

## In Canada, the new solitudes are East versus West

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Growing up in the 1960s, we learned about Canada's 'two solitudes' defining our national identity – and our national division – the French in Quebec and the English in the rest of Canada. Many in English Canada resented the supposed bounteous redistribution paid to Quebec. In Quebec many resented anglophone domination of the Quebec economy. The emergence of a powerful sovereigntist movement seemed to seal Canada's fate as a country defined by a linguistic divide. But is this picture still valid? Today, Canada reflects a different dynamic. The economy, not so long ago based largely on the manufacturing sector in central Canada, is now driven largely by the western provinces' natural resource industries. The centre of national politics has also shifted west, seven years into a federal government with its strength in the west (especially Alberta) and almost none in Quebec.

What's more, the old picture of Quebec taking and the rest of Canada giving is no longer correct, if it ever was. Today, the total sum of federal transfers to the provinces is much less redistributive than ever (such transfers include not only Equalization but all payments from Ottawa into provincial treasuries). The changed distribution of federal transfers is documented in a recent study by the Caledon Institute (*Is Canada Still a Fiscal Union?*). In the 1980s, Ottawa's payments to the provinces were inversely proportional to each province's wealth (as measured by provincial per person GDP); that is, on a per person basis, higher payments were made to provinces with weaker economies like Quebec and the Atlantic provinces, and lower payments made to the provinces with stronger economies like Ontario and Alberta. In 1987 the difference in per person provincial GDP accounted for fully 83 percent of the variation in Ottawa's transfers to each province. But by 2009, differences in provincial GDP accounted for only 30 percent of the variation in federal transfers to provinces.

Not only have federal payments to provinces become less redistributive, the federal government's own programs have shrunk relative to GDP from about 15 percent in the early 1980s to around 10 percent (as anticipated in the upcoming Federal Budget). With shrinking program spending, Ottawa has diminished capacity to redistribute income directly to Canadians in less well-off regions through programs such as Employment Insurance.

There is a new division in Canada, rather than English-French it is now East-West – but does the public recognize it? Canadians seem to be catching on, based on the latest Focus Canada survey conducted at the end of 2012 by the Environics Institute for Survey Research.

Canada has always been a country of regions resenting each other for allegedly getting a bigger share of the fiscal pie. While this sentiment persists, it is less widespread than in the past. Two-thirds (64%) of Canadians today feel the federal government favours one region over others, but this proportion has declined by almost 10 points since 2005 and is now the lowest on record, dating back to 1986. Which region is seen as the most favoured recipient of Ottawa's beneficence? The shift in public opinion reflects the economic and political reality. In 2005 three-quarters (75%) of Canadians named Ontario and/or Quebec as the most favoured region, compared with only six percent who gave this distinction to the West. Today, almost four in ten (38%) believe it is western Canada (mostly Alberta) that is most favoured, compared with 46 percent who name central Canada.

How has this shift played out across regions? Quebecers, who used to see Ontario as the favoured region, have now largely shifted their focus to Alberta. Western Canadians, on the other hand, no longer point primarily to Quebec as getting the lion's share of federal largess, but now see Ontario as most favoured. And Ontarians themselves are more likely to point west when asked which region is favoured by Ottawa.

The historic linguistic divide between English and French, a defining characteristic for 400 years, may finally be dissolving in the early 21st century. Further evidence of the erosion of language politics is found in the Focus Canada results showing that public support for bilingualism (both at the national and provincial levels) is on the rise (everywhere but Alberta) and is now at an all-time high. In Quebec, support for bilingualism is almost unanimous at 94 percent, doubtless reflecting the emergence of English as the language of global communication, whether in Rimouski or Romania.

Will a Canada defined along an East-West fault line make for a more cohesive country than the old language-based divide? This remains to be seen. Canadians as a whole remain strongly proud of their country, but this sentiment is much lower-- and declining further -- in Quebec where only 34% now feel very proud, compared with 83% in the rest of Canada. Today's East-West alignment may be creating a new source for Quebec's sense of difference. On the other hand, we may also see a new form of Ontario-Quebec alliance based on economics rather than language.

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