

# WINDOWS OF OPPORTUNITY: SOCIAL REFORM UNDER LESTER B. PEARSON

Jim Coutts

The arrival of Lester B. Pearson as prime minister in 1963 opened a window of opportunity on the most creative and significant era of social policy in modern Canadian history. This was no accident of history, writes Jim Coutts, who had a front row seat as Pearson's appointments secretary. Pearson came to office with a fully developed agenda for economic and social policy, the determination to carry it out, and the means to finance it during a time of plenty. As Coutts writes in this exclusive for *Policy Options*, in only five years of two minority governments Pearson enacted the Canada-Quebec Pension Plan, the Canada Assistance Plan, the Guaranteed Income Supplement and Medicare, all keystones of the modern social security system. "What took King and other prime ministers more than 40 years to achieve," writes Coutts, "was expanded at least two fold" during the Pearson years. None of his successors has even come close as an innovator of social policy, notes Coutts (who later became principal secretary to Prime Minister Trudeau) because none had a coherent agenda for progressive social policy. On the eve of the Liberal leadership convention, Coutts's reflections serve as a timely missive to Paul Martin from a lifelong party activist with unique insider credentials on the development and management of a prime ministerial agenda.

En 1963, l'élection de Lester B. Pearson a inauguré en matière de politiques sociales la période la plus marquante et la plus innovante de l'histoire du Canada moderne. Et cela n'avait rien d'une coïncidence, explique Jim Coutts, qui était aux premières loges à titre de secrétaire du nouveau premier ministre. Car celui-ci avait déjà en mains un programme complet de politiques économiques et sociales qu'il était déterminé à mettre en œuvre, en misant pour le financer sur tous les moyens propres à une période d'abondance. En cinq ans et deux gouvernements minoritaires, rappelle l'auteur de ce texte exclusif à *Options politiques*, Lester B. Pearson a établi les régimes de pension du Québec et du Canada, le Régime d'assurance publique du Canada, le Supplément de revenu garanti et le régime d'assurance-maladie, autant de clés de voûte du système actuel de sécurité sociale. Selon l'auteur, Mackenzie King et ses successeurs ont mis plus de 40 ans pour réaliser l'équivalent de ce qui fut accompli pendant ces brèves années Pearson. Et depuis, aucun premier ministre n'est venu près d'égaliser cette capacité d'innovation faute d'avoir conçu un programme global de politiques sociales progressistes, note celui qui deviendra premier secrétaire de Pierre Elliott Trudeau. À la veille du congrès d'investiture du Parti libéral, Paul Martin gagnerait sans doute à méditer cette réflexion de Jim Coutts, militant libéral de toujours, initié de l'intérieur à la conception et à l'application d'un programme digne d'un chef de gouvernement.



The Gazette, Montreal

Lester B. Pearson  
From world statesman to social reformer



**W**hen George Washington Plunkett, boss of New York's notoriously corrupt Tammany Hall political machine, was led off to prison, he is supposed to have shrugged and said: "I seen my opportunities, and I took 'em."

In the more noble reaches of politics, windows of opportunity provide gifted leaders with a chance to advance crucial public policy. But the window is usually not open for a long period of time, and the politician needs sufficient leadership skills and talented advisors to recognize and seize the opportunity.

Windows of opportunity can be taken advantage of only if the government's leader has a desire to act. I have long held the view that there are basically two types of politicians, as Jean Monnet famously put it: those who want to be somebody and those who want to do something. The more I reflect on Canadian politics, the less I see philosophical divisions between right and left. Instead, I see a basic division between those who want to take initiatives, and those who simply want to carry on with the mechanics of office.

To the "mechanics," those of us who are incurable activists must seem like dangerous meddlers often doing more harm than good. As principal secretary to Pierre Trudeau I was cautioned about activism prior to the 1979 election. We were seeking initiatives to get out of our slump. Jack Pickersgill, Mackenzie King's cabinet secretary and a long-time Liberal minister, invited me to lunch. Pick came to the point quickly. "My boy," he said, "you're in trouble. You're doing too much. Stop doing things — just govern."

Stand-pat and activist instincts often co-exist throughout the career of a public figure. Mackenzie King, though Canada's dean of delay, certainly didn't lack the desire to build a comprehensive social security system. But he understood the conflicting moods of Canadian regions and groups, and moved at a slow pace in order not to lose any major block of support. Hence he was one of the first to advocate unemployment insurance and Medicare, but took 25 years to enact only a rather timid U.I., and gave up on Medicare after one rebuff from the provinces. True, no one leading a national party for 29 years bets the whole bank on one or two initiatives. But more often than not, whether in the recovery from Depression, preparation for war, dealing with military conscription or beginning postwar reconstruction,

King wanted to keep the lid on rather than to bring issues to a boil.

Canadian politics is far more often in a "steady as it goes" state than an activist state — which makes the brief years of Lester Pearson's social reforms, or Pierre Trudeau's 1980-84 period of constitutional change, all the more remarkable. For the most part, we have had generally admirable political leaders who, by natural inclination or in response to years of experience, emerge as highly cautious public figures; they genuinely believe that if they leave office with things no worse than they found them, they will have contributed much.

The true committed activists — those who attain leadership to do something rather than to be somebody — normally come to office knowing exactly what they want to do. They often succeed, often fail, and sometimes muddle through. But they almost always decide and articulate in advance what they want to do with power. The critical difference between success and failures lies in whether or not the window of opportunity opens for them.

