

INTRODUCTION: HOW IS REGIONALISM A FORM OF DIVERSITY?

The purpose of this chapter is threefold: (1) to outline what is meant by **regionalism**, (2) to briefly explain some of the suspected causes of regionalism, and, most importantly, (3) to make the case that there is an important sociopsychological component to regionalism that is seldom acknowledged. Simply put, people have a profound effect on their region and on the world around them.

Let us stress that our purpose here is not to attempt to find the causes of regionalism. These attempts are usually bogged down in theoretical and ideological debates that, in the end, tell us little about the people living in these areas. We will, however, briefly outline what some other writers and researchers consider the causes of regionalism. You will have to assess for yourselves which make the most sense. When in doubt you always have the option of doing more research.

Canada is a country characterized by difference. From coast to coast, there are differences in physical terrain, climate, population, distribution of natural resources, percentage of people living in urban areas, ethnicity, religion, occupation, and income. These are real and identifiable differences—but what about “subjective” differences? How do people living in each region feel about themselves, their region, and their fellow inhabitants? What influences how people answer these questions? These are important considerations, because the answers help us more fully understand what is meant by regionalism, and they help bring the “human” aspect to this study. After all, regions are made up of people and people make regions.

WHAT IS REGIONALISM AND WHY STUDY IT?

Regionalism examines the people living in different areas in Canada and the different feelings they have regarding themselves, the people living in other areas, and the federal and provincial governments. Regionalism, therefore, is most of all an attitude. We can define regionalism as an attitude that reflects a long, deep, certain feeling held by the citizens of a particular geographical area that they have their own, unique identity. Often they feel that they have not been given adequate recognition for their hard work and sacrifices. Their dissatisfaction is focused in three specific areas:

1. They believe that people in the federal and provincial governments have not accurately recognized their contribution to the life of their region.
2. They believe they have not been given due recognition for their contribution to building this country called Canada.

3. They believe that their interests have not been adequately represented by the government in Ottawa and that this is one of the principal reasons why some regions receive far more money from the federal government than others; over the years this has meant that economic differences in regional development have been made worse.

In short, while Ontario and Quebec, the central region of Canada, receive almost everything, the Western and Atlantic regions receive very little. Ontario and Quebec get much of the recognition for building Canada; in comparison, the Western and Atlantic provinces get very little.

Before continuing, however, we must address three problems with regional analysis.

PROBLEMS WITH REGIONAL ANALYSIS

Three central problems exist in discussing regionalism:

1. How are geographical regions defined?
2. Are provinces necessarily regions?
3. Are regions the appropriate tool to study the people living in Canada?

How Are Geographical Regions Defined?

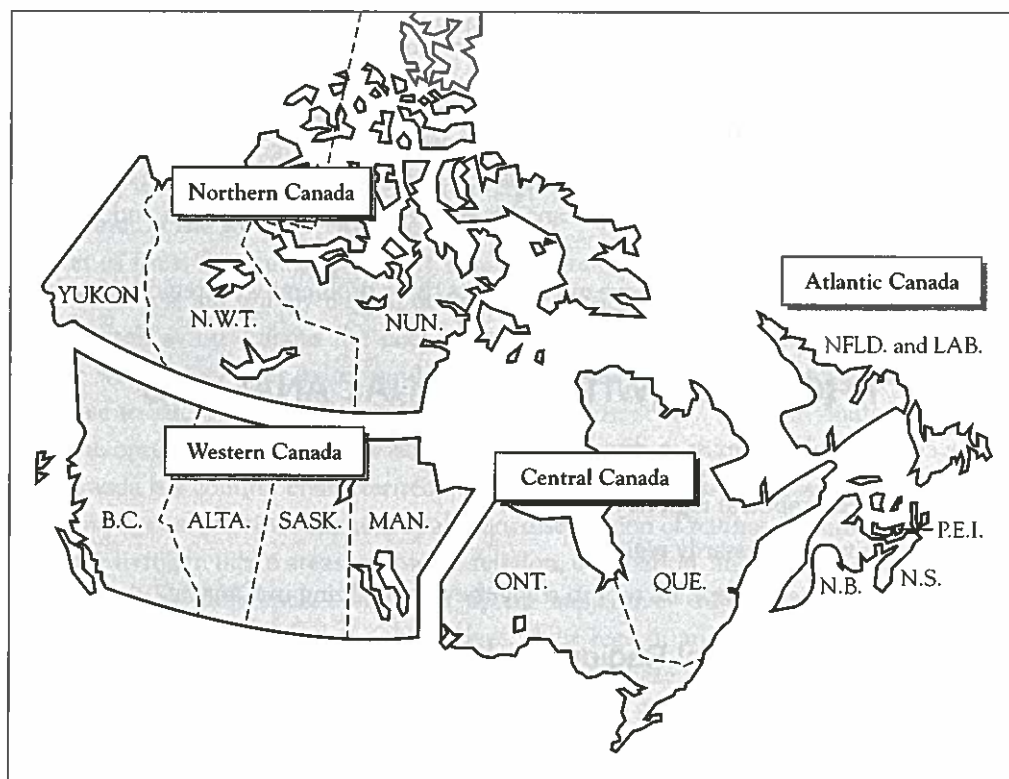
Some dispute exists concerning what physical characteristics should be used to designate a region. Historically, we in Canada have used geography to designate four regions (see Figure 1.1).

Perhaps the best example of dispute is over what is commonly referred to as the "West." Geographically, British Columbia is radically different from the three Prairie provinces because of the Cordilleran mountain system (the Canadian Rockies). As a result, many people in British Columbia do not believe that they should be included in the "Western" region. This belief is reinforced by the fact that the economies of these four provinces are also different: The B.C. economy is not based on farming, but the economies of Manitoba and Saskatchewan are. British Columbia has a huge forest industry and a significant fishing industry, whereas Alberta is the centre of Canada's oil and natural gas industries. Similar economic and physical differences exist within the other regions of Canada, too. This is true of Newfoundland and Labrador; the last province to join Confederation (1949) has always considered itself distinct from the rest of the Atlantic provinces.

Are Provinces Necessarily Regions?

Questions arise about the belief that a province is a region. Within provinces there tend to be different regions that share certain characteristics that make them distinct from

Figure 1.1 Regions of Canada



other parts of the province. The best examples of such differences are those between northern Ontario and southern Ontario and between northern Quebec and southern Quebec. In the case of Ontario, the northern part has always differed with respect to economic growth (much slower, if at all), unemployment, per capita income, and types of jobs. Unemployment is one area in which the differences are very visible. Northern Ontario has traditionally experienced higher unemployment rates than the rest of the province, in large part because of the resource focus of industry in northern Ontario, the seasonal nature of such work, and the existence of one-industry towns that shut down when the industry closes. It is not uncommon for unemployment in northern Ontario to be double the provincial average.

In short, the economic prosperity of Ontario is usually only experienced in Metropolitan Toronto, other parts of the **Golden Horseshoe**, which stretches along the coast of Lake Ontario from Niagara Falls to Oshawa, and some parts of south-central

Ontario. A survey by Statistics Canada shows that eight of the top thirteen cities according to median total income (by family type) in Canada are located in Ontario (see Table 1.1).

Are Regions the Appropriate Tool to Study the People Living in Canada?

Because so many questions surround what constitutes regions, issues have arisen regarding the use of regions as an explanatory tool. A wide variety of other tools could be used to explain social life in Canada, including social class, occupation, elites, ethnicity, economic development, and individual choice. Marxists and neo-Marxists stress that analyzing social class and power will best explain the reality of living in Canada. Other writers, such as Richard Simeon, dismiss the use of regions as an analytical tool altogether.¹

Table 1.1 Median Total Income, By Family Type, By Census Metropolitan Area (all census families)

All Census Families ¹	\$ 2002	2003	2004	2005	2006
Ottawa–Gatineau (Ont. part, Ont.–Que.)	73 400	74 500	77 000	80 300	84 000
Calgary (Alta.)	66 700	67 800	71 100	75 400	83 500
Edmonton (Alta.)	63 400	64 800	68 100	72 600	79 300
Oshawa (Ont.)	70 300	72 400	75 000	76 800	78 900
Kitchener (Ont.)	65 900	67 000	69 200	71 100	72 800
Regina (Sask.)	61 500	63 300	66 000	68 500	72 200
Hamilton (Ont.)	63 800	65 200	67 100	69 500	71 600
Victoria (B.C.)	60 400	61 700	64 200	66 900	71 500
Ottawa–Gatineau (Que. part, Ont.–Que.)	61 800	62 800	64 700	68 500	70 900
Windsor (Ont.)	67 100	67 800	68 400	69 700	70 000
Greater Sudbury / Grand Sudbury (Ont.)	58 300	59 200	62 300	66 100	69 700
Thunder Bay (Ont.)	61 800	63 400	64 600	67 200	69 400
Kingston (Ont.)	59 900	61 900	63 700	66 400	69 100

¹Census families include couple families, with or without children, and lone-parent families.

