

Tuesday, October 9th,
2007

Ontario politicians forced to deal with new realities

Tue Oct 9 2007

Tom Ford

GUELPH -- I'm sitting on a park bench in this charming, leafy city trying to figure out the role Ontario's gods played in the Ontario provincial election, which will be decided Wednesday.

I know the gods are powerful. For decades, they have influenced public life in this province and even in some neighbouring jurisdictions such as Manitoba.

The big issues in the campaign -- energy, public schools and employment -- also engaged the interests of the gods: Sir Adam Beck in the early 1900s built the Hydro Electric Power Commission of Ontario into the world's largest publicly owned power authority; Egerton Ryerson, a Methodist minister, was responsible for Ontario's public school system and Sir Joseph Flavelle was a prominent financier and meat-packer whose activities gave Toronto its "hog town" nickname.

The issues that occupied these gentlemen were discussed in the Ontario campaign, but the context around them has changed radically. This forced Ontario's political leaders to deal with some of the new realities that face the province and many parts of Canada.

Power is a good example. Beck promoted "power at cost." He charged initial low rates, then dropped rates even lower by building huge, efficient generating stations. He pushed around balky municipalities; bullied provincial governments and hampered the progress of private rivals.

But he established the public enterprise tradition in Ontario and in places such as Manitoba, home of Manitoba Hydro, a Crown corporation.

Then-premier Mike Harris privatized Ontario Hydro in 1999. It had a massive debt and big problems with nuclear plants. Now, the system is creaking; the Ontario Power Authority says \$60 billion is needed to rebuild it, but no one is sure where that money is going to

come from.

Norm Rubin, of Energy Probe, an energy watchdog, says Ontario can credit "dumb luck" for the fact blackouts are so rare. The province's nuclear plants are old (they've never been very reliable); coal is politically incorrect; natural gas is expensive and so is wind. By 2025, the province will have a power shortage of 15,000 megawatts (MW).

The basic problem in Ontario is that its system is neither entirely public nor private. It's an uneasy mix of the two. Private companies are expected to produce power, but governments like to tell them how to do it and what to charge -- a situation that wasn't resolved in the campaign.

The debate on public schools was much livelier and more to the point. Near the campaign's beginning, Tory Leader John Tory said private religious schools should receive government funding, providing they are subject to provincial inspections.

At present, only Roman Catholic religious schools receive state funding under an agreement that dates back to Confederation in 1867.

Tory's sudden policy reversal would have shocked Leslie Frost, Ontario premier from 1949-61 and founder of a Conservative dynasty. A methodical man, his favourite phrase was "in due course."

Tory's promise actually made Liberal Premier Dalton McGuinty look good (which is difficult to do some days). McGuinty, even though he's Roman Catholic and his wife teaches in the separate system, vigorously defended public schools.

As Manitobans know, public schools can be a divisive issue. In 1890, Thomas Greenway, Manitoba's Liberal premier, abolished public funding of Catholic schools. This created a crisis that wasn't fully solved until 1970.

Tory apparently wanted to show he was a good Red Tory and open to the needs of multiculturalism. His attempt backfired. Even the Canadian Civil Liberties Association, which usually backs minority groups, said if the proposal went forward "public schools would no longer be able to perform their integrative role. In time, our community could become a much less tolerant place."

Tory's promise also ignored the fact that since 9/11 Canadians have become concerned about the nature of some religious instruction. They are now more interested in integrating minorities into Canadian life.

A new poll by Ottawa-based SES Research says only 18 per cent of Canadians say cultural and religious minorities should be totally accommodated in Canada; 53 per cent say

immigrants should fully adapt to the Canadian way of life.

A week before election day, Tory modified his promise: He'd only give religious schools state funds if a free vote in the legislative approved it -- an unlikely proposition.

Perhaps, tycoon Sir Joseph Flavelle would be least likely of all the gods to understand the current election. He grew rich partly because of Sir John A. Macdonald's 1891 policy to erect tariffs to protect Canadian business.

Business in his day was literally an old boys' club -- the right private schools, the right clubs, the right charities, and wood-panelled offices with fireplaces.

Sir Joseph, a philanthropist as well as a businessman, only stumbled once: He was accused of profiteering from bacon supplies in the First World War, but an inquiry exonerated him.

Business has changed massively. We're celebrating 20 years of free trade with the U.S. A weak Canadian dollar helped manufacturers weather the storms of freer trade, but now the loonie is trading at par with the greenback for the first time in 30 years. As well, the red-hot economies of China and India are successfully competing for markets at home and abroad. As a result more than 140,000 manufacturing jobs have been lost during McGuinty's three years in office.

The province's political leaders all have some "answers" to Ontario's employment problems -- but none is going to bring back Sir Joseph's good old days.

As a kid, I grew up listening to western farmers beef they had to sell their products on international markets, while eastern manufacturers (who made most of their machinery) hid behind tariff barriers. I can't say I'm overwhelmed with sadness about the plight of Ontario's manufacturers.

Fierce international competition made western farmers some of the world's most effective and efficient. I can only hope the same happens to Ontario's manufacturers.

Tom Ford is managing editor

of The Issues Network.