I would put Jean Chrétien in that camp. Like King, he came to office with a progressive social conscience but seems likely to leave it more closely identified with longevity in office and winning general elections, than with a remarkable record of social legislation. He is a man of deep passion and commitment to the party and the country. But passion is not a substitute for purpose.

In Canada, we were also led not too long ago by two very different politicians who were not committed activists but simply wanted to attain high office, and once there, sought symbolic measures for which they might be remembered. John Diefenbaker's "Northern

Vision" seemed like a smokescreen of mystification that materialized out of nothing — and proved to be not much more than that. Brian Mulroney will indeed be remembered (not necessarily favourably) for the abortive Meech Lake and Charlottetown accords. But those constitutional proposals, as well as the far-reaching measures he did succeed in enacting, like Canada-US free trade, had been vigorously opposed by the same Mulroney en route to the PM's office.

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Certainly the National Policy of both Macdonald and Laurier — which built the transcontinental railways, opened and populated the West, and preserved the geographic unity of the country — would be the prime example of an initiative that fitted the times and left a long-lasting mark. But there are more recent historic examples, ranging from C.D. Howe's massive program of building and reconstruction following the Second World War, to the trailblazing social and economic initiatives of the Saskatchewan CCF governments, which introduced the first Medicare program in North America.

The 1960s in Canada were another time and place when the right political leadership coincided with the right window of opportunity. Lester Pearson outlined a bold program of social policy, won an election and implemented a good portion of his reforms, thus providing the framework for one of the world's best social security systems.

The importance of the period lay not just in the fundamental legislation that was passed, like a national pension plan and Medicare system. It

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lay also in the successful unblocking of federal-provincial snarls that had paralyzed most joint action since the 1920s, including a strategically essential breakthrough with Quebec. As well, Pearson and Company modernized the language of social policy debate in Canada. Full employment and incomes policy became the goal, rather than payments to the poor via band-aid programs. Much was made of *national* standards and *national* policies. And ways were found to use income supplements where necessary as an end-run around the rhetoric of program universality.

This essay seeks to analyze how this remarkable body of legislation passed into law. I will also try to answer the question of why such major initiatives succeed only occasionally, while many others fail. What conditions are necessary? And do these conditions exist right now, as Canada looks forward a new century under a new leadership?

Of several such periods I lived through, none left a deeper impression on me — or much more importantly, left the nation better off — than the window of opportunity that opened from 1963 to 1968, and allowed the Pearson government to implement Canada's most sweeping social policy reforms. I was a bit-player in the process, involved largely in day-to-day mechanics. But I had a good seat in the theatre as Prime Minister Pearson's Appointments Secretary: the gatekeeper at his office door, screener of his phone calls, wagon master of his travels and sometimes the quiet note-taker at the back of his meetings.

If successful policy reform requires a window of opportunity and men and women who have thought through exactly what they want to do,

it also requires that they focus energy on just a few initiatives and see them through. Tom Kent, Pearson's chief policy advisor, who taught me most of what I know about social policy, strongly believed that a single administration cannot succeed at more than two or three important initiatives. Unsurprisingly, he spent the Pearson years in frequent states of anxiety, because the agenda inevitably became filled with what he considered "sideshows," like the flag debate.

Kent also helped convince me that to be successful, a major initiative must be central to the government's "being," to the mission that inspired its supporters and brought it to office. Ploys invented later aimed at public opinion are usually quite transparent. Some would cite as an example the so-called Trudeau "peace initiative," basically dreamt up to give energy to a tired PM and administration. While well intended, it was an invention, not an organic commitment, and was taken as such by many inside Canada and abroad. Time will tell whether Jean Chrétien's *fin de régime* conversion to big-budget activism is a similar phenomenon.

As a Harvard graduate student in the 1960s, I attended a seminar where Richard Neustadt and Graham Allison constructed different "models" to explain how successful major public policy initiatives come about. They produced three models explaining how the 1962 Cuban Missile Crisis unraveled.

In recent years, I have tried to apply the modelling approach to why, at certain points in a country's history,

a major policy initiative becomes possible — that is, I have tried to construct a model that might help explain successful measures like the Pearson social reforms. I concluded that at least four conditions are required. Only when all four are brought together does a window of opportunity open for successful social change.

In summary, windows of opportunity for major policy reform appear to open when:

- the public understands the need for and wants that reform;
- a political party has a strong partisan imperative to make itself the agent of reform;
- the country feels it can afford the cost; and finally,
- the right cast of political characters assembles to champion the reforms and manage the process.

First, reform must answer a need that has grown to major proportions with the public. These conditions most clearly prevail when an outside force threatens a nation's security, as in wartime, or when economic conditions grow intolerable, as happened during the Depression, or when massive economic and technological changes uproot people from their homes and places of employment. Of course, there is nothing to prevent an astute political leader from acting to stimulate the public mood in the desired direction (or a timorous or devious one from trying to stifle or deflect the public mood).

The model's second condition means that policy reform not only must arise from a party's philosophical outlook, but must be essential to its election or re-election, its renewal of a flagging leadership or depleted electoral base, or its survival as a minority government — or, as in the rare case of the Pearson Liberals, to all three.

The model's third condition for reform is a widespread public sense of affordability — that is, the belief that government finances are under control, but even more, a sense that the



The Gazette, Montreal

Prime Minister Pearson presides at his last federal-provincial conference in February 1968 with Justice Minister Pierre Elliott Trudeau. Only a few months later, writes Jim Coutts, “the Trudeau forces swept virtually overnight to power with no particular social agenda.”

times are reasonably prosperous and will remain so.

