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### CANADA IN 2001

We all have some sort of vision of the type of society we would like ourselves and our children to live in. A fundamental responsibility of those in public life is to articulate the essential values and principles that underlie this vision, and to establish long-range goals that are consistent with it. They must also prepare guidelines for formulating and carrying out appropriate shorter-term public policies to move in the direction of those goals.

The essence of leadership is to describe and communicate such a vision and long-range goals. This must not be underestimated, and it brings to mind a particularly penetrating comment by Barbara Tuchman in her excellent book, March to Folly:

A phenomenon noticeable throughout history regardless of place or period is the pursuit by governments of policies contrary to their own interests. Mankind, it seems, makes a poorer performance of government than of any other human activity. In this sphere, wisdom, which may be defined as the exercise of judgement acting on experience, common sense and available information, is less operative and more frustrated than it should be. Why do holders of high office so often act contrary to the way reason points and enlightened self-interest suggests? Why does intelligent mental process seem so often not to function?

Keeping this warning in mind, I will consider the most significant trends that will shape Canadian society as we approach the turn of the century. My thoughts on this will be somewhat eclectic, but I should make it clear that when I speak of "trends", I am not referring to something autonomous, predetermined by the inevitable forces of history. Rather, I will be examining certain significant dynamics that are reflected in our collective psyche at this stage of our social, economic, political and moral evolution. I will focus on how these dynamics present opportunities for us to effectively direct the course of history. In other words, I firmly believe that with the necessary determination and leadership, we can avoid the march to folly so poignantly described by Barbara Tuchman.

I have identified six separate dynamics although all are interrelated to some degree.

**First**, there is the all-pervasive sense of cynicism and profound disillusionment with and mistrust of our major institutions in society: government, business and labour.

**Second**, there is the rising power and influence of a new coalition in Canadian society, based in the so-called popular sector comprised of churches, employee groups (including unions), women's groups, social agencies, ethnocultural organizations and voluntary associations, whose priorities and approaches will increasingly be reflected in the public policy agenda.

**Third**, there is the widespread frustration over our inability to assert control over our lives in this increasingly complex post-industrial age, and over our palpable failure to deal adequately with the all too evident inequalities and inequities in society today.

**Fourth**, there is the increasing consciousness of and sensitivity towards the rights of individuals and groups in society as the full impact of the Charter of Rights and Freedoms begins to be felt.

**Fifth**, there is the widespread concern with enhancing the quality of life, whether this involves issues of environmental degradation, or the threat of nuclear holocaust or even just a nuclear accident.

**Sixth**, there is the increasing awareness of our international interdependence, and of the inevitable decline of the American empire.

Having outlined each of these dynamics briefly, I will now elaborate on the implications of each for the shape of society as we approach the twenty-first century.

#### I

The all pervasive sense of cynicism and profound disillusionment with and mistrust of our major institutions in society: government, business and labour.

This cynicism is most obvious in the public reaction to the scandals that are currently rocking governments in both Ottawa and Washington. We

see it in the increased concern over conflicts of interest, the lack of ethical standards, corruption and the abuses of patronage. In the private business sector, the disillusionment began with the onset of crises in our major financial institutions - first, trust companies, then banks, and, most recently, insurance companies. The cynicism has now intensified in reaction to the insider trading scandals, to real estate scams, to the oppression of minority shareholders, and to the merger mania in a corporate world which seems increasingly dominated by paper entrepreneurs motivated by unbridled greed and questionable ethics. Not surprisingly, standards of both public and corporate morality are under intense scrutiny in the media, in the courts, in public inquiries, in legislative committees and before regulatory tribunals.

