay, Orwell assesses the poor English used in politics. He wrote out six rules of the English language (which would apply to the French language equally) he believed would provide more clarity in political discourse. These rules should also translate to the policy that develops from those politics. The rules are:

“(i) Never use a metaphor, simile, or other figure of speech which you are used to seeing in print. (ii) Never use a long word where a short one will do. (iii) If it is possible to cut a word out, always cut it out. (iv) Never use the passive where you can use the active. (v) Never use a foreign phrase, a scientific word, or a jargon word if you can think of an everyday English equivalent. (vi) Break any of these rules sooner than say anything outright barbarous.”

Even Orwell was not perfect in following these rules, but they are a fine base to build from. Alan Siegel, the well-known communications consultant, presented an entire TED Talk on simplifying legal jargon and wrote a book, *Simple: Conquering the Crisis of Complexity*, about reducing the complexities that continue to grow around us. He argues we use plain language

and remove the unnecessary jargon. That solution may seem challenging as some may question the definition behind “plain language.” Yet, there are multiple resources that can assist in translating overly complicated text into plain language.

Software, including the most basic of word processors, includes functions that allow the writer to assess the reading ease and reading level of text. Grammar checking functions can help writers identify and remove passive, long, and overly wordy sentences. The Silicon Valley age is starting to produce even more breakthroughs in language simplification. Simplish.org is online software that will take technical texts and translate it into plain language (or Basic English according to its classification), as well as summarize text. Technology can make policy simplification less difficult.

Other less technological methods could include using writing style guides (many available free on the internet) which provide plain language guidelines and word options. In an example from a *Dictionary of Plain English*, instead of using the word “constitute,” one should use “make up.” Another example, instead of the word “materialize,” one should use “appear.”

“If you can’t explain  
it simply, you don’t  
understand it  
well enough.”

– Albert Einstein

There is no easy solution for simplifying public policy, and much of policy to date, whether legislation, regulations, frameworks, or guidelines would be tedious and sometime legally challenging to update. These concepts are applicable for some past policies through amendments. However, the larger opportunity presented by the simplifier concepts above is for politicians and legislative drafters to start using it on new policy.

By using plain language rules, and being willing to review, edit, and focus one’s writing, simplification of policy occurs. According to the word processor used to type this article, the word count is 1518; I used zero passive sentences, and it has a Grade 11 level-reading ranking.

Wordiness, which provides better description, and jargon which is necessary due to technical correctness, will both remain in policy. By simplifying policy, one is not “dumbing it down” or trying to reduce its effectiveness. Instead, we need to simplify to create accessibility.

There is a circular dilemma present in trying to move towards simpler public policy. Arguably, the best measure to direct the creation of simpler policy would be a policy itself. For citizens to be better engaged though, they need to understand the policies that currently exist and how to get involved in the development process. They need an understanding of how to engage their elected officials to make policy simplification a priority.

Currently, the *Communications Policy of the Government of Canada* discusses plain language as a goal. Not released as of yet is a proposed guide on plain language referenced at the end of that policy. Such a guide should consider Orwell’s rules, but should also look at other jurisdictions’ work on simpler language for their laws.

In the US, the *Plain Writing Act of 2010* was a policy step in the right direction. Cass R. Sunstein, the author of *Simpler: The Future of Government* and former head of the US Office of Information and Regulatory Affairs, argues for a continued focus on plain language summaries where it is not possible to write policy fully in plain language. Further, such summaries should include the primary requirements or rules of any policy and the legal authority behind that policy.

Articles like this one may help raise awareness of ways to create that simplification, however, other efforts will be required to get the types of solutions presented implemented. Maybe in the end, the easiest way to start the process of change is to test politicians and legislative drafters to consider their reputations and own understanding when writing policy by taking to heart the quote attributed to Albert Einstein, “If you can’t explain it simply, you don’t understand it well enough.” As such, if they cannot write public policy simply, maybe they do not understand their policy intentions and goals well enough. ✨

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