The fourth and final condition for success is the presence of a political leader and key advisors who not only understand the problem and its solutions, but also have or know enough to find the requisite administrative and communications skills. The combination of players will be most effective if, besides political skills, the core group has strong relations with senior public servants, influential members of the media and the academic, professional and business worlds.

I also believe in Tom Kent’s contention that most of the key political players must regard the reform in question as far more than just one of many needing attention. It must address a burning problem that consistently commands their intellect, skills

and determination. They must feel that success will make their political journey worthwhile, and failure will mean their time in public life was wasted. In short, the reform must be an issue upon which they will stake their careers and political reputations.

**T**o the controlling Liberal triumvirate of Prime Minister Pearson, his finance minister and national party chief Walter Gordon, and his policy chief Tom Kent, such an issue was the agenda of social security reform introduced by the Pearson Liberals in the five-year period between 1963 and 1968. They were without doubt the boldest and most progressive social measures taken in Canada up to that point — and certainly since, when unhappily there has been as much neglect as expansion of social security programs.

The Pearson measures had been a long time coming. If Mackenzie King was slow to act on social policy, at least he established links between social policy and economic progress. In 1919 he won the Liberal leadership and engineered a party resolution calling for “an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows’ pensions and maternity benefits ...” King’s government created the first modest pensions (1927), unemployment insurance (1940), and the “baby bonus” family allowances (1944). Louis St-Laurent added old age security, other social assistance programs, aid to universities and hospital insurance. In the cautious King-St-Laurent years, the most effective Cabinet social reformer was

Health Minister Paul Martin Sr. In fact, among his business cronies, C.D. Howe sometimes referred to Paul Sr. as “my young Communist friend.”

After the Second World War, two issues presented major stumbling blocks to social change. First, the constitution required provincial agreement for most social legislation, and even Unemployment Insurance was held up for more than 10 years by the provinces. The second divisive issue was the question of means-tested versus universal social insurance.

The latter issue was politically resolved in favour of universality by a 1950 parliamentary committee under Jean Lesage and Toronto’s David Croll, who successfully persuaded the public to reject any hint of means tests. But the federal-provincial divisions continued unabated until the election at last of a new reform generation of premiers, such as Ontario’s John Roberts, Quebec’s Lesage, Manitoba’s Duff Roblin and New Brunswick’s Louis Robichaud. Their enlightened outlook, along with Pearson’s relatively flexible policy of “co-operative federalism,” finally broke the federal-provincial log-jam in the 1960s.

But social reform became a central issue only after Pearson set out to rebuild the opposition Liberal party and return to power. While working to strengthen economic policies and improve employment opportunities, Pearson and the progressives he recruited managed to enact four keystones of our modern social security system between 1963 and 1968: the Canada-Quebec Pension Plan, Canada Assistance Plan, the Guaranteed Income Supplement and the *Medicare Act*. In other words, what took King and other prime ministers more than 40 years to achieve, was expanded at least two-fold by a minority government in less than five years.

**I** doubt this expansion could have happened had not an extraordinary window of opportunity been opened

by the coincidence of the four key conditions of our “model” for reform, beginning with the evolving state of public opinion in both French and English Canada.

During the 1960s the Quiet Revolution in Quebec replaced local church-run education and social services with public province-wide services for the first time, and overcame conserva-

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tive public opinion to do so. Similarly, Pearson and his federal and provincial precursors in social policy had to soften up centuries of strict “parish tradition” in parts of English Canada.

The long evolution of social policy from local parish to national state took a little longer in Canada than it did elsewhere. In Great Britain in particular, the momentum favouring state intervention arose from 19<sup>th</sup> and 20<sup>th</sup> century social reformers and novelists and the new science that would be called economics. Pearson and Company were fortunate to come to office at a time and place very much in the thrall of intellectuals such as Keynes and Galbraith. Still, during the first half of the century, new thinking favouring government activism captured public support far more slowly in Canada than in Europe.

Three particular factors had reinforced Canadian public opinion’s relative caution toward creating the modern welfare state during the 50 years before 1960. One was the relatively rural nature of the country, where only a handful of manufacturing cities existed until well into the mid-century. Since rural communities form citizens’ co-ops for economic purposes and church groups for social assistance, the idea of state-run social services can be slow to take hold.

Second, though certainly affected by the World Wars and Depression, Canada faced nowhere near the devastation that these events caused in Europe and (to a somewhat lesser extent) in Britain. And third, the American tendency to distrust government and shy away from state intervention had at least some influence in parts of Canada, certainly for as long

as the idea of state-run medicine or pensions seemed certain to overtax limited resources.

**B**y the outset of the 1960s much of this was different. The Canadian population had started to become more urban, and the influence was felt from post-war immigration from Europe. Political “spill-over” from the US switched at least temporarily from the traditional distrust of the state under the Republicans, toward the more left-of-centre reformism of JFK’s policy hopes. The Roman Catholic Church monopoly on social services was evaporating in Quebec. But the most obvious change lay in the newly favourable economic and financial situation, creating the second of the four conditions required for our social reform model.

The financial outlook is never simply a function of government surpluses or low public debt. The public also must *believe* that the nation can *afford* reforms, and the sense of affordability does not necessarily follow in tandem the fiscal policies of the day.