This crisis of confidence in government and business equally extends to labour unions. Unions appear unable to adapt to the exigencies of the post-industrial society and are criticized for myopically focussing on the self-interest, i.e., job security at whatever cost to society, of their particular members. They are viewed as impeding rather than easing the transition to the technology-driven age and, in any event, are considered to be increasingly irrelevant since the vast majority of employees in Canada, particularly those in the increasingly dominant service sector, do not even enjoy their putative protection. (Union membership as a proportion of the labour force dropped from 31.4% in 1982 to 29.7% in 1985)

Our response to this crisis of confidence in our major societal institutions will be critical. We must revive a genuine commitment to public service as opposed to the pragmatic pursuit of power, whether economic or political. We must find leaders who will articulate and pursue the broader public interest and be more than mere brokers among special interests. If we can do this, we will succeed in restoring public confidence and in strengthening the socio-economic fabric of the country. But in the process we will profoundly alter the relationship between the state and society, and the state and the individual.

What will emerge will be a new power structure, a transformation of the political process and what is best referred to as an alternative to post-industrial capitalism involving a totally new approach to our social and

economic development. Labels such as capitalist or socialist, liberal or conservative, public or private sector, will fade in significance.

Perhaps the most accurate description of this trend in conventional terms is to speak of the emergence of a social democratic alternative, uniquely tailored to fundamental Canadian liberal values and to this stage of our evolution toward a more egalitarian, humane and compassionate society. I turn now to a discussion of the new coalition in Canadian society that will be responsible for this transformation.

## II

The rising power and influence of a new coalition in Canadian society, based in the so-called popular sector comprised of churches, employee groups (including unions), women's groups, social agencies, ethnocultural organizations and volunteer associations, whose priorities and approaches will increasingly be reflected on the public policy agenda.

It is the emergence of these counter-institutions (as they are labelled by Daniel Drache) that will propel us toward the social democratic alternative mentioned above. They already constitute a real and viable force for change in society. Examples of their increasing visibility include such coalitions as the Solidarity movement against government cut-backs in British Columbia, the defence of abortion rights, the resistance to the deindexing of old age pensions, and the Social Policy Reform Group to monitor federal government cutbacks.

Although these coalitions and their activities are still fragile and loosely coordinated, their shared rejection of the "magic of the marketplace" approach to the determination of our economic and social future is increasingly striking a responsive chord. As devastating levels of unemployment continue, as the growing scarcity of affordable housing results in more and more homeless Canadians, as regional disparities worsen, and as real business investment continues to flag despite attempts to reduce the public sector deficit in order ostensibly to restore the confidence of the private sector, our excessive reliance on the private sector as the so-called engine of growth is being called into question. Furthermore, to the



extent that the private/public sector dichotomy no longer appears useful as a framework for developing public policy, we are also led to question the wisdom and relevance of the conventional assumptions about fiscal and monetary policies.

On the fiscal side, it is clear that traditional approaches to taxing and spending and the manipulation of aggregate demand can no longer be relied upon to provide meaningful incentives for investment and saving and the expansion of output and employment. The current tax reform initiatives aimed at simplification, transparency, the elimination of business incentives and so forth are perhaps the best evidence of the diminishing importance of traditional fiscal policies.

Concern over controlling the deficit and our national debt is also forcing us to review our conventional assumptions about government spending. For example, it is leading us to focus much more on the private sector surplus that is the counterpart to the deficit, and hence the role of the private sector in overcoming the fiscal crisis. We are also beginning to analyze our public expenditures in a more discriminating way, and are recognizing that many of the services provided by the government are indispensable and contribute to society's productivity for years to come. These involve long-term investments in research and development, public education, health, pollution controls and community infrastructure.

On the monetary side, the high interest rate approach to controlling inflation and other economic ills that resulted in such wholly unacceptable levels of unemployment particularly during the 1981-82 recession, has now been almost totally discredited. We also recognize that high interest rates have seriously distorted the distribution of national income in favour of the so-called paper entrepreneurs and accelerated the pernicious trend toward increased concentration of wealth and power. At the same time, high interest rates have significantly increased the share of unproductive interest income in GNP, at the expense of those valuable entrepreneurs who do employ people, take risks and produce real goods and services.

