



Canadian Student Review

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Government Should Stay Out of Canadians' Medicine Cabinets

by Tanya Tabler

As expected, former premier of Saskatchewan Roy Romanow's final report, *Building on Values: The Future of Health Care in Canada* from his Commission of a similar name appeals to Canadians' sense of nationalism associated with health care. Romanow uses that appeal to justify his strong leaning toward increased public spending on health care. In particular, the case he puts forward for coverage of prescription drugs falls nicely into this goal.

There is little question that prescription drugs play a greater role in maintaining the health of Canadians than ever before. Of course, these innovations are not costless. The report states that the average Canadian family spends \$1,209.58 per year on prescription drugs (p. 192). To justify public spending on this good, Romanow sends visions of universality, accessibility, equity, and most importantly, government funding, to dance in Canadians' heads. We need to think beyond these "ultra-Can-

dian values" and examine the implications of the policies arising from Mr. Romanow's suggestions.

Specifically, *Building on Values* advocates establishing a National Drug Agency that would exert national control over both *which* drugs will be cov-

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Welcome!

Welcome! This edition of *CSR* is filled with summer reading on a variety of policy topics including regulation, affirmative action, campaign finance, and perceptions about the environment.

We would like to thank the Lotte & John Hecht Memorial Foundation for their generous sponsorship of this newsletter. With their support, we are able to distribute nearly 14,000 copies of each issue to students on campuses across the country.

—Vanessa Schneider, Editor

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The Fraser Institute is an independent Canadian economic and social research and educational organization. It has as its objective the redirection of public attention to the role of competitive markets in providing for the well-being of Canadians. Where markets work, the Institute's interest lies in trying to discover prospects for improvement. Where markets do not work, its interest lies in finding the reasons. Where competitive markets have been replaced by government control, the interest of the Institute lies in documenting objectively the nature of the improvement or deterioration resulting from government intervention. The Fraser Institute is a national, federally chartered non-profit organization financed by the sale of its publications and the contributions of its members, foundations, and other supporters.

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ered by provincial drug plans and *how much* provincial and territorial governments will pay for them. A national body governing public formulary (the list of drugs eligible for coverage) decisions, then using this bargaining power to negotiate the best price with drug companies appears to make good sense. At least it will ensure that every Canadian covered by government drug plans enjoys the same coverage at the same price to each government.

The implications of this plan would seem to serve a great Canadian ideal: equality. In fact, Canadians covered by public or private prescription drug plans, together with those with no drug plan at all, would be equally disadvantaged by this policy. Governments currently purchase just under half of the prescription drugs sold in Canada. A decision by government not to purchase a particular drug would

likely preclude its availability in Canada. Since the manufacturer would have access to only half of Canada's small pharmaceutical market (small by world standards) the prospect for the manufacturer to make a profit in the Canadian market would be significantly diminished. This is because introducing a drug to the Canadian market, as with many other pharmaceutical markets, involves costly submissions to the federal bureaucracy coupled with even more costly, government-mandated monitoring of the drug once it is on the market. Is it of much use for a Canadian to have equitable drug coverage when many necessary but expensive drugs are not available for purchase on the Canadian market? Will Canadians be forced to forego medications that will either prolong or enhance their quality of life for the sake of equity?

While Romanow's report falls short of calling for a national

pharmacare program, it sets forth the goal to "move in a gradual but deliberate and dedicated way to integrate prescription drugs more fully into the continuum of care... for the ultimate objective of bringing prescription drugs under the Canada Health Act." If this goal is acted upon, private spending on prescription drugs in Canada will be eliminated. If prescription drug consumption were to continue at 2001 levels, the cost to the Canadian taxpayer above what is already being spent on prescription drugs would amount to a handsome \$7 billion!

Roy Romanow admits the prospect of entitling each Canadian to publicly-funded prescription drugs immediately has "significant implications, not the least of which would be substantial costs" (p. 190). How does he expect that over time it will be feasible to offer such coverage? Does he expect prices to fall? Or consumption to decline? Perhaps he assumes that as more Canadians age, there will be a greater political will to increase the tax burden to subsidize such a program. Young Canadians, in particular, will face a sizable increase in an already fierce tax burden to finance Mr. Romanow's vision of the "Canadian way."

