

seven contributors for their generosity and for their openness in sharing their regrets.

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My Most Regretted Statements: Canada as a Welfare State

Monique Bégin²

I was among the first women elected from Quebec to Member of Parliament, with a large majority, and I was re-elected three times, serving as an MP from 1972 to 1984. During that time, in mid-September 1977, Prime Minister Pierre Trudeau appointed me to Cabinet as Minister of National Health and Welfare, the biggest Department of the Canadian government, with its 25 percent of the federal budget. I was also responsible for the Medical Research Council. I was Minister during 1977–1979 and 1980–1984.

We revel in thinking of Canada as a great place to live, a society not afraid of offering both a universal ‘medicare,’ prepaid for all through general taxation, and a safety net to its people. We see that as our trademark in North America. But how much of a reality is that, and how much a myth?

Just before my appointment in 1977, a major restructuring of the federal funding formula for health care for the provinces had been unanimously agreed upon. The new formula shifted federal funding determinations almost entirely to Finance, rather than Health Canada. I had not really been briefed on our Medicare system. The feds were covering roughly 50 percent of all costs related to hospitals and to doctors practice, based on universal, free access.

2. University of Ottawa, Ottawa, ON K1N 6N5, Canada.

So, I immediately got involved with social policies. My dream, which I innocently announced to the media, was to institute a “guaranteed annual income” under one form or another (negative income tax, ‘mincome,’ etc.). When I was apprised by my Deputy Minister of the real state of the economy, and when observing the rapid success of Milton Friedman’s monetarist policies, I concluded for myself that I would be lucky if I could, at the most, save the universality of Family Allowances and of Old Age Pensions.

Over more than seven years, 1977 to 1984, I managed to save the universality of these federal programs, create a federal new Child Tax Credit for families most in need (lone mothers with children), and increase pensions and adapt them to the various conditions lived, in particular by new Canadians and by women alone. I was very proud of my very last piece of legislation in the House of Commons, at the end of June 1984, which included several improvements to our pensions system such that our universal pensions system, for the first time in our history, would be lifting all seniors above the poverty line, which it did.

When in 1984 Pierre Trudeau left politics for good, I had long before, without saying a word to anyone except to him, decided to quit as well. I recycled as an academic, at the University of Notre Dame, as Joint Chair in Women’s Studies Ottawa and Carleton Universities, and as Dean of Health Sciences and Visiting Professor in Health Administration at the University of Ottawa. The numerous speaking engagements and participation in networks, committees, and commissions became so time-consuming that I had to drop social policies from my agenda, focusing on protecting our universal Medicare—what I am known for in Canada—which was then under serious attacks.

Sometime in 1993, University of Toronto political scientist Carolyn Tuohy, an expert on Canadian institutions and on health care systems, had written:

Canadian social policy presents a puzzle. On the one hand, it comprises a relatively niggardly set of policies directed at income security—notably public pensions and social assistance. The one relatively generous income-maintenance program, unemployment insurance, has been the focus of ongoing controversy. On the other end, Canada has adopted a system of national health insurance that is both generous and outstandingly popular. Why have Canadians been so parsimonious and chary in protecting individuals and families against poverty, and so generous and enthusiastic in protecting them against the cost of health care? (Tuohy 1993, 275)

I discovered that text years later. I did not know its author personally although she had a name and would become Deputy Provost and Vice President, Government and Institutional Relations, at the University of Toronto.

I couldn't believe my eyes when I came to that text. As social security was not her specialty, I thought at first that she was wrong. When giving speeches in the U.S., I had—repeatedly, and in complete good faith—started by stating that “*Canada is the Sweden of the Americas.*” No one, ever, either in America or back home, had confronted me, let alone questioned it.

Then, in 1998, a study by the Centre for International Statistics prepared for the Canadian National Forum on Health was published, giving a comparative table of total public social expenditures for 1990–1993 for several countries, as a percentage of their GDP (Centre for International Statistics 1998, 163). Sweden, Denmark, Norway, Canada, the U.S., and others were being compared for their total spending for income security, education, unemployment insurance, and smaller other programs, income security being by far the largest component of this statistical picture. It clearly illustrated the point: Canada was way below the Nordic countries, and in fact only somewhat better than the U.S., for total social expenditures. Where Sweden invested some 39.6 percent of GDP, we spent 21.9 percent, and the U.S. spent 15.6 percent. And that was before Canada's major reductions to unemployment insurance benefits, and before the 1995 cuts by Prime Minister Chrétien of some \$30 billion in transfers to the provinces, of which a major share was applied by the latter to reduce social assistance and social services and programmes.

I still had trouble believing it. Later I checked an OECD report on total public social expenditure as a percentage of GDP for 29 countries, 1980–2001. The same pattern was there: Canada was 24th in welfare spending, followed by Japan, the U.S., Mexico, and Korea. Ahead of us were 23 European countries, including Poland, the Czech Republic, Hungary, and Slovakia.³

By then and for the years after (March 2005–August 28, 2008), I was involved with the WHO International Commission on Social Determinants of Health, of which I was a member and which was a unique and enriching experience. I did my best to repair my seriously erroneous statements of the past, waking us to the poverty in our midst, trying to create images I had never used before. I ask, for example, why Montreal West Island's or Hampstead's life expectancy for males is 79.5 years while it falls to 68.6 years in the Maisonneuve-Rosemont neighbourhood, and to only 66 years in the downtown south area (CLSC des Faubourgs, from Sherbrooke Street down to the old harbour, east of Drummond and McGill Streets)? How come that in 1981 there were 30 higher-poverty neighbourhoods in the City of Toronto, and 120 by 2001?⁴ How is it that, in the country of lakes and

3. Current data is available through the OECD Social Expenditure Database ([link](#)).

4. See United Way of Greater Toronto and Canadian Council on Social Development (2004, 20).

rivers, of the 600 First Nations reserves of Canada, some 100 still do not have safe, clean water?

One problem is that Canadians like to believe they are a very egalitarian society, a classless society. We are not. Canada is a country that is so rich that it manages to mask reality, making poverty invisible. Inner-city neighbourhoods have been gentrified or marginalized. Homelessness has been normalized. So have food banks.

In December 2008, while in Vancouver talking of the causes of poorer health, I was interviewed by *The Province* and I suddenly decided to apologize. The headline read: “Former health minister says she was wrong—Monique Begin: Says Canada not a model of social and economic justice.” The opening paragraphs follow:

Monique Begin considers the human tragedy playing out daily in Vancouver’s Downtown Eastside and shudders at the memory of her once firmly held view of Canada as “the Sweden of the Americas.”

Not only did she believe it, Begin says, she used to spout it regularly as Pierre Trudeau’s feisty minister of health and welfare from 1977 to 1984—proudly comparing Canada with the European country many experts held up then, as they do now, as a model of social and economic justice and well-being.

“Well, I made a huge mistake,” Begin says now. “Canada’s the least bad of the Americas, but it’s not Sweden by a long shot.”

A quarter century later, Begin is on her latest mission to erase the rosy image once and for all by telling anyone who will listen that inequities in Canada’s social underpinnings—involving everything from education and family income to jobs and housing—have more of an impact on the health of Canadians than medical treatment. (*Province* 2008)

So the route towards tackling ‘the causes of the causes’ of poor health in Canada is certainly not that of investing more money into the health care system. We have one of the most expensive health-care systems of the world, and we cover only hospitals and physicians, with some 30 percent of total health care costs (drugs, therapies, rehabilitation, chronic care, etc.) having to be borne by individual Canadians. Re-balancing the budgets away from health spending in favour of welfare and social policies is what is needed. And the need is urgent.

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Fewer Than Sinatra: Three Quasi-Regrets

Michael J. Boskin⁵

When invited to participate in this issue of *Econ Journal Watch*, devoted to the subject “My Most Regretted Statements,” my initial impulse was to decline. First, even in the latter stages of my career, I try to look forward, not backward. Second, as Frank Sinatra croons in “My Way,” “Regrets, I’ve had a few, but then again, too few to mention.” Of the three items that fall even remotely into that category, two involve things I never actually said or wrote, but still may provide useful perspective for others.

First, in one of the unusual Washington rituals where your opponents put words in your mouth, I was alleged to have opined that it doesn’t matter whether the U.S. economy produces computer chips or potato chips. A clever quip, but I never said it. Indeed, after being misquoted a few times, including by some Silicon Valley friends and in several business magazines, I wrote a correction that was published in *Fortune* magazine (Boskin 1991). But that didn’t stop people from continuing to ‘quote’ me, putting the alleged quotation on Wikipedia, and the like.

It is likely the quip came from someone objecting to my strong resistance to the government picking winners and losers among technologies and firms by the granting of special subsidies. I was an opponent of industrial policy throughout my CEA Chairmanship for President George H. W. Bush, and was glad to see it also mostly rejected by the Clinton Administration. And I remained opposed

5. Stanford University, Stanford, CA 94305.