

Lynn University

SPIRAL

Student Theses, Dissertations, Portfolios and
Projects

Theses and Dissertations Collections

4-15-1995

A Study on [the] Cons Of An Independent Quebec

Genevieve Laverdure
Lynn University

Follow this and additional works at: <https://spiral.lynn.edu/etds>



Part of the [International Business Commons](#)

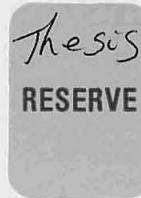
Recommended Citation

Laverdure, Genevieve, "A Study on [the] Cons Of An Independent Quebec" (1995). *Student Theses, Dissertations, Portfolios and Projects*. 273.

<https://spiral.lynn.edu/etds/273>

This Thesis is brought to you for free and open access by the Theses and Dissertations Collections at SPIRAL. It has been accepted for inclusion in Student Theses, Dissertations, Portfolios and Projects by an authorized administrator of SPIRAL. For more information, please contact liadarola@lynn.edu.

LAVERDURE,
GENEVIEVE



Lynn University

A Study On Cons Of
An Independent Quebec

A Thesis Submitted To
Dr. Patrick Butler
The Faculty Of Business Division
In Candidacy For The Master Degree Of
International Management

Department Of International Business

By

Genevieve Laverdure

Boca Raton, Florida

April 15, 1995

LYNN LIBRARY
LYNN UNIVERSITY
BOCA RATON FL. 33431

Introduction

Today, Canada is very close to involving itself in the path created by Barbara Tuchman, an American historian, called "The March of The Folly". This path drove many nations in different directions, but above all, to deterioration and destruction.

A wave of financial innovation began in the early sixties which swept throughout the United States and other developing countries. Another wave of major changes began in the past few years as a result of the formation of the European Economic Community, the reunification of Germany and the drastic reforms in Russia, to name a few.

The "March of the Folly" is also manifested by countries with inopportune economical situations. For example, Argentina's entrance to the XX century was tolerated by economic and political chaos. At its inception, Argentina, ranked nineteenth of the worlds wealthiest nations, soon after tumbled to forty ninth place. The economic and political disturbance turned out to be the opposite long term interest of its population.

In addition to the above mentioned events, Quebec's Liberal Parti lost the provincial election on September 12th, 1994. After nine years of the increasing deterioration of the Liberal government, many Quebecois wanted a change. As a result of this failure, the Quebec Parti (PQ) has dominated the election. This achievement of the Quebec Parti has brought more strength at the national level in terms of seats. Under the circumstances, the leader of the Parti Quebecois, Jacques Parizeau, has promised to hold a referendum on sovereignty. The referendum should be held anytime within 10 months of September 12th 1994. It will decide whether Quebec and its 6.8 million inhabitants will secede from the rest of Canada.

Are Quebecois frightened of the situation and are they concerned that Parizeau will take them where they do not want to go? Why should Quebecois stay within a united Canada? The ramifications raised by these questions will be carefully analyzed in the following pages.

The province's past failure, sixty percent to forty percent, in the 1980's referendum, will hopefully influence today's society. The current crisis will force a large number of businesses to relocate into Ontario as they did during the 1980 separation crisis. The present situation is very confusing: According to several conversations with fellow citizens in Quebec's province, it seems that a majority of Quebecois claim that they wish to remain in Canada, yet they are ready to vote for secession.

Why should Quebec be independent while the rest of the world is focusing on growth, unity and large communities? An independent Quebec will have to stay in line if it hopes to join any existing world trade organizations. By becoming independent, no one can guarantee its entry into these organizations.

This thesis will focus on the cons of an independent Quebec. In order to understand better the current situation in Quebec, we will first explain the historical events of Quebec and Canada toward today's crisis; second, we will overview what the Party Quebecois' draft bill is all about; and finally, argue the different reasons for Quebecois to vote for a united Canada.