Finally, we also recognize that there are better ways to achieve adequate exchange rate stability than through the maintenance of a positive interest rate differential vis à vis the United States - a policy that has resulted in disturbing increases in the level of our foreign indebtedness,

and hence debt service payments. In any event, the internationalization of capital markets that permits billions of dollars to be shifted at the speed of an electronic impulse has, as Peter Drucker observes, resulted in the uncoupling of capital flows and exchange rates from the flow of real goods and services. More generally, the so-called "symbol" or financial economy consisting of capital movements and financial transactions has become separated from the "real" economy, and has become the driving force of both the international and domestic economies. Money itself is a dominant commodity, rather than simply a symbol by which to measure the sale of real things (goods and services). The cost of capital and our exchange rate are now the critical elements that determine our comparative advantage and our international competitiveness.

The implications these developments for our domestic policies are very significant, especially as we move inexorably towards the cashless society and the deregulation of financial services. We must firmly set aside the traditional assumption that the manipulation of the money supply and prices (interest rates) can be delegated to central bankers, while the government independently takes care of the budget, taxes, output and employment. New approaches to the determination of capital costs and exchange rate stability are critical, and must at the very least be integrated with our approaches to taxing, spending and labour market policies. Thus, the debate must once again return to such issues as the advantages of made-in-Canada interest rates, and policies to encourage capital formation within Canada, to discourage capital outflows, and to monitor more closely the benefits of foreign investment flows.

The new coalition that is emerging is determined to move beyond the traditional fiscal and monetary policy framework. Its members understand the need for a new approach to economic and social development - one that involves adapting to the global technological revolution and shifting away from our reliance on natural resources and certain traditional manufacturing sectors. But, equally, they reject the pursuit of economic growth as an end in itself, and refuse to abdicate to unaccountable private actors the power to define employment and investment opportunities. They are also determined that our policies for controlling the deficit and the national debt should

not be dominated by the pursuit of a chimerical credit rating in the international financial markets.

The political power of this new coalition is steadily increasing as its members build durable networks among constituencies that are frozen out of and alienated from the current power structure. It is simply a matter of time before more and more representatives of the coalition, notably, women, educators, scientists, engineers, environmentalists, - are elected to corporate boards of directors and enter into active political life. Their greatest challenge then will be to clearly articulate the broad public interest and use their new-found strength and influence to pursue a strategic agenda and implement major changes in the status quo.

Take, for example, the question of parental leave, and all the related issues such as child care, flexible work schedules etc. Arguably, parental leave is best dealt with as a human resource issue under the relevant employment-related legislation at the provincial and federal levels, rather than ineffectively under the unemployment insurance system. Yet, during the recent Forget Commission of Inquiry, women's groups simply pressed Forget to retain and improve the current provisions and ultimately, it appears, did influence the proposals in the final report. In future, though, such groups must recognize their ability and indeed their duty to bring about creative public policy changes. They should, for example, broaden their perspective by working with other interested groups and individuals, and seek not to maintain the status quo but to ensure that the relevant employment and human resource ministers at both levels of government cooperate to bring about really significant changes in our approach to such critical human resource development issues.

The response of governments to the recent liability insurance crisis will also demonstrate the potential power of the members of the new coalition. At the very least, the public debate has successfully moved beyond the narrow concerns of the insurance industry and legal profession who would obviously prefer to simply tinker with the status quo. The reality is, however, that the current private insurance system is unable to cope with the risks and uncertainty inherent in society today. Nor is it able to respond adequately to contemporary demands for compensation. The challenge for the representatives of disabled Canadians, sports and

recreation groups, consumer associations and community organizations, is to insist that our governments rise above the pressures of traditional lobby groups, whether business or professional, and recognize the need for major systemic change involving a no-tort comprehensive disability compensation scheme, together with more concerted and effective regulation of risky, hazardous activity.

### III

The widespread frustration over our inability to assert control over our lives in this increasingly complex post-industrial age, and over our palpable failure to deal adequately with the all too evident inequalities and inequities in society today.

This, of course, is closely related to the disillusionment with the ability of our dominant institutions - government, business, labour - to deal with the serious challenges we face, notably, poverty and unemployment, inadequate education and training, and the widening income gap between more affluent and poorer Canadians. The current power structure simply appears too remote, unaccountable, and insensitive to the concerns of ordinary Canadians.