Canadians deserve better. Equity of suffering is no philosophy to govern a health care system. Mr. Romanow—please keep your vision for Canada out of my medicine cabinet!

References

Romanow, Roy (2002). *Building on Values: The Future of Health Care in Canada*. Final Report. Ottawa, ON: Commission on the Future of Health Care in Canada (November). ☞

Fraser Institute 2003 Summer Interns

Through sponsorship from the Donner Canadian Foundation and the Max Bell Foundation, The Fraser Institute has been able to hire 8 interns this summer. We received a total of 331 applications—an average of 40 resumes per position—from across Canada and around the world. Paired with Fraser Institute analysts, and treated as junior policy analysts, the eight young scholars will have the opportunity to make a tangible and worthwhile contribution to the work of the Institute. They are:

- **Emily Chung**, University of Waterloo
- **Matthew Curtis**, University of Toronto
- **Todd Gabel**, Simon Fraser University
- **Christopher Glover**, Rotman School of Business
- **Steven Hansen**, Ivey School of Business
- **Peter Jaworski**, Queen's University
- **Tanya Tabler**, University of Alberta
- **Sabrina Yeudall**, Simon Fraser University

Up Close and Personal with *Grutter*

by *Ollivia M. Sexton*

I spent last summer poring over a case that has recently hit the media, and subsequently the heart strings of North America with a bang. Last summer I worked as an intern at the Center for Individual Rights (CIR) in Washington DC, on a case about a white girl who didn't get into the University of Michigan—*Grutter v Bollinger*. At first, I didn't quite understand the magnitude of the case. I thought it was rather strange that someone would sue a college that didn't admit them. It took me only a few days to figure out what was really at stake.

I worked with the same statistics that are being thrown around by the media—admission percentages of minority students in Washington, Texas, California, and Florida (the four states that once upheld affirmative action, and subsequently outlawed it). I found the stats from the fact sheets of the schools themselves. My job was to figure out whether the number of minority students in college had really gone up or down. By the end of the summer I had compiled 130 pages of data that I was to summarize into two articles.

To my surprise, the numbers can be interpreted to uphold both sides of the argument. Minority populations have risen and fallen under affirmative action; likewise, they have risen and fallen in its absence. And that is exactly why we hear these numbers on both sides, with people swearing by their statistics. It's interesting how numbers can be whatever you want them to be. But numbers

and their manipulation aren't the real concern in this case. The issue is much more fundamental and understated, almost opaque.

I am talking about the moral side of affirmative action. I am not, for one moment, overlooking the real social ailments that strike at the heart of this debate. I know that all schools do not offer equal education to students. I understand that teens who lead lives filled with turbulence are unable to do their best in high school and therefore are not able to attend the best colleges—or even attend college at all. I know American history, and the suffering and oppression that parts of our population have endured. Some may even argue that, because I am a woman, I belong in one of those marginal categories.

There are ways to handle the pragmatic problems without resorting to legitimizing discrimination. For example, schools could ask students to write admission essays about their dreams, goals, and aspirations. Admission departments could then make admission decisions after reading students' reasons for not excelling at school—personal crises, poverty, or trauma. In special circumstances such as these, students would be admitted because they were granted a special chance, not because they could check a "preferred race" box on their application. Race and gender should not even be questions on the form. What should it matter what someone's sex or skin colour is? I cannot see why we would revert to a tradition proven to be

harmful, oppressive, degrading, and immoral. Either way we cut the cake, judging someone for any reason, by any criteria other than merit, introduces a policy that is dangerously too close to legitimized discrimination.

The issue is about judging people based on the colour of their skin, or their gender. One argument that many proponents of affirmative action have trouble answering is, "why is it okay to judge people based on their race when it benefits them, but is a blatant display of discrimination when it harms them?" How can the same principle, judging someone on something other than their merit, be discrimination in one instance and diversity in another?

For years, people have protested against being judged by their skin colour. Why now is there an exception to the rule? If the principle is wrong, as it is decidedly so, then the principle is wrong. Period.

We can't play loopy-goopy with our most fundamental principles. The consequence of such action is degradation in the importance and poignancy of the principle itself. As they say about common law maxims, the best way to overrule a precedent you don't agree with but don't have the support to outright strike down, is to keep making exceptions to it until there is nothing left of the maxim. Making decisions based on someone's skin colour is wrong—let's not lose sight of that. ☞

Things Folks Know that Just Ain't So....

by Niels Veldhuis

What they know ...