Society in Canada, especially in the province of Quebec, is very concerned about Quebec's referendum for sovereignty. Investors all over the world, are very disturbed about the situation; particularly concerned are, the ones that do business directly with the country of Canada. Many investors, as well as experts, are worried that a developing country like Canada may actually become a third world country. This fear may seem exaggerated, but it may become a reality if Quebec becomes independent. If Canada suffers, what will Quebec become without Canada? Can Quebec vote for independence without knowing the consequences of such a catastrophe?

It is extremely important to be aware of the current political crisis in Canada, of which may affect the lives of millions. The purpose of the following research is to encourage and convince Quebecois to stay in a united Canada once they realize the consequences of the separation.

For the past thirty years, constitutional discussions have been met with impatience, weariness, and rejection. Generally, people have failed to understand the nature of Quebec's demands and how these demands relate to the process of constitutional reform. There have been frequent accusations that Quebec wants to be above the law, or is demanding more than its fair share. Many Canadians think that Quebec is "the spoiled brat" of the Confederation.(24) This sentiment is more heard today than a century ago. The failure to understand the nature of the Quebec question has deep roots. Consequently, it is important to look at the past to fully appreciate the complex and vital issue at stake. The historical that ties Quebec's present demands descend from a history of struggle for survival and affirmation.

Political History

Jean Lesage, the Liberal Prime Minister of Quebec from 1960 to 1966, initialized the mandate calling for the modernization of Quebec's society. This modernization helped Lesage to be considered the father of the "Quiet Revolution." Under his administration, Lesage established the Quebecois yearly income regulations and nationalized Quebec's electricity utilities.(38)

Daniel Johnson, Senior, succeeded Lesage in 1966. He was chief of the National Assembly. Johnson first brought the idea of Quebec's independence to the ear of Quebecois. He published Egalite ou Independance, which in English stands for "Equality or Independence", in 1965.¹

Many political parties were formed. In 1964, Pierre Bourgault, formed the R.I.N., Rassemblement pour L'Independence National (National Independence Assembly). In 1967, Rene Levesque formed the sovereignty Association movement (M.S.A.), which in 1968 merged with the rational assembly and the R.I.N. to form together the famous Parti

¹ Dion Stephane "La Loi Constitutionnelle de 1982 N'est Pas <<Montre>> Que Certains Disent" Press de Montreal. February 7, 1995, B2

Quebecois (PQ). The word "independence" suddenly began to be very popular. The economy was struggling, and the Federal government was seeking for more money, which as a result increased the taxes in Quebec and Canada.(24)

Rene Levesque, elected the Prime Minister of Quebec in 1976, decided to be responsible and take charge. He asked the population its opinion on independence with a referendum on May 20th, 1980, when Pierre Elliott Trudeau was then the Prime Minister of Canada. The Parti Quebecois sought a mandate from the people of Quebec to negotiate a new status sovereignty association combining political independence with continued economic association with the rest of Canada. The referendum was defeated 60% against 40%. The majority of Quebecois were very dissatisfied with the result. The government increased taxes, including income tax, the gasoline prices, the cigarettes, the alcohol and shelved issues that were far more important, such as unemployment and the economy.(12)

The government lost a lot of precious time discussing the official language of the province. Rene Levesque passed a new law banning bilingual signs, called Bill 101, which offended many Quebecois, especially Pierre Elliot Trudeau. He altered the Canadian constitution in 1982, which unfortunately changed nothing.

In 1982, Pierre Elliott Trudeau reunited the prime ministers of all the provinces to discuss the constitutional law. Canada continued its desire to develop a constitutional formula that would satisfy the aspiration of French-speaking Quebec through 1987 Meech Lake constitutional accord. Quebec's Liberal government, at the time, strongly endorsed the accord, which would have brought the province into Canada's federal constitutional framework while recognizing Quebec as a "Distinct Society". However, since the accord was not ratified by Manitoba and Newfoundland, which felt it gave too much power to Quebec, expired on the deadline date June 23, 1990.(12)

Shortly after, came the Charlottetown agreement. Brian Mulroney, then Prime Minister of Canada, put together a national referendum on the national constitutional law.