Source: Adapted from Statistics Canada <http://www40.statcan.gc.ca/l01/cst01/famil107a-eng.htm> and the CANSIM database <http://cansim2.statcan.gc.ca/111-0009>, accessed 1 March 2010.

PROVINCES AS REGIONS

With questions surrounding the use of regions as a tool for understanding the Canadian experience, and if provinces are not necessarily regions, can we realistically treat physically and economically different provinces as regions? Our belief is that we can. Specifically, it is important to realize that since 1945, provincial governments have consistently increased their own control over their populations and have continued to challenge the authority of the federal government with respect to the economic and political leadership of their citizens. It is possible that provinces possess the political tools and the will to create a shared regional identity.³ Our approach does not deny that different regions exist within provinces, and it does recognize provinces as a vital part in the life of the people living in them. As we will see in the section dealing with government actions, Canadian history is full of attempts on the part of the federal government to address provincial demands and to try to bring economic development and prosperity to different parts of the country, with varying degrees of success.

THEORIES ABOUT THE CAUSES OF REGIONALISM

Many explanations have been offered for the causes of regionalism, for why some regions have prospered and others have not, and for the effect this has had on the people who live there. The following is a brief sketch of some of the more prominent of these explanations.³

The Natural Resources Approach

The natural resources approach is more often referred to as “staples theory.”⁴ Generally, this theory asserts that the key to economic prosperity is the availability of natural resources. A short list of such resources includes oil, natural gas, fish, lumber, fur (beavers), coal, and various minerals.

This approach comprises two critical beliefs. The first asserts that some areas in Canada prosper while others do not because of the availability and marketability of their natural resources. In short, how much of a particular resource does your region possess, and does your region have companies or other countries prepared to buy that resource? The second critical belief concerns the external limits on developing your resource. Specifically, how is your resource affected by the fluctuations in price caused by changes in the international marketplace? Some examples will help make this point. How do the

oil-producing countries located primarily in the Middle East (e.g., Saudi Arabia, Kuwait, Qatar, and Bahrain) affect the price of oil extracted from oil fields in Alberta? How do changes in world grain prices affect grain growers in Saskatchewan? In large part the prices are beyond the control of the people who produce the product. This helps explain why Western grain farmers and Atlantic fishermen demand compensation and assistance from the federal government in Ottawa to offset international price changes.

To conclude, the staples approach asserts that economic prosperity is largely determined by the availability of natural resources. The problem with this approach is that there is a tendency to exaggerate the likelihood that a region will prosper economically if natural resources are located there in extremely large quantities. Some regions in Canada have an abundance of natural resources yet have not experienced the economic prosperity that the theory would predict. As Ralph Mathews has written, Southern Ontario, for example, has no strong natural resource base, yet it is wealthy. Meanwhile, although the Atlantic provinces have a rich base of iron ore, coal, gold, forests, fish, and hydroelectric power, they have remained poor throughout most of the period since Confederation.⁵

Market Approaches

Market approaches assert that some regions are more prosperous than others because of interference, usually by governments, in the local market that results in market failure. Types of government interference include subsidizing companies that need help to survive and subsidizing the wages of employees.

Market approaches emphasize that for economic development to take place, governments must not interfere with the way the free market functions. Wages should be allowed to fall, taxes collected from companies should be minimal, labour (workers) should move to where jobs are, and money (capital) should not be restricted or penalized if and when it decides to relocate—when companies decide to stop operations, lay off workers, and set up shop elsewhere.

In the 1980s and 1990s market approaches were quite popular as solutions to the problem of regional differences in economic development and as solutions to the economic problems of countries as a whole. The United States and the United Kingdom have vigorously pursued these policies. In Canada, the Progressive Conservative former premier of Alberta, Ralph Klein, and the Progressive Conservative former premier of Ontario, Mike Harris, were both fiercely committed to allowing the free market to operate unmolested by their respective governments. The present Conservative Prime Minister of Canada, Stephen Harper, is similarly committed to the operation of a free market unhindered by government actions.

Interventionist Approaches

Generally, interventionist approaches are based on the belief that some regions have prospered while others have not because of the many political (politicians and government) and economic (the development strategies of companies) forces that have historically favoured some regions at the expense of others.⁶ As a general solution, these interventionist approaches regard government involvement as absolutely essential to overcoming regional problems.

Interventionist approaches differ from the staples and market theories in two specific respects. First, staples theory regards regional differences in economic prosperity as natural; interventionist approaches do not. Second, market theories see problems as avoidable if, in large part, governments simply allow the free market to operate. Interventionist approaches do not see the problems as avoidable.

In the post-World War II era, the Canadian federal government has practised interventionism quite extensively. The most visible forms of this intervention are federal government **transfer payments** (worth billions of dollars each year) to the provinces to help the poorer regions of the country (see Table 1.2).

Marxist Approaches

From a Marxist perspective, regional economic inequality is a natural outcome of the class and power differences in a society dominated by capitalism, because the driving force of capitalism is the accumulation of profit. Accumulating profit includes maximizing the value of your company for the shareholders who buy and sell shares in your company and exploiting the people, places, and things used during the production of the goods or services.

Marxism regards regional economic differences as “functional” (i.e., beneficial) to the operation of capitalism for three reasons. First, capitalism uses workers in poorer regions as reserve or surplus labour to hire and lay off whenever the capitalist sees fit. In other words, when times are good, workers from poor regions travel to more prosperous ones to work; when times are bad, these same workers are simply let go, and they return to the region from which they came. Second, underdeveloped regions provide raw materials that are processed in more developed regions. In this way money (capital) is drained from the poor regions to the richer ones. Third, poorer regions provide a market for the goods and services produced in the more developed regions.⁷

Capitalists exploit poorer regions in another way that is usually implicit in Marxist analysis and needs to be reinforced here: capitalists use the existence of poorer regions as a threatening tool to successfully demand concessions from workers

Table 1.2 Major Transfers¹ to Provinces and Territories (billions of dollars) and Per Capita Allocation (thousands of dollars)

Province/Territory	2009–2010	Per Capita	Percent of Total Revenues
Prince Edward Island	490	4 159	34
Yukon	648	21 873	67
Northwest Territories	905	22 797	70
Nunavut	1.0	35 587	85
Newfoundland	1.1	2 389	17
New Brunswick	2.5	3 539	35
Nova Scotia	2.6	3 023	32
Alberta	3.1	987	11
Manitoba	3.4	2 929	26
British Columbia	4.8	1 213	13
Ontario	13.8	1 220	15
Quebec	16.7	2 263	27

¹All figures comprise Equalization, Territorial Formula Financing, Canada Health Transfer, Canada Social Transfer, direct targeted support, and trust funds.

Note: Equalization payments are especially important to the life of social programs throughout Canada. See Errol Black and Jim Silver, "Equalization: Financing Canadians' Commitment to Sharing and Social Solidarity," Canadian Centre for Policy Alternatives site, March 2004 <www.policyalternatives.ca/documents/Nova_Scotia_Pubs/NSequalization.pdf>, accessed 27 March 2006.

Source: "Federal Support to Provinces and Territories (March 2010)," Department of Finance Canada, available <www.fin.gc.ca/fedprov/mtp-eng.asp>, accessed 1 March 2010. Reproduced with the permission of the Minister of Public Works and Government Services, 2010.

(e.g., to accept less money and fewer benefits) and governments (e.g., to collect less tax money) in wealthier regions. Just as companies threaten to move their operations (including jobs) to the developing world (e.g., Mexico) if unions, workers, and governments do not provide concessions to them, so too do companies threaten to do the same within Canada. In attempts to lure business to their provinces (and out of other provinces) provincial premiers have been known to actively encourage this behaviour.