The rich are getting richer. The poor... well, they just remain poor.

At least this is what one would gather based on conclusions drawn by most in the media reporting on the latest data released from Statistics Canada's 2001 *Census of Population*. For example, *Toronto Star* reporter Elaine Carey writes, "The rich keep on getting richer—especially in Toronto—while the rest are just treading water."

Why it ain't so ...

In short, this analysis fails to take into account that the incomes of most Canadian families change substantially over the course of their lives.

Many politicians, journalists, and poverty advocates would have us believe the myth that most Canadians are born into, live, and die within certain income groups. In other words, you are born poor (or rich), you live poor (or rich), and you die poor (or rich). Fortunately, climbing the income ladder in Canada is not a fantasy. The reality for most of us is that where we are now is not where we were in the past, nor where we will be in the future.

Most young people, for instance, start out in the low-income group and work up to the middle or high-income group. Given their initial lack of work experience, their incomes start out low. Their incomes peak when they hit middle age, the prime earning years, and then begin to fall as they approach retirement.

Immigrant families are another example. Many came to Canada with little. They worked hard, saved, in-

vested, took risks, and moved up the income ladder. The result is that in the long term, many have seen their inequality with native-born Canadians declining because while many initially had low incomes, they, too, became middle-income earners—and some of them high income earners—as they moved through their lives.

Statistics Canada's *Survey of Labour and Income Dynamics* provides more evidence. It has tracked just how much a family's income changes over time. Roughly 15,000 Canadian households were questioned for a period of six consecutive years on their labour market activity, income, household composition, and many other variables. Consequently, the survey captures changes in the economic well being of individuals and families over time.

Households in the survey were ranked based on their incomes and divided into five equal groups. The bottom group represents the 20 percent of families with the lowest incomes and the top group represents the 20 percent of families with the highest incomes. From 1996 to 1997, 14 percent of families moved up one group, and 3.1 percent moved up more than one group. More importantly, nearly one fifth of those families in the bottom 40 percent of families (those in the bottom two groups) found themselves at least one group higher just one year later.

The income mobility of Canadian families is even more evident when the analysis is extended over five years. In that period, nearly 29 percent of all families moved up at least one earnings group. Again, more im-

portantly, a total of 45 percent of those families in the bottom 40 percent (those in the bottom two groups) moved up at least one group over the five-year period of the study.

This is not to imply that all Canadians are doing better. It does, however, serve as a caution against ill-formed policy analysis. Failure to incorporate Canadians' income mobility into any discussion about poverty and the poor results in a misleading depiction of reality. Given that income increases and decreases over an individual's lifetime, it is clear that an entire lifetime is the proper framework in which to analyze redistributive policies.

The good news in the midst of all the negative press from the latest Statistics Canada Census data is that most young people, with some hard work, can and will live better than their parents. Undoubtedly, the poor and the rich will always be among us. However, they are not necessarily the same people from year to year, or decade to decade. To quote folk singer Bob Dylan, "the slow one now will later be fast... the times, they are a-changing."

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Return to Sender: Bill C-24

by Audra Mitchell

For months, our nation's leader has been preparing his "legacy," festooning his finale with prime ministerial presents. Ironically, one of these gifts is a bill that would limit giving, at least from corporations and unions, to political parties. Bill C-24, an initiative to limit personal political donations to \$10,000 and corporate donations to \$1,000, aims to reduce conflicts of interest between politicians and the private sector. What the bill actually limits is freedom and democracy.

Chretien's cadeau comes with a catch. The losses to party funding caused by this law will be recovered through taxation, and the government in power will be compensated to the highest degree. Congratulations. You are about to become a proud supporter of the Liberals, the Canadian Alliance, the Progressive Conservatives, the NDP, the Bloc Quebecois, or any registered party that obtains 10 percent of the vote. Your tax dollars will be working to fund a legacy that is fast transforming into a dynasty. Democracy is about to become a Crown Corporation.

Ostensibly, this law proposes to limit corruption during election campaigns. Is that such a bad thing? After all, patronage and scandals amongst political parties and private corporations are all too common. However, it is one thing to limit donations to combat rent-seeking activity by businesses. It is quite another to deny people the ability to support their party through their own means. The concept of patronage is double-edged; while it is wrong for companies to buy the favour of a political party, a citizen must be able to use his or her means to support the group

he or she wishes to see in power. The spending of one's money is a vote in itself, and so the support of political parties must be democratic.