Quebec voted against it again.(12) Quebec's Prime Minister, Robert Bourassa, refused to support it since Quebec's rights were not sufficiently protected. The Federal government formed many committees to study the economic and political situations, especially the one in Quebec. These studies have cost millions of dollars. As a result, the Canadian dollar devaluated and the economy struggled once again. We must remember that it is Pierre Elliott Trudeau who decided of the currency fluctuation.(24) Since that time, the currency has devaluated, which has hurt the economy. In consequence, it is more expensive for Canadians to reimburse the national debt. Subsequently, Canadians have had many prime ministers who all tried to rebuild the economy but have not been successful.

Today we have a new leader in Ottawa, Jean Chretien. Canada's new prime minister seems to be walking in the footsteps of Pierre Elliott Trudeau. However, this is not promising for Quebec since the province elected Lucien Bouchard of the "Le Bloc Quebecois Parti" Quebec Bloc Parti, which formed the opposition and supports the rights of Quebecois for independence. In September 1994, the Parti Quebecois won the Quebec provincial election after nine years of Liberal government. It appeared that Quebecois wanted a change. Jacques Parizeau, leader of Parti Quebecois, has set a goal: economic and political independence of the Quebec province. This situation will soon resolved since a referendum is scheduled for 1995.

On the day Mr. Jacques Parizeau won the election, he announced to the Quebecois that a referendum will be held within 10 months of his winning the election.(19) That would merely mean that PQ would have to call the referendum any time before July 12th, 1995. In April 1995, a date has still not been announced. The reason why the referendum has not been called is because the road still looks bumpy in Parizeau's eyes. Polls in February 1995 continue to show that about 54% Quebecois oppose sovereignty versus 46% in favor. On the other hand, if the question would be ask differently than Parizeau is presently proposing, for example, if Quebecois want Quebec to separate from

Canada and become independent, polls results of an independent Quebec have tendency to increase to sixty percent.(11) Very similar to the figures of 1980 where PQ lost the referendum!

Separation Triggering

The Parti Quebecois committee stated that "once elected, the government formed by the Parti Quebecois would call the upon National Assembly to adopt a formal declaration confirming Quebec's desire to become a sovereign state"². Separatist, however, have gone a step further by putting together a draft bill before the National Assembly. Colleen O'Conner, a 41 year old Chateauguay resident said: "Why do they need to adopt a law on sovereignty first, then hold a referendum? it should be other way around."³ Separatists, act as if the population had given them mandates to take Quebec out of Canada. The results of the last election do not legitimately entitle separatists to undertake a round of consultations, focused on "how" to separate as opposed to "why". The draft bill Quebec's sovereignty, the round of consultation on the substance of separation, as well as the refusal of separatists to negotiate and discuss with the Federal government, are all elements designed to demonstrate that, in their opinion, Quebec already has one foot out of the Canadian federation.

With the implementation of the triggering process promised by Jacques Parizeau, Quebecois are now hijacking the province. This no doubt constitutes added evidence of separatist insecurity with regard to their chosen option.

Consultation Process

During the consultation process, Quebecois will be asked to collectively draw up a "Declaration of Sovereignty," which will serve as the preamble of the draft bill. The declaration will set forth the fundamental values and main objectives of a sovereign

² Ibid.

³Derfel AAron, "Montreal's Critical of Strategy" Montreal Gazette. December 7 1994, 7A.

Quebec. It will serve as a guide when the Quebec constitution is written for decades to come.

The process by the PQ is nothing but a publicity tool. It is an unacceptable process because it leads to a predetermined conclusion and focuses all discussion and opinion toward one and only one goal: to declare Quebec's sovereignty and define the content of that sovereignty project.