Rather, prosperity was felt by Canadians in the early 1960s because of the comparison many could make between their experience during the 1930s Depression and wartime rationing, and the longest economic

expansion in peace-time history. We could see the building of homes, offices and universities, of highways, pipelines and seaways, and share in the feeling of prosperity. We could do anything; we could afford any change.

Pearson and the reformers led by Walter Gordon had campaigned widely on social change ever since the 1958 Liberal leadership contest. But with the belief in economic affordability more firmly in place, public opinion favouring reform was now even more strongly influenced by how discussion of social policy was evolving in the press, the universities and various private-sector policy shops. I can recall four examples.

First, linkages were newly strengthened between economic development and social policy, emphasizing the contribution to national wealth of job creation and of measures to help those lacking training, good health or adequate pensions. Second, instead of pigeon-holing people as poor or frail, the debate now focussed on a national incomes policy that would apply to all citizens, with some needing assistance from time to time.

That led, third, to greater public acceptance for targeted income supplements, as opposed to program universality. In earlier programs like Family

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Allowance or Old Age Security, political architects had used universality to gain political support, and fought to maintain universality against cost-cutters who wanted to cap programs to exclude those at or above middle-income levels. Now, public consensus would eventually emerge to guard basic universality, but to add extras like the Guaranteed Income Supplement for the lower-income recipients of Old Age Security. Thus, the wider public could endorse more for those who needed most — while still sharing in the overall program benefits.

Fourth, and last, was the new level of support for the idea of national programs for Canadians in all regions. New thinking about federalism among political scientists and both federal and provincial senior public servants encouraged a dramatic shift away from the old notion that social assistance was a local or strictly provincial matter. The idea of national responsibility became central, helping enable such critical developments as national portability in pensions and (at least in theory) equal access to medical services in every region.

But neither economic prosperity nor evolution in public opinion would have carried the day if the party politics of the decade had not pushed and pulled as it did. The third condition for social change is a political scenario that forces one particular party forward with a reform plan — that virtually requires, in fact, that a party leader stake his political career on given reforms.

By 1957 the Liberals were viewed as tired, arrogant and politically uncreative. John Diefenbaker caught and summarized the mood, as all good politicians can, in a single phrase — “the six buck boys,” a reference to the

Liberal Government’s frugal monthly pension increase. Yet Diefenbaker then failed to put forward new social policy of his own, a failure that always surprised and disappointed me, given his Prairie populist instincts and his first-class policy advisors.

Diefenbaker’s inaction, coming on top of a less than stellar effort the last few years by his Liberal predecessors, opened a golden political door for Pearson. His credibility as a potential reformer was high because he had been an especially creative foreign minister, not tarnished with the old

Liberal regime’s image of domestic policy fatigue.

Pearson and the other new political players were the fourth key. It is always essential not just that players are individually and collectively in favour of a policy, but that their relationships are such that they can support each other and prod each other to follow through.

Besides the three men who made social reform possible, several other political players were important, though the only absolutely crucial one was probably Jean Lesage, premier of Quebec during most of the Pearson era. Lesage unblocked the path that Ontario and Quebec had closed for 40 years, removing a constitutional roadblock across social reform efforts dating back to the 1920s.

While not always understanding of Lesage’s political theatrics, Pearson understood the extent of the revolution taking place in Quebec society, and like Gordon and Kent, recognized the skilful new cabinet and public service talent Lesage had recruited. Pearson’s “cooperative federalism” emerged as a true partnership for reform, replacing at least for a while the frequent inclination towards

patronizing from Ottawa and stubborn obstruction from Quebec and Ontario. It also helped that Jean Lesage, one of life’s original “networkers,” had worked closely in Ottawa with the new men central to change. Pearson, in fact, had mentored Lesage’s route into Cabinet as his parliamentary assistant, and the two progressives worked together as critical allies of Health Minister Paul Martin Sr. on pension and hospitalization legislation.

The Ottawa triumvirate of Pearson, Gordon and Kent came at social policy reform from different vantage points. While in the end it took the efforts of all three to make reforms happen, only Kent was single-minded over social policy during the full 10 years. With Gordon, social