Parties, like any functioning company dependent upon public approval, must earn their living by gaining public support. If every political party in Canada is placed on welfare, what incentive will they have to earn our vote or improve our governance? In this sense, the phrase "giving" is misleading. Through political donations, a voter is not giving to charity, but investing in a change, affirmation, or improvement in government. This act is an exchange, not a gift of alms. Under a system allowing corporate donations, parties must compete, diversify, and offer innovative ideas to the public. The end of this system would negate this process, plunging Canadian politics into stagnation and homogeneity. Supporting a political party, through volunteering, voting, or donating, is an act of choice, a principle that should always be applied to governance and to one's own money.

Bill C-24 proposes to extract taxes from all citizens to pay for political parties. This not only effectively denies Canadians the right to support (or not support!) the party of their choice, but may result in their own earnings being used to fund causes they oppose. What's worse, the party that will receive the most funding is the one that won the most votes in the most recent federal election, engineering an advantage for the party in power. Bill C-24 would use our tax money to support political distortion and the abrogation of democracy.

By using tax revenues to fund political parties, the party in power could, theoretically, allocate funding as it pleased. Bill C-24 defeats its own purpose: it will legislate the corruption it decries. If political parties are run by the government, then democracy will be officially institutionalized. Our electoral system is meant to ensure that the voice and opinion of the citizenry determine our governance. Yet if the government is dictating democracy, who will direct the government?

The only conceivable way in which this law could succeed is if parties were allowed a specific campaign budget *period*, regardless of the source of funding. Even that would be an abrogation of democratic freedom, but much less intrusive and invasive than a political tax. Bill C-24 will use our money—a symbol of our right and ability to choose—to deprive us of choice itself.

Jean Chretien's proposed law will do more than simply revoke the right of corporations and unions to donate to federal parties. If passed, this law will legislate political corruption, and violate our freedom to vote, with both our ballots and our wallets. Canadians must not be deprived of their political and ideological choices. We certainly must not be taxed in order to accomplish this.

To maintain our freedom, both of political choice and the use of our money, we must fight C-24. Canadians cannot accept a government monopoly on politics. This federal farewell package is one that we must, as a nation, return to sender. ☹

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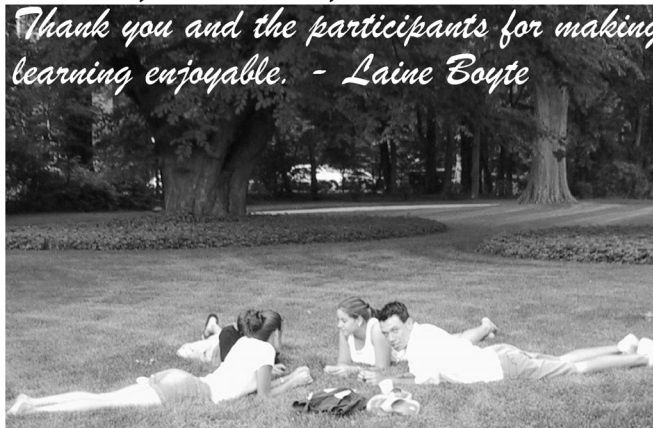


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*What a great learning/cultural experience!
Thank you and the participants for making
learning enjoyable. - Laine Boyte*



Ringling the Regulators

by Peter Jaworski

The telephone companies' regulator has been furious lately. Claiming the major telephone companies—Bell and Telus—have been acting in an “anti-competitive” way, the regulatory body has plans to threaten with fines and pursue random inspections to ensure the offending behaviour doesn't continue.

David Colville, vice-chairman of the Canadian Radio-television and Telecommunications Commission (CRTC) is quoted in the *Globe and Mail* as saying: “We simply can't tolerate this. We've reached the point where we feel we must take even stronger action” (Ebner, 2003).

In the same article, federal Industry Minister Allan Rock had this to say: “We would like to see the CRTC consider what additional measures it can take to promote competition.”

Here's a wacky suggestion: do exactly nothing. That's right; leave the telephone companies be to do whatever it is they've been doing over the last few years, since—as most people will agree—our telephone services have been improving, getting cheaper, and becoming more versatile.