To conclude, in the above four ways Marxists regard regional imbalance as a normal outcome of capitalism.

FACTORS THAT INTENSIFY REGIONALISM

The Canadian political system operates in ways that intensify regional feelings and economic differences. Two of the most important are federalism and our electoral system.

Federalism

When the Dominion of Canada was created in 1867, a time we refer to as Confederation (see *Have You Heard?* 1.1), the politicians who wrote the *British North America Act* (since 1982 the *Constitution Act of 1867*) decided that there should be two levels of government to govern the Canadian people. The first level is federal and refers to the national government

HAVE YOU HEARD? 1.1

Confederation in Chronological Order

<u>Date and Province or Territory</u>	<u>Seat of Government</u>
1 July 1867	
Ontario	Toronto
Quebec	Quebec City
Nova Scotia	Halifax
New Brunswick	Fredericton
15 July 1870	
Manitoba	Winnipeg
Northwest Territories	Yellowknife (originally Winnipeg)
1 July 1871	
British Columbia	Victoria
1 July 1873	
Prince Edward Island	Charlottetown
13 June 1898	
Yukon Territory	Whitehorse
1 September 1905	
Saskatchewan	Regina
Alberta	Edmonton
1 April 1949	
Newfoundland	St. John's
1 April 1999	
Nunavut	Iqaluit

CRITICAL THINKING OUTSIDE THE BOX 1.1

Which theory do you believe best explains regionalism in Canada?
Would Canadians in other provinces share your belief? If so, why? If not, why?

located in Ottawa. The second level is provincial and refers to the provinces and territories and their governments.

These same politicians outlined what level of government would be responsible for what area of social life. Section 91 of the Constitution outlines federal responsibilities and section 92 outlines provincial ones. Historically, when disputes arose over a new policy area, such as atomic energy or aviation, the Supreme Court decided which level of government assumed the responsibility for that particular policy area. The federal government was given control of the armed forces, and provincial governments were given control over health care and education. **Federalism** can be defined as a system of government that divides responsibilities between two levels of government, with each level being unable to abolish the other. The two levels of government must cooperate with each other. For roughly the past twenty years, this cooperation has taken the form of meetings between the provincial premiers, their key Cabinet ministers and advisors, and the Prime Minister along with his or her key Cabinet ministers and advisors. The making of political decisions and policies jointly by federal and provincial Cabinet ministers, senior bureaucrats, premiers, and prime ministers is called **executive federalism**.

Executive federalism creates problems. Senior members of government and the bureaucracy make important decisions, and many of those members have the interests of specific regions or other interests at heart, not the interests of Canada as a whole. This is of greater concern when decisions are made behind closed doors without properly informing Canadians of what is going on and without providing Canadians with opportunities for criticism, revision, and input. The **Meech Lake Accord** (1987) was an example of this type of decision making. Then Prime Minister Brian Mulroney thought it would all be a matter of simply "rolling the dice." Canadians were so upset at having been shut out of the negotiations that few tears were shed when three years later (1990) the Accord did not receive the necessary provincial approval in Manitoba, Newfoundland, and New Brunswick to be adopted by the government in Ottawa.

Executive federalism compounds the problems associated with regionalism when some regions feel they are not being represented in Ottawa and when some provinces feel

other provinces have too much influence there. This has certainly been the case regarding perceptions of Ontario and Quebec. Both the Western and the Atlantic provinces have always claimed that the two central provinces have far too much representation in Ottawa. Historically, members of Parliament from Ontario and Quebec have dominated important key Cabinet positions, such as foreign affairs, finance, justice, and international trade, as well as senior positions in the bureaucracy and government agencies. Since the election of Stephen Harper's Conservatives in 2004 and 2008, Western grumblings of discontent have been somewhat mute.

The Western provinces have always believed that the citizens of Ontario and Quebec have not adequately recognized their sacrifices and contributions to building Canada. They also believe that their interests have not been vigorously represented in Ottawa. This was especially true during Pierre Trudeau's years as Prime Minister (1968–79 and 1980–84). For the better part of fourteen years, Trudeau's Liberal governments did not have one member elected to Parliament west of the city of Winnipeg, leaving Saskatchewan, Alberta, and British Columbia with virtually no federal political representation in government! Consider how Ontario and Quebec would react if they ever experienced the same lack of representation.

Before the First Ministers' Conference in Victoria, British Columbia, on 1 August 2001, Newfoundland Premier Roger Grimes complained loudly about the return of a per capita funding formula to federal transfers to the provinces. In 1999, at the urging of then Ontario Premier Mike Harris, Ottawa's Canadian Health and Social Transfer (CHST) was calculated using a per capita formula; such a formula benefits the more populous provinces. Premier Grimes put forward the idea that the Atlantic provinces were being asked to put more money into the CHST so that Ontario could expand the services it offered its citizens, which were already beyond what was being delivered in the Atlantic provinces. In effect, the poorer provinces ended up subsidizing the richer ones.

Our Electoral System

The electoral system in Canada contributes to making regionalism worse. Canada's electoral system is a single-member plurality system, or what some call "first past the post." In this system a party receives one seat for every riding it wins. The number of seats in each province depends on its population—the provinces with the most people receive the most seats. We call this **representation by population**. Therefore, the party that wins the most seats wins the election. However, the candidate who wins the riding does not necessarily need more than 50 percent of the votes. To win, a candidate simply needs more than anyone else running against him or her. An example will better illustrate this point.

CRITICAL THINKING OUTSIDE THE BOX 1.2

How would you feel if your province were not represented in the federal government for almost fifteen years? What might be the sociopsychological consequences of such an experience? How did the citizens of Saskatchewan, Alberta, and British Columbia feel and act during Pierre Trudeau's years as Prime Minister? Are there similar feelings in Ontario and Quebec today since the election of Alberta's Stephen Harper as Prime Minister?

Candidate X receives 46 percent of the votes, and Candidate Y receives 30 percent, while Candidate Z receives 24 percent. Candidate X wins, with only 46 percent of the votes (which is not a majority) and in spite of the fact that 54 percent of the people (the total votes of Candidates Y and Z) voted against Candidate X. Now, if this scenario is repeated in riding after riding, the party that Candidate X belongs to will win the election, even though in the election more people voted for other parties. The 40th general election in 2008 and the British Columbia provincial election on 12 May 2009 are vivid examples of this fact (see Have You Heard? 1.2).

Our electoral system contributes to regionalism when the party that wins the election wins because it has won more seats than any other party in Ontario and Quebec. Other regions of the country lose when they do not vote for the same party that wins the most seats in Ontario and Quebec. In the 2008 federal election, the Bloc received only 10 percent of the popular vote, but because these votes were regionally concentrated in the province of Quebec, the Bloc were allotted a whopping 49 seats. Two seats were won by independent candidates (not affiliated with any officially registered party) with meagre 0.6 percent of the popular vote. The NDP received 18.2 percent of the popular vote and only 37 seats, while the Green Party, with a healthy and respectable 6.8 percent of the popular vote, won no seats at all! Of the 308 seats contested during the federal election, 181 belong to Ontario (106) and Quebec (75). The winning political party, therefore, will spend a lot of time, effort, and money pleasing the people and monied interests that elected them. This is inevitable, because the majority of Canada's financial, banking, and manufacturing interests are overwhelmingly concentrated in these two provinces, especially in Ontario. A leisurely drive on the major highways that lead to and from Metropolitan Toronto (Highways 401, 403, 407, and the Queen Elizabeth Way) will certainly confirm this fact.

HAVE YOU HEARD? 1.2

40th General Election, 14 October 2008ⁱ

Party	Elected Members	Percentage of Popular Vote
Conservative	143	37.7
Liberal	77	26.3
Bloc Québécois	49	10
New Democratic Party	37	18.2
Independent	2	.7
Green Party	0	6.8
Total	308	100.0

British Columbia Provincial Election, 12 May 2009ⁱⁱ

Party	Elected Members	Percentage of Popular Vote
Liberal	49	45.8
New Democratic Party	35	42.1
Other	1	1.8
Green Party	0	8.2
Conservative	0	2.1
Total		

Note: Totals may not add up to 100 percent because of rounding.

Sources: ⁱAdapted from "Official Voting Results Fortieth General Election 2008," Elections Canada <www.elections.ca/scripts/OVR2008/default.html>, accessed 1 March 2010

ⁱⁱAdapted from "British Columbia Provincial Election 2009," <http://www.electionalmanac.com/canada/britishcolumbia/>, accessed 1 March 2010.

