



**NOTES FOR AN ADDRESS BY**  
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*Canada in the 21st Century: Ontario's Perspective*

to:

**THE CANADIAN CLUB**  
**OF TORONTO**

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**CHECK AGAINST DELIVERY**

Thank you Stanley for your kind words and for the invitation to speak to this distinguished gathering.

For 100 years, the Canadian Club has made a significant contribution to our country, and is widely recognized as an important forum for the expression of the ideas and ideals that are the very foundation of our democracy.

The United Nations has designated Canada the finest country in the world.

And if our diversity, our generosity, our industry and our compassion has shaped a society that is a model to the world; that success is due, at least in part, to the fact that we organized ourselves in a political sense around a system of government that gives voice to all.

It is a particular privilege to have this opportunity to meet with you today -- a day when we go to the polls to exercise the most fundamental right of citizenship, the right to vote.

Canadians, historically, have exercised that right in impressive numbers.

And as someone who has the honour of holding elected office, I would be remiss if I didn't take this opportunity -- in a spirit of nonpartisanship -- to urge those of you who haven't already done so, to get out to the polling booth in your neighbourhood and cast your vote.

Later tonight, the television anchors and pundits will be poring over election returns, offering insights on the make-up and direction of Canada's next parliament.

In the days ahead, His Excellency the Governor General will invite the leader of one of our federal parties to form a new government.

Canadians will look to the new federal government -- in partnership with the provinces -- to create the social, political and economic climate we need to prosper in the new Millennium.

Canadians understand intuitively that a united Canada is the bedrock of our economic and social development as a people.

And we are equally aware that dynamic growth spurred by the new information-based economy is fundamental to keeping this great nation together.

Jobs, particularly for young Canadians, mean prosperity. And prosperity is the best prescription for national unity.

For that reason, we in Ontario believe it is important that the new federal government, whatever its political philosophy, work with the provinces immediately with a new, united purpose. Our goal? To improve the federation in practical, meaningful ways so that together, we can realize the promise of a prosperous tomorrow.

Over the next few minutes, I would like to share with you Ontario's perspective as to how we can best prepare Confederation for the 21st century.

Let me begin with a brief summary of the current challenge, from Ontario's point of view.

Simply put, in recent years there has been a complete lack of public trust in the way the federation is being managed.

In Ontario, unilateral decisions taken by the federal government have gone unremarked by members who represent the constituents of this province. So we have had one-sided decision-making without the representation we have every right to expect at the federal table.

For example, we in Ontario have made a commitment to maintain, and indeed, to increase our funding of health care. We look forward to the new federal government keeping its commitment to address the funding shortfalls of recent years.

Unilateralism, by successive federal governments, has undermined fairness, cooperation and stability. Ottawa, for example, can reduce, alter or end its support of provincial and social programs at any time without any notice. And we have seen the federal government do just that; design and implement programs without consultation. At this point, there is very little a province can do about it.

This high-handedness has created an atmosphere of federal-provincial acrimony that discredits Canada's political leadership and is a disservice to its citizens.

So how do we go about this task of renewal?

The people of Ontario share a passion for Canadian unity; but the public in this province is quite frankly, fed up with the exhaustive and inconclusive constitutional negotiations of the past 15 years.

For that reason, we believe the key to preserving Canadian unity -- at this time -- is to find ways and means to make the federation work better.

We believe that if we move quickly on practical, concrete proposals that do not carry the symbolic freight associated with constitutional reform, Canadians can, collectively, make real progress and arrive at a better place.

To this end, our province is guided by a set of basic principles in our discussions with our partners in Confederation.

Specifically, Ontario seeks:

- (1) Renewal through a re-balancing of the federation that reinforces the principle of partnership.

- (2) Fairness and equitable treatment for all Canadians, and
- (3) Openness and accountability in both levels of government

I would like to speak to each of these principles.

Let me begin with our first guiding principle: our commitment to achieve renewal through a re-balancing of the federation.

Ontario believes we must renew the spirit of partnership in our federation.

Building on the strengths inherent in the principle of federalism, the provinces and territories have already begun working on a new model for the wired world of the 21st century that clarifies the roles and responsibilities of each level of government. The goal, of course, is to make the most of our resources while getting rid of overlap and duplication.