Unemployment continues at devastating levels, and for those who are able to hold onto their jobs, technology appears to be creating two classes of workers consisting of a "technobility" with the information and skills to control the new production processes, and "technopeasants" whose lives are molded and directed by them. Indeed, we now face the very real possibility of intensified class tensions within Canadian society, and a dissatisfied lower class that refuses to be content with pushing a "Big Mac" button in a fast-food restaurant, cleaning floors or operating a photocopying machine, presents a serious potential problem.

What this means is that we must make major change in the nature and organization of the work place. Employers must cooperate with their employees and review and change job descriptions to combine automaton - like work with other more stimulating and fulfilling responsibilities, as well as with training for other types of employment. Innovative work-sharing and flexible scheduling schemes should also be worked out.

This search for new approaches to the problem of unemployment and adapting to technology is also forcing us to review the record of the



welfare state. More specifically, the sudden appearance of food banks, and the evidence of devastating numbers of homeless people has hopefully shocked us into questioning our commitment to increased social and economic justice. We have evolved into a 'society of strangers' of 'we' and 'them'. We have isolated ourselves from those we purport to help and have allowed the poor to slip into voiceless anonymity. Our complex bureaucratized system for transferring income has obscured the element of social solidarity that is so critical to our social fabric. And in losing sight of the value of community spirit and the advantages of sharing, we have prevented ourselves from dealing successfully with the challenges of poverty and unemployment and increasing inequalities of wealth.

We are now searching for new forms of social organization, new approaches to education and training, employment, social assistance and so forth, that will enable us to break down the society of strangers, restore a sense of control over the direction of our lives, and create a more compassionate, just and egalitarian society. We now recognize that the key to meaningful progress lies in our human resources, that is, our investment in the knowledge, creativity, skill and motivation of individuals - the most critical input without which our technological and economic progress will founder. In particular, in a world in which so much activity depends on the processing of knowledge and information, and the development and application of new technologies, education must be considered the essential infrastructure of this country, as our natural resources have been in the past.

Above all else, we must be firm in our commitment to respect human dignity and self-worth. Respect for human dignity cannot be fulfilled simply through mechanical transfers of income to meet basic material needs. Nor is it fulfilled through the provision of basic social services by impersonal welfare bureaucracies. Demonstrating respect for human dignity includes ensuring that, to the greatest extent possible, everyone has an opportunity to engage in meaningful and fulfilling work.

And this is where the need for a new approach to distributive justice and the integration of our welfare and employment policies becomes obvious. Our pursuit of social justice in this fast-paced electronic age now requires an equitable redistribution of work opportunities and the enhancement of

employability through better, more accessible education and training on an ongoing basis. This is at least as important, if not more important, than the traditional focus on mechanisms for income redistribution and even new approaches like a guaranteed minimum income. In other words, welfare should always be considered the second-best solution for destitute Canadians, the best solution being to guarantee all Canadians access to the necessary education and training and enable them to become happy, productive participants in the mainstream of our social and economic life.

Given the significant changes that are already taking place within the current power structure in society, what new forms of social organization will ultimately emerge and how will our new approaches to social and economic development evolve?

To begin with, we will focus on community enterprises and small and medium-sized businesses as sources of employment. More broadly, we will take firm steps to encourage employee ownership and control perhaps along the lines of the Swedish wage earners funds. Employee ownership and participatory management is clearly the way to create the kind of organizations in which people can pool their efforts, insights and enthusiasm without fear of exploitation. As Robert Reich observes, less hierarchical decision-making and communications structures will go a long way toward generating a sense of collective responsibility and what can be called collective entrepreneurship. And intensified worker commitment, however intangible, is a far more important measurement of productivity, innovation potential, and competitiveness than sterile statistics such as output per hour worked.

