
Quebec and the Federal Constitutional Proposals

by Robert Bourassa and Jacques Parizeau, Quebec National Assembly, November 8, 1991

Six weeks after the tabling of Ottawa's constitutional proposals they were debated in the Quebec National Assembly by Premier Robert Bourassa and the Leader of the Official Opposition, Jacques Parizeau. The debate took place during the course of an "Interpellation" provided under the rules of the Assembly. Mr. Parizeau and Mr. Bourassa were both allowed ten minutes to make opening statements. This was followed by a period of rebuttal and questions from other members. Finally both the Premier and Leader of the Opposition made closing statements. The following is an unofficial translation of their opening statements and rebuttals. For the original text see the Journal des Debats, Commission permanente des institutions, November 8, 1991, pp. C1-1 to C1-18.

Jacques Parizeau (Leader of the Opposition)

I intend to examine three main subjects in these constitutional proposals from the federal government. There are others, but three seem to me to be fundamental and must be explained.

First, with respect to Quebec, do the federal proposals offer less than Meech, about the same as Meech or more than Meech? Almost all of the constitutional experts who have given an opinion acknowledge that they offer less than Meech. I am thinking here of such different experts and political scientists as Daniel Proulx, Henri Brun, Léon Dion, Alain Gagnon, Claude Morin and Patrice Garant.

This is an important subject. I remind you of what the Premier said not so long ago about this Meech Lake Accord and the clauses it contained. For example, on May 17, 1990: "I do not see how, in light of all that has been said and in light of the resolutions that have been adopted in this National Assembly, I could accept a reduction of the powers we obtained with the Meech Lake Accord." In *La Presse* of November 10, 1989: "The Premier of Quebec has warned English Canada that a government of Quebec could never agree, even in a distant future, to seeing the minimum requirements

contained in the constitutional agreement revised downward." Hence the importance of the issue.

Are the proposals on the table worse than Meech or not? I will shortly have the opportunity to demonstrate, that they are decidedly less than Meech. I will add a word here about Meech. You will understand that, being a sovereigntist, I am not upset by the fact that the conditions of Meech were not satisfied. I have always felt that, in many respects, the Meech Lake project was more a bauble than anything else. But since the present government has made its bed with regard to Meech, has sought to convince Quebecers that it was important not to negotiate beneath Meech, you will understand why I raise the point.

Secondly, for a very long time, Quebecers have been asking Ottawa, and various Quebec governments have asked Ottawa, first, to recognize the exclusivity of Quebec's powers in certain areas, and second, to agree to transfer powers from Ottawa to Quebec. The two most recent manifestations of this have been the brief by the Quebec Chamber of Commerce to the Bélanger-Campeau Commission, seeking a massive transfer of powers from the federal government to the Government of Quebec, and of course the Allaire report, now the official constitutional platform of the Liberal

Party, signed by the Premier of Quebec. It demands a massive devolution of powers from Ottawa to Quebec.

I have said in the past that I do not see how a country could accept that a province should have the powers that the Allaire report wants recognized. But since this has become the official platform of the Liberal Party's program, the question must be asked: What is there in the federal proposals that satisfies the Allaire report or meets the demands of the Quebec Chamber of Commerce?

My conclusion is that there is nothing, or next to it. Ottawa proposes to transfer workforce training to Quebec? But the federal government wants to keep a foot in the door, and for a few days now we have been seeing the size of the foot. Ottawa will recognize Quebec's exclusive powers over mining and forestry? But it seems to me that all Quebecers have always known that we have sole jurisdiction over natural resources. I will recognize Quebec's exclusive jurisdiction over municipalities? That has been around since 1867. There is nothing in these federal proposals, or almost nothing, that addresses the Allaire report.

Mario Dumont, President of the Young Liberals, said on September 25, 1991:

"There is almost no correspondence between Ottawa's document and the Allaire report. In fact there is little correspondence between Ottawa's document and the minimum that Meech represented." Michel Bissonnette, ex-chair of the youth commission and member of the Allaire committee he said: "In the proposals of the Allaire report, Bélanger-Campeau and even Meech, there was a guiding theme: the necessity for a new order of government. Now, on the contrary, Ottawa is proposing a centralizing vision. Clearly they have not gotten the message." Mr. Fernand Lalonde, former minister and, in many respects, the moving force behind many things that have occurred in the Liberal Party, said on September 25, in *Le Journal de Québec*, that "The federal plan offers little in the way of transfer of powers."

The third issue I would like to raise is the centralization of economic power. In its proposals, the federal government gives itself such extensive new powers that it has been maintained, rightly I believe—in almost all sectors of Quebec, particularly in business circles, that they amount to a form of centralization that is likely to pose serious risks to the operation of a number of Quebec institutions, and serious risks to the distinctive character of the economic policies of the Government of Quebec. No right to opt out for three years, for example, will be able to correct something that is tainted at its source.

We are therefore faced with a situation where, to a lesser extent than Meech, there is almost nothing in the way of transfer of powers, and furthermore an attempt at economic centralization by Ottawa which may mean

the end to the originality of the economic policies that Quebec has gradually acquired over the years. It is the very principles of these proposals that I am challenging. You may now say to me, as the Premier said not so long ago, that the principles are acceptable. But what is not acceptable is the terms or expression of those principles. I say it is the principles themselves that are corrupt, and I believe it is necessary to draw certain conclusions from this.



Robert Bourassa (Premier)

We know that, historically, the Government of Quebec has always refused the patriation of the Canadian constitution unless the Constitution of 1867 were, so to speak, brought up to date. Quebecers and their governments felt that this constitution, which had been accepted in 1867 needed to be modernized, to meet the new challenges of contemporary or modern societies.

That is why, in 1964, the government which preceded mine, that of Mr. Lesage, did not in the end accept an agreement on this question. That is also why Mr. Johnson and Mr. Bertrand adopted the same position. That is why, in 1971, because we considered that the division of powers accompanying the proposed patriation of the Constitution — was not adequate to meet Quebec's traditional demands, that we opposed unilateral patriation. This was one of the themes of the 1976 election, as you remember.

The Parti québécois was elected and promised to hold a referendum. The referendum was held, with no assurance of victory, and the PQ lost. The result was the unilateral patriation of the Constitution, against the almost unanimous opposition of the National Assembly. Even though this patriation was the work of eminent Quebecers, the Government of Quebec was the only one that was not taken into consideration when the decision was made.

The referendum defeat led to unilateral patriation, placing Quebec in a position of weakness. What more eloquent illustration of its weakness after the referendum defeat than its government's offer to negotiate for the veto that it had. For Quebec had a political veto, which it had used in 1964 and 1971.

When we assumed power in 1985, we decided to try to normalize the situation. Even though the economic challenges were particularly pressing, even though my party had been elected on the promise to give priority to fiscal and economic questions, even though public opinion at that time, for all practical purposes, was not very strong on dealing with constitutional matters, my government decided to assume its historical

responsibilities and do everything possible to remedy the injustice of 1982.

It therefore drafted proposals, the five Meech Lake proposals, which derived in very large part from the proposals that had been adopted by the militant wing of the Liberal Party. We were not able to approve all of the Liberal Party's proposals, but our package reflected them in very large part. We negotiated for several years to have these proposals accepted. We succeeded in getting them approved at an initial stage in 1987 and again in 1990, but in the end, the constitutional process prevented us from seeing them ratified and becoming the law of the land.

As in 1971, I refused to accept the patriation of the Constitution because from my point of view, the point of view of the government and my party, it was not in line with the movement of history. In 1990 I acted similarly, that is, I refused to accept a rejection of proposals that had been ratified on two occasions. So we are now trying, with Bill 150 which has received almost unanimous approval in Quebec, to gain reparation for the injustice of 1982, as for the injustice of 1990.

I would point out that when my honourable friend the Leader of the Opposition invokes the Allaire report and the Meech Lake Accord, his credibility is not particularly impressive. When we proposed the Meech Lake Accord, his party denounced it, saying it was less than nothing. Today he makes it a point of reference, admittedly for purposes of discussion, but he deems it sufficiently important to use it as a point of reference. As for the Allaire report, the Leader of the Opposition remembers full well that when this report was made public, he interpreted it as an underhanded attack from the direction of English Canada, and yet today he is using it as a benchmark to evaluate the proposals that could be accepted by the Government of Quebec. I raise this matter simply because I find the premises of the Leader of the Opposition, in his discussion, somewhat infirm. But this is not the crux of the debate. The crux of the debate is whether the federal proposals can serve as a basis for discussion, whether they can permit the Government of Quebec to continue the dialogue.

In an initial evaluation last September 25, we said that the document seemed to us very incomplete, that in the particular case of the economic union we could not accept the wording as it stands, that it was possible to arrive at the necessary co-operation between the various partners of Canada, and to do so without constitutional change, and that the kind of authoritarian federalism implicit in the proposals does not seem very convincing when one examines the central government's economic management for the past 20 or 25 years. Over a third of the federal revenue charges goes into servicing the debt.

That is twice the amount in Quebec, and much more than in most of the other provinces...

Jacques Parizeau (Leader of the Opposition)

In summary, the Premier is saying: I cannot commit myself on these proposals right now, because there is a committee created pursuant to Bill 150, that is supposed to look into this.

Mr. President, may I point out that you yourself, have said that no recommendations regarding these federal constitutional proposals would be made to the National Assembly, since your committee's mandate does not allow you to make recommendations in the case of proposals that are not binding on the federal government and the provinces.

Therefore, if the Premier is using this pretext in order not to commit himself, he may have to wait a long time, because it is understood in any case that this committee created under Bill 150 will not make any recommendations. It is going to be necessary at some point for the Premier himself to make some recommendations as to what he wants to see or not see in the federal proposals.

In this connection, does the Premier agree that in limiting the scope of the distinct society to language, culture and the Civil Code, even while adding the word "particularly", the scope of the term is substantially reduced, and in fact is almost non-existent with respect to the Charter and totally non-existent with respect to the other provisions of the Constitution? Does the Premier continue to think that he needs a veto that does not appear in the federal proposals?

The latest issue of the journal of the International Economic Law Society contains an interview with the Premier of Quebec, in which he says the following: "It is therefore clear why Quebec, a French state in the Canadian common market, must have all the powers necessary to protect and promote its distinct character, such as a veto in constitutional matters."

I am not the one who is asking for a veto. What do you expect? I want Quebec to become a country. It is the Premier who says he wants a veto, and the constitutional proposals say he will not get it. Is he prepared to sign federal constitutional offers that do not contain a veto right? Let us hear him say whether this is fundamental, in his view. That would mean that if there is no veto in these proposals, he will not sign. Am I interpreting him correctly?

What does he think of the provisions of the Meech Lake Accord that do not appear in the federal proposals, such as the appointment of the three Supreme Court justices on which he was to make recommendations? This

specifically has disappeared, for the Government of Quebec. What does he think of this? The Meech Lake Accord provided for Senate appointments on recommendations of the Government of Quebec. Now we are told that Senators will be elected and that the distribution of seats will be more equitable. At present, Quebec has 25 per cent of the Senate seats. More equitable means fewer seats. What does the Premier think of that, of seeing Quebec's influence in the Senate weaker in comparative terms?

We have been speaking about Meech. All of this is clearly less than what Meech offered, and yet the Premier has said that he would not negotiate beneath Meech. Ottawa says: You are going to have less than Meech. Is the Premier still saying: I want at least as much as Meech? If that's what he is thinking, let him say so. I was going to say that it is important, even for the people in Ottawa, to know that the Premier still wants to negotiate at the level of Meech and will accept nothing less. But I think that it is the responsibility of the Premier of Quebec, the man who wants the federal system to work, to say this to Ottawa.

 **Robert Bourassa (Premier)**

I understand very well that the Leader of the Opposition is emphasizing those elements in the proposals that are not to be found in the Meech Lake Accord. The Leader of the Opposition knows very well that in its proposals, the federal government has accepted the process of Bill 150. It is true that the formulation of the distinct society clause is different. But it is also true that the interpretations are different as well. On the one hand, there are those who say that the clause is stronger than in the Meech Lake Accord: in fact, that hypothetically, it could lead to some dramatic action on the part of the Government of Quebec. Others have said that it has less scope than in the Meech Lake Accord.


We are not here this morning to conduct a legal analysis; it is the commission's specific task to examine this concept. I think that if the Leader of the Opposition is serious, he does not today expect the Premier to improvise as a legal expert and issue a final verdict on the concept as such, on the scope of the concept, which was widely debated during the Meech Lake Accord and continues to be debated in various circles.

One has to admit that, despite opposition in English Canada to this concept, whatever its formulation, it is to be found in the application of the Charter. One has to admit that those who opposed this concept, I am thinking of the Premier of Newfoundland, who said last year that there was no question of taking collective rights into consideration in interpreting individual rights in

Quebec, that he would never accept a consideration of collective rights. Today he is recognized as being in agreement with the consideration of collective rights. We could discuss this issue of the legal meaning of the distinct society for a long time.

I see learned scholars coming to lecture us on the loss of the veto, when it was they themselves who advised the leader of the government to put it on the table. What nerve! It is not enough to have a taste for publicity. Such people should be just a little consistent as well.

So regarding the veto, it is important that all sides, particularly those who made the tragic error of making it negotiable, realize that our government is trying to regain it. It had regained a portion of it, on institutions. As I have said, this remains a fundamental objective of the Government of Quebec. But initially, since it presupposes unanimity, and since it is referred to in the proposals as an objective, we are insisting on other aspects that seem to us equally important for the future of Quebec: the transfer of powers and the issue of spending authority. Curiously, the Leader of the Opposition did not mention the proposal on spending authority. For thirty years, every government in Quebec has been asking for a limit to spending power. Here is one which has been offered. Perhaps it is not perfect, but for the first time and in an extended manner we have an official, legal acknowledgement by the federal government that it will limit its spending authority, which has been the source of countless overlaps and wastage of public funds. This is one aspect of the proposals that, curiously, the Leader of the Opposition did not point out. Immigration, a power fundamental to the cultural future of Quebec, is in the proposals. No mention of that either, on the other side.

 **Jacques Parizeau (Leader of the Opposition)**

I do not understand the Premier when he tells us that opinions are divided as to the meaning of distinct society in the federal proposals. I have read practically all of those who wrote on the subject, and there is a long list of them. I believe he will find only one exception among the constitutional experts I mentioned a while ago, that being Mr. Patrice Garant. In his testimony before your commission, Mr. Patrice Garant contradicted the written text he had submitted to the commission. That is about all that can be found. Everyone else agrees that what has been offered is less than Meech.

For six weeks the Premier has told us he has been waiting for legal opinions. I would imagine he has received them. So let him give me one case of a constitutional expert who says that the concept of distinct society, as it appears in the federal proposals, is broader

than that which appeared in Meech. On the contrary, it is more limited. It is so limited, that I would like to quote in this regard a remark by Senator McEachen to the Castonguay-Dobbie committee. Seeking an indication as to the meaning of distinct society from the Deputy Minister of Justice, Mr. Tait, in Ottawa, Mr. McEachen said: "Mr. Chairman, I take it from the answer that it is the view of officials that the inclusion of the distinct society clause in this particular section or part of the Constitution would not affect the scope or content of any right currently guaranteed in the Charter. That is the clarification and it is very helpful." Mr. Tait, the Deputy Minister of Justice, said: "I would accept that way of putting it." So it is clear why Mr. Clyde Wells has accepted the distinct society clause. It no longer means anything! It is easy to understand Mr. Wells' reaction to the press on October 23, when he said that he had never rejected the concept of Quebec as a distinct society, only the premise that the entire Constitution could be interpreted in light of that concept. It no longer exists. He agrees. Of course he agrees. Is this what the Premier is marshalling to his support? But he has assigned so much importance to this distinct society clause! Remember his words in this House that if the distinct society clause did not take precedence over the Charter, it would be worse than the status quo. But let him at least repeat this, just so we can be quite sure that he is still of this opinion.

Regarding the veto, there was no mention of specifics, that is, of attempts to gain a veto power. I never heard the Premier mention this. Once again, he should not use our positions to justify himself. We want a country. You will understand that we would not know what to do with a veto, from our perspective. A veto with respect to whom, when you have your own country? It is the Premier who wants a veto, but today he seems to be saying that this will be an initiative rather than a requirement?

Spending power was also mentioned. Be careful. The spending authority provision in Meech was quite specific. We have moved backward from that, because now there is the matter of objectives of national programs that have to be satisfied.

In Meech, there was the possibility, through a vote of the federal Parliament and Quebec, of settling the problem of immigration between the two governments. Now we find, in the federal proposals, that this will take the federal government, seven provinces, and 50 per cent of the population. Are you telling me this is not a step

backward from Meech? From what we have seen this morning, the government is in full retreat.



Robert Bourassa (Premier)

The Leader of the Opposition says he is fighting to have a country. Well, they held a referendum and lost it. With the result that we have had to negotiate from a position of weakness. You have to draw a distinction between your objectives and the risks you assume in trying to attain them when the people are not behind you. If today we have to fight to recover the veto—and it is for this reason that I do not see why one cannot cite the past to prepare for the future it is because you put Quebec in a position of weakness. That is a fact that you cannot get around.

On the precedence of the Charter, I do not believe that, in the time allotted to us, we should discuss all the legal subtleties that a constitutional clause may contain, but I cite one point raised by the Leader of the Opposition when he quoted me, as saying: that if an amendment is made that specifically reduces the application of the Charter, it is worse than the status quo. We are obliged to point out that the amendment made is specifically designed to ensure that interpretation of the Charter takes into account the fact that Quebec is a distinct society, that when judges have to interpret the statutes of Quebec that protect culture. And we have been able to get legislation passed that protects culture. I do not think one can talk about the danger of Quebec not having powers to protect culture... It acquired such powers with Bill 22, Bill 101 and Bill 178, without which Quebec would not be recognized as a distinct society. But here we have additional protection to the extent that application of the Charter is taken into consideration. So I do not see why the Leader of the Opposition cannot admit that, in this context, those who will have to interpret Quebec law will be required to take account of the fact that Quebec is a distinct society. This is important, because when the Blue Paper was proposed with its twenty-two demands, my predecessor Mr. Lévesque said that the most important thing was recognition of Quebec as a distinct society. Everything else can eventually be negotiated, but that has to be very important.

So I say to the Leader of the Opposition that there are legal opinions, but they are not yet complete. I do not see the usefulness, with all of the economic and financial questions to deal with, of prolonging a debate on a legal concept when the legal opinions and analyses have not yet been completed. When the Leader of the Opposition quotes me as saying that this should not dilute the interpretation of section 1 of the Charter, I would simply refer him to the text which states that, from now on,

judges will have to take into account not only reasonable limits to human rights, but also the fact that Quebec is a distinct society.

On spending authority, I repeat what I said earlier. At least, for the first time, we have something... and God knows how the Leader of the Opposition, as advisor to Mr. Lesage and other premiers, and how we ourselves for decades and decades tried to obtain a limit on this spending power which has thrown out of balance the division of powers between the levels of government.

It is because of this spending authority that we have to fight today to recover powers that were granted us by the Constitution of 1867. So let us openly admit that the formula is perfectible, and that the desire to limit spending power is for the first time thus specifically contained in the principles of a federal proposal...

Jacques Parizeau (Leader of the Opposition)

We are now going to deal with the third aspect I announced, namely the constitutional proposals of an actual economic nature. I would point out straightaway that, in this area, just about everything in the federal document is drafted in legal terms, and is very specific, very precisely defined.

I think that the person who has best summarized the content of these economic proposals, and indeed of the federal constitutional proposals as a whole, is the Deputy Premier and Minister of Energy and Resources, who on September 27 said: "The federal government has allowed Quebec the emotional elements, such as the distinct society clause, but has kept hold of the rational ones, such as the economy. I think this is unacceptable. Quebec has prospered with the economic model it has acquired and is going to need it in order to continue."

This is remarkable: I think it says it all. The federal government claims three powers. The first is the power to legislate in all matters it sees as useful to the effective operation of the economic union. The economic union is defined in such terms that, at bottom, any policy of the Government of Quebec that would address Quebec and Quebec companies, as compared with other companies elsewhere, could be prohibited both in practice and in law. That covers a rather wide spectrum.

I can tell you right now that this would mean that the Société de développement industriel, (SDI), which is the object of constant praise from our beloved Minister of Industry and Commerce, would become unconstitutional because its entire mode of operation consists in promoting Quebec companies over those from outside Quebec. There are a multitude of other examples of this type.

But the federal government also gives itself the power to declare federal or provincial laws of national interest. This means that it assumes the power to do all it deems useful for the economic union, but also the opposite, the power to do all it deems useful that is contrary to the direction of the economic union. You may remember the Borden line, the famous border between Quebec and Ontario which led to the disappearance of half of the oil refineries in Montreal and created terrible risks for the petrochemical centres. Well, that would be constitutionalized. The federal government may do one thing and do its opposite too, if it sees fit.

Third, the federal government reserves the right to adopt guidelines intended to improve the co-ordination of budgetary and fiscal policies. The Premier did not say much about the first two powers. Indeed, he tried to downplay their scope. But he spoke out on the third, and I must say that I do not understand him when he says: these budget guidelines may be going too far. I do not understand him because for years the Premier has been telling us that when there is a common currency, there has to be a common fiscal policy, or in any case a compatible one, and that that requires a common political structure.

We have a common currency in Canada. The federal government says it is going to harmonize budgetary policies, and to assume the means to do so. The Premier of Quebec says he cannot go along with that. I say I do not understand. It would seem to me to be in line with the Premier's convictions, both economic and federalist, to accept this federal initiative as precisely consistent with what he means by a well-directed economy and policy.

It is clear that all of us, as Quebecers cannot accept these federal proposals on the economy, this centralization, this extraordinary gesture of economic centralization by the central government. We cannot accept it. May one ask the Premier to clearly state this, with regard not only to the third clause, but to the three powers I have just spoken about?

Robert Bourassa (Premier)

I am very happy to at last be dealing with the economic issues, which I see as retaining a priority role in all of this, even if the other aspects remain fundamental.

Quebecers have three choices: the economic union proposed by our friends opposite, about which I shall say a few words; the economic union proposed by the federal officials, in a form of authoritarian federalism I have described as unacceptable; and an economic union that places the accent on intergovernmental co-operation.

Briefly, I pointed out earlier that the federal government's credibility in imposing its economic objectives was weak. When I speak of the federal government, I am not referring solely to the government now in power. Those that preceded it, in fact, could be more relevant targets, because it was they that triggered our spiral into debt. So they cannot say to the provinces that have succeeded, some by dint of great sacrifice, in managing in a more productive fashion, you are going to give us the power to tell you what to do. Budgetary co-operation can be arranged between governments by means of proposals (obviously), an initiative, or a federal role.

We read the same things, the Leader of the Opposition and I. It was reported in an economic journal with which he is very familiar that discussion is ongoing between Italy and the Common Market on reducing Italy's deficit. They are saying that if there is a common currency, the deficit levels cannot be too dissimilar, too far apart. So we believe in a Canadian economic union. We have taken certain steps, as I said earlier in responding to the member for Westmount and the member for D'Arcy-McGee. We have taken certain steps, as a government, to reduce tariff barriers, and that is what we prefer in the way of economic union. In this I have the support of all of the business and labour circles, not only in Quebec but outside Quebec.

But let us discuss the economic union of our friends opposite, which is the third choice: this economic union by treaty where they are prepared to totally abdicate or to assume a minority role. Because currency and interest rates remain a vital element. They are even prepared to use the Canadian currency against the wishes of our partners. That was what the Leader of the Opposition said. He said that Liberia does this. You cited Mr. Laidler, who referred to Liberia.

The Leader of the Opposition mentioned a number of countries that accepted such an arrangement, Panama among them. I say to him, how does he expect to remain credible. We are talking here about the well-being of all citizens. A shaky economic union has repercussions. It may have disastrous repercussions, as he well knows. How can he remain credible in his criticism of the economic union when he proposes a formula that cannot function in any acceptable way? Does he think because he sees everything with rose-coloured glasses, they will agree, there will not be any problems, it will cost nothing, the Americans will fall in line? How does he expect to remain credible?

But I am nonetheless pleased that, with respect to the federal proposals, he has decided to support the Government of Quebec so as to prevent this form of

federalism which, as I see it, would be contrary to the interest of the great majority of Canadians.

Jacques Parizeau (Leader of the Opposition)

I think that the Premier has just opened a new door in desiring to discuss the form that sovereignty-association might take. It is clear that these matters are not going to be dealt with in a few minutes at the end of a debate. But if he is disposed toward another debate such as this one, I will gladly accept, and I place the offer before him.

Yes, it would be interesting to discuss the maintaining of the Canadian economic arrangement, as desired by almost all those who came before the Bélanger-Campeau Commission. I believe there was unanimity on the subject. I believe it is important that, in the event of Quebec's sovereignty, existing ties with Canada be continued. It is important to make it clear that many of these ties will in fact be maintained almost automatically.

I am thinking, for example, of the free circulation of capital. A recent study by the C.D. Howe Institute was very clear on this subject. There is really no reasonable method whereby the Canadian government could prevent the free circulation of capital. With respect to the free movement of goods and services, there are a number of present-day requirements known as GATT and the Canada-US Free Trade Agreement which are going to ensure that the existing economic ties will be maintained. But from there to give constitutional recognition to federal economic powers that are absolutely exorbitant, and which in practice would be a means to thwart much of what has made the originality of Quebec's economic and financial policies for years. What a yoke around our necks that would be for the future!

We often hear the response from Ottawa that they are going to be reasonable in applying these powers. Yes, they are reasonable one day and not the next. Also, nothing is written in stone in politics. The people change. Finally, we are told that these powers could be rearranged, adjusted.

But I return to what the Premier was saying about the federal proposals. The principles are acceptable, it is the formulation that is not. For us, the very principle behind the powers that the federal government wants is unacceptable. There is a multitude of things that would have been impossible had these powers existed, ranging from deregulation of financial institutions to co-operative housing to a whole series of business development policies. I therefore again ask the Premier: You understand these things as well as I, you understand very well the effect these powers would have on the

agricultural products marketing boards in Quebec, on dairy products in particular. Why do you not say no?

 **Robert Bourassa (Premier)**


I will be very brief because we are ultimately in agreement on the economic union. We understand that the federal government may wish to promote a stronger economic union, but we are not in agreement on the means, notably the use of the Constitution, to arrive at this end. So we are in agreement. Let us get back to the other options. There is no purpose in prolonging the debate when we are in agreement. But we can discuss the economic union, because the Leader of the Opposition, curiously, is proposing one currency, but two citizenships.

This must be examined. We must see how one can have an economic union that can function, that can be credible. How can one have an economic union by treaty? Here is a fundamental difference. I acknowledge that the Leader of the Opposition and I are working in the interest of Quebec, that we are old allies in defence of the interests of Quebec, but we do not have the same methods of calculation.

I say to the Leader of the Opposition that if he wants to look Quebecers straight in the eye and assure them of the viability of the economic union, it would be intellectually dishonest for him to deny that a political structure is necessary to support such an arrangement. I could cite many people whom he respects. I could cite the Chancellor of Germany who again in recent weeks. If we want more common powers, we have to increase the powers of the Parliament now elected by universal suffrage.

We are agreed that the issue here is not the status of being a nation-state, nor is it patriotism. The issue is simply effective management. The Leader of the Opposition was unwise to cite the C.D. Howe report, because it states that this monetary union between two sovereign countries would be in danger of having no credibility, of allowing for a different currency, with a flight of capital. The Leader of the Opposition has been Minister of Finance; he knows that Quebec has to borrow \$10 billion to \$12 billion per year, including Hydro-Québec. He knows the premium, the interest rates that have to be paid if there is a climate of uncertainty and instability. As ex-Minister of Finance, he also knows that the per capita income of Quebecers is below the Canadian average, and therefore fiscal transfers are automatically made to Quebec. He knows all this. So what does he still need for his conversion? He has already been converted to a common currency. He used to be in favour of a Quebec currency. What more does he need to be

converted to political union so as to bring about the blessed economic union?

 **Jacques Parizeau (Leader of the Opposition)**

Just one thing in passing, to deplore a bit the fact that the Premier is not better informed. I am not demanding, as he says, double nationality in the event that Quebec becomes a sovereign country. This is part of Canadian law.

I would refer the Premier to this little brochure from the Department of the Secretary of State of Canada, which states that, contrary to the Citizenship Act in force in Canada until 1977, the current law permits the acquisition of a foreign nationality by a Canadian citizen without automatic loss of Canadian citizenship. I suggest that if he has any questions to ask, he put them to Mr. Mulroney, not to me.

This being said, the Premier still wishes to discuss sovereignty, and I thank him for his interest in this question. But I think he still does not understand that these connections between a common currency, an economic union and a political structure for it all, are not automatic. In some cases they are not even desirable, and in others frankly impossible.

I will offer some examples. Ireland became independent in 1922, after the Irish and the English had been shooting at each other for a hundred years, if not more. The atmosphere was poisoned. What did Ireland do about its currency? It adopted the English sterling. The English were furious, but could do nothing. This is how things operated for 20 years. I would like to have seen the Premier of Quebec at that time, if he and I had been born, pay a visit out there and tell them: You know, you want the same currency as Great Britain, but you need a common political structure. Just as they were trying to get out of it.

We have just made a free trade agreement with the United States. Did Canada decide to transport Ottawa to Washington, to abolish the Parliament in Ottawa and move it down there? Does Canada want a superstructure on top of Congress, then the House of Commons? No. They have established a great free-trade area across North America, at least, across the two countries and now possibly North America, perhaps Latin America, one day. But there are still no plans to set a government on top of all of this.

Where does the Premier get these principles of his, which incidentally he is the first to violate, as I indicated earlier? Taking him at his word, the federal government says to him: You have always said, Mr. Premier, that a common currency meant a sort of common fiscal and budgetary structure? Well, we are offering it to you. And

then the Premier of Quebec shows his true colours. No thank you!, he says. I repeat: Where does the Premier get some of his ideas?

But I return to my original question. And, once again, I think that the Premier ought to give us an answer. Is he for or against these economic powers that the federal government wants to assume? Does he find them acceptable or not? And if he does not want to make a statement today, when? Listen, we are talking about food on the table, about jobs, about implications for personal income. When is the Premier of Quebec going to say that these economic powers that the federal government wants are unacceptable?



Robert Bourassa (Premier)

The Leader of the Opposition is somewhat inattentive. It seems to me that I have been clear on the government's position that the constitutional changes were not necessary, that we could act more effectively through intergovernmental co-operation. Why ask me to repeat what I have said two or three times?

A word about citizenship. He cites the Canadian law. I see that the member for Lac-Saint-Jean is perplexed. How is it that his friend, Lucien Bouchard, is not aware of the Canadian law, since he did not demonstrate agreement with the Leader of the Opposition on double citizenship? Who is more knowledgeable of the law: Lucien Bouchard or the Leader of the Opposition?

The other point of the Leader of the Opposition is that we have free trade with the United States: why not have a political union? I was asked the question. The Leader

of the Opposition was absent at the time. I am surprised that he was not given the answer. Free trade must not be confused with monetary union. Free trade is the minimal form of economic union, and monetary union the maximal. There is free trade, a customs union, a common market, and monetary union, and that is why it leads to political union, in particular a union of integrated economies. Integrated economies such as those of English Canada and Quebec.

Ireland in the twenties was mentioned. Ireland held about seven per cent of the British population, and international trade was not dominant in its economy. Whereas Quebec in 1991, exports 40 per cent of its production. That is why I have always held that if you want an economic integration as thorough as a monetary union, you must accept a political union in order to avoid what I call the democratic deficit. Because on the one hand you have a political system where democracy has the upper hand, and on the other you have technocrats replacing the people's elected representatives. Therefore, in simple terms of economic management, fiscal security and democratic legitimacy, the link must be made between monetary union and political union. Otherwise, as political leader of Quebec, I cannot accept from the very start the assumption of such risks. To adopt a currency without the consent of Canada is to create a climate of monetary instability from the start, and the Leader of the Opposition knows how all this is very volatile, or can become so. In this regard, creating a climate of monetary instability may result in substantial financial costs for the population of Quebec.