The approach they are facing does not allow a public debate on the real issue. Instead, it focuses on the "how" rather than the "why" of Quebec separation. The real question should be, "Is it in Quebec's interest to separate from Canada?"⁴, although the PQ approach just shows how they are afraid to hear the answer most Quebecois would give them on that question.(11)

The PQ government is asking for a blank check, yet it cannot guarantee Quebec anything in terms of Quebec's share of the Federal debt and of its future accession to the GATT, NAFTA or NATO. Quebecois will act as their own representatives and decide the form of separation they want. The PQ is pushing one particular vision of Quebec's future with its proposed process, but it is not the only vision the population has, because the only option for discussion is Quebec separation. This consultation process leaves no room for Quebecois who believe in Canada, even though these Quebecois outnumber those whose preferred option is separation.

The consultation process is like being forced to select which options we want in a car before being given the opportunity to choose the model we want to buy and before we even signed a contract to buy it!(25)

It is not the purpose of this paper to enter into an analysis of the draft bill phenomena; however, it is important to know what Quebec's Prime Minister is proposing to the Quebecois in order to understand the cons arguments for Quebec independence.

⁴Anonymous, "Quebec Libre? When?" Economist, February 4. 1995, p.41.

Draft Bill

Recently, Quebec Prime Minister Jacques Parizeau, made this statement on December 6th, 1994, when the act respecting the sovereignty of Quebec was tabled in the National Assembly. Following a vast public consultation, the draft bill will be voted on in a referendum once it is adopted by the National Assembly. The legislation will come into force only if a majority of Quebec voters are in its favor. The draft bill sets out in detail the political course of action put together by the Quebec government to settle, definitively, the constitutional problem that has been, in the mind of Parizeau and its committee, confronting Quebec for several generations. The draft bill also defines the procedure proposed to implement an independent Quebec.

Under the project, Quebec will become by democratic means, a sovereign country. The accession to full sovereignty has been defined by the National Assembly as:

"The accession of Quebec to a position of exclusive jurisdiction, though its democratic institutions, to make laws and levy taxes in its territory and to act on the international scene for the making of agreements and treaties of any kind with other independent states and participating in various international organizations"⁵.

This act in projection is to respect the process for determining the political and constitutional future of Quebec.

Moreover, the proposal calls for the maintenance of an economic association with Canada in order to preserve the existing free movement of goods, services, capital and people, to further develop this movement.

In addition, Quebec would continue its participation in the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT). It specifies that the Canadian dollar would remain the legal currency of Quebec.

⁵ Aurhier, Philip. "Parizeau's Map For Sovereignty Outlined In Bill" Montreal Gazette. December 7, 1994; A1

A new constitution would be drafted following a procedure to be defined by the National Assembly. The new constitution is to include a charter of human rights and freedoms. It must also guarantee the preservation of the English-speaking community's identity and institutions, and acknowledge the right of the native people to self-govern their own lands. Such guarantee and recognition would be exercised in keeping with the integrity of Quebec's territory.

Furthermore, the project focuses on the territory of a sovereign Quebec, citizenship and the maintenance of treaties, international alliances and statutes. It stipulates several other transitional measures, notably the conclusion of an agreement on the division of Federal government property and debt.

Participation In Commission on Quebec's Future

Divulging deeper and explaining in more detail, section by section, on the proposed draft bill which Jacques Parizeau and his committee have put together before the National Assembly.

Sovereignty

The parliament of Quebec enacts as follows: "Quebec is a sovereign country"(6). When becoming a sovereign country, Quebec will discontinue to be part of Canada. This simply means that Quebec will become an independent nation like France, Germany, the United States, Switzerland and all other members of the United Nations (UN).

Quebec will then have full control over all its taxes, and Quebec taxpayers will no longer pay income tax or other taxes to the Federal government established in Ottawa. All provinces from Canada have their own tax legislation, most taxes are administered and collected by the Federal government. "The Province of Quebec, however, administers its own tax system for both individual and corporations"⁶, although, still remain in force.

⁶ Newman, Peter C. "Why Business Will Flee A Separate Quebec" Maclean's. August 15th, 1994, p.31

New laws will be passed by the Quebec National Assembly and new treaties will be signed by the Quebec government.