In addition, greater worker control will facilitate alternative forms of compensation such as profit sharing, the financing of special training and education arrangements and the implementation of an appropriate incomes policy to help control any new surges of inflationary pressures. Such inflationary pressures are likely to reemerge as the American dollar enters a crisis period, and as we finally take firm steps to hold interest rates and the cost of capital in Canada to reasonable levels, to encourage capital formation within Canada, and to expand public employment opportunities especially in such areas as the repair of our decaying community infrastructure, and the construction of affordable housing.

At the same time as moving towards such new forms of social and economic democracy, we must develop new and more effective approaches to regulation in a wide range of areas - occupational health and safety, employment standards, consumer protection, work place pollution and environmental protection - approaches that will entail direct worker/consumer involvement in the formulation and enforcement of appropriate rules and penalties. Greater use of task forces, advisory boards and legislative committees is one possibility.

We must also establish a network of locally elected development boards that will take a leading role in promoting local business and local services. For example, they should control the delivery of community and health services, and assume various functions now carried out by the Canada Employment Centres within the unemployment insurance system.

Certainly such community boards will be the most concrete manifestation of the integration of our welfare and employment policies, and our new approaches to economic and social development. In this connection, I should note that since 1983 in France, state welfare offices have held direct elections to the boards of local welfare caisses with turnouts higher than those in most local elections.

This focus on community involvement and control will also be reflected in more constructive and active involvement of parents and families on local school boards. This will spur the much needed reorientation of our system of primary and secondary school education so that it ensures that our children have the basic skills and knowledge to enable them to cope with the information-based technology age and to continue to learn on an ongoing basis throughout their careers. At the very least, this reorientation must constitute one prong in our attack on the totally unacceptable level of illiteracy in Canadian society today, and must reduce the equally unacceptable high school drop-out rate whereby some 30% to 40% of students never complete secondary school.

This reorientation of primary and secondary schooling will then be complemented by changes at the post secondary level as the government moves to provide a meaningful guarantee of access to ongoing education and training to all Canadians. Our current fixation on professional credentials such as law, business and medical degrees will gradually dissipate as our

focus shifts to interdisciplinary studies especially those involving sciences and technology. Degrees from colleges and universities will be available in much shorter periods of time and involve such new areas as manufacturing engineering. We will also emphasize flexibility in moving in and out of the workplace, apprenticeship schemes, cooperative education and training, paid educational leave, and so forth.

It is important to emphasize in this discussion that the focus on community activism and control, and microlevel changes in the workplace, must be closely linked with a focus on more activist government at both the federal and provincial levels in establishing the broad policy frameworks, and the national and provincial standards for such local activity. In other words, far from rejecting 'big government', Canadians are really just searching for ways to ensure more responsive, productive and accountable government at all levels. Or as Mario Cuomo succinctly observed: We believe in only the government we need, but we insist on all the government we need.

How will we go about creating more responsive government? The first step is of course to ensure that we have the necessary leadership. The question is then what changes in our political system and structure of government will enable our leaders to pursue the broad public interest, while responding more effectively to the needs and demands of all Canadians.

Over the longer term, we will undoubtedly see an elected senate, significant electoral reform and perhaps resort to the use of referenda. But, as our new priorities and strategic approaches really take shape, major organizational changes at all levels of government to accommodate new programs and initiatives will also be put in place. At the federal level, we could create, for example, a Department of Employment and Human Resource Development. The minister would have his or her own particular substantive responsibilities such as for employment equity initiatives and our key education and employment policies, in addition to a role in coordinating the activities of a number of second-tier ministers. These ministers could be concerned with, respectively, education and skill development, social assistance and social services, child care, employer-employee relations, health care and pensions, and housing.



This two-tiered ministerial structure would then be part of a more general reorganization of cabinet, and accompanied by significant parliamentary reforms involving a much greater role for legislative committees. For example, there should be a Standing Committee on Human Resource Development and Employment Equity to which the Canadian Human Rights Commission would directly report.

The mandates of these second-tier ministers would clearly reflect new realities and priorities. The minister responsible for employee-employer relations would take the lead on initiatives to encourage employee ownership along the lines of the Swedish wage earners funds, to promote innovative work and gain sharing schemes, to provide a guarantee of access to ongoing training and education, and to implement an incomes policy and possibly a wage subsidy scheme. The minister would also be responsible for developing labour market policies such as those in respect of justification for plant closures and layoffs, and for guiding the reform of the unemployment insurance system.