THE REALITY OF REGIONALISM AND ITS OUTCOMES

Perhaps the most visible signs of regionalism and, therefore, of the discontent felt by people living in some regions, are the political parties that were created to represent the interests of a particular region. These parties are a vivid representation of the concerns, expectations, attitudes, and fears of an entire region. Some examples include

the rise of the Bloc Québécois in Quebec, the Reform Party (formerly the Canadian Alliance and now known nationally as the Conservative Party) in western Canada, and the Confederation of Regions Party in New Brunswick. These parties were created for at least two reasons. The first concerns the basic similarity between the Liberal and Progressive Conservative parties in terms of ideology, policies, and organization. If the two main parties look the same and sound the same, the concerns of some people are not being addressed. Starting your own party overcomes these problems. Second, belonging to these new parties represents a rejection of the two other parties—it is a protest against the traditional way of doing things. Joining a new party is a way of saying “If you don’t listen to us, we will find other ways to voice our discontent and push forward our interests.” If you are electorally successful, the other political parties must take you seriously. The Canadian Alliance/Reform Party is an excellent example of this.

The Case of Quebec: Winning Hearts?

Without question the greatest threat to Canadian federalism is Quebec separatism. While other issues may occupy the minds of Canadians on a daily basis, such as racial profiling by police in Toronto, Asian immigration in Vancouver, farming costs in Saskatchewan, the size of fish stocks in the Atlantic provinces, they do not threaten to break up the country. Canadian unity has been at the top of every federal government agenda especially since the Parti Québécois victory in 1977. The federal government has spent billions of dollars trying to win the hearts and minds of all Quebecers. Two of the most visible, divisive, emotional, and symbolic attempts were the 1987 Meech Lake Accord and the 1995–2002 Sponsorship Program.

The Meech Lake Accord (1987) was Prime Minister Brian Mulroney's attempt to have Quebec formally sign the Constitution, something it did not do when the Constitution was repatriated by the Liberal government of Pierre Trudeau in 1982. Quebec City agreed to accept the accord if the Prime Minister and provincial premiers agreed to five key demands (see *Have You Heard?* 1.3). The most contentious of these was recognition of Quebec as a “distinct society.” Accepting the Accord with such a clause was seen by many, including former Prime Minister Pierre Trudeau, as having dire consequences for the survival of Canadian federalism.⁸ Trudeau believed a Parti Québécois government intent on separating from Canada could potentially use this clause as “proof” that Quebec was “special” and needed independence from Canada to maintain its “distinctiveness.” In spite of the fact that Prime Minister Mulroney and all ten premiers accepted the demands, the Meech Lake Accord died in June 1990 when ratification was delayed in Manitoba by Aboriginal MLA Elijah Harper and when newly elected governments in New Brunswick and Newfoundland and Labrador failed to ratify it.

HAVE YOU HEARD? 1.3

Quebec's Five Demands

- constitutional recognition of Quebec as a “distinct society”
- a role in appointments to the Supreme Court of Canada
- a veto for Quebec on constitutional amendments
- a more influential role in immigration
- limits on federal power in new federal–provincial shared-cost programs—the right to opt out, with full financial compensation, from future shared-cost programs in areas of exclusive provincial jurisdiction

Source: Marjorie Montgomery Bowker, *The Meech Lake Accord: What It Will Mean to You and to Canada* (Hull, QC: Voyageur Publishing, 1990). For his reaction to the Charlottetown Accord, see Pierre E. Trudeau, *A Mess That Deserves a Big NO* (Toronto: Robertson Davies Publisher, 1992).

The most recent attempt to win the hearts of Quebecers was the \$250 million Sponsorship Program and Advertising Activities initiated in 1995. The Program was put together in the wake of Quebec's 1995 sovereignty referendum. The strength of the separatist vote convinced the federal government that something had to be done to weaken separatist feelings in Quebec.

The official purpose of the Sponsorship Program was to raise the profile of the federal government in Quebec by “sponsoring” a number of events and activities across the province. In return for cash, the Canadian flag would be prominently displayed at every event. Such events included but were not limited to the Montreal Grand Prix, hunting and fishing shows, cultural festivals, and television programming. Senior members of the federal Liberal party believed the program was a rational response to the strength of separatist sentiment in Quebec. The public was made aware of potential pecuniary mismanagement when Allan Cutler, a career civil servant in Public Works and Government Services, “blew the whistle” on his bosses. The program became a scandal when in 2002, federal Auditor General Sheila Fraser, recommended the RCMP investigate how advertising money was handed out to different advertising agencies in Quebec (see Have You Heard? 1.4). Slowly, a picture began to emerge of phoney invoices, double billing, and exorbitant fees. Under intense public pressure, Prime Minister Paul Martin established a public inquiry in February 2005 headed by Justice John Gomery.

HAVE YOU HEARD? 1.4

Sponsorship Program and Advertising Activities, 1995–2002

- Put in place after the 1995 Quebec referendum.
- The size of the Program is estimated at \$250 million.
- The fund was organized by the Public Works department headed by Alfonso Gagliano, at the time Prime Minister Jean Chrétien's Quebec Lieutenant.
- Senior government officials in Quebec mishandled millions of dollars since 1995.
- Five Crown corporations are involved: the RCMP, VIA Rail, Canada Post, the Business Development Bank of Canada, and the Old Port of Montreal.
- More than \$100 million in fees and commissions were paid to different communications agencies.
- In the majority of cases, agencies did little more than hand over cheques.

Note: On 5 May 2006 Jean Brault was sentenced to thirty months in prison and on 6 June 2006 Chuck Guite was convicted of five counts of fraud.

A new sponsorship program was launched on 1 April 2003 with strict new guidelines. See <www.cbc.ca/news/background/auditorgeneral/ag_report2004/20031103ce.pdf>, pp. 32–33.

Source: Adapted from "Auditor General's Report 2004," *CBC News Online*, 11 February 2005, <www.cbc.ca/news/background/auditorgeneral/report2004.html>, accessed 1 March 2010.

The Gomery Report was made public on 1 November 2005. Judge Gomery minced no words and put the blame for the scandal squarely on the shoulders of former Prime Minister Jean Chrétien and his senior advisors, members of Cabinet, and the bureaucracy. The major findings included:

1. Prime Minister Paul Martin was cleared of any personal blame.
2. Former Prime Minister Jean Chrétien was found partly responsible for the Program, while his chief of staff, Jean Pelletier, was blamed for mismanaging it.
3. The Quebec wing of the Liberal party had benefited from financial kickbacks.

4. The Public Works minister at the time, Alfonso Gagliano, was blamed for the fraudulent behaviour of his staff, since he was directly involved in partisan decision making.
5. Public officials had been fearful of going public because of the close relationships between senior civil servants and senior political officials.⁹

In response, Jean Chrétien immediately accused the judge of biased and unfair reporting, and said he would take his claims to the Federal Court and ask for a judicial review of the judge's findings.

Meech Lake and the Sponsorship Program are two items on a long list of attempts by federal governments of all political colours to win the hearts and votes of Quebecers. The Canadair debacle, discussed below, is another.

The Case of Western Canada

Western Canada has always held the belief that its interests are continually undervalued and sometimes simply ignored by the government in Ottawa. The growth of the Reform Party (later the Canadian Alliance, and now the Conservative Party of Canada) is directly linked to this belief. Some of the more prominent examples will demonstrate this point.

The first example goes back to the implementation of the National Policy in 1879. The National Policy of Prime Minister John A. Macdonald was an attempt to build a country out of many different geographical regions and to change the very nature of the Canadian economy from one based on extracting natural resources to one based on manufacturing and other nonresource activities.¹⁰ The tool used to begin this change was the *tariff* on imported goods, which caused them to become more expensive than similar goods produced in Canada.

