



CANADA WATCH

Practical and Authoritative Analysis of Key National Issues

STILL WAITING FOR AN ALTERNATIVE

The outcome of the next federal election may hinge on whether Campbell can persuade voters that she does represent change

by *Kenneth McRoberts*

The paradox persists. Through a variety of ways, including perhaps even the Charlottetown referendum, Canadians have demonstrated their rejection of Canada's established political class and their desire for change in the style and substance of Canadian politics. Yet, they are still waiting for a credible alternative.

PUTTING A NEW FACE ON THE TORIES

For a while it appeared that Kim Campbell might be able to persuade Canadians that she can provide the alternative they are seeking. Her statements on policy suggested little by way of radical departure in the substance of politics. But she seemed to offer a change in the style of Canadian politics, if only because of her gender and province of origin, let alone the fact that she had been in Ottawa for too limited a time to become thoroughly associated with the federal political class.

Beyond that, many Canadians clearly were so desperate for change that they were prepared to give Campbell the benefit of all doubt. For a while, it seemed that the PCs, the government party, could become the party of change simply by acquiring a new leader. The elector-

ate's suspension of disbelief would last just long enough for her to be able to carry her party to victory in the next election.

A POLITICIAN LIKE THE OTHERS

Now, this scenario is looking more and more dubious. A series of candidates' debates was sufficient to demonstrate that Kim Campbell was disturbingly like other politicians. Her positions on policy questions too often seemed vague or patently calculated. In the process, Campbell made Jean Charest, the classic professional politician, look more appealing. At least on the language question Charest spoke from real conviction; Campbell's attempts to court Quebec nationalists by sidestepping the language question, as well as projecting empathy with Quebec's constitutional grievances, looked hollow and contrived.

At the same time, on the rare occasions when Campbell has let her guard down, she has spoken in ways that seem all too reminiscent of past leaders. The "enemies of Canadians" line, with its heavy arrogance, evoked not just the present prime minister, but another prime minister from Quebec, Pierre Trudeau.

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Once again, it seems, Canadians have been disappointed.

Apparently, this disillusionment will not prevent Campbell from becoming party leader, whether or not on the first ballot. With 45 percent of the delegates already committed to her cause, however uncertain their enthusiasm, it is difficult to see how she can be stopped. Her only serious opponent is not only improbably young for a prime minister, but hails from Quebec at a time when English Canada clearly would like to look elsewhere.

"... the rapid decline of Campbell's star raises an interesting question. Why has there not emerged a more credible force for change? Given the patent alienation of the electorate, the times seem to be ripe for a radical shift in political loyalties."

Nonetheless, it is far from certain that Campbell can lead the PCs to victory in the next election. If Campbell is reduced to being "just a politician like the others," there is little reason to return to power the party that has provided such spectacularly unpopular government.

WHY NO VIABLE ALTERNATIVE?

Thus, the rapid decline of Campbell's star raises an interesting question. Why has there not emerged a more credible force for change? Given the patent alienation of the electorate, the times seem to be ripe for a radical shift in political loyalties.

To be sure, the notion that a leader of the PCs, even with a more clearly personal agenda than Campbell's, could significantly alter Canadian politics was bound to collapse under serious scrutiny. But why cannot

some other political formation effectively exploit the popular demand for change? With the NDP's loss of its bearings, why not a challenge from the left? Conversely, if the spirit of the times precludes a challenge from the left, why not one from the right? Just a few months ago, there seemed to be no limits to the electoral prospects of the Reform party, which did have a very clearly defined agenda for change.

Part of the answer may lie in the very distrust of politicians that is leading voters to seize on new faces. Little is needed for voters to conclude that "new" politicians are in fact just like the old ones. In their distrust of politicians, voters are unsparing. Even self-styled anti-politicians, like Preston Manning, may be found wanting. During his campaign against the Charlottetown accord, Manning was too quick to label the agreement as Mulroney's accord, appearing to engage in precisely the type of partisan politics that he had declared himself to abhor. Given the new focus of political debate on the deficit, the Reform party may have a new chance — provided that Manning can once again convince voters that he and his party really are a break from the old politics.

It may also be that Canadian voters sense full well that the problems facing contemporary Canada, economic and social as well as political, stem from forces that transcend state boundaries and that are beyond the control of any set of politicians. The striking similarity in the economic policies of contemporary provincial governments — Liberal, PC, and NDP — is a powerful demonstration of the extent to which the forces shaping policy lie elsewhere than the ideology of the party in power or the personal qualities of its leaders.

Continued, see "Still Waiting" on page 118.

CAMPBELL HEADED FOR FIRST-BALLOT WIN DESPITE GAFFES

Obstacles facing late comeback by Charest appear insurmountable

by Patrick J. Monahan

With leadership front-runner Kim Campbell stumbling badly in early May, the door seemed to be opening for a late comeback by Environment Minister Jean Charest.

The last of the convention delegates were chosen by Conservative riding associations on May 8. Although Defence Minister Campbell possessed a commanding lead, up to 25 percent of the delegates were not

"The current race fits almost perfectly the established pattern of first-ballot conventions."

formally committed to a particular candidate. [Informal surveys had Campbell with 45 percent support, Charest with 27 percent, Edwards with 6 percent, and the remainder either uncommitted or unknown.]

The large block of uncommitted delegates has fuelled speculation that Campbell's "enemies of Canadians" comment at the May 13 candidates' debate, along with her controversial interview with Peter Newman in *Vancouver* magazine, would give Charest enough support to force at least a second ballot at the convention.

The problem for Charest, however, is that the structure of the lead-

ership race, and particularly the limited field of candidates, makes the chance of a second ballot extremely remote. Barring some unforeseen disaster, Campbell seems to have a first-ballot win all but locked up.

ONE BALLOT OR TWO?

This basic political reality becomes apparent by looking back at the major national party leadership conventions held over the past 45 years. Table 1 presents the *first ballot* results of the 10 Liberal and Conservative leadership conventions held over that time. Half of the conventions were decided in a single ballot, while half required two or more ballots to select a winner.

There appear to be a number of clear distinctions between those conventions that are decided on a single ballot and those that require multiple ballots.

The first distinction relates to the number of candidates on the ballot. The smaller the field of candidates, the greater the chances the convention will be decided in a single ballot. Conversely, as the number of candidates increases, so do the number of ballots required to determine the winner.

Consider, for example, the four conventions held between 1948 and 1958, all of which were decided in a single ballot. In each instance, there were a mere three candidates on the

ballot. The leadership fields were so small in all four cases because a clear front-runner with an overwhelming lead emerged almost immediately. The commanding position of the front-runner discouraged potential challengers from entering the race and kept the number of contenders very low.