We are in the midst of this process here in Ontario at the municipal level. While it has been far from easy, through patience and partnership I believe we are working together for better government for our citizens.

We must make government at all levels more effective, more open and more responsive to the needs and aspirations of all Canadians.

We must bring government closer to the people. The government that is closest to the community and is capable of delivering the service or program best, should have the responsibility for doing so.

I am not talking about devolution of power -- of handing over all responsibility to the provinces. I am simply saying provinces can and should have more responsibility for the design and delivery of programs that are either provincial, or shared federal-provincial jurisdiction; such as health care and education training.

Turf fights have no place in the discussion; no level of government should be trying to hold onto a specific power simply for the sake of holding on to the power.

The dialogue must take place in the spirit of consultation, not confrontation. The new federal government must come to the table with the same open mind as the provinces.

Let me give you one specific example of a new social program initiative that illustrates how this re-ordering of the federal-provincial job jar can work to everyone's advantage -- and I am referring here to the proposed National Child Benefit.

Canada's Premiers, at their meeting in St. John's two years ago, were inspired by our Premier, Mike Harris, to start looking for solutions to some basic questions that affect our social structure. And at the Premier's Annual conference in Jasper last year, following on a suggestion from the western Premiers, they identified child poverty as one of the priorities for joint federal-provincial

work. The Premiers asked their respective provincial ministers to come up with some answers. The ministers recommended to the Social Policy Council the idea of a monthly benefit to all low income families with children -- regardless of whether the source of the family income was work or social assistance. That idea became the National Child Benefit.

Ottawa, at the request of the Council, agreed to pursue a collaborative approach.

And I'm proud to say that the Ontario government, in its 1997 budget, has announced it will redirect more than \$150 million in provincial funds by expanding programs that help families with children to find and keep jobs. \$100 million will be used to enhance our child care tax credit for working families as the National Child Benefit is phased in.

Premiers and territorial leaders will be discussing the Council's progress on the National Child Benefit at their meeting in August.

The National Child Benefit initiatives illustrates an important facet of federalism -- national solutions to problems can originate in the provinces.

As I've said on many occasions, national standards do not necessarily mean federal standards.

Provinces and territories are equally dedicated to and capable of reflecting the shared values, hopes and aspirations of all Canadians in their work.

During the current election campaign, people have told us they expect a more constructive, enthusiastic, and co-operative approach to federalism from the new federal government than has been the case in the past.

To continue with the principles that guide us, Ontario will insist on fairness and equitable treatment in the application of all federal programs. And I want to be clear that this is not just a case of a province crying "Me first..."

At present, the federal government does not treat all Canadians equitably when it comes to spending on key federal programs.

Sadly, this reality dates back a number of years through the lifespan of several governments of different political persuasions both in Ottawa and at Queen's Park.

I also want to be explicit -- I'm not talking about programs such as our system of equalization.

Equalization, enshrined as it is in our constitution, is a defining feature of our citizenship. Equalization is one of the ways we acknowledge the Canadian family, a ribbon of contact and support that stretches across the country, allowing us to help each other. But other federal programs designed to benefit individuals must treat Canadians as equals

regardless of the province or territory in which they live. That isn't the case today.

Consider the situation with the Canada Health and Social Transfer, the federal transfer program for social assistance, health-care, and post secondary education.

Ontario's share of the CHST is lower on a per capita basis than any other province except Alberta.

It is simply unacceptable that Ontarians should continue to receive a disproportionately smaller share of the Canada Health and Social Transfer.

There are other examples of federal programs where Ottawa does not treat all provinces equitably.

Ontarians, for example, contribute \$8 billion in premiums to the Employment Insurance Fund and yet receive only \$4 billion in benefits.

Now we all know unemployment rates vary from region to region, province to province. But an unemployed or under-employed worker in Etobicoke or Thunder Bay is entitled to the same level of support through labour market training programs as a worker in Moncton or Montreal. The human cost of unemployment is the same in every home, every family, everywhere.

Our citizens expect, and have every right to expect, that they will get the same level of service and consideration from their federal government as a person in Manitoba or Newfoundland.

While we would never begrudge any province or region their fair share, it is no longer acceptable for the federal government's financial arrangements to discriminate against residents of any one region.

Finally, in the context of the guiding principles, we will support those initiatives that serve to strengthen Canadian citizenship by improving openness and accountability in government.