The minister responsible for social assistance and social services would have the responsibility for implementing a comprehensive disability insurance scheme, a guaranteed minimum income and an income supplementation program for the working poor, and for spearheading the initiative to integrate our tax and transfer system. He would also cooperate with the minister of housing in implementing an effective strategy to ensure adequate and affordable housing for all Canadians.

The minister responsible for child care would focus on priorities such as quality day care, the needs of single parent families, young offenders, and a whole range of issues affecting the well-being of young Canadians.

The minister responsible for education and skills development would have responsibility, among other things, for post secondary education, cooperative education initiatives, the anti-illiteracy campaign, and ongoing training programs. The minister would also promote the federal role in enhancing the quality of our primary and secondary school education such as with the establishment of a National Institute For Quality in Education, and would cooperate with the child care minister to ensure that our daycare system can serve the growing demand for early childhood education. He would likewise cooperate closely with the senior minister for Science, Technology

and Economic Development to ensure that the education system is responsive to the demands of our science and technology strategy such as for adequate levels of basic and applied research and development.

Finally, the minister responsible for health care and pensions would spearhead initiatives to encourage community health care centres, to implement a homemakers' pension and flexible retirement schemes, to ensure adequate coverage for part-time workers, and to promote greater employee control of our vast pool of pension funds to complement employee ownership initiatives. More generally, the minister will be concerned with all the implications for society of our aging population and with enhancing our awareness of the reciprocal obligations between generations and the need to minimize any intergenerational conflict. As one observer succinctly put it: the middle generation in any given era must strike a prudent balance between the demands of its parents and the demands of its children (such as for education), or prepare itself for unhappy retirement. Thus the challenge for members of the Baby Boom generation is not how to meet the demands of their parents, but how to provide for their own retirement without putting impossible economic burdens on their children.

In concluding this broad ranging discussion of how we will create more responsive and productive government, I should emphasize that although I have focussed on the federal government, our success in responding to citizens' needs and demands and in implementing a new strategic agenda will clearly require a high degree of federal-provincial cooperation. But this does not represent a formidable obstacle, particularly since the popular coalition that is emerging as the new power brokers consists of national, non-territorially based constituencies. It is therefore much better prepared to synthesize the national and provincial perspectives than the current coalition of business and labour groups. Most existing industry lobbies, for example, have narrow regional and sectoral bases, and frequently exacerbate federal-provincial relations by playing off the provinces against the federal government. The oil and gas industry in Alberta, the automobile industry in Ontario, and the textile and clothing industry in Quebec are good illustrations of the problem.

At the moment, with the current federal government in disarray, any major changes and shifts in the power structure and strategic agenda are

occurring at the provincial level, in Ontario and Quebec in particular. As with the medicare debate in the 1960's, the transformation at the federal government level will be somewhat delayed. But it is only a matter of time, and possibly only one general election away.

#### IV

The increasing consciousness of and sensitivity towards the rights of individuals and groups in society as the full impact of the Charter of Rights and Freedoms begins to be felt.

Despite the fact that the Charter is now almost half a decade old, we have not even begun to realize how profoundly it has altered the relationship between the individual and the state, and the political and socio-economic fabric of the country. The Charter articulates the key fundamental values which are common to all of us and which define ourselves and our concept of the Canadian federation. These are reflected in provisions for mobility, language and minority education rights, broad guarantees of equality, and our commitment to multiculturalism. In addition, the Constitution now entrenches the principle of equalization and the affirmative commitment of all governments to promote equal opportunities for the well-being of all Canadians.

It cannot be doubted that the Charter is having a transforming effect on the general conduct of politics and our language of political discourse. We are increasingly conscious of individual and group rights, and our collective identity now incorporates more fully our linguistic dualism and multicultural heritage. The focus on rights and the fundamental values expressed in the Charter is clearly shaping the public policy agenda not only as a result of legal challenges to legislative and administrative action, but also through the increased sensitivity of policy-makers who are determined to "Charter-proof" any proposed legislation or other government action in order to preempt such legal action.