Contrast this to the number of candidates in conventions requiring multiple ballots in order to select the winner. In the five such instances, there were at least 7 and as many as 11 candidates on the first ballot. Moreover, there is a direct relationship between the size of the first-ballot field and the number of ballots required: the 1967 Conserva-

Table 1
First-Ballot Results
National Leadership Conventions 1948-1990

Convention	Candidates on 1st Ballot	Percentage of Delegates Voting for Candidate Finishing					Total No. of Ballots Required
		First	Second	Third	Fourth	Others	
Liberal August 7, 1948	3	St. Laurent 69.1%	Gardiner 26.3%	Power 4.6%	—	—	1
Conservative October 2, 1948	3	Drew 66.6%	Diefenbaker 25%	Fleming 8.4%	—	—	1
Conservative December 14, 1956	3	Diefenbaker 60.1%	Fleming 30.1%	Fulton 9.1%	—	—	1
Liberal January 16, 1958	3	Pearson 77.8%	Martin 22.1%	Henderson 0.1%	—	—	1
Conservative September 9, 1967	11	Stanfield 23.3%	Roblin 15.6%	Fulton 15.4%	Hees 13.2%	32.6%	5
Liberal April 6, 1968	9	Trudeau 31.8%	Hellyer 14%	Winters 12.4%	Turner 11.7%	30.1%	4
Conservative February 22, 1976	11	Wagner 22.5%	Mulroney 15.1%	Clark 12%	Horner 10%	40.4%	4
Conservative June 11, 1983	8	Clark 36.5%	Mulroney 29.2%	Crosbie 21.4%	Wilson 4.8%	7.6%	4
Liberal June 23, 1984	7	Turner 46.4%	Chrétien 31.1%	Johnston 8.1%	Roberts 5.4%	9%	2
Liberal June 23, 1990	5	Chrétien 57%	Martin 25%	Copps 10.7%	Wappel 5.7%	1.5%	1

Source: Canada Watch staff

tive convention had the largest number of first-ballot candidates (11) and required the most ballots to choose a winner (5).

A second distinguishing factor between the first-ballot and the multiple-ballot conventions relates to the percentage of votes captured by the leading two contenders on the first ballot. (See Figure 1.)

In the five conventions decided in a single ballot, the top two contenders captured an average of 92 percent of the ballots cast. Contrast this to those conventions requiring multiple ballots: here, the top two contenders captured an average of only 53 percent of the first ballots cast. To put this another way, in conventions that go beyond the first ballot, almost half of the first-ballot votes (on average) go to candidates finishing in third place or lower.

CONVENTION WON'T GO BEYOND ONE BALLOT

This brief review of the historical record makes it plain that the upcoming Conservative convention is almost certain to be decided in a single ballot.

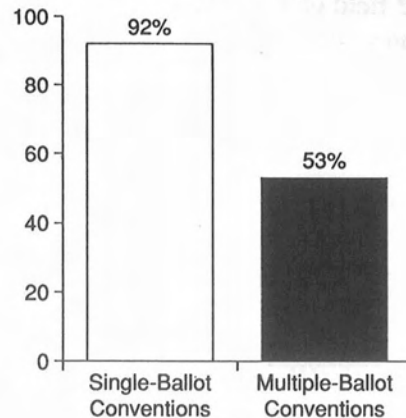
The current race fits almost perfectly the established pattern of first-ballot conventions. There are only five candidates in the field and, of these, Patrick Boyer and Garth Turner have almost no visible support. Just as occurred in the 1948 to 1958 leadership races, an early front-

runner with a commanding lead emerged who seemed almost guaranteed to win the convention. This scared off most of the other potential challengers and even led to talk in early March of cancelling the entire event.

Similarly, the share of the vote going to the top two contenders — Campbell and Charest — appears to be in the range of 90-95 percent. Jim Edwards is said to enjoy the support of about 6 percent of the decided delegates, with Turner and Boyer combined standing at about 1 percent. The 90-95 percent support for the top two contenders fits the pattern of previous single-ballot conventions. Another way of looking at this is to observe that in all of the multiple-ballot conventions since 1948, the candidates finishing third or lower have attracted a *minimum of 22 percent* of the first-ballot vote. Edwards, Boyer and Turner combined have virtually no chance of reaching that level of first-ballot support.

What all of this points to is the fact that the contest on June 13 will be decided on a single ballot and that Kim Campbell will emerge as the winner. Her recent "gaffes" will probably reduce her margin of victory, chiefly because her image as a "political winner" who will sweep the Tories to a third mandate has been badly tarnished. But the small size of the leadership field and the

Figure 1



Average Percentage of Votes Cast for Top Two Contenders on First Ballot

absence of serious third or fourth place challengers appears to rule out the possibility of a second ballot.

Of course, winning the convention is one thing, but winning a general election is quite another. As we reported last month, the vast majority of governing parties who change leaders tend to go down to defeat in the subsequent election [see "Campbell Cakewalk May Be Sign of Trouble in Fall Election" (April 1993) 1 *Canada Watch* 95]. Kim Campbell's recent controversies suggest that this same pattern may well be confirmed when Canadians go to the polls this fall.

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BUDGETS AND DEFICITS: THE FEDERAL AND ONTARIO BUDGETS COMPARED

Don Mazankowski and Floyd Laughren are pursuing strategies that are remarkably similar

by Fred Lazar

On April 26, Finance Minister Don Mazankowski tabled the federal government's budget in the House of Commons. This budget must be examined together with the economic and fiscal statement delivered to the House by the finance minister on December 2, 1992. Many have suggested that Mazankowski confused these two documents, because the December statement was indeed more of a budget, and the April budget was more of an economic statement.

On May 19, Ontario Treasurer Floyd Laughren presented his government's budget in the Legislative Assembly. A review of the federal and provincial budgets reveals many more similarities than differences. It appears that the fear of rising deficits and the threats of credit-rating agencies have produced a remarkable convergence in the fiscal policies of parties nominally perceived to occupy opposing ends of the political spectrum. As well, these two budgets and those introduced by Quebec, Saskatchewan, and Newfoundland set the stage for a finance ministers' conference to develop a comprehensive and cooperative approach for dealing with government

deficits and debts and, more important, with the allocation of fiscal responsibilities between the federal and provincial governments.

The issue of jurisdictional responsibilities that was to be resolved by the Charlottetown accord on the constitution is likely to be eventually resolved through federal-provincial meetings on government fiscal arrangements and deficits. Constitutional reform is not dead. The actors have just moved offstage and out of the public limelight.

TWO BUDGETS COMPARED

Back to the two budgets and a look first at some of their differences. The federal government, after almost nine years of trying, has again failed to pierce the "mystical" \$30 billion deficit target. Indeed, the deficit is expected to top out at \$35.5 billion in fiscal year 1992-93 and decline modestly to \$32.6 billion in 1993-94. In contrast, the Ontario government appears determined to get its deficit below its self-imposed upper-limit target of \$10 billion. Although Ontario will fail in 1992-93, when the deficit will approach \$12 billion, apparently it may succeed in 1993-94 when the deficit is anticipated to fall to \$9.2 billion.

However, despite the apparent "success" of Ontario and the apparent failure of Ottawa, the picture is much different when we focus on the operating budgetary balances; that is, the budgetary balances excluding interest payments on the outstanding debt. The federal government continues to generate operating surpluses. Ontario, in contrast, will have operating deficits for the 1992-93 and 1993-94 fiscal years.

Continued, see "Budgets Compared" on page 115.