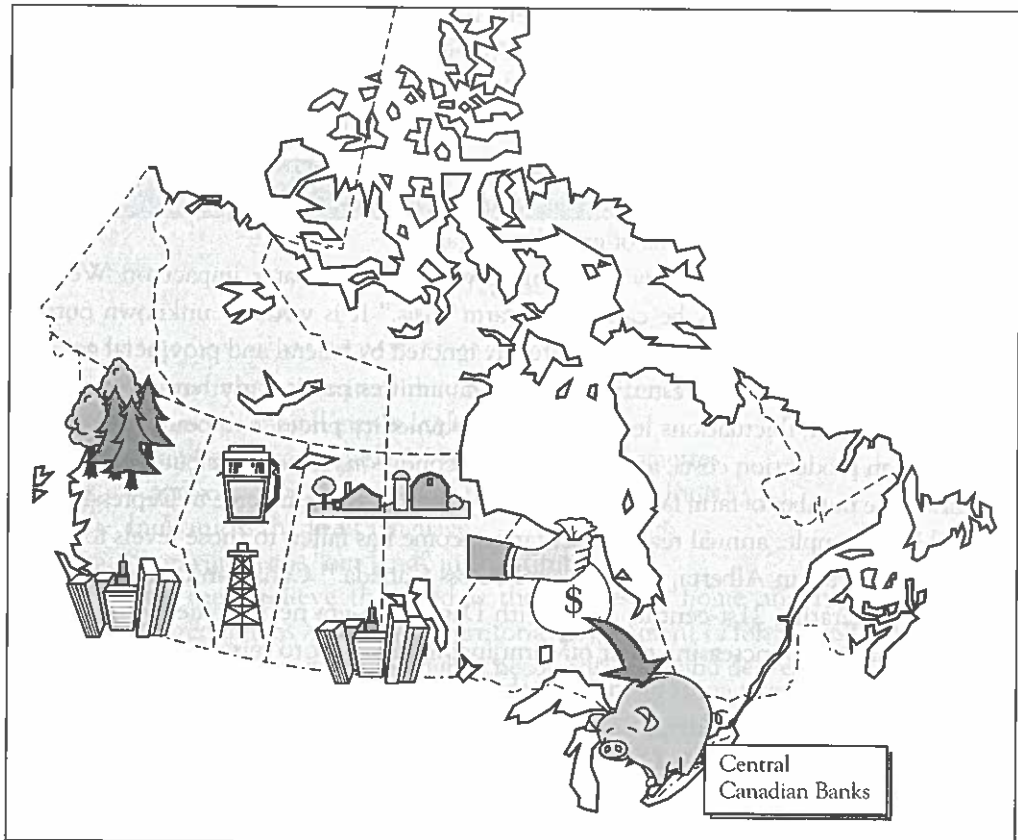
The purpose of the tariff was to protect Canadian manufacturing companies, which were located primarily in central Canada. But the practical consequence of the National Policy was that, for example, Western farmers had to buy their manufactured goods, such as tractors and combines, from more expensive producers in central Canada because the cheaper ones produced in the United States were now even more expensive with the tariff. This cost Western farmers huge amounts of money, and they have never forgotten it. Generally, Westerners believe that they have contributed enormously to Ontario's economic development and prosperity.

The second example concerns the financial institutions, primarily banks, which are located overwhelmingly in Ontario. By jacking up interest rates to control inflation, the actions of these financial institutions have penalized those who live and work outside Ontario. In the 1980s the Bank of Canada attempted to control inflation in Ontario's Golden Horseshoe (its most intensely developed region) by hiking interest rates regardless of how these higher interest rates would negatively affect economic growth in other

parts of Canada. This meant that Western grain farmers, Atlantic fishermen, and people outside the Golden Horseshoe would have to pay more, because of the higher interest rates, to work and live (see Figure 1.2). In the early part of the 1980s, interest rates climbed to more than 20 percent! Would you want to borrow money to buy a new tractor or fishing boat at that rate? (Compare with interest rates in 2010.)

The third example concerns the multimillion-dollar maintenance contract for Canada's high-technology CF-18 fighter aircraft. In 1987 three companies submitted bids: Bristol Aerospace of Winnipeg, IMP of Halifax, and Canadair of Montreal. Originally the contract was awarded to Bristol Aerospace of Winnipeg, because it was more technologically capable of handling the sophisticated aircraft and because the bid was between 8 and 12 percent cheaper. When Canadair began to publicly complain and when members of Parliament from Quebec began to put huge pressure on Prime Minister Brian Mulroney by reminding him that Quebec had voted overwhelmingly for his Progressive Conservative

Figure 1.2 Western Perceptions of Their Contribution to Canadian Development



party in the federal election of 1984, Mulroney reversed the decision and awarded the contract to Canadair. The pressure of Quebec MPs was especially intense because another election was just around the corner in 1988. The Prime Minister believed it was more important to keep Quebec happy than Manitoba because Quebec has seventy-five seats in Parliament whereas Manitoba has only fourteen. The people of Manitoba were punished once again when the federal Liberals announced in 1995 that Air Force Headquarters would be moved from Winnipeg to Ottawa in 1996. In fact, during World War II, Industry Minister C.D. Howe established almost fifty Crown corporations in Ontario and Quebec. These industries continued to benefit both economies long after the war ended.

More recent examples of Western dissatisfaction with the federal government are the federal Gun Registry debacle and the Kyoto Accord. The federal Gun Registry was introduced by the Jean Chrétien federal Liberal government in 1993 and became policy in 1995. It was unpopular in the Western provinces, the Northern Territories, and rural areas throughout Canada while large urban centres like Toronto were supportive. Hunters and collectors were particularly upset with being forced to register their guns. Criticism intensified when the cost skyrocketed to over \$1 billion.¹¹ The province of Alberta continues to be concerned with the status of global warming debates generally, and of the Kyoto Accord more specifically. At the Climate Conference in Copenhagen, Alberta fought long and hard to convince the Conservative party that the Tar Sands Project is crucial to Alberta's economy and Canada's energy independence. In the end, Ottawa sided with Alberta by working for, and accepting a deal that is not binding and does not set new targets for the reductions of greenhouse gases.¹²

Perhaps no issue in the new millennium will have a greater impact on Western Canada than what can only be called "the farm crisis." It is virtually unknown outside farming communities and has been consistently ignored by federal and provincial governments. This crisis has hit Western farming communities particularly hard. Put simply, international price fluctuations leading to low commodity prices, corporate agribusiness mergers, high production costs, and poor weather conditions have contributed to a steady decline in the number of farm families and has returned net farm income to Depression-era levels.¹³ For example, annual realized net farm income has fallen to those levels for grain and hog producers in Alberta, Ontario, and across Canada.¹⁴ Canadian farmers face the prospect of operating 21st-century farms with Depression-era net incomes.¹⁵ Farm families have resorted to increasing their off-farm income in order to raise overall household income. These concerns continue to exacerbate the historical animosity felt by Western grain farmers towards the federal Wheat Board. Western grain farmers feel the marketing of western grain could be best done by them and not the federal government in Ottawa. Similarly, Alberta heavily criticized the federal government for not working hard enough

to get Washington to lift the ban on exporting live Alberta cattle to the United States after the discovery of BSE-bovine spongiform encephalopathy or mad cow disease, in Alberta cattle.

Another example, similar to those above, concerns the Atlantic provinces. The opening of the St. Lawrence Seaway in 1957 was greeted with great fanfare in Ontario and Quebec—but not in New Brunswick and Nova Scotia, to whom the Seaway was simply another way economic interests in central Canada took business away from the entire Atlantic region, especially the port cities of Saint John and Halifax.

Our Northern Experience

No region of Canada has been more universally ignored and misunderstood than the land above the 60th parallel, collectively known as Canada's North. Our northern reaches are so far removed from our daily consciousness that we lack a basic understanding of the land and the people who live there. Here is a quick quiz. (The answers are in Have You Heard? 1.5.) What is the name of the territory that came into existence on 1 April 1999? What is its capital city? How big is the newest territory? What is the name of the dominant ethnic group that lives there? What language do they speak? What does the name of the territory mean in their language? Why is the new territory important to its inhabitants?

HAVE YOU HEARD? 1.5

Nunavut

- Nunavut is the territory that came into existence on 1 April 1999.
- Nunavut's capital city is Iqaluit.
- It covers approximately 1 994 000 square kilometres.
- Approximately 80 percent of the population is Inuit.
- Inuktitut is the Inuit language.
- Nunavut means "our land" in Inuktitut.
- The Inuit believe this land is their ancestral home and have always referred to it as Nunavut. A territorial government (a form of self-government) now speaks for the rights, needs, interests, and desires of the people and their ancestral home.