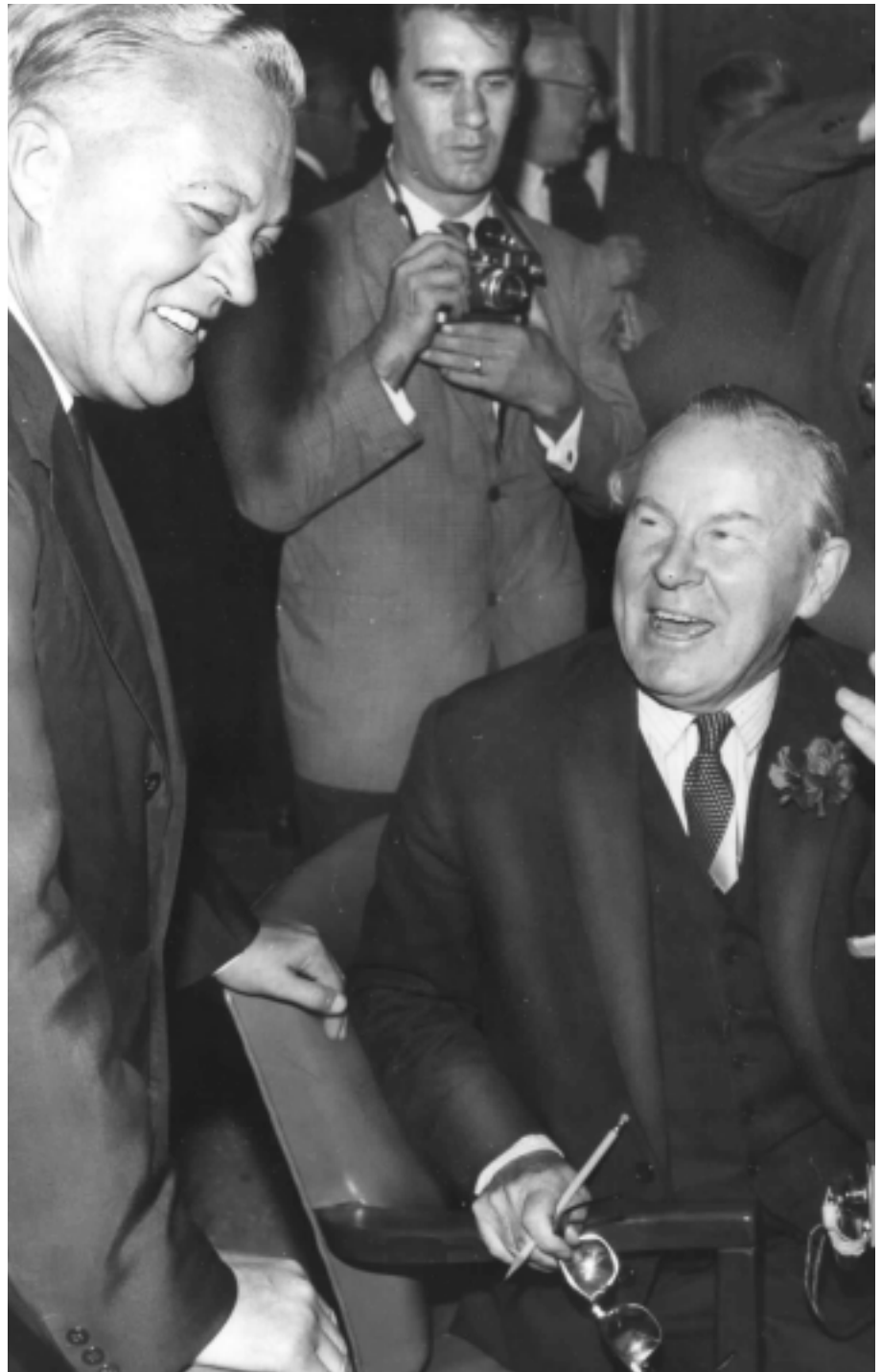
reform was often a junior partner to his measures favouring economic nationalism. And while Pearson spoke the words of social reform crafted by Kent from 1958 to 1960, he didn't fully buy into the changes until he saw them as the last route to redefine Liberalism and regain power after 1960. From that point on, his commitment continued until the programs were enacted — even if at times he was distracted by other issues and the usual political turmoil.

Political players successfully pursue reform only when they use ideas as a means of gaining or renewing power. Although the Liberal program was before the public in the 1958 campaign, the Diefenbaker parade was then in full swing. So for the next four years, Pearson, Gordon and Kent used the program to rebuild the shattered Liberal opposition by attracting progressive new party activists, candidates, media and academic support. As a core group with a purpose, their commitment enabled them to capture and change the face of the party, and once elected in 1963, to influence the shape of the new Cabinet and its agenda.

Pearson positioned his two key players effectively, with Gordon as finance minister and Kent as chief policy advisor in the Prime Minister's Office (PMO) until 1966. Prime ministers can't simply pound the cabinet table and dictate policy. They must listen to conflicting views and if the protagonists for reform are weakly positioned, it is difficult for a PM to lean their way.

That is why it was so important that as PMO senior policy advisor, Tom Kent was the scribe — he “had the conch.” The prime minister's words were Tom's words, the briefs were Tom's briefs, and Tom managed the Cabinet agenda. He and Gordon Robertson, the Cabinet secretary, managed to keep social reform at the top of the docket.

This was no easy task in those days. Cabinet meetings could last eight hours, two or three times a week; agendas at times had 25 items (plus two



The Gazette, Montreal

Prime Minister Pearson with Quebec Premier Jean Lesage — federal-provincial partners in social progress during the 1960s.

final surprise items which Jack Pickersgill would add when colleagues were tired and wanted to go home). Through it all, Kent wrote the social policy papers that the Cabinet considered, worked closely with key minis-

ters, their deputies, and important provincial officials, and was consulted on most domestic policy initiatives.

Like few others I've met in public life, Kent could think, write, argue and persuade with enormous power. If his

intellect was well known, less so was his ability to manoeuvre around the rocks of changing circumstances. A brilliant student at Oxford, he became a British Intelligence code-breaker working on the "Ultra-Secret Project" at Bletchley. After the war he ascended the editorial ladder at the *Economist* and the *Guardian*, and was the youngest member of the legendary dining club founded by John Maynard Keynes. He emigrated to Canada and became editor of the *Winnipeg Free Press*.

Although Kent was the primary author of the social policies, he relied on Pearson and Gordon to steer them through cabinet and caucus. Almost certainly, there would have been no Liberal social reform in the 1960s without Walter Lockhart Gordon. As minister of Finance, while no spendthrift, he gave clear signals that the country could afford the proposed reforms. Initially the strongest minister in the Cabinet, he could and did weigh in to support social initiatives while more cautious ministers advocated King-like caution.