The Charter influence on public policy is perhaps most obvious with respect to our approaches to dealing with the inequality and inequities in society, notably, employment and social assistance policies. For example, we are increasingly conscious of the needs of disadvantaged groups such as women, visible minorities, natives, the disabled, and are taking steps

through employment equity/affirmative action and pay equity initiatives to improve their well-being. We also more frequently speak of a person's right to a decent minimum standard of living, a decent quality of life, as something that is as worthy of protection as traditional property rights and contractual rights.

More broadly, the Charter is also having a subtle nationalizing effect as it gives expression to a national citizenship that is independent of territorial/regional location and that transcends regional identities. Its appeal to our non-territorial identities - race, ethnicity, gender, age etc. - is finding concrete expression in the new coalition and power structure that is emerging. This will have far-reaching implications for the course of federal-provincial relations and will ultimately result in a reduction in regional tensions and a convergence of perspectives on the critical issues on the strategic agenda.

V

The increased concern with enhancing the quality of life, whether this involves issues of environmental degradation, or the threat of nuclear holocaust or even just a nuclear accident.

It is not necessary to elaborate on the obvious concern of the vast majority of Canadians over the degradation of our environment, especially with respect to toxic/hazardous wastes, acid rain, the destruction of the ozone layer, water quality, and work place pollution. Clearly, sterile indicators as gross national product per capita and corporate profitability are wholly inadequate measures of our social and economic well-being. More generally, a fixation on expanding economic growth as an end in itself, without asking the critical question of economic growth for what, will not result in higher standards of living or an improved quality of life.

We will eventually formulate entirely different benchmarks against which to measure the real 'value' of a wide range of activities from the establishment of a nuclear power plant to the approval of hazardous chemical processing activities.

Our quality of life concerns also extend to broader issues such as reducing military expenditures at the national and international levels, halting arms shipments to developing countries, promoting international



human rights and humanitarian concerns, promoting international development, and eliminating the threat of nuclear holocaust. Indeed, in many of these areas we are witnessing what amounts to a resurgence of the activist spirit that was so obvious and yet so unfortunately short lived during the 1960's.

In this connection, it is important to note that the baby boom generation that has just turned 40, is the first generation in public life that has not experienced a world war, but instead has grown up under the shadow of nuclear Armageddon. Yet this nuclear generation is also experiencing the advantages of an unprecedented degree of international mobility and cross-cultural exchanges. It is likely, therefore, that with the necessary leadership this generation will finally be successful in breaking down the stultifying nineteenth century mindsets in which our current political and military leaders continue to conduct their international relations and to deal with issues like arms control and disarmament.

We will, for example, challenge the very basis for the nuclear stalemate. Already, we are asking ourselves why each superpower has created such an elaborate structure of defensive military alliances and accumulated massive amounts of lethal weapons all in the name of containing the other's aggressive intentions. Why do both sides insist on linking local disputes, whether in Africa, Southeast Asia or Central America, with the great power rivalry? Is it justifiable any longer for the West to call the Soviet Union the "evil empire", or for the Soviets to view the capitalist states as inevitably hostile or aggressive?

We must simply be persistent in our determination to shake the conventional assumptions of international power politics. Then the challenge for the next century will be to come to grips with the post-nuclear world, and how to cooperate more effectively to achieve meaningful international development and ecological improvements in a truly multipolar world.

## VI

The increasing awareness of our international interdependence, and the inevitable decline of the American empire.

In discussing international interdependence and the decline of American influence, I am speaking of the gradual decline in the relative economic and

financial, and eventually military, power of the United States and the shift in the international balance to Japan and the emerging nations, notably, China and India and the newly-industrializing countries. This will be most immediately played out in the imminent dollar crisis that will likely provoke another round of inflation, but it will also be linked to an intensification of the broader international debt crisis and major changes in the system of international finance. In this connection, it is important to note that the U.S. is now the world's largest debtor - something that has clearly contributed to the diminishing international confidence in the U.S. dollar as the world's reserve currency and hence in the dominant American role in the world monetary and financial system.

