



Uncool Canada

Madelaine Drohan OTTAWA

The moose loses its shades

When *The Economist* declared ten years ago that Canada was “cool”, with its mix of social liberalism and fiscal rectitude, it was a startling idea. A country whose constitution soberly calls for “peace, order and good government” was portrayed as a moose wearing sunglasses. Then came the fiscal crisis and there were the Canadians again, with a rock-star central banker strutting the world stage because Canada’s banks stood firm while those elsewhere tumbled down.

Sadly, in 2014 Canada will revert to type, and not just because Mark Carney has left to head the Bank of England. The United States and others are emerging from the financial crisis and will outpace Canada economically. And the Conservative government led by Stephen Harper will focus on entrenching (before the 2015 general election) policies that are decidedly uncool, such as promoting exports from Alberta’s tar sands while doing the minimum on climate change, and backtracking on the social liberalism that *The Economist* found so refreshing a decade ago.

If Canada is exciting at all in 2014 it will be for the wrong reasons. With household debt and house prices at record levels and mortgage rates creeping up, a housing crash is the biggest domestic risk facing the economy.

Among the policies deemed praiseworthy in 2003 was a bill to decriminalise cannabis (which was never passed). It was a radical idea at the time, but since then two American states have gone much further, legalising the production, sale and recreational use of the drug. Uruguay is poised to do the same. Mr Harper’s reaction to a call by Justin Trudeau to legalise it—he accused the Liberal leader of “promoting marijuana use for our children”—made it clear that Canada would not be loosening the rules soon. His government has introduced

mandatory, six-month jail sentences for possession of as few as six pot plants and in April will make growing medical marijuana at home illegal.

Canada’s approach to indigenous peoples, granting them home rule and control over mineral rights, also won praise ten years ago for boldness in social matters. The relationship between the government and aboriginal Canadians (First Nations, Métis and Inuit) has soured since, with many disputes about resource development on traditional aboriginal lands and a growing anger over deplorable living conditions on some reserves. Most take place before the courts, but the mounting pressure could easily find a more violent outlet in the coming year.

Canada’s reputation for welcoming immigrants and celebrating cultural diversity, another part of the cool factor, got a knock in 2013 when the separatist government of Quebec, the second-most-populous province, proposed banning public workers from wearing “conspicuous” religious symbols such as headscarves, turbans or large crucifixes (small ones are fine). At the national level, long-overdue reforms to the immigration system got rid of some kinks. But there were casualties. Parents and grandparents wanting to join their relatives in Canada were told in late 2011 they could not apply for visas because of a backlog. Applications reopen on January 2nd 2014, but it will cost sponsoring families more than before and they will be on the hook for longer. In a bid to save C\$100m (\$97m) over five years, the government drastically cut refugees’ health-care entitlements in 2012. If protesting doctors are right, this is a short-sighted move that will give Canada a reputation for picking on the most vulnerable.

Federal-budget deficits and a separatist Parti Québécois government in Quebec have reappeared since 2003. And the claim made then of better environmental protection than in the United States is now debatable. To protect the oil industry the government has dragged its feet on reducing carbon emissions. That has made it harder to win American approval of the Keystone XL pipeline planned to carry tar-sands bitumen across the border.

Some of the problems noted in 2003 have been tackled. The federal corporate-tax rate has plummeted to 15% from 22.1% in 2007; business investment has increased; and defence spending soared for a while. Canada also has a cool new trade deal with the European Union. It is still a peaceful, multicultural place—even in Quebec—and its economy is solid if not spectacular. Mr Carney had a lot of nice things to say in his last speech as governor of the Bank of Canada, entitled “Canada Works”. But now he intends to apply for British citizenship. ■

Just possibly...

Mexico’s drug cartels abandon the pot business, because of competition from legal growers in the United States.

Chile relaxes its blanket ban on abortion, causing other countries in the region to look again at their own laws.

The United States allows its citizens to travel freely to **Cuba**.

2014 IN BRIEF

Canada marks the 150th anniversary of the **Charlottetown Conference**, which paved the way for the founding of the country



If Canada is exciting at all in 2014 it will be for the wrong reasons

Madelaine Drohan:
Canada correspondent,
The Economist