We must establish straight forward, open practices Ontarians can trust and in which they can have confidence.

Let me share with you one timely illustration of how Ontario thinks this new flexible approach to federalism can work to our collective and mutual benefit.

Last year, at their annual conference, Canada's premiers discussed a range of social policy reforms, including the need to consider options for new and improved ways of managing how governments work together in the social policy field.

The premiers directed their ministers and officials to look specifically at options for new

approaches to the use of the federal spending power.

Again, Ontario, through our Premier, took the lead in this important initiative at the provincial/territorial Council on Social Policy Reform.

And the social reform policy flowing from the council's work will be on the agenda for this year's Annual Premier's Conference to be held this August in St. Andrew's, New Brunswick.

Let me point out another area where improved federal-provincial co-operation might produce tangible benefits to citizens of this province.

In every poll, in every public forum, Canadians say they are most concerned about job creation. And youth employment prospects are a matter of particular concern. Too many of our young people are finding it impossible to find meaningful, entry level positions. And too many parents are preoccupied with the unsettling and unacceptable prospect of leaving their children with a lower standard of living than the one they inherited from their own parents.

For years, the federal government has been promising Ontarians a new deal on labour market training. In fact, it was a specific promise in last year's Speech from the Throne. Yet the issue remains unresolved.

It is time the federal government moved from talk to action and agreed to a labour market training agreement for Ontario that includes equitable funding for unemployed Ontarians. I look forward to the new government dealing quickly with this issue.

As we contemplate the challenges before us, we know that all of the partners in Confederation have grievances that must be addressed.

I don't need to remind anyone here that in 1995, Quebeckers voted by only the narrowest of margins to stay in Canada.

In this federal election campaign, there has been significant media attention paid to the various parties' positions on Quebec's status in Confederation; much of it focused on the recognition of Quebec's uniqueness.

Ontario values and respects the linguistic, legal and cultural uniqueness of Quebec, our neighbour and long-time companion in Confederation and our largest Canadian trade partner.

We believe Quebeckers, like Ontarians, want jobs, want prosperity, want to feel secure in Quebec and want to know that their language and culture can thrive in Canada into the future.

If there is a way of recognizing this unique character that meets with the approval of Ontarians,

and all Canadians, then the government of Ontario would support this.

I note with interest Alberta premier Ralph Klein's statement that Canada must let Quebec "protect those things which make it such a unique part of our culture".

The genius of federalism, at its best, is that it allows us to work toward a common purpose in different ways.

Federalism allows us to create a community that shares a sense of mutual responsibility yet benefits from the creativity and innovation that flows from our diversity.

The building of Canadian federalism is one of our major -- even defining achievements. Canadians have patiently and carefully built a great nation on the shared values of tolerance, fairness and openness.

What we are doing is constructing a new home for the new Millennium, built on the sturdy foundation that has served us so well.

Canadians must reach out to all our communities, to ensure public debate in this country reflects the richness of our linguistic and cultural diversity. We need to be more open, more accountable to the people.

We must reach out to our citizens in business, and labour, in the classroom and on the factory floor, for new ideas and innovative approaches to our governmental arrangements. Our people need positive reasons to care about the country.

Canada - like any great nation - is more than a manual of administrative arrangements. A country is also an affair of the heart.

It may well be that political leadership needs to catch up to the people.

A year ago, we watched in horror as nature wreaked havoc in the Saguenay.

Literally thousands of Quebeckers saw a lifetime of achievement swept away in an angry torrent.

Canadians looked past political differences and responded overwhelmingly.

I myself was privileged to see the outpouring of generosity from around the country directed to the flood-ravaged communities around the Saugeen River.

This year, Manitobans were inundated by the flood of the century as the Red River, in the graphic language of its victims, became the Red Sea.

Nightly newscasts brought images of a common citizenship, of a love of country personified by

people whose only thought was to lend a helping hand. And among the first to respond to the call for help were the people of the Saguenay.

This sense of common purpose or citizenship, whether it manifests itself in the Saguenay or in southern Manitoba, is deeper than we politicians sometimes appreciate.

We Canadians do have issues of governance to resolve. And we in Ontario are determined to resolve them in a way that allows Canadians to give full expression to their pride in their country, their shared heritage, and in each other.

Thank you.