Economic Association

The government is authorized to conclude, with the Canadian government, an agreement to maintain an economic association between the two parties involved: Quebec and Canada. Such an agreement must be approved by the National Assembly before being ratified.

The free movement of goods, services, capital and people currently ruled that Quebec and Canada are not perfect. Despite of its imperfection, it is an obvious advantage to both parties as long as the relationship is preserved for the mutual benefit of Quebec and Canada.

At the present time, Quebec is, after the United States, the main economic partner of Canada, while Canada is the principal export market for Quebec businesses. Total trade between Quebec and Canada exceed CAN\$100 billion. It is in the interest of both Canada and Quebec to keep the current economic situation intact.(1)

Quebec has clearly indicated that it does not intend to establish a customs barrier between itself and Canada. Canada, on the other hand, would contradict its own trade policy and penalize itself if it were to do so.(1)

The presentation of the common economic market could be inspired in an agreement that would lay down all terms such as the economic association agreements existing throughout the world. An accord of this manner could include the creation of intergovernmental agencies for the joint management of certain components of the economic association, such as the St-Lawrence River.(36)

New Constitution

The government should see to the drafting of a constitution for Quebec and to its adoption in accordance with the procedure determined by the National Assembly.

The constitution should include basic laws for human rights and freedoms. It should guarantee that the identity and institutions of the English-speaking society will be maintained. In addition, it should also recognize the right of the primary nations to self-government on territories over which they have full ownership. Such a promise and such recognition should be exercised with the territorial integrity of Quebec in a consistent manner.(6)

The constitution will provide sufficient fiscal and financial resources for the decentralization of specific powers to both, local and regional authorities for their exercise.

The constitution of a sovereign Quebec must reflect its long democratic tradition, one of the oldest in the world. Thereafter, the National Assembly will determine how the constitution will be drafted, discussed and adopted. Until its new constitution comes into effect, the present constitutional rules will apply.

Quebec already has its own legislation of human rights and freedoms. Its law also guarantees the English-speaking community and the primitive nations' rights. These rights could be better defined and protected by representing and respecting them in the new constitution. Also, the repatriation of Federal powers will prepare the way for a true decentralization in favor of local regional authorities. The nature of decentralization will be discussed with the interested parties and its main features will be treasured in the constitution.(36)

Territory

At the time Quebec, becomes a sovereignty country comes into force, Quebec should retain the boundaries it has within the Canadian Confederation. Its jurisdiction should be exercised over the maritime areas and the territories touching Quebec coastline in accordance with the terms and conditions of International Laws rules.(6)

Currently, Quebec's borders are clearly defined by law. In addition, the borders are not subject to new conditions. Without Quebec's approval, the frontiers cannot be

changed under the Canadian Constitution. Moreover, according to international law principles, a country that becomes sovereign preserves its boundaries intact.(6)

The presence of nations fundamental and minority ethnic groups does not and never prevented a country from becoming sovereign. Indeed, it is unusual to find countries that have become independent without having minorities in their environment. Furthermore, aboriginal and ethnic communities are protected by international conventions which Quebec has the intention to respect completely.(1)

Citizenship

Every inhabitant who holds Canadian citizenship and has a residence in Quebec, at the time of the separation comes into force, will be considered has a Quebec citizen. In addition, it will include as well, all people who are born in Quebec or are born outside Quebec to a parent holding citizenship after the separation comes into affect. The Quebec citizenship may be restrained acting together with the citizenship of Canada or of any other country.(6)

According to current Canadian law, any Canadian citizen can obtain one or even a number of nationalities without losing his or her Canadian citizenship. This tends, somehow, to be the general rule given the increase in exchanges and the opening of borders. This would also be law in a sovereign Quebec, which would allow its nationality to be held along with that of any other country, including Canada.(36)

Currency

Quebec's legal currency should continue to be the Canadian dollar. In bills and deposits, in banks and "caisses", Quebecois hold nearly a quarter of Canada's currency. This represents more than CAN\$100 billion. According to Mr. Parizeau, there is no way to take away from Quebecois what belongs to them, or to prