



**Politics and Social Values in 1997:
Is the Neo-Conservative Revolution Over?**

Notes for an address by:

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to

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Ladies and gentlemen, members of the Canadian Club, colleagues and friends. I am very pleased indeed to be invited to speak here today. I owe a great thanks to my friend, Libby Burnham, former president of the Canadian Club, who I think was the main impetus behind my invitation. Thank you, Libby.

First, I think some of you know that Michael Adams, my husband and colleague at Environics, has just written a book called *Sex in the Snow*. I want to take this opportunity to say that the book is not a biography - not an account of life at the Dasko-Adams residence nor a description of a typical workday at Environics.

1997 should be a big year for politics in this country. There should be a lot of polling to be done, which warms my heart, but also a lot of competition in the polling industry, so my colleagues and I are looking around for some innovative polling ideas. We've got a great idea from the 1987 British election - Margaret Thatcher's last election running against labour leader Neil Kinnock. The right wing newspaper - The Sun, decided to hire a medium - Nella Jones - to do a poll of historical figures to see how they would vote in the election. They ran a headline "Stalin Picks Kinnock", and the story went on to say that Margaret Thatcher was the choice of Lord Nelson and Winston Churchill and Henry VIII. Anyway, maybe we'll consider this.

The title of my speech today is the neo-conservative revolution - is it over? By neo-conservatism I mean, in general terms, the declining role of government in Canadian life, but more specifically, I am referring to the era of fiscal restraint and government cutbacks. I want to begin by talking first about the bigger picture - the wide ranging changes in the economy and society that provide the context for political change. I will then turn to the topic of politics and try to look into the future. Have Canadians had enough of fiscal restraint or do they want more of the same? Are they like the actor Peter Finch in the movie "Network", ready to stand up and say "I won't take it anymore"?

From the beginning of our history, government has played a much more dominant role in Canada than in the United States. The so-called National Policy of Canada's first Prime Minister, Sir John A. Macdonald set up protectionist walls which created an indigenous manufacturing industry in central Canada. Coupled with the National Policy was our National Dream - the trans-national railway which, unlike the U.S., was a government initiative. In the post-war years, governments in Canada were active in economic development and took the lead in creating an extensive social safety net. These initiatives included old age security, unemployment insurance, family allowance, equalization grants, the Canada Assistance Plan, crown corporations, the Canadian broadcasting system, including the CBC, bilingual policies, and, the most cherished of all, national health insurance. These policies and structures came about through a process that political scientists call accommodation among Canada's various elites. The elites were willing to compromise with each other and the population was willing to defer.

However, this Canada is rapidly changing. It's not just government that has changed - every government program I just mentioned has either disappeared, been downsized or is in deep trouble - but the society has changed as well.

My company, Environics, conducts a huge study of Canadian social values once every year, where we measure the rise and decline of about 80 different value dimensions - things like openness to others, adaptability to change, respect for authority, and so on.

I know from this kind of research and from watching Canadian politics, social policy, and economic developments over the past decade, that the changes are real.

I began to see this change first hand while observing the now well-known volatility of Canadian voters. It used to be a kind of law of politics that the political party that was leading in the polls at the beginning of a campaign would win on election day. But in the 1984 federal election campaign, the political party in the lead changed twice before election day. This was almost unheard of. In the 1988 campaign, the leading party

changed four times in the two month period leading up to election day. We saw a similar volatility in the 1992 referendum campaign and the 1993 federal election. And look at what happened in Ontario in 1990 and then 1995. And look what happened in the Quebec referendum in 1995; what was thought to be a sure win - a big win - for the NO side changed dramatically in the final 20 days of the campaign.

I used to think the volatility was a sign of some confusion in the voter or media manipulation, but I came to realize that it wasn't that at all - it was an indicator of a new orientation to politics, and a new skepticism and questioning on the part of voters. It was a sign of their engagement, not disengagement, in the process.

The so-called demographic developments - the diversity of the country's immigration, the huge baby boom generation and the aging of the population - along with increased levels of education and profound economic change - have all contributed to a remarkable evolution in social values.

Canada's two charter groups - the French and the British - are losing their numerical clout. The changing pattern of immigration has made Canada the most multicultural and multiracial nation in the world. In fact, one demographer predicted that the last Canadian of European origin will die in the year 2786, which should finally put an end to those endless constitutional debates about founding peoples.

But other changes are important. David Foot, a University of Toronto economics professor, has just published a wildly successful book stressing the importance of demographics - in particular the nine million baby boomers born between 1947 and 1966 - in understanding changes in the workplace and in the consumer marketplace. But when Foot says "The only thing special about the baby-boomers is that there are so many of them", he is only half right. It isn't just their numbers, but their unique values, that have made the difference.

Boomers transformed the marketplace in the 1970s and 1980s and began moving into leadership positions in the 1990s. They differed from previous generations in that they were more than twice as likely as their parents to have a university degree, they were the first generation to be raised in front of a television set and the first to have grown up in an era that presumed prosperity.

Their values were and are different from their parents' generation. They were more egalitarian and heterarchical, not hierarchical. They felt empowered, and wanted to be in control of their lives. They were pragmatic in their beliefs, not ideological. They questioned religious and secular ideologies. They were most likely to support new processes for consensus building and decision-making.

Do you remember something called deferred gratification? Back in the 1950s, we were told that if we went to church we would go to heaven, if we ate our carrots we would get dessert - basically, if we deferred the fun, we would get rewarded. Well, deferred gratification gave way to instant gratification in life experiences and in the marketplace.

By the late 1980s, the values of the baby-boom generation had moved well beyond that generation to affect Canadian society as a whole. Canada's native peoples, women, ethnic and racial minorities, the disabled, the elderly, gays, victims of domestic violence and sexual abuse - these and other powerless groups liberated themselves from the silence and stereotyping of the past to demand social justice, recognition, and inclusion.

We can summarize the value changes in a few words - equality, empowerment, hedonism and autonomy.

In the arena of politics and decision-making, the accommodation among elites gave way to the accommodation of diverse sectors in the society and ultimately, to the accommodation of the empowered individual. The victory of the "No" forces in the

Charlottetown referendum in 1992 was the most remarkable rejection of elite accommodation and interest group consensus that this country has ever seen.

The stereotype of Canadians as respectful and reserved has never been less true than it is today, and the respect once given to institutions such as the church, the state, big business and professional elites (doctors, lawyers, judges, etc.) has gone into steep decline.

Some people, on both the left and right of the political spectrum, lament this development and wonder how a society can survive if nobody wants to defer to anybody anymore. How can you run a country if everyone wants to lead and no one will follow? Good question. But the other side of this - the positive side - is that Canadians now have more respect for themselves and their own opinions and views. Is this not the ultimate goal of democracy?

As we approached the decade of the 1990's, the fading economy and the changing fiscal situation of governments couldn't keep up with the soaring expectations of the population. First, the recession and the economic restructuring have had a profound impact on the Canadian psyche and have added another layer of change. Canadians experienced high levels of unemployment, massive downsizing on the part of the private and public sector, their own declining real income and high levels of personal debt. Some people became Social Darwinists - those so called "angry white guys" - who were so hard hit by the recession. And just about everybody in this society hunkered down and pulled back.

The 1990s recession was for the boomers what the depression was for their parents and grandparents - a defining moment whose lessons will last a lifetime.

And it's not over! Economists are telling us it's over but the people don't yet believe it. A national poll we just completed showed that 74 percent think the economy is still in recession.

In the late 1980's, governments of every political stripe began to tell Canadians that they no longer had the resources to create those great national projects that had traditionally elicited public gratitude and support. Let's be clear how this all started. It was not the people telling their governments to cut spending - after all, through the miracle of deficit financing, Canadians had been paying less than a dollar in taxes for more than a dollar of services - a pretty good deal. And with continuing economic growth, why couldn't this continue? But we all know what happened next. Governments everywhere in Canada found themselves in the untenable position of escalating deficits and a growing debt that tax revenues couldn't match. Hence began the most difficult of political processes - higher taxes, fewer programs, and considerable public discontent with government. Yet another institution no longer able to deliver the goods.

What has happened to Canada's expectations about the role of government? I think they - we went through a Kubler Ross kind of process. Denial that this was happening, anger, bargaining, depression, and ultimately, acceptance - of change. Brian Mulroney's Conservatives - who started the process of cutting back government by selling crown corporations, deregulation, free trade, introducing a GST and deep spending cuts - suffered the full weight of Canadians' denial and anger. The Jean Chretien Liberals - who continued with these Tory policies in every respect - have benefited from Canadians' ultimate acceptance of change. Even as the Conservatives went down to crashing defeat in 1993, a growing majority of Canadians were telling us through our polls that they thought it was very important for the federal government to reduce its deficit. By the time we reached 1995, public support for deficit reduction reached a high point. Environics polling shows that Paul Martin's 1995 budget - described as the toughest in Canadian history because of its massive spending cuts - found higher acceptance among the public than any federal budget that we have ever seen.

If you need more proof, Dalton Camp, that Canadians have changed, look no further than the popularity of those governments across the country that have reduced their deficits to

zero. Ralph Klein's Conservatives in Alberta remain consistently at the top of the list of popular governments matched only by Roy Romanow's New Democrats in Saskatchewan, who took the largest per capita deficit in the country and reduced it to zero, and won a massive re-election victory in 1995. For Saskatchewan New Democrats - who invented medicare - to close over 50 hospitals was pretty remarkable. But even more remarkable was getting re-elected in Saskatchewan after doing so. And of course, the federal Liberals, at 47 percent of decided voters today - six points higher than they won in 1993.

It is undeniable that the centre of Canadian politics has moved to the "right" and some sort of revolution has taken place. Would any previous Liberal government ever have dared to cut 44 million from the CBC and remain at 47 percent in the polls?

Well guess what? Even as we speak, the tide is turning yet again and Canadians are getting ready to think about something else. The problem with deficit reduction is that it's not very inspiring. It's like eating those carrots. And they are starting to think our most cherished institutions are in peril. Beginning about a year ago and especially over the past few months, I am seeing a growing belief in all our polls that the cuts should stop. Support for more spending on health care and education is on the rise. And it is no coincidence that this is happening just as there is real progress on the fiscal front. And if I had to predict anything about federal politics this year, it would be that the program cuts will stop and we will see selected spending increases in the next federal budget.

Last spring, Ralph Klein's Conservatives found themselves in the enviable position of having their budget balance. Flush with tax revenues, the Tories decided to consult Albertans about what they should do with their surplus finds - should they use it to reduce the debt, should they put money back into programs, or should they reward Albertans by lowering their taxes? Tax cuts was all the talk. But low and behold, Albertans wanted first to restore spending to programs like health care, and second, to tackle the debt. Even

in anti-tax Alberta, the citizens opted for renewed program spending along with continuing fiscal management.

I think the Alberta experience represents the future for Canada as a whole.

Is the neo-conservative revolution over? In one sense, yes. Canadians are changing yet again. But in another sense, the electorate has changed forever and there's no turning back.

I notice a lot of nostalgia these days for some lost golden age, when the railway ran from sea to sea, when the Avrow Arrow flew, when men were men, and when leaders were strong. But for better or worse these are gone forever. And, for better or worse, so too are universal family allowances, state-owned airlines, and 45 billion dollar deficits. There is really no turning back.

But I also know that Canadians are not going to let the best country in the world slip through their fingers.

I often meet people, sometimes pollsters, sometimes others, who don't trust Canadians - who think they are either too downtrodden or too manipulated, or just too dumb to make the right choices.

But I don't agree. I think Canadians can figure it out - what is really important, we can figure out how to save it, and we can figure out where we should be going. Canadians are educated, informed, aware of their interests, politically involved, they vote, are adaptable, are flexible and they do care. Are we sleepwalking to disaster? Not a chance. If anybody can survive and prosper in the next millennium, surely it is us.

Thank you.