THE FEDERAL BUDGET OF APRIL 26

Maz's tough budget fails to provide enough economic stimulus to get the economy back to its potential

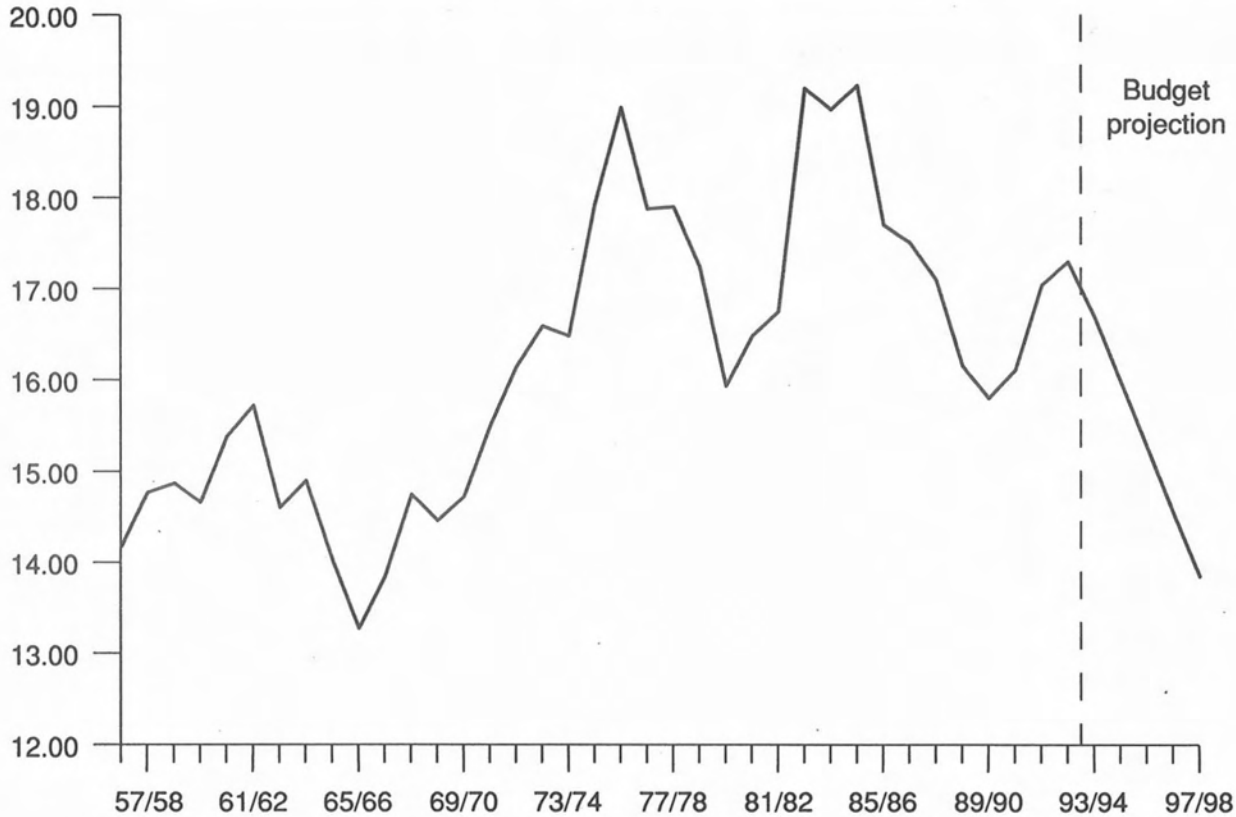
by John Grant

Despite financial commentators' disdain, I think this budget laid down a sensible track for the next government to follow — with one important exception. Certainly, it was tough enough. Since we are in the midst of a major shift to fiscal restraint at the provincial level, since the federal fiscal stance was already very contractionary, and since this government only has a month to get its measures through Parliament, realism suggests that we shouldn't have expected more.

And we should take note of the budget's projection that program expenditures would have fallen to just 13.9 percent of GDP by 1997-98, versus 17.3 percent in the year just ended and a high of 19.2 percent in 1983-84 (see chart on page 114). If the next government actually manages to do this, the economic impact of the federal government will fall to the lowest point in over 30 years, down 28 percent from its high. So this budget points the way to a hugely diminished federal role in our lives. Those who wanted more "slash and burn" have a credibility problem of their own.

For me, the budget fell short in quite a different respect. What I wanted to see was a commitment to

BUDGET ANALYSIS '93



Federal Program Spending as a Percentage of GDP

getting the economy back to its potential — and it wasn't there. Admittedly, this government can't tie its successor's hands, but this was its swan song, the place to recapitulate its aspirations. And what did it project? That the economy would not regain its potential level of output even by 1997-98!

Many forecasters have criticized Maz's economic growth forecasts as being too high. They aren't—they're too low. Now, I do accept (though some would not) that the government shouldn't tie the hands of the governor of the Bank of Canada in the battle for price stability. But GDP inflation is already in the 1 percent range! And since inflation reacts to the output gap (the difference between actual and potential output), and the current gap is a huge 7 percent of GDP, I think

there is a real risk that inflation will fall below zero next year. So even the staunchest advocate of price stability should agree that Canada needs to close the output gap as soon as possible. In my view, a government that doesn't put that front and centre is not providing the proper leadership.

We do have a tradition in Canada that ministers of finance practically never comment on monetary policy, but the government has already committed itself to falling inflation targets and ultimately to price stability. I have no problem with that, but if the government doesn't think it's possible to achieve price stability by 1998 without getting the economy back to potential, I certainly think it should tell us why!

For me, fiscal and monetary policy should be aimed most of the

time at two medium-term goals: achieving price stability and (at least) stabilizing the ratio of public debt to GDP; both in the context of having got back to our potential GDP. If you work out the arithmetic, you'll find that to do that by 1997-98 implies that real GDP will have to grow at an average rate of about 4.5 percent per year, and that the government's borrowing requirement will have to be reduced to about \$18 billion by the final year. This budget, in contrast, projects 4.25 percent average GDP growth and a final year surplus. In other words, we don't get back to potential, but we do cut the debt-to-GDP ratio from 67 to 61 percent.

Isn't this getting our priorities backward? Surely our primary target should be to get back to potential

BUDGET ANALYSIS '93

at the earliest possible moment consistent with maintaining price stability. If, in that context, we can get the debt-to-GDP ratio down sharply too (which I certainly believe we can), all the better. And for that matter, why couldn't we do all these things more quickly?

The government's fiscal plan has been hijacked by two big problems this year: a revenue shortfall on the one hand, and persistently high real interest rates on the other. Although there are some avoidance issues to be addressed, revenues will basically respond well to a stronger economy as we get back to potential. The problem of interest rates is a tougher nut, however, because it depends largely on factors beyond our control. The government has

evidently decided that its best chance here is to cut the debt-to-GDP ratio and to encourage the provinces to cut theirs as well. The thinking goes that a balanced public sector budget would sharply reduce or even eliminate Canada's need to borrow abroad, and that should give us our best shot at getting interest rates down. I do agree that this is a reasonable hope, and certainly it could enter us on a virtuous cycle if it works. Saving 1 percent a year on federal debt service would cut the deficit by \$5 billion or so all by itself when it has worked through.

So I accept that we should set a severe fiscal course, but I also argue that the government and the Bank of Canada should make a clear commitment to getting the economy back

to potential within the five-year projection period of this budget or sooner. Of course, this means that monetary policy would have to be sufficiently stimulative to compensate for the fiscal drag. But this doesn't and shouldn't mean that we need to give up on price stability. In my opinion, Canadians are unnecessarily and unrealistically pessimistic about their prospects at this time, and it wouldn't be crass electioneering if someone were to lift their spirits.

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"Budgets Compared," continued from page 113.

An overall balanced budget at the federal level will require a massive operating surplus, somewhere in the range of 30 to 35 percent of budgetary revenues. This will necessitate massive spending cuts, sharp tax increases, and record high sustained growth rates for the economy. It appears that part of Ontario's fixation with its deficit stems from the fiscal morass that the federal government has fallen into as a result of its rising debt interest payments.

The debt interest payment projections in the two budgets provide an interesting footnote to this comparison of deficits. Despite an approximate 8 percent increase in the federal government debt in 1992-93, Mazankowski's budget assumes that public debt charges will remain constant at \$49.5 billion in the 1993-94 fiscal year. In Ontario, a 21 percent increase in its outstanding debt

in 1992-93 is projected by Laughren to result in a 33 percent increase in debt charges in 1993-94. One suspects that both governments deliberately erred in making their interest rate assumptions. Ottawa had an interest in underestimating public debt charges in order to show some improvement in its overall deficit position in 1993-94. Ontario had an incentive to overestimate its interest payments in order to convince the broader public service of the need to accept the \$2 billion expenditure reductions in the negotiation of a "social contract."

TAXING TIMES IN ONTARIO

Finance Minister Mazankowski introduced his budget by claiming that it contained "no new taxes" and "no tax increases." Floyd Laughren, in order to attain his deficit target for the next fiscal year and to persuade the people of Ontario that the necessary sacrifices would be borne fairly, resorted to a number of tax and user-

fee increases. In 1993-94, the discretionary tax changes introduced in the budget would increase the tax burden in Ontario by about \$1.6 billion. In addition, new user fees would generate another \$239 million in revenues for the government. Moreover, excerpting a page from the Michael Wilson budget reduction strategy of off-loading to a junior level of government, the Ontario government's proposed reductions in grants to municipalities, schools, and universities undoubtedly will result in higher property taxes and tuition fees and other user-fee increases. It is not surprising, therefore, that Mazankowski and the business community in general criticized the Ontario budget for its tax increases.

DIFFERING ECONOMIC PROJECTIONS

Finally, the federal and provincial governments seem to be looking at the future through different glasses. In its economic outlook, Ottawa ex-

BUDGET ANALYSIS '93

pects the economy to grow in real terms by 4.6 percent in 1994 and at an average annual rate of 4.3 percent in both 1995 and 1996. Ontario anticipates more moderate rates of growth — 3.4 percent in 1994, 3.9 percent in 1995, and 4.2 percent in 1996.

If the Ontario projections are closer to the mark, then the rosy employment growth projections in the federal budget will not materialize and the economic record of the Mulroney government will look quite poor during this year's election campaign. Obviously, the federal government would like to convince the electorate that their policies have set the stage for a dramatic and sustained recovery. In addition, if lower growth does occur, then once again the Department of Finance will err dramatically in projecting the elimination of budgetary deficits within four to five years. The Department of Finance now has a 15-year track record of consistently and wrongly projecting balanced budgets, so no one pays any attention to its budget forecasts.

IMPACT OF FISCAL RESTRAINT ON ECONOMIC GROWTH

Even the Ontario growth estimates may be overly optimistic. As the federal and all provincial governments simultaneously attack their respective budget deficits this year, it is difficult to envision a strong economic recovery. Aggregate spending cuts and tax increases may range between \$10 and \$15 billion this year, or roughly 1.5 to 2.0 percent of Canada's GDP. Unless long-term interest rates drop sharply, or consumer and business confidence rise significantly or Canada's competitiveness improves sharply, it is difficult to envision economic developments offsetting the combined

fiscal drag on the Canadian economy. One need only look at the California economy to see the potential effects of fiscal restraint. During the 1980s, California prospered as defence spending increased sharply. California is now in the midst of its worst depression in 60 years as a result of cutbacks in defence spending and the state government's draconian efforts to balance its budget.

To deflect criticism of their apparent single-minded pursuit of lower deficits, the two budgets emphasized their respective job creation initiatives. Here too the similarities stand out. Both targeted investments in people and infrastructure and support for small business and communities. Both ministers also argued for more efficient government and less waste in the provision of government services. The expenditure control plan officially announced in the Ontario budget together with the social contract negotiations and objectives seem to parallel the spending restraint initiatives in the December statement of Mazankowski that were extended in the April budget.

ESCAPING THE DEFICIT TRAP

The two budgets raise but do not adequately address the link between deficits and economic growth. A buoyant economic recovery would go a long way toward solving the deficit problem. But is a strong and sustained recovery possible when all governments in Canada will continue to focus on deficit reduction?

Both ministers talked about the need to improve confidence and lower interest rates by reducing government deficits. Yet, despite an inability to get below and stay below the \$30 billion deficit target, Finance Minister Mazankowski pointed out in

his December economic statement that "Consumer confidence ... has now reached its highest level since the fourth quarter of 1989 ... [and] Canadian interest rates moved down from a peak of 14 percent in May 1990 to under 5 percent in September as inflation and inflation pressures were reduced."

As for the link between government debt and Canada's international net indebtedness, both may reflect a weak economy and a lack of competitiveness. That is, the Canadian economy, for various reasons including perhaps the wrong mix of government policies, has been unable to maintain its share of world markets. This, in turn, has resulted in lower growth and lower government tax revenues, and merchandise trade surpluses inadequate to offset Canada's increasing deficits in service transactions.

A federal-provincial finance ministers' conference and the followup meetings will have to address, in addition to jurisdictional fiscal responsibilities and the allocation of tax powers, the appropriate conduct for fiscal policy at a time of weak economic growth and high unemployment and the appropriate mix of spending, tax, and regulatory policies to turn around Canada's competitiveness. Although it appears that most Canadians favour deficit reductions, there is little discussion of how to go about achieving this objective in such a way that the more important goals of full employment, sustained increases in the standards of living, a cleaner environment, and price stability are not compromised.

Fred Lazar is an Associate Professor of Economics, Faculty of Administrative Studies and Faculty of Arts, York University.

THE ONTARIO SOCIAL CONTRACT: TEXT AND CONTEXT

International comparisons suggest Rae's bid for consensus on cuts is unlikely to succeed

by David Johnson

There are many hard lessons to be learned by parties in parliamentary politics and one of the hardest is that governing is infinitely more difficult than criticizing from the opposition benches. Promises made in the quest for power can wither under the pressures of governing.

Another tough lesson is that governing parties that lack a systematic economic strategy will soon find themselves beset with criticism from all quarters; and the worst solution to this problem is the development of ad hoc economic policies of major proportions.

Ontario's New Democrats are currently learning these lessons as the Rae government launches its initiative to develop a social contract to govern labour relations with its public sector staff.

THE SOCIAL CONTRACT

On March 31, the government announced that due to severe fiscal pressures it was suspending all collective bargaining with its 950,000 employees pending the negotiation of a social contract with these employees. On April 5 the government issued a position paper on this initiative.

In language directly reminiscent of the corporatist language emerging from Western Europe, the government stressed the need for public

sector employees and employers to work together to establish a "consensus among the major stakeholders" for the development of a "comprehensive plan aimed at reducing the costs of public service delivery" while also seeking to "minimize job losses."

The government proposed that social contracts be negotiated throughout the broader public sector. These contracts would address such matters as staffing levels and job eliminations, reductions in compensation, job retraining and new placement programs, early retirement packages, and revised service levels to the public.

SOCIAL CONTRACT PRECONDITIONS

Notwithstanding this discourse of "consensus," "dialogue," "partnership," and "sharing," however, the government has issued a number of

"... the advent of the social contract project in Ontario leaves much to be desired.

The existence of rigid preconditions coupled with the threat of drastic unilateral action by the government should these preconditions not be accepted belies the sincerity of the government in seeking a consensual compromise with labour."

preconditions to negotiation. There will be program reductions worth some \$4 billion. The government will also seek a three-year wage freeze from all public sector employees while insisting that employees earning more than \$25,000 per year take 12 days of mandatory unpaid leave per year.

Should the unions balk at these preconditions the government has insisted that it may be forced to take

unilateral action that may result in the loss of up to 40,000 jobs.

THE PUBLIC SERVICE REACTION

Not surprisingly, public sector union leaders have reacted with outrage to these proposals, claiming that the government's talk of consensus and cooperation is but cynical rhetoric camouflaging an unprecedented attack against its employees. Union leaderships have claimed that the preconditions, not to mention the government's much publicized concerns over a "skyrocketing" deficit, place the unions in the position of negotiating under a "catch-22" scenario: if they agree to negotiate on the government's terms they will face major staff and compensation reductions; if they refuse to negotiate they will be blamed for the failure of the social contract and will face major staff and compensation reductions.

On May 7, the Public Services Coalition, an umbrella grouping of 28 public sector unions, issued a counter-proposal to the government. In this document the coalition sought to shift the debate by stressing that although deficit reduction is important, the means desired by the government are counter-productive. The coalition has accepted that some \$3 billion could be saved through service efficiencies, but it has stressed that deficit reduction is best achieved through increased taxation, not job cuts. Hence the coalition's endorsement of a \$3 billion tax increase through enhanced corporate, capital, and sales taxes, while stressing that any layoffs will be resisted by the unions.

It is interesting to note that as union leaders assert that the government faces a deficit problem due not to excessive staff complements but to an inadequate taxation process, they are voicing criticisms with a

heritage; a heritage traced to certain scholars on the left as well as to a certain party of the left — namely the NDP — when it has been in opposition.

THE SOCIOECONOMIC CONTEXT

The experience of being in government has certainly chastened the Ontario NDP, leading the party to increasingly stress the importance of debt control, deficit reduction, and the need for a dramatic “downsizing” of the public service. More and more, the rhetoric and policy proposals of the Ontario NDP are converging with those of other Conservative and Liberal governments at both the federal and provincial levels.

All governments are fearful of growing deficits and debts resulting in the loss of expenditure policy capacity as more funds must be earmarked to debt repayment; yet governments are also fearful of increasing individual and corporate taxation rates as a solution to this problem, fearful of the economic and electoral consequences of such increases on a society viewed by many as “tax weary.”

The easiest targets under these conditions, then, are public sector wages and staff complements, followed by social program service levels. The uniform interest shown by governments of diverse political persuasions

in seeking budgetary savings through cutbacks from these fields is striking — so striking in fact that certain members of the federal NDP have attacked the Ontario government for acting in a manner inconsistent with social democratic principles.

THE SOCIAL CONTRACT IN CONTEXT

This brings one back to the concept of the “social contract.” The Rae government is arguing that its approach to public sector restraint is unique in that it is rooted in corporatist ideas having their origins in social democratic policy making as witnessed in Western Europe.

Unfortunately for the Ontario government, this is only a half-truth. Though the social contract concept has corporatist origins in that it seeks to bring labour, management, and government together to establish mutually agreed-upon goals with each party having a “stake” in the decision-making process, the advent of the social contract project in Ontario leaves much to be desired. The existence of rigid preconditions coupled with the threat of drastic unilateral action by the government should these preconditions not be accepted belies the sincerity of the government in seeking a consensual compromise with labour.

Moreover, the very sudden appearance of the social contract as a

policy objective, linked to a very short timeframe of two months within which to negotiate such contracts for over 950,000 public sector employees, suggests a government engaged in ad hoc policy that is, by definition as well as by experience, poorly conceived. Corporatist arrangements found in such countries as Austria, Sweden, and Germany, in contrast, have been the products of years of careful planning and negotiation in which strict preconditions are absent and with all parties desirous of the establishment of such contracts, believing they will provide some tangible gain for each group. Such is not the case for Ontario in 1993.

THE SOCIAL CONTRACT PROGNOSIS

The social contract talks in Toronto over this spring will in all probability die a dismal death. They have been doomed from the outset. We should then look to see the Ontario government undertaking unilateral actions to reduce public sector staff and wage rates. Industrial action, including strike action, would then be a distinct possibility. As the Rae government is learning, the practice of government is tough; so too is progressive socioeconomic planning.

David Johnson is Adjunct Professor of Political Science at Brock University.



*“Still Waiting,”
continued from page 110.*

In part, Canadians have lost confidence in the capacity of their political class to govern because it no longer seems to have the power to do so. Voters would like to believe that new leaders or political formations can put things right again. But

voters know that they cannot and the illusion soon collapses.

The outcome of the next election may well hinge on whether Kim Campbell can somehow persuade voters that she does represent change after all, however ill-defined. In this, her greatest asset will be her primary protagonist, Jean Chrétien,

whose image as a veteran member of Canada’s political class is set for all time.

Kenneth McRoberts is Director of the Robarts Centre for Canadian Studies and Professor of Political Science at York University.



WESTERN REPORT

CONSTITUTIONAL UNREST IN OZ

by Roger Gibbins

Over the past few years, an interest in Australian politics has provided me with a refreshing respite from the morass of Canadian constitutional politics, a morass within which constitutional aficionados have pursued increasingly stale ideas with flagging enthusiasm. Although I must confess that this antipodal interest was also a source of ideas for the Canadian constitutional debate — including Australian models for Senate reform — it was for me more a distraction from than an extension of the Canadian debate.

This is not to say that Australians were completely untouched by the “Canadian disease.” A constitutional commission was established to while away some of the time between the 1988 bicentennial of the arrival of the First Fleet and the upcoming Centennial of Federation in 2001. However, no one expected that anything much would change and the commission has failed to find a significant political or public audience. In the meantime, Australian constitutional scholars looked on the more grandiose schemes of their Canadian counterparts with a mixture of bemusement and incredulity.

It was a shock, therefore, to travel south this spring from the relatively tranquil Canadian constitutional scene and find that Australians are now engaged in a wide-ranging constitutional debate that may significantly alter the country's institu-

tional and federal fabric. The Canadian disease has spread.

REPUBLICANISM REARS ITS HEAD

The focal point for this debate is the proposal by Prime Minister Paul Keating to cut Australia's ties with the monarchy and to establish a republican form of government, one that will enable Australians to “find their vision” in the 21st century. Although Mr. Keating's initial commitment to republicanism seemed tepid, the issue has suddenly “found legs” across the country. It has also badly split the Liberal opposition and Mr. Keating's enthusiasm has been growing in step with the Liberals' disarray. There is now a reason-

“Will republicanism in Australia put the issue onto the Canadian political agenda and thus further broaden and confuse the Canadian debate? Will Australian efforts to transform the fiscal relations between the federal and state governments be picked up as a model in Canada?”

able chance that Australia will be a republic by as early as 1996.

Support for republicanism is deeply rooted in the aggressively egalitarian Australian political culture and there is little doubt that Mr. Keating's campaign has struck a very responsive chord. The campaign is also linked to a concerted effort to find Australia's place within the South Pacific community, to move away from a British connection that has become increasingly remote to Australia's multicultural population and contemporary economy. And, of course, this is hardly a time when people are prepared to come to the defence of a royal family whose

domestic turmoils continue to be splashed across the media.

REPUBLICANISM DEFINED

To this point, the republican debate has not settled on a clear alternative to the present constitutional order. Mr. Keating has suggested that the change might be minimal and could entail little more than a change in terminology and the purely Australian appointment of a governor general who would continue to exercise the same ceremonial functions and very limited discretionary powers now in place. However, the Canadian experience suggests that it will be difficult to keep the constitutional debate, and package, from expanding.

There is already considerable confusion whether an appointed head of state would be acceptable within Australia's democratic political culture and to what extent the Senate and states should be involved in the appointment process. The involvement of the Senate and the states would loosen the government's control of the appointment process, whereas the exclusion of either, and particularly the states, could significantly weaken the federal sinews of the Australian state. In short, the operation of republicanism is likely to be both contentious and complex and is also likely to engage fundamental principles of the constitutional order.

OTHER ISSUES LOOM

Although the debate over republicanism is the dominant issue on the Australian constitutional landscape, it is becoming entangled with a variety of other, potentially potent issues. The recent *Mabo* decision by the Australian High Court, which recognized a pre-existing aboriginal title, is rippling throughout the political community and will inevitably become linked to a comprehensive package of constitutional

reform. Talk of secession is once again occurring in Western Australia and there is some interest in the alteration of state boundaries in northern New South Wales.

More important, state governments, particularly those of Victoria and South Australia, are in the midst of an acute fiscal crisis, one that threatens to transform the fiscal arrangements between the commonwealth and the states in a manner that could significantly strengthen Canberra's future role within the Australian federal state. Regional disparities have emerged as a major political issue and Australians are beginning to consider the types of regional equalization programs that are under threat in Canada.

The interesting thing to consider is whether the Australian constitutional debate will have any impact on the inevitable return to constitutional negotiations in Canada. Will republicanism in Australia put the issue onto the Canadian political agenda and thus further broaden and confuse the Canadian debate? Will Australian efforts to transform the fiscal relations between the federal and state governments be picked up as a model in Canada?

Although Canadians to this point have been relatively immune to Australian constitutional influence, those days may be over as the Australian constitutional debate broadens and intensifies.

Roger Gibbins is Professor and Head, Department of Political Science, University of Calgary. Western Report is a regular feature of Canada Watch.

QUEBEC REPORT

EXIT THE NOTWITHSTANDING CLAUSE

by Guy Laforest

The Liberal government of Robert Bourassa is in the process of changing its approach toward language policy. It seems to me that, indirectly, this shift is signalling the advent of a new attitude with regard to the constitution. The new direction looks like an unconditional surrender, a lucid and unmediated acceptance of the 1982 Constitution Act amendments that every Quebec government since that time has considered illegitimate.

Bill 86 was introduced in early May of this year in the National Assembly by the government and by Claude Ryan, the minister responsible for the language file. Its first objective is to bring Quebec legislation in line with the 1988 Supreme Court judgment that declared null and void the dispositions of Bill 101 prohibiting the use of languages other than French on commercial signs. The court had ruled that these sections and their regulations offended the guarantee of freedom of expression in section 2 of the 1982 *Canadian Charter of Rights and Freedoms*. Back in 1988, instead of bowing to the opinion of the court, the Bourassa government chose to adopt Bill 178, maintaining the French-only rule for external signs while allowing some forms of linguistic pluralism inside businesses. To make sure that policy would work, the government used the notwithstanding clause in section 33 of the Charter, shielding legislation from

sections 2 and 7 to 15 of the Charter, for a period of five years, renewable through an express declaration.

The government appears to have decided that it simply does not want to use the notwithstanding clause again. This is hardly surprising. Conceded at the last minute in the 1982 constitutional negotiations by Mr. Trudeau to get provincial support for his patriation project, the notwithstanding clause is the thorn in the side of the people's package of Charter patriotism. As Alan Cairns and many others have repeatedly taught us in the past few years, citizens and groups alike, through the granting of rights, have developed a new sense of dignity, an aggressive constitutional self-consciousness. They want their rights to be limited as little as possible by governments.

With the political culture of the Charter penetrating daily more deeply in the hearts and minds of Canadian citizens, the use of the notwithstanding clause is rendered all the more difficult. In the best of times, in post-1982 Canada, the use of the notwithstanding clause is a tricky matter. When you employ it, as is the case with Quebec, to prohibit public signs in the *lingua franca of the modern world* that is also the idiom of the United States of America, things become even tougher. If you add to this a report of a United Nations Committee on Human Rights supporting the philosophy of the 1988 Supreme Court judgment concerning freedom of expression, the whole matter becomes impossible.

If Bill 86 comes out of the legislative process pretty much intact, as it should, the prohibition for languages other than French on public signs will be lifted. Although many observers, including government officials, talk about a return to bilingualism, this expression is not used in the legislation. The new direction

is one of linguistic pluralism with French always as the predominant language. Obviously, some people would love it if Quebec became officially bilingual. We are not there yet, anyway.

Bill 86 will dismantle, or at least substantially reshuffle, the various public bodies in charge of the implementation and supervision of language policy. The Commission de protection de la langue française (affectionately called the language watchdog by the English-speaking media) will be abolished. The other bodies will lose a good chunk of their autonomy and regulatory power. The minister responsible for the file, Claude Ryan for the time being, will issue the regulations that will specify what the marked predominance of French will mean in practical circumstances. Moreover, the government is also prepared to make exceptions allowing immigrant children with learning disabilities to have access to elementary and high school education in English.

The government could have done all that while continuing to invoke the notwithstanding clause. In the aftermath of the October 26 referendum, this would have meant that a "business as usual" attitude was not being followed on the constitutional file. Bourassa's government behaves on the issue of language policy as it did during the Canada Round. If it is inspired by a vision, by principles, it fails to let us know what they are. However, actions by themselves have meanings and convey messages. Bill 86 tells the rest of Canada that an unconditional allegiance to Canadian federalism is the creed of the day in Quebec City.

Guy Laforest is Associate Professor of Political Science/Département de science politique, Université Laval. Quebec Report is a regular feature of Canada Watch.

LEGAL REPORT

THE "PROMISE" OF BALANCED BUDGET LEGISLATION

by Jamie Cameron

For years budget deficits rose, seemingly without concern, at federal and provincial levels of government. Now, as the recession persists, the public debt has become the priority of governments. Premier Rae has delivered a budget that will deflate Ontario's projected deficit of almost \$17 billion this year to a more manageable \$9 billion. Premier Wells of Newfoundland recently won a provincial election, partly on a platform of fiscal restraint.

New Brunswick and Alberta are the first of Canada's provinces to introduce "balanced budget" legislation. The objective of such measures is to tie government expenditures to revenues and, often, to establish a target for eliminating the deficit. In announcing the initiative, Alberta's treasurer claimed that "[o]verspending and borrowing will [now] end." According to his plan, Alberta's deficit of more than \$20 billion will disappear in four years. Ontario's accumulated debt of almost \$70 billion may prove more intractable.

The idea of balanced budget legislation was itself borrowed from the Reform party, whose support for the concept may have been inspired by American experience. In 1985, Congress enacted the *Gramm-Rudman-Hollings Act*, which sought to control government spending through pre-established budget targets that would dissipate the deficit

by 1991. As well, 48 states have added a balanced budget requirement to their constitutions.

The Gramm-Rudman initiative faltered badly. By 1990 the U.S. deficit had climbed to \$200 billion and the national debt was in excess of \$3 trillion. What went wrong? The legislation was invalidated in part due to a constitutional snag; the separation of powers did not permit Congress to retain the power of removal over the comptroller general, who was performing an executive branch function.

The real problem, however, was that by circumventing its own legislation, Congress failed to achieve any meaningful reduction of the U.S. debt. The statute was amended more than once to extend the "zero-deficit target year" and enlarge the annual deficit. Congress also discovered it could avoid responsibility for some expenditures by simply excluding them from the Gramm-Rudman formula.

Thus did Congress prove incapable of implementing its own spending restraints. It has since been argued that Gramm-Rudman demonstrates the inefficacy of ordinary legislative measures, and the necessity for an amendment to the constitution that would require the federal government to balance its budget.

Meanwhile in Canada, New Brunswick's legislation simply states that it is the government's "objective" not to allow total ordinary expenditures to exceed total ordinary revenues. Bill 47's statement of principle is not supported by any detailed plan of attack on the deficit or by any explicit mechanism of enforcement. And, although Alberta has employed mandatory language to define its timeline for eliminating the provincial deficit, it remains unclear how that objective will be achieved.

The Alberta treasurer has asserted that "Albertans and their government,

backed up by a legislated deficit-elimination requirement, will ensure that these targets are met." Citizens ordinarily assume that a political promise that is enacted in law must be kept. However, as U.S. federal experience has shown, balanced budget legislation may placate a public that has grown increasingly concerned about the national debt, without achieving any progress toward its reduction.

Should failed promises in this regard be left to the process of democratic accountability, or should balanced budget legislation be enforceable? More on that question in the next issue of *Canada Watch*.

Jamie Cameron is an Associate Professor and Assistant Dean at Osgoode Hall Law School, York University. Legal Report is a regular feature of Canada Watch.

Canada Watch welcomes submissions on issues of current national interest. Submissions should be a maximum of 1,000 words. The deadline for consideration in our July/August issue is Monday, June 28. Write or fax us at: **Canada Watch**, Osgoode Hall Law School, Room 454, 4700 Keele Street, North York, ON M3J 1P3. Tel: (416) 736-5515, Fax: (416) 736-5546.

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CW UPDATE

THE MONTH IN REVIEW

by *Jonathan Batty*

B.C. CLAYOQUOT SOUND DECISION

Premier Harcourt announced on April 13 permission for logging in Vancouver Island's Clayoquot Sound forest. The 350,000 hectare forest is one the few remaining stretches of old growth temperate rain forest in the world. The B.C. government's compromise allows for logging in 4 areas, leaving 14 areas protected. Environmental groups in Canada and the United States remained critical, while union and industry spokesmen predicted that 400 forest industry jobs would still be eliminated. On April 29, the B.C. government appointed **Justice Peter Seaton** of the B.C. Court of Appeal to examine whether there had been a conflict of interest in the decision because the province owns 2.1 million shares in **MacMillan Bloedel Ltd.**, the company that holds the majority of the logging licences in the region.

NEWFOUNDLAND ELECTION

Premier Clyde Wells and his Liberal government won its second majority in the election held on May 3. The Liberals won 35 seats, the Conservatives led by **Len Simms** won 16, and the NDP won 1. Mr. Wells called the election to secure a mandate for deficit reduction, based on tax increases, public sector expenditure restraint, and civil service layoffs and wage rollbacks.

QUEBEC LANGUAGE LAW

Quebec Liberal Cabinet minister **Claude Ryan** introduced a new language law, Bill 86, in the National Assembly on May 6. (See *Quebec Report* on page 120.) The legislation would relax certain provisions of the five-year-old law that restricts the use of English. Bilingual signs would be legal, French schools would be allowed to offer English immersion courses, and the Commission de protection de langue française would be disbanded. Significantly, Cabinet would have greater regulatory control over language services, meaning that section 33 of the Constitution Act, the notwithstanding clause, would not have to be resorted to restrict the use of English in advertising. The Supreme Court, and most recently the United Nations Human Rights Commission, have found Quebec's current law to violate the freedom of expression. The legislation is similar in content to the compromise worked out within the Quebec Liberal party's general council on April 25.

Premier Bourassa announced on May 5 that his cancer treatment had been successful, postponing the need for him to decide immediately whether to continue in office. The government's mandate does not expire until September 1994. Bourassa's news bolstered the Liberals because of his ability to unite the party over its language policy, and because of his popularity among the provincial electorate. A SOM-Le Soleil poll, of 1,020 voters from April 13 to 19, found the Liberals to have 51 percent support of decided voters, and the PQ 41 percent.

NAFTA

The NAFTA implementing legislation has cleared its final hurdles in the House of Commons. Parliamentary committee hearings on NAFTA

began in Ottawa on April 27, the same day that **Leon Panetta**, the Clinton administration's budget director, was quoted as saying that the trade agreement would be "dead" if the U.S. Congress were to vote on it now. Committee hearings in Canada on the legislation were completed by May 13. The House of Commons gave final approval to the legislation on May 27. Meanwhile, negotiations on the "side deals" involving the environment and labour standards appear to have run into some difficulty. The Americans are reportedly insisting on the creation of tripartite commissions that would have authority to trigger the use of trade sanctions against countries that failed to meet certain standards. The Canadians and Mexicans have rejected this approach.

CANADIAN FORCES SPECIAL INQUIRY

Defence Minister **Kim Campbell** announced on April 26 that a board of inquiry would be convened to examine systemic problems in the Canadian Forces' Somalian relief mission and the Canadian Airborne Regiment. The inquiry was convened following deaths of four Somalis in February and March and opposition criticism of Defence Minister Kim Campbell's handling of the issue. The inquiry will report by July 30.

FEDERAL BUDGET

Finance Minister **Don Mazankowski** delivered the federal budget on April 26, the ninth budget of the Conservative government. (See *Budget Analysis '93*, page 113.) It did not introduce any tax changes, and introduced few new expenditure reductions. Although 1993-94 government spending will be cut by \$1 billion, \$675 million of this reduction will be accomplished by delaying GST credit payments scheduled for January 1994, until April 1994.

About \$300 million will be trimmed from the operating budgets of the government, and roughly \$100 million from regional development spending. New reductions to statutory spending programs, like federal benefits and transfer payments, were not possible given that Parliament is expected to be dissolved shortly for a general election. No additional public sector wage cuts were introduced, but the Treasury Board has predicted that 16,500 public service jobs will be eliminated as a result of the reductions. Federal expenditures for 1993-94 will be \$159.5 billion, an increase of 0.7 percent from last year. A deficit of \$32.6 billion is forecast, which would bring the federal debt to \$491.2 billion.

Following the budget, the **Canadian Bond Rating Service**, based in Montreal, downgraded the federal government's credit rating from triple A, to double A plus on April 27. An initial dramatic fall in the dollar of 0.86 cents (U.S.) to 78.65 cents was checked when New York-based bond-rating agencies, **Moody's** and **Standard & Poor**, indicated they would not lower their credit ratings of the federal government.

ONTARIO AND QUEBEC BUDGETS

On May 19 and 20 Ontario and Quebec, respectively, handed down budgets providing for huge tax increases. In Ontario, taxes are being

increased by over \$2 billion while in Quebec the increase is over \$1 billion. Despite these massive tax increases, Ontario's deficit for 1993-94 is forecast at \$9.2 billion, while Quebec's is forecast at \$4.1 billion.

The income tax increases in Ontario bring the top marginal rate in the province to 52.345 percent, the highest of any province. It will increase to 53.19 percent in 1994, second only to British Columbia. (See table below.)

ONTARIO'S SOCIAL CONTRACT

On April 23, provincial government negotiator **Michael Decter** launched the "social contract" process by which the Ontario government hopes to negotiate \$2 billion in wage savings from the \$43 billion public sector payroll. (See "The Ontario Social Contract" on page 117.) The government hopes that it will be able to negotiate a settlement with employers and unions in the broader public sector. Otherwise, an estimated 40,000 jobs could be eliminated as a result of unilateral action.

NOVA SCOTIA ELECTION

The Nova Scotia Liberal party, led by **Dr. John Savage**, won 40 of the 52 seats in the legislature in the May 25 provincial election. Premier **Donald Cameron's** Conservative party, which had 25 seats going into the election, won only 9 ridings. Cameron, after the returns were announced, resigned as leader and from his seat. The Conservatives had gov-

New Ontario Income Tax Rates

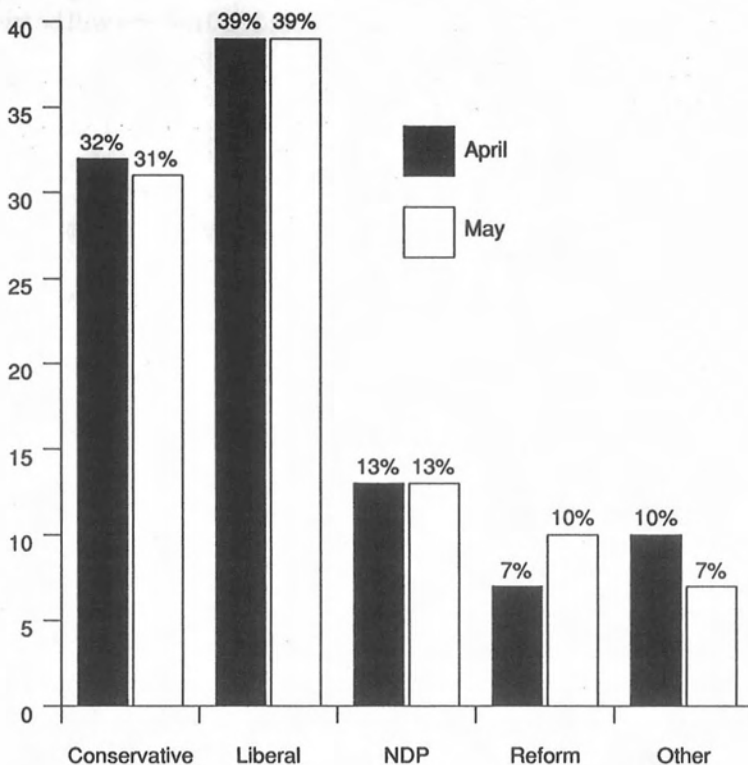
	1992	1993	1994
Top federal/Ontario combined marginal tax rate	49.8%	52.4%	53.2%
Income level where "low" Ontario surtax starts	\$54,500	\$52,200	\$52,200
Income level where "high" Ontario surtax starts and top marginal tax rate is reached	\$83,400	\$67,800	\$67,800

erned since 1978. The NDP won 3 seats, and placed second in many ridings.

NATIONAL POLL RESULTS

Gallup Canada released a poll on May 20 that indicated that a recent surge in support for the Conservatives has levelled off. According to Gallup, the Liberals enjoy the support of 39 percent of decided voters, while the Tories stand at 31 percent, down one percentage point from last month. The NDP remains at 13 percent, with Reform at 10 percent, up 3 points from April.

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Source: Gallup Canada, May 12-17, telephone poll of 1,040 adults.

CANADA WATCH CALENDAR

April 23	Ontario's social contract talks begin.	May 19	Ontario budget.
April 26	Federal budget.	May 20	Quebec budget.
April 27	Parliamentary hearings on NAFTA begin.	May 25	Liberal leader John Savage elected as Premier of Nova Scotia, winning 40 of 52 seats in the provincial legislature.
April 30	Third Conservative leadership debate, Calgary.	May 27	Third reading approval of NAFTA implementing legislation by House of Commons.
May 3	Newfoundland Liberal Premier Clyde Wells re-elected with majority government.	June 4	Deadline for social contract negotiations set by Ontario government.
May 6	Alberta budget.	June 9-13	Conservative leadership convention, Ottawa.
May 6	Bill 86 (amending Quebec's language law) introduced in Quebec's National Assembly.	June 15	Alberta provincial election.
May 10	NAFTA negotiations on "side agreements" moved to Ottawa.	June 23	House of Commons recesses for summer.
May 13	Parliamentary hearings on NAFTA end.	July 7-9	G-7 meeting, Tokyo
May 13	Fourth Conservative leadership debate, Vancouver.	Late July	Federal-provincial trade ministers meet in Vancouver.
May 18	Final Conservative leadership debate, Halifax.	July 30	Report of Canadian Forces Board of Inquiry into Somalia incidents.