This suggestion is disconcerting for some. The initial elimination of the government-granted Bell monopoly was done, in large part, as a consequence of the theory that competition was what was going to keep telephone companies from ignoring consumers. Competition was to substitute for direct regulation and the political process as the way to keep telephone companies respon-

sive to our needs. Thus, the elimination of direct regulation took the form of indirect regulation—ensuring “competition” and no “anti-competitive” behaviour.

That this is a bad idea is based on a simple confusion. You see, competition isn't worthwhile in and of itself. Competition is what happens when someone thinks they can appeal to our desires better than existing companies do. Maybe they have figured out a way to make something cheaper. Or maybe they think people want better service. Or are fed up with the current company. Or can offer it in prettier colours. Or make it faster. And so on. Competition or the threat of competition drives prices down, improves options (not necessarily between different companies, but also within companies—think of the many different kinds of features, accessories, colours, and so on you can get with your Nissan, or General Motors vehicle), and ensures good service. All of this is a consequence of the fact that if they don't improve, then consumers will switch companies or the groundwork will have been laid for a new company to come in and be successful.

Here's the difficult part: all of these goodies are ours exactly because each company is acting in an anti-competitive sort of way. That's the whole point! Companies lower prices, improve services, provide more options, upgrade quality, so they can increase profitability and market share, and, in effect, drive their competitors from the field.

The somewhat arbitrariness of these regulations should also be of concern. If a company lowers its prices, that's called “undercutting,” and could result in a fine. If a company raises its prices, that's called “gouging the consumer” and could also lead to regulatory reaction. Business as usual could have some excitable bureaucrat crying “collusion.” That's what's known as a Catch-22.

As I see it, regulations that prevent so-called “anti-competitive” behaviour prevent the benefits of competition from reaching us, the consumers. Consumers want anti-competitive behaviour. We want lower prices, better service, more choices, prettier colours, higher quality, and so on.

Small wonder, then, that the biggest supporters of the CRTC's threats to be more proactive against the big telecoms are their competition, and not consumers. According to the *Globe and Mail*: “Competitors to the onetime monopolies cheered the regulator's move” (Ebner, 2003).

“We see this as further evidence that the CRTC is serious about maintaining a healthy competitive environment,” said Bill Linton, Call-Net president and chief executive officer. “We expect further decisions in the future addressing the issues of anti-competitive behaviour” (Ebner, 2003).

Of course you do, Bill, of course you do.

Reference

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How Informed are Canada's Students About the Environment?

by Liv Fredricksen

Improvements in technology and access to knowledge have led to increasing awareness of environmental issues, and increasing improvements to the state of the environment. Studies have shown that wealthier populations demand cleaner environments. Data show decreasing levels of pollution and increasing production of food. Yet these positive developments are rarely reflected in the media, and are rarely taught in schools.

The Fraser Institute conducted its second "Survey of Student Perceptions about the Environment" at a series of student seminars held across the country (in Victoria, Vancouver, Kelowna, Quesnel, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, and Toronto) over the 2002/3 school year. Three hundred and sixteen students completed the questionnaire in which we asked about the state of Canada's environment. We further asked about the students' sources of environmental information, and whether they believed that the solutions to environmental problems were more likely to be found through private initiatives or through government intervention and regulation. The results follow, and are being published as a series of articles in *Fraser Forum* in which we discuss each issue in greater detail to determine whether the students are correct in their assumptions.

- Over the past 20 years, do you think environmental quality (air

quality, water quality, land use, etc.) in Canada has been:

- ▷ (19%) Improving
- ▷ (64%) Deteriorating
- ▷ (15%) Staying the same
- ▷ (2%) Don't know

- Over the past twenty years, do you think air quality in Canada has been:

- ▷ (13%) Improving
- ▷ (65%) Deteriorating
- ▷ (20%) Staying the same
- ▷ (2%) Don't know

- In recent years, do you think air quality in [your province] has been:

- ▷ (13%) Improving
- ▷ (53%) Deteriorating
- ▷ (32%) Staying the same
- ▷ (2%) Don't know

- In recent years, has the amount of wood harvested exceeded the amount of new growth in Canadian forests?