This American decline, however, will be a positive force for change. We must simply be bold and forward thinking. The result will be a new boost to meaningful and effective international cooperation in all spheres - monetary, financial, international development, the environment, military armaments and expenditures, and so forth - in recognition of the fact that nothing less than the future survival of the planet is at stake.

With specific reference to Canada, we are currently in a phase involving an unhealthy fixation on our relations with the United States particularly in the trade area. But this will rapidly dissipate especially as the full implications of the decline of American power become apparent. We will then firmly reassert our distinctiveness and determination to pursue our own course of social and economic development not only with respect to trade, but also with respect to investment, interest rates, tax reform, social policy and so forth.

We are increasingly conscious that we are a Pacific nation as much as an Atlantic nation and that we are well poised to construct closer and profitable links with the emerging nations. More importantly, we recognize the ongoing transformation of the global economy and the need to adjust our economic development plans to ease the transfer of workers out of basic, low skill occupations that are now better suited to the developing countries in their climb up the first steps of the industrial ladder.

In general, Canadians have always been and will remain strong internationalists, that is, we define ourselves and our identity in terms of our activities in the international arena in all spheres, but notably, those of

trade, peace and security, the environment, and international development. And this basic attribute will be further strengthened as our society becomes ever more multicultural in nature.

Thus, as we approach the turn of the century we will see Canada once again playing an important independent role on the international stage in all key areas. And our renewed activism may find expression, domestically, in the establishment of, for example, a new Department of Peace, Security and International Development that will absorb National Defence, and in the reorientation of the Department of External Affairs to better deal with our international trade and economic relations.

We will therefore succeed in distancing ourselves from the declining American empire. At the same time, and as we focus more on the Pacific Rim, it is only appropriate that we finally take steps to eliminate the last formal vestiges of our emotional link to the British empire and establish our own Canadian head of state. For those who woke up at 4 in the morning to watch the two recent royal weddings, this will appear like heresy. But it is only a matter of time, and perhaps when we witness the absurdity of the coronation of Prince Charles as the King of Canada, we will acknowledge that the constitutional symbol of the monarchy has lost its meaning.

### Conclusion

Over 25 years ago, writing on the eve of the Kennedy era in his landmark book The Affluent Society, John Kenneth Galbraith confidently predicted that the increasingly wealthy post-war society would endorse the proposition that poverty was not an acceptable feature of social life, and seek actively to reduce social inequality. According to Galbraith, "it was the unarticulated assumption of American liberals ... that the newly affluent - blue collar workers with middle class incomes, the new, vastly enhanced professional class, the modern, relatively well-paid white collar bureaucracy - those protected from the trials of unemployment, old age and illness, would in gratitude have political attitudes different from those of the older rich. And so, presumably, would their yet more fortunate offspring."

But, as Galbraith acerbically points out twenty-five years later in the forward to the 1984 edition of The Affluent Society : "The liberals were wrong. Now the securely affluent has become a voting majority or, more

accurately, a majority of those who vote. Their political tendency is that of the affluent of the past. It reflects the age old tendency of ignoring or rationalizing the differing fortunes of the rich and the poor."

Clearly, this analysis of the newly affluent generation of the 1970's and 1980's presents a harsh indictment of our political and moral-ethical values. But as I hope I have demonstrated, the trends or dynamics now manifesting themselves in contemporary society point to a much brighter future. The potential clearly exists for all of us, but particularly the nuclear generation that is coming of political age, to pursue a clear vision of Canada as a viable and dynamic nation in an interdependent world, and to begin the process of building a solid social and political consensus around our key objectives. We must establish now a concrete strategy for meeting the challenges of eliminating the threat of nuclear holocaust and ecological disaster, eliminating poverty and unemployment, easing the transition to the technological-electronic age, and creating a fairer, more equitable and compassionate society. To fail to do so will amount to abdicating our responsibility to guide the Canadian destiny for our children and future generations.