Part of Walter's strength was based on being the key minister in the large Ontario caucus. He had recruited or encouraged many of the new Ontario MPs to run, and he and they were mutually loyal. On several occasions, he called in his chits to gain Ontario support for the reform agenda. More than anyone, Gordon engineered the Liberal election victory in 1963. He had thus become a political mentor to many new ministers and MPs, enabling him to quarterback the reforms in the party, caucus and Cabinet room.

Gordon's beginnings in public life were fastidiously nonpartisan. He once told me that he was just as proud of his work as troubleshooter for Ontario Conservative Premier George Drew (who had asked him to head Ontario Hydro), as he was of heading the Royal Commission on Canada's Economic Prospects for the St-Laurent Liberals. The young Gordon had first gone to

Ottawa when he was asked by Clifford Clark, Canada's towering deputy minister of Finance, to work as his assistant. Gordon hesitantly asked Clark if he had the "communist" sympathies attributed to him by Bay Street. Clark was patient enough to explain the difference between communism and social democracy and in the course of time, helped mould Gordon into the progressive who would later coach Pearson. Gordon always considered Clark the strongest intellect and policy initiator Canada had seen, and his conversion from Bay Street poo-bah to social reformer is impossible to fathom without taking account of Clark's influence.

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Gordon finally left his Bay Street career for Ottawa and Liberal politics with perhaps four goals: to counter-balance aggressive foreign investment, to advance social security reforms, to elect Mike Pearson as prime minister, and eventually to have a shot at leading Canada himself. To me, a mark of his stature was that he stuck tenaciously with social reform even when he was beaten back on the other fronts. This kind of dedication by major players is central to the social reform model I outline.

Lester Bowles Pearson approached things quite differently from either Gordon or Kent. The PM was certainly no sloppy thinker, nor did his achievements abroad suggest any aversion to

bold action. Unlike the workaholic Kent, Pearson was a gregarious charmer always surrounded by bright experts eager to research issues and devise policies for him. Thus prepared, Pearson used meetings not to focus on further policy refinement, but to feel out his interlocutors, looking for common ground or openings, calculating what could be gained by giving up a little ground here or there. To Gordon and Kent, this often seemed like vacillation, or even betrayal. To Pearson, it was simple diplomatic craft.

As PM, Pearson correctly argued that leading a party means keeping all the players on the bus. I recall one day when Kent came to Pearson's office with an important pension reform memo and found him angrily preoccupied with a raucous Commons debate, struggling to counter Diefenbaker's low attacks with even lower counter-attacks. Tom emerged from the PM's inner office exclaiming, "The man is mad!" But he loyally refined an amendment to salvage the pension strategy, and Pearson next day ran with it. Tom now emerged from Pearson's office drawing in satisfaction on his pipe. "Jim," he commented, "as William Blake said, 'the tigers of wrath are wiser than the horses of invention'."

Another aspect of Pearson's supposed waffling on social reform was his view that government leaders must not become hostage to one set of policies or one game plan for implementing them. Other areas of public policy were also important to him and to the country, including French-English unity (which inspired the B&B commission), the adoption of a national flag, and foreign trade initiatives which developed into the precedent-setting North American Auto Pact. Perhaps above all, Pearson was personally determined to restore Canada's role abroad, which had suffered during the Diefenbaker years and soon would face the chal-

lenges of the Vietnam War.

Because Pearson had many balls in the air, Kent and Gordon often saw his attempts to balance them as a source of weakness and delay in getting on with social reform. I understood their impatience. But Pearson the diplomat understood a great deal about the tactical need to pace reform. He felt you have to press for a while, and then back off to wait for more good openings. In the end Pearson proved just as skilled at broken-field running in Ottawa, as he had at the United Nations General Assembly.

I believe that Prime Minister Pearson came through with reform in the end because the combination of his diplomatic skill and basic social outlook were exactly right for this particular window of opportunity. Pearson's gut reaction to social reform was a bit old-fashioned, shaped in part by two factors.

First, he was literally raised in a manse, the son of Methodist preachers schooled to balance the Christian imperative to comfort and care for the poor and sick, with the more frugal outlook that people should also help themselves. Pearson never struck me as a deeply religious man; but as a trained historian from a church background, he was aware that for centuries the church had provided virtually all social assistance and that its reformers had coaxed political leaders to act. He was not an avid churchgoer. But I attended United Church in Ottawa with Pearson on several occasions when he squirmed a bit as the local preacher spoke about society's needs and governments' too timid leadership in social legislation.

Pearson's instincts on social reform were more importantly shaped by his particular experience in government and politics. In two lengthy conversations we had when I was his appointments secretary, he talked about where he saw himself on the political spectrum.

He did not have a high opinion of Mackenzie King, whom he directly worked with as under-secretary of state for External Affairs. Pearson's strongest objection to King was over his shoddy treatment of ministers and staff. (Ironically, the same criticism would



Courtesy, Jim Coumts

Liberal leader Lester B. Pearson with Jim Coumts, Liberal candidate for Parliament, during a campaign stop at Lethbridge, Alberta, in the spring of 1962. Pearson's campaign plane is a lumbering old North Star from Trans-Canada Airlines (TCA), as Air Canada was then known.

be made of Pearson.) But he also felt that King was far too timid in instituting social reform.

Pearson told me that if he had come into politics from the outside — rather than via the public service — he would have joined the CCF/NDP. He was intellectually sympathetic to its views on social policy and on international peace, and it didn't hurt that Tommy Douglas and many other CCF leaders had been Protestant ministers, bringing back Pearson's youthful roots in the manse.

A little-known political fact was that in 1965, Pearson allowed Walter Gordon and national party organizer Keith Davey to actively explore the possibility of merging the Liberal party with the NDP. At least two secret meetings were held with Douglas and Deputy Leader David Lewis, at a time when new programs like

Medicare and some of Gordon's economic measures seemed in danger. Whether the right of the Liberal party would have vetoed this initiative was a moot point: David Lewis, who always saw Liberals as the greatest threat to Canadian socialism, convinced Douglas that the NDP should have no part of it. And the Liberal government social reform program, in the end, passed into law with the help of NDP votes.

Thirty-five years have passed since Pearson, Gordon and Kent created a new plateau for social security in Canada. The three federal administrations and scores of provincial governments that followed have added relatively little to permanent major social reform and sometimes allowed or even encouraged its weakening. While this is not the place

to review all that happened in social policy in that period, applying the four-part model to the Trudeau, Mulroney and Chrétien governments allows us to assess how the factors of political imperative, public mood, perception of affordability and the cast of political characters have

I believe that Prime Minister Pearson came through with reform in the end because the combination of his diplomatic skill and basic social outlook were exactly right for this particular window of opportunity.

contributed to action and inaction during those intervening years.

Needless to say, during Pierre Trudeau's 16 years leading the Liberal party, the public mood toward social change shifted several times. Unhappily, public enthusiasm for reform was highest in the first four years, when no government appetite to advance social policy existed. Unlike the Pearson years, when detailed goals and strategies were readied while power was slowly gained, the Trudeau forces swept virtually overnight to power with no particular social policy agenda. In fact, some in the new government felt the Pearson crowd had tried to do too much, and were improvisers and helpful fixers (an attitude that hurt the retired prime minister deeply).

So with the supreme logic and lack of political horse sense that characterized its first term, the new Trudeau government decided to review most government programs from top to bottom, and then systematically create a new set of public priorities. The result of this seemingly endless process was a lost policy opportunity of great magnitude. It ignored Kent's principle that successful governments should come to office with a few major priorities firmly set.

**B**y 1972 the Trudeau government had wasted its most promising time, and public enthusiasm had turned to frustration. Ironically, the 1972-74 minority government that resulted might have saved the day for reform because it temporarily created a new political imperative — by giving the NDP progressive left under David Lewis the balance of power.

But very soon, the beginnings of world economic turmoil, highlighted by soaring inflation, an energy crisis and a debate over price and wage controls, dominated the political scene. This not only dampened government and public enthusiasm for social reform but also

ushered in a period when what had been "affordable" seemed no longer to be so.

About the only aspect of the four-part model that consistently favoured social policy under Trudeau was the government's "cast of characters." It included social progressives like Trudeau himself, Marc Lalonde, Gérard Pelletier and Bryce Mackasey, and key senior officials like Health and Welfare's Al Johnson. To their credit, they managed to hold the line against demands to dismantle parts of the social security system. They also developed new thinking on incomes policy, created the first Child Tax Credit, made Unemployment Insurance a regional incomes policy of last resort, and extended certain existing programs — all of which contributed to significantly alleviating poverty during the Trudeau period. Their most intriguing innovation, perhaps, was to broaden the definition of social policy to include citizen participation and "quality of life" issues.

Still, the Trudeau government neither set out for, nor achieved, major social reform. It mostly held the line against the reactionary social forces sweeping through other Western governments. But even here, in the battle to contain spending and meet constant provincial demands, the Trudeau government in 1977 opened the door to later crippling of federal Medicare and social funding by creating the system of Established Program Financing.

After Trudeau, our four-part "model" spent most of the last 20 years essentially in negative mode. Unsurprisingly perhaps, both the Mulroney and Chrétien governments

essentially worsened Trudeau's mixed social policy record. Oddly, however, evolution of social policy in the Mulroney and Chrétien years took a rather unexpected political twist.

During much of that time, public opinion was chilled by neoconservative ideology in the US and the advent of Thatcherism in the UK. Nor did partisan political imperatives exist, since both Mulroney and Chrétien were elected and re-elected

with large majorities. As for the question of affordability, governments everywhere targeted debt, deficits, and the high tax burden. Few Canadians and even fewer elected politicians believed expansion of social security was affordable. In fact, the stage seemed set for Mulroney's new Conservative government to lurch sharply right-ward.

That it did *not* do so was in some measure a tribute to the importance of the fourth leg of the "model" — the political cast of characters, beginning with the new prime minister himself.

Although he said different things to different audiences, Brian Mulroney's social policy position was essentially that legislation like Medicare and the Canada Pension were a "national treasure," a "sacred trust." Unlike a Mike Harris, Mulroney would have no neo-conservative thinkers brewing up policy in the back room.

Ironically, Mulroney was proud as punch to bask in the reflected light of Ron Reagan and Margaret Thatcher, as a fellow conservative and enemy of big government. But in fact, Mulroney had come to politics at a time of social reforms and was deeply in sympathy with them. The neoconservative clothing did not fit well on an essentially progressive leader who did not want to dismantle the social progress of the past 40 years: he simply wanted to run things for a while.

It was even more ironic that the successor who came to office clothed in the mantle of "old liberalism," rather than "new conservatism," went much further toward retrenchment than Mulroney ever dared. Jean Chrétien,



## A LITTLE TRAVELLING MUSIC, MAESTRO

Courtesy, Tom Kent

enthusiastically aided by his finance minister, spent nearly a decade doing little new in social policy, while fattening budget surpluses by deeply cutting real-dollar per capita social funding, most notably in Medicare. A major effort to redesign the Child Tax Credit succeeded. Several stopgap Medicare funding announcements were made in anticipation of elections, but they still left its financing reduced and insecure. And at least as many Canadians now live in poverty as did in 1984.

Perhaps the window of opportunity simply wasn't there. And yet, the fall and winter of 2002-03 saw dramatic change in most conditions of the "model." A perking economy and several large federal surpluses were eroding the view that reform was unaffordable. And the public mood began to shift priorities.

The fall of 2002 also saw the creation of a new political imperative favouring the reform "model," when Prime Minister Chrétien was forced to

pre-announce that he would retire in February 2004. To buy political peace, he explained that he needed the additional 18 months to complete (or more accurately, to begin) an agenda of urgent social reforms.

Fortuitously, I had spent time with Prime Minister Chretien earlier that year, opining that the way now seemed clear for major initiatives of his own choosing. But the PM didn't choose. Indeed, he expressed the strong view that Canadians didn't

want policy and program initiatives in this period — they wanted the government to lie low and do little. Perhaps he knew where the majority view lies, for he has usually been a shrewd judge of the public mood. But in matters like completing the social security net, the voices of the needy are seldom heard by pollsters or party leaders.

Once Prime Minister Chrétien's self-created 18-month window closes, will another window of opportunity for social change open? It is hard to be wildly optimistic. If the pundits are right and Paul Martin is confirmed for a term as prime minister, facing a weak and divided opposition, where would be the "political imperative" for bold reform? At the same time, we could face spillover effects from a Bush administration bent on waging war while enacting unprecedented tax cuts for the wealthy — a formula for trillions of dollars in deficits and potential upward pressure on interest rates. In these circumstances, how long would Canadians continue to believe that reform is "affordable"? And without that belief, will the public mood again begin to turn negative toward social reform?

As always, much will depend on the quality of Canada's leadership. Remarkably, all four national parties will have installed new leaders before the next election. The question is whether from that election will emerge that small cast of characters with the vision, passion, skill and determination to put a new reform agenda in place.

This retrospective article is not the place to outline a new social reform strategy. But perhaps I can underline several important needs that have struck me repeatedly in the public hospital and international education sectors, where I have spent much of my time in the last decade working with voluntary organizations.

- The preservation and modernization of public Medicare is a priority task which has barely begun. In

the hospital field, one key Romanow-Kirby recommendation is the creation of multi-functional clinics for the well being of all Canadians. I admit to some personal bias. After being diagnosed with prostate cancer, I sought the help of medical doctors and other practitioners, and put together a package of life-style and dietary changes that seemed to have as good a chance of meeting my needs as radical surgery or radiation. Doctors at Toronto's Mt. Sinai Hospital already have opened a clinic that will help patients in this area, and similar approaches in heart disease and breast cancer have worked elsewhere. Multi-disciplinary and preventive group approaches should become more widely available in the public Medicare system.

- This country must focus more resources on the well-being of the child. Much evidence shows that young Canadians are now where most poverty is, and that their physical and mental well-being is threatened. Sound research already exists to guide what can be done in areas like diet, nurturing and parenting.
- At the university level, new thinking is needed to ensure that our brightest students, whatever their economic background, are not financially barred from the best in higher education. Commendably, individual, government and corporate donors have boosted support for university research programs and for physical facilities. But public and private sectors need to focus on accessibility. Steep tuition and cost increases now threaten to put some of our leading research universities beyond the reach of undergraduates from all but prosperous families. One possible model is the "need-blind admissions" approach at private universities such as Harvard, where any successful applicant with real financial need

is covered by a flexible combination of scholarships, affordable student loans and part-time employment.

- While fighting against illness and poverty and to widen opportunity in Canada, we need also to take a more global view of who needs our help. Today, Africa alone has 30 million refugees. Often there is no question of state intervention, for they have no state. Why doesn't Canada work more effectively to extend the concept of "Doctors Without Borders" (and the University of Waterloo's "Engineers Without Borders") to include teachers, entrepreneurs, village planners, and food experts "without borders"? In the longer term, this country's international social contribution must also include judicious use of a more generous immigration policy and stronger insistence on the responsibilities — not just the trade opportunities — of economic globalization.

Today we still allow twenty percent of our people to live in poverty; the number of homeless in our major cities grows each year; and thousands of Canada's children are undernurtured, under-nourished, and suffer physical and mental dysfunction.

If the tasks seem daunting and a bit of encouragement is needed, one can go back at this point to Tom Kent. It was 45 years since he penned the Liberal policy resolutions that raised the curtain on an unprecedented era of social reform. Now 80, Kent delivered another insightful paper last fall on the future of Canadian social policy. The basics had not changed. He was talking still of how we develop the opportunities, how we extend the tolerance, the respect and help, that society has promised to us all.

*Jim Coutts was appointments secretary to Prime Minister Pearson from 1963-66, and principal secretary to Prime Minister Trudeau from 1975-81. This essay is adapted by the author from a longer political work in progress.*