- ▷ (58%) Yes—harvest exceeds growth
- ▷ (35%) No—growth exceeds harvest

- Most of my knowledge from environmental topics comes from:

- ▷ (15%) Parents
- ▷ (74%) Media (television, newspapers, magazines)
- ▷ (52%) School (textbooks, lectures)
- ▷ (30%) Conversations from peers
- ▷ (32%) Books outside of school

(Students were permitted to answer more than once)

- In your opinion, what is the most serious environmental problem facing Canadians today? (write-in question)

- ▷ Water quality 30%
- ▷ Air quality 24%
- ▷ Climate change 18%
- ▷ Deforestation 13%
- ▷ "All issues are equally serious" 6%
- ▷ Pollution 3%
- ▷ Other 3%
- ▷ Resource scarcity 1%
- ▷ Overconsumption 1%
- ▷ Consumerism 1%
- ▷ Overpopulation 1%

- Do you believe that El Nino and the recent drought on the Prairies are symptoms of global warming?

- ▷ (41%) Yes
- ▷ (53%) No
- ▷ (6%) Don't know

- Across the world, do you believe economic growth leads to deterioration or improvement in environmental quality?

- ▷ (53%) Deterioration in environmental quality
- ▷ (39%) Improvement in environmental quality
- ▷ (7%) Don't know
- ▷ (1%) Both/neither

- Do you believe that free trade agreements like NAFTA lead to deterioration or improvement in environmental quality?

continued next page ...

- ▷ (53%) Deterioration in environmental quality
 - ▷ (39%) Improvement in environmental quality
 - ▷ (7%) Don't know
 - ▷ (2%) Both/neither
- Do you believe that Canada needs to expand public recycling programs in order to control waste and to prevent a "garbage crisis"?
 - ▷ (73%) Yes
 - ▷ (24%) No
 - ▷ (3%) Don't know
 - Do you belong to any environmental organizations?
 - ▷ (7%) Yes
 - ▷ (89%) No
 - ▷ (3%) No answer
 - Do you think it is likely that the world will run out of oil?
 - ▷ (0%) in less than 5 years
 - ▷ (3%) in 5 to 10 years
 - ▷ (19%) in 10 to 25 years
 - ▷ (73%) not in your lifetime
 - ▷ (5%) don't know
- Do you believe that Canada should pass tough legislation to protect endangered species even if it violates private property rights?
 - ▷ (60%) Yes
 - ▷ (34%) No
 - ▷ (5%) Don't know
 - Is acid rain a serious threat to Canadian forests?
 - ▷ (47%) Yes
 - ▷ (47%) No
 - ▷ (6%) Don't know
 - Given that government will be involved in some basic standard setting, what do you believe is the best way to administer those standards and to protect the environment?
 - ▷ (47%) a market-based approach (tradable pollution permits, enforcing private property rights, encouraging economic growth and free trade)
 - ▷ (36%) a government approach (specific, detailed regulations)
- ▷ (12%) don't know
 - Do you expect environmental quality to improve or deteriorate over the next ten years?
 - ▷ (32%) Improve
 - ▷ (41%) Deteriorate
 - ▷ (21%) Stay the same
 - ▷ (6%) Don't know
 - How interested are you in environmental topics?
 - ▷ (35%) Very interested
 - ▷ (56%) Somewhat interested
 - ▷ (6%) Not interested
 - ▷ (4%) No answer
 - What issue is addressed by the Kyoto Accord?
 - ▷ 61% correctly referred to greenhouse gas emission controls and/or climate change
 - What was the main topic of discussion at the 2002 Johannesburg Summit?
 - ▷ 9% correctly referred to sustainable development. 📖

Letter

Re: Employment Inequity: Why Competition Negates the Need for Interventionist Policy (March 2003, p. 1) by Audra Mitchell

Dear Editor:

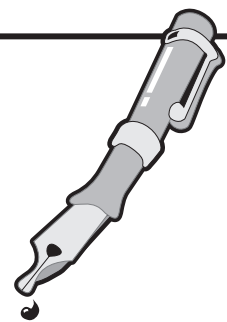
In Mitchell's arguments against employment equity, she claims that employment equity laws "flagrantly flout the commandment" in the Charter of Rights and Freedoms that every citizen is "equal before and under the law and must not be discriminated against due to race or sex." Indeed, Mitchell correctly paraphrases section 15(1).

However, she blatantly fails to mention section 15(2) which says "Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability."

Subsection 15(2) was added to the Charter specifically to allow for employment equity programs, and to prevent 15(1) from being used as support for anti-equity arguments like Mitchell's.

Sincerely,

Christine Walton



Trade or BC Bud?

by *Todd Gabel*

Like a form of sibling rivalry, Canada seems to enjoy needling the United States time and time again.

We seem to enjoy booing *The Star Spangled Banner* at hockey games. We elect clever politicians that comfort themselves by portraying Americans as a bunch of bungling, boorish dolts. In fact, it seems as though we take national pride in distinguishing ourselves from that proverbial elephant in the bed, whether it is with regards to the war in Iraq, climate control, or just wearing “I am not an American” t-shirts.

Canadians deserve lower taxes, a health care system that does more with less, safety and security, and—the right to smoke up? Ottawa’s plan to decriminalize marijuana—and America’s reaction to it—has become a front-burner issue for many Canadians. The fact that the push to decriminalize marijuana is coming from a society hell-bent on restricting tobacco products makes this development all the more puzzling. Ultimately, whether or not one believes that drug addiction is a harmless crime, or that removing the moral underpinnings of society comes without cost, or just that we’ve hired one too many Dutch sociologists, is beside the point. Given our strong

economic ties with the United States and the existing *de facto* decriminalization of limited pot possession, the latest move to change Canada’s drug laws is all about public relations—and a misguided effort it is.

Canada has already done a heck of a job reaffirming its fruitful relationship with the US. Lest he be outdone by some of his colleagues, Prime Minister Chretien recently took the opportunity to placate our American friends by bragging about the Canadian economy, all the while criticizing US deficit levels. With these sorts of outbursts, it is really no wonder that many feel that US-Canada relations have reached a historic low. Liberalizing our cannabis laws is merely another step in the wrong direction. Canada faces great costs in the long run, particularly in cooperation, should its current disfavour among Americans continue, whether on bilateral trade issues, environmental concerns, or military issues. As it is seemingly in our interest to mend fences, crossing our neighbours on such a critical issue as drug policy probably isn’t the best idea.

Yes, substantial benefits do stem from decriminalizing the limited use of marijuana. For instance, the lack of uniformity in the enforcement of existing drug laws is concerning. We should welcome any move that strengthens the fundamental principle of justice: that everyone is treated equally under law. In this regard, clearly outlining what amount of marijuana possession will or will not be subject to enforcement would benefit all Canadians. Such a move

... the consequences for border trade, and thus for Canada’s standard of living, far outweigh whatever burden the existing drug laws have imposed.

would also reduce prohibition costs in law enforcement and the justice system.

Nevertheless, the consequences for border trade, and thus for Canada’s standard of living, far outweigh whatever burden the existing drug laws have imposed. In 2002, Canada exported \$350 billion in goods to the United States alone, close to 85 percent of its overall trade. Should the US administration perceive liberalized drug policies as a threat, provinces that are highly dependent on trade would be hard hit. This couldn’t be any truer than for British

continued next page...

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Columbia, one of Canada's largest exporters to the United States. The province is seen as a major problem area for US drug enforcement, and as a result stands to lose billions in trade. Over the last decade, British Columbia has become an international hotbed for marijuana grow-ops. "BC Bud" flows south of the border much to the chagrin of US custom agents. Recently, US Drug Czar John Walters proclaimed that Canada's proposed reforms pose

a "dangerous threat to our young people and it makes the problem of controlling the border more difficult." Many prominent US politicians, including Paul Celluci, the US Ambassador to Canada, have mirrored this sentiment. When Americans become alarmed, trade becomes more costly—border waits get longer, special customs licensing agreements are required, and so forth. Should drug use escalate in Canada, as it has in some European

countries that have adopted similar reforms, it will provide American critics with ample ammunition to perpetuate the War on Drugs. Consequently, problems with border trade could continue indefinitely.

Overall, the marginal benefits from limited marijuana decriminalization would be more than offset if our billion dollar trade arrangements with the United States were jeopardized. As a sovereign nation, Canada has the right to enact its own policies. But when considering the best interests of the country, surely our standard of living must take priority. In this regard, the lesson learned after September 11th is clear—heightened border security is bad for business and bad for Canadians. 🇨🇦

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