Source: "Basic Facts: The New Territory," Nunavut.com site <www.nunavut.com/basicfacts/english/basicfacts_territory.html>, accessed 1 March 2010.

Since two-thirds of Canadians live within 320 kilometres of the Canada–U.S. border, any location beyond 320 kilometres is considered “up north.” For inhabitants of Winnipeg, Edmonton, and Regina, any journey north is considered to be heading “up north,” yet it would take days (depending on the mode of transportation) to reach the 60th parallel, let alone the borders of Nunavut, Yukon, or the Northwest Territories. Perhaps the best example of this southern-centrism is found in southern Ontario. For the inhabitants of the Golden Horseshoe, especially Toronto, driving to cottages located in the Muskoka and Kawartha Lakes is considered going “up north.” In fact, some consider Barrie (located in central Ontario) to be “up north.” Few Ontarians have any understanding of cities anywhere north of the Horseshoe.

Here is another quick quiz. These answers you must find for yourself. What college is located in Barrie? What are the names of colleges located in the cities of Thunder Bay, Sault Ste. Marie, Sudbury, Timmins, and North Bay? Are there universities located in any of these cities? If so, what are their names? What industries dominate the lives of people living in the northern reaches of Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia? What is the meaning and significance of a “one-industry town”? (See *Have You Heard?* 1.6.)

As Canadians we must make a concerted effort to have an awareness and appreciation of those living in our country’s northern reaches.

HAVE YOU HEARD? 1.6

One-Industry Towns: Shefferville, Quebec

.....

“One-industry town” is the term for Canadian communities whose economic activity is dominated by one particular industry, such as logging, mining, or fishing. The prosperity of each town is directly linked to the prosperity of its major employer. When these companies experience economic troubles or close their doors, the surrounding community suffers accordingly. An example is Shefferville, Quebec. When iron ore mining was operating at capacity, it was the vibrant home of about 4500 people. When the iron ore owners based in Cleveland, Ohio shut down operations, it was reduced to a ghost town of less than 500 people. Can you name any other one-industry towns?

CRITICAL THINKING OUTSIDE THE BOX 1.3

What are the logical consequences of the farm crisis for Canadians? Why is this issue not at the top of all government agendas? Why have the media essentially ignored this issue?

THE ACTIONS OF THE FEDERAL GOVERNMENT

The federal government has always recognized that regionalism does exist. Since Confederation it has spent much time and billions of dollars attempting to reduce the gap between the economically prosperous regions of Canada and those that are not so well off. The federal government has historically attempted to accomplish this in three distinct ways: (1) by reducing physical distances, (2) by instituting programs (spending money), and, perhaps most significantly, (3) by concentrating on sociopsychological phenomena (i.e., attitudes and people's perceptions of each other and of other regions).

Reducing Physical Distances

The early attempts to reduce regional differences and isolation were physical in nature. The first was the construction of the Canadian Pacific Railway (CPR) by Canada's first Prime Minister, John A. Macdonald. The purpose of the railway was to unite the different and far-off regions from the Atlantic Ocean to the Pacific Ocean. Building the CPR was also a precondition for British Columbia joining Confederation; without the railway, there is much doubt that British Columbia would have joined.

The next noteworthy attempt came with the creation of Trans-Canada Airlines (TCA) in 1937, later renamed Air Canada. The creation of TCA was based on the realization by the government that air travel would be the quickest and most efficient way to service the large, outlying, and sparsely populated regions of Canada, in addition to linking the larger metropolitan areas. Private airline companies, it was believed, would not fly to these remote areas because it would not be profitable. This remained the rationale for Air Canada until it was privatized (sold to private investors—the government no longer owns it) in 1989. However, many would argue that Air Canada ceased to operate according to its original mandate long before it was privatized.

Other examples of attempting to physically link the people of Canada were the construction of the Trans-Canada Highway and the creation of Via Rail, a Crown

corporation to run railway passenger service, in 1977–78. The vicious budget cuts to Via Rail carried out by the Progressive Conservatives during the mid-to-late 1980s disproportionately penalized Atlantic Canada relative to any other region. Protests of these cuts were widespread, and many believed the cuts to be based on poor research and intentional attempts by the federal government, which continually portrayed Via Rail in a negative fashion, to justify the cuts.¹⁶

Spending Money

Economically, the federal government has provided money, in many different ways, to the ten provincial governments to help minimize economic differences.¹⁷ In large part the federal government accomplishes this through the use of transfer payments. Transfer payments take place when the federal government collects money through taxation, such as personal income tax, and then hands over or “transfers” a certain percentage of the money collected, as agreed to by the provinces, to the provincial governments. The provinces use this money to help pay for programs such as health care and education. As already mentioned, federal transfer payments are worth billions of dollars every year. It can be argued that transfer payments are more important to the poorer provinces than to the richer ones. A brief look at Table 1.2 shows that on a per capita basis, the poorer provinces receive a greater proportion of transfer payments than the more prosperous ones do. In 2009–2010 Prince Edward Island received total transfer payments of \$490 million accounting for about 34 percent of the province’s revenues. This works out to be \$4159 per person, the highest of any province. Ontario received a total transfer payment of \$13.8 billion, which works out to only \$1220 per person. Ontario’s transfers in 2009–2010 accounted for only 15 percent of Ontario’s revenues. On a per capita basis, Alberta’s \$3.1 billion transfer payment translates to \$987 per person, the lowest in Canada. In spite of the federal government’s attempts to reduce spending by transferring less money to the provinces, transfer payments are still worth billions of dollars. Without transfer payments, Canada’s three territorial governments would be inoperable. In 2009–2010, major federal transfers accounted for about 85 percent of Nunavut’s revenues! This works out to an enormous \$35 587 per person.

The federal government has also formed and used government departments and agencies, as well as legislation, to study and to help stimulate economic growth in poorer regions. Some of the more notable examples include the *Agricultural and Rural Development Act* (1965), the Fund for Rural Economic Development (1966), the Department of Regional Economic Expansion (1969), the Department of Regional Industrial Expansion (1982), the Department of Industry, Science, and Technology (1987), the Atlantic Canada Opportunities Agency (1987), Western Diversification (1987), Enterprise Cape

Breton (1987), the Canadian Polar Commission (1991), the Canadian Rural Partnership (1998), and the First Nations and Inuit Health Branch of Health Canada (2000).

In 1995 regional representation can be seen in the names given to three federal government departments: Public Works and Atlantic Canada Opportunities Agency, Indian Affairs and Northern Development, and Finance (with responsibility for Quebec regional development). Other departments and agencies with regional responsibilities in 2010 are: the Prairie Farm Rehabilitation Administration, Atlantic Pilotage Authority Canada, the Cape Breton Growth Fund (CBGF), Indian and Northern Affairs Canada, Broadband for Rural and Northern Development, FedNor (Federal Economic Development Initiative in Northern Ontario), Marine Atlantic, the Northern Pipeline Agency Canada, Pacific Pilotage Authority Canada, Fisheries and Oceans Canada-Maritime Region, Fisheries and Oceans Canada-Pacific Region, St. Lawrence Centre, Canada Economic Development for Quebec Regions, Federal Economic Development Initiative for Northern Ontario, Strategic Investments in Northern Economic Development (SINED), and finally, one of the newest established in 2009, Canadian Northern Economic Development Agency or CanNor with its head office in Iqaluit, Nunavut.

Promoting Understanding Among Canadians

The final way the federal government has tried to minimize the differences between regions is by promoting understanding between Canadians. Because of Canada's large physical size (9 970 610 square kilometres) and small population (approximately 31.7 million; see *Have You Heard?* 1.7) the federal government has taken responsibility for

HAVE YOU HEARD? 1.7			
<i>Canada in a World Perspective</i>			
Country	Area (km ²)	Population (2009 estimated)	Population (per km ²)
Russia	17 075 400	143 000 000	8.0
Canada	9 970 610	32 800 000	3.0
China	9 556 100	1 328 000 000	136.0
United States	9 529 100	295 000 000	30.7
Brazil	8 511 965	186 000 000	21.8
Australia	7 628 300	20 000 000	3.0

connecting distant regions to each other, emotionally and attitudinally—specifically, by emphasizing what it meant, or means, to be “Canadian” and by educating Canadians about Canada itself, our history, people, places, and attitudes.

The federal government in Ottawa has attempted to educate and inform Canadians about each other by using new technology as it became available (radio and TV) and by the use of royal commissions.

In response to new radio technology, the federal government formed the Canadian Broadcasting Corporation (CBC) in 1932. CBC Radio provided an opportunity for Canadians to talk to each other and learn about each other. It also provided Canadian musicians, social commentators, sports broadcasters, newsreaders, and talk show hosts an opportunity to develop their creative talents. Hockey was first broadcast on CBC Radio. In fact, hockey play-by-play commentator Foster Hewitt coined one of the most well-known phrases in all of sport when he described a goal being scored as simply, “He shoots, he scores!” The CBC later did the same when television technology evolved, and in 1952 it formed CBC Television. The purpose of CBC Television was or is to emphasize things that are “Canadian” and to connect people to their community and region. Over the years this has resulted in Canadian programs such as *Hockey Night in Canada*, *Road to Avonlea*, *Degrassi High*, *Rita and Friends*, *The Beachcombers*, and *Kids in the Hall*. CBC television also gave birth to the regionally oriented newscasts that usually follow the national news.

Before TV, the federal government was already involved in the making of films and documentaries. In 1939 it created the National Film Board (NFB). For decades now NFB documentaries and short films have been seen across Canada, especially in schools. Canadians everywhere are familiar with the 30-second NFB vignettes broadcast between programs on the CBC. The work of the NFB has been awarded many international honours. Overall, the purpose of the CBC and NFB has been to educate and inform Canadians, and the federal government has spent hundreds of millions of dollars over the years to promote this education. There is no better, and perhaps no more ambitious, example of this than the 2001 CBC documentary *Canada: A People’s History*. It was an immediate hit with Canadians, averaging 2.5 million viewers for the first six episodes.¹⁸ But CBC-TV producer Mark Starowicz could only entice one company to buy advertising time.¹⁹ CBC proceeded to make the \$25 million series in spite of corporate Canada’s indifference. It seems Canadians do want to know about each other!

The federal government’s heavy involvement in radio, TV, and film is based in part on the belief that what Canadians think, feel, and believe about each other differs from region to region and that this has an important impact on Canadian unity. In fact, in 2006–2007 the federal government spent \$3.71 billion on culture (that includes but is not limited to broadcasting, film, video, sound recording, and book and periodical publishing, public archives, historic sites and museums).²⁰ This belief has prompted the

federal government to investigate specific problems in Canada or the likely effects some government policies might have on some regions. The tool used to do this is the royal commission. Royal commissions, headed by a person appointed by the federal government, utilize the expertise of people who work in the public sector or the private sector, academics, and, if necessary, experts outside Canada. They do not implement policy, but simply suggest directions for policy.

To do this, they study, investigate, and accumulate information on important issues or matters of government policy. In the past, there have been two royal commissions concerned with certain aspects of regionalism as they travelled across Canada. The first was the 1937 Royal Commission on Dominion-Provincial Relations, which produced an in-depth study of federal-provincial financial relations—how the federal government transferred money to the provincial governments. The second was the 1981–85 Royal Commission on the Economic Union and Development Prospects for Canada. This Commission was important because it came out in favour of free trade with the United States, in spite of the fact that some experts who presented before the Commission concluded that free trade would be harmful to the poorer regions, especially the Atlantic provinces.

It is not uncommon for the federal government to ignore the recommendations of royal commissions. In 1997, the *Royal Commission Report on Aboriginal Peoples* tabled almost 500 recommendations. The principal recommendation was to increase spending immediately and commit new resources to Aboriginal life in Canada. The Commission suggested spending an average of almost \$2 billion per year for the next 20 years. This extra spending would be in addition to the \$5 billion to \$7 billion already spent annually. Ottawa has yet to implement this principal recommendation. In January 1998, Ottawa announced a \$350 million program to deal with the mental and physical damage caused by the residential school program established and partly administered by the federal government between 1867 and 1945.

Royal commissions are popular with the federal government, and it is common for one to last several years. Since 1867 there have been approximately 400 of them²¹—an average of three per year!

THE SOCIOPSYCHOLOGICAL DIMENSION TO REGIONALISM: THE REALITY

Clearly profound economic and social differences exist among the regions in Canada. It is equally clear that there are sociopsychological differences as well. That is, people in different regions do think and feel differently about each other and about the federal government in Ottawa.

What does the **sociopsychological dimension to regionalism** mean? It means more than economic differences between regions with respect to money, companies, investment, income, government policy, elections, and federalism. The sociopsychological dimension is concerned with how individuals living in different regions feel about themselves, their community, other regions, and the federal government. Regional differences in these areas are commonly thought to exist, say, only between the French-speaking majority of Quebec and the English-speaking majority of Quebec and the rest of Canada. Differences, however, go much further than just language and culture. Every year, public opinion polls, quality-of-life surveys, government surveys, and other forms of research indicate that Canadians have different beliefs, opinions, and attitudes about living in Canada and about who benefits the most from government policy. Generally, Ontario and Quebec are considered to be the big winners and Atlantic Canada the big loser. These beliefs have generated much envy. The most recent manifestation of this envy (some would say anti-Ontario attitude) appeared in national headlines before the First Ministers Conference held in Victoria, British Columbia, on 1 August 2001. Nova Scotia Premier John Hamm suggested that the equalization formula be redesigned to put more money in Atlantic coffers. Former Ontario Premier Mike Harris responded by comparing the Nova Scotia Premier to a welfare cheat! University of Moncton Professor Donald Savoie, one of Canada's leading authorities on regional issues, believes the Atlantic provinces got a raw deal with Confederation and that "the region is not doing well because of federal government policy."²² In fact, he believes that equalization payments are designed to ensure Atlantic Canadians have enough money to buy goods made in Ontario and Quebec—in short, the Atlantic provinces have been kept poor by central Canada.

It is not surprising that people living in different parts of Canada have different attitudes concerning the Canadian experience. These differences are largely because the region you live in, the job you do, and the language you speak all affect the way you think and feel. Our socialization and life experiences have a profound influence on the way we come to understand each other, the federal government, and ourselves. Three examples will illustrate this point: the 2005 flag-lowering protest in Newfoundland and Labrador; the 1995 fishing dispute between Canada and Spain; and the cross-Canada contempt for central Canada and Metropolitan Toronto.

The 2004–2005 Flag Removal in Newfoundland and Labrador

Throughout 2004 and in early 2005 federal–provincial negotiations over oil and natural gas revenues between Ottawa and the Liberal government of Newfoundland and Labrador led by Danny Williams were progressing slowly. The talks centred on sharing offshore oil and natural gas revenues. Sharing revenues has always been a contentious issue in Newfoundland and Labrador. Many in that province believe keeping all or almost

all revenues would give the province the base to significantly reduce its reliance on government transfer payments for fiscal survival. In short, Newfoundland and Labrador, a "have not" province, would become more like Alberta, a "have" province.

When talks stalled, Premier Williams ordered all Canadian flags to be removed from government buildings. This contentious move was widely supported across the province. Even Memorial University, traditionally neutral in such disputes, decided to follow the government's lead.²³ Removing the flags was widely discussed in the Atlantic provinces, but it went largely unnoticed outside Atlantic Canada. The premier's actions did lead to a resumption of talks that concluded with a significant victory: the passage of Bill C-43, which allows Newfoundland and Labrador to keep an additional \$2.6 billion per year in revenues from offshore oil and natural gas. Regardless of this success, the Churchill Falls Hydro Electric agreement of 1968 still upsets the government. The agreement stipulates that Newfoundland and Labrador must sell hydroelectric power to the province of Quebec at hugely discounted prices until 2041. On two occasions the government has unsuccessfully challenged the agreement in the courts.²⁴

The 1995 Fishing Dispute

The 1995 fishing dispute centred on Canadian claims that Spanish fishing vessels waited just beyond Canada's 200-mile (322-kilometre) boundary and fished to excess using illegal nets and taking even the smallest turbot (a species of fish). Earlier, in an attempt to allow fish stocks to replenish themselves, the federal government had banned cod fishing (before the 1992 election), and later it drastically reduced the turbot quotas for Canadian fishermen. Ottawa believed Spanish fishing would eventually lead to the complete collapse of turbot stocks. When Canadian Coast Guard vessels arrested two Spanish fishing vessels, the citizens of the Atlantic provinces, particularly Nova Scotia, were celebrating everywhere, organizing support rallies, carrying signs, and just plain being happy. Finally, the federal government was seen by them as acting on their behalf. The CBC, CTV, *Maclean's*, the *Toronto Star*, and the *Globe and Mail* all reported extensively on the dispute. This attention was heartening for many living in the Atlantic region during these tough times. Barbara Nees from the sociology department of Memorial University in St. John's remarked that it gave people a positive sense of community and a feeling that they were not suffering alone.²⁵ Nevertheless, the same happiness and pleasure was not shared to the same degree by people living in Toronto, Calgary, Saskatoon, Dryden, Laval, or other cities that do not depend on fishing or fish processing for their livelihood.

The issue for this century for the Atlantic provinces may turn out to be the bulk sale of fresh water to markets in the United States. Atlantic-province governments look upon water as another resource to be exploited—another commodity to be sold in the international marketplace where demand is high, especially in the American southwest.

Former Newfoundland Premier Roger Grimes was at the forefront of this push. The federal government, however, is under increasing pressure from the general population and many environmental groups to do the opposite. A 2001 provincial ministerial report concluded that the cost might be prohibitive, but the option would be open to shrewd entrepreneurs.²⁶ With economic uncertainty still plaguing the Atlantic fisheries, the bulk sale of fresh water has taken on new importance.

The Contempt for Central Canada, Especially Metropolitan Toronto

Perhaps nowhere is the sociopsychological dimension to regionalism more evident than with respect to the contempt felt by most Canadians for central Canada and Metropolitan Toronto. Rivalries certainly exist between the big cities in Canada, but although there may be intraprovincial rivalries between cities like Calgary and Edmonton or Regina and Saskatoon, and there may be rivalries across provinces between cities like Halifax and Saint John, what all these cities have in common—along with all other cities across Canada—is that they resent the privileged position of Toronto. This resentment is primarily based on central Canada's virtual dominance of economics, politics, and social life. See *Have You Heard?* 1.8.

HAVE YOU HEARD? 1.8

Even the Supreme Court of Canada?

Canada's highest court is not immune to charges of regional favouritism. Sauvageau, Schneiderman, and Taras report that the notion of the Supreme Court as "objective" and "impartial" is not shared nationally. Those in Quebec regard it as a "Leaning Tower" that always leans in the same direction—a centralist one (thus favouring English Canada). In fact, Guy Laforest saw the introduction of the 1982 Charter of Rights and Freedoms as the "updating of the [English] conquest [of Quebec]." Similar sentiments are found in the Western provinces where Canada's highest court remains a potent "symbol of the entrenched power of the East."

Sources: Florian Sauvageau, David Schneiderman, and David Taras, *The Last Word: Media Coverage of the Supreme Court of Canada* (Vancouver: UBC Press, 2005), pp. 24–25; Guy Laforest, *Trudeau and the End of the Canadian Dream* (Montreal and Kingston: McGill-Queen's University Press, 1995), pp. 180–181, quoted in Sauvageau et al., op. cit., p. 25.

Economic Dominance

The economic dominance of central Canada, especially Metro Toronto, is evident in the overwhelming presence of the head offices of the most dominant corporations in Canada. In 2009, according to the *Globe and Mail*, 15 of the Top 50 private corporations in terms of profit were located in Ontario and another five in Quebec.²⁷ A total of 20 of the Top 50 private companies were located in central Canada. Moreover, 15 of the Top 50 are located in the Golden Horseshoe and southwestern Ontario. This number is made more remarkable since the auto manufacturing and parts sectors in Ontario and Quebec have been characterized by slow sales and bankruptcies as a consequence of the massive downturn in the American economy while natural resource companies have been steadily growing, making Calgary a boom town.

Politically, this is reflected in the fact that the first non-Ontarian to occupy the office of Minister of Finance was Jean Chrétien, a Quebec native, in 1979. Can you name another finance minister who did not originate from Ontario or Quebec?

A simple mention of "Bay Street" brings to mind huge office towers, money, and economic power. Again, the economic dominance of the Golden Horseshoe of Ontario is clearly visible with a simple drive along the highways that run through it: the Queen Elizabeth Way and Highways 401, 403, 407, and 427.

Political Dominance

Ontario and Quebec virtually dominate Canada in terms of representation in Parliament, with 181 out of 308 seats and appointments to key Cabinet posts such as the departments of finance, foreign affairs, justice, and international trade. The trend has been for the federal government to choose a finance minister who is a lawyer from Bay Street (who must first be elected, of course). Usually, this lawyer returns to a job on Bay Street at the conclusion of his or her political career.

Cultural and Social Dominance

Culturally, the media outlets of the CBC, Baton Broadcasting, Global TV, and City TV are all located in Metro Toronto. Canada's "national" newspapers, the *Globe and Mail* and the *National Post*, and Canada's largest-circulation daily the *Toronto Star*, are located in Metro Toronto. Metropolitan Toronto is also the centre of publishing and, along with Montreal, the centre of fashion, entertainment, and the arts. In particular, Metro Toronto is the home of the Academy of Canadian Cinema and Television, Air Canada Centre, Rogers Centre (formally SkyDome), BMO Field, the CN Tower, Ontario Place, the Canadian National Exhibition, the Sony Centre for the Performing Arts, Canada's Wonderland, Caribana, the National Ballet of Canada, historic Massey Hall, the Royal Ontario Museum (ROM), the Royal Alexandra Theatre, The Princess of Wales

CRITICAL THINKING OUTSIDE THE BOX 1.4

Have the Western provinces received their share of recognition for helping to build this country? What about the Atlantic provinces? Have Ontario and Quebec received too much?

Theatre, Second City, The Canon Theatre, the Panasonic Theatre, Roy Thomson Hall, Casa Loma, The Hockey Hall of Fame, Paramount Canada's Wonderland, Canadian Opera Company, and countless other sites and exhibits. In fact, the city's website reminds us that Toronto is home to the third largest English-speaking theatre district in the world after New York and London. Toronto remains the only city in Canada to be home to five professional sports teams, three large universities, and four of Canada's largest colleges. For all the reasons mentioned, it is little wonder that other regions of Canada envy and resent central Canada and Metro Toronto in particular.

CONCLUSION

Regionalism is an important diversity in Canada, so important in fact that examining the nature of regionalism is critical if we are to have a complete understanding of social life in Canada. Canadians from different regions are diverse in a great many ways. From a regional perspective, for example, Canadians find themselves different in the areas of geography, climate, income, ethnicity, social class, and attitudes toward each other and toward the federal government. The last two differences confirm for us that regionalism does have an important sociopsychological component.

CRITICAL THINKING OUTSIDE THE BOX 1.5

To what extent does regionalism make Canadians different from each other? Are regional differences more or less important than other differences such as language, social class, gender, sexual orientation, family structure, race, and ethnicity? List what you consider the five most important differences. Why did you choose the differences you did? Would a student in another province choose the same ones? Why or why not?

CRITICAL THINKING OUTSIDE THE BOX 1.6

How do you explain and reconcile the paradox that the federal government created vast regional disparities (economically and sociopsychologically) and later committed itself to reducing the disparities it had created?

What does the future hold for these differences? Probably much of the same. It is extremely unlikely that the nature of the Canadian political system will change any time soon, if at all. This is especially true of federalism and our electoral system, two key elements that intensify regional feelings and differences. As a consequence, it is highly unlikely that the behaviour of the federal government will change. It is equally unlikely that the nature of capitalism will change. As the saying goes, "Money will go where it will get more money." That means money (and jobs) will travel indiscriminately between regions, within regions, and, when necessary, even outside Canada.

These two developments, or lack thereof, do not bode well for the future of Canada. As Canadians, we must be vigilant and insist that all levels of government treat all Canadians living in all regions fairly and equally. If any level of government fails to behave in this manner, it should be reminded that the ballot box is never more than a few years away.

CHAPTER SUMMARY

Understanding regionalism is important to understanding life in Canada. There are economic, political, and sociopsychological components to regionalism. To understand regionalism in its entirety, we must pay particular attention to the sociopsychological component, because it is usually not addressed in the traditional literature. There are many different theories dealing with the causes of regionalism, and it is up to you to decide which of the four dominant theories presented here are best. The federal government has a role in both creating and attempting to minimize regional differences. Finally, we must be aware of and appreciate that certain aspects of our political system—federalism and our electoral system—can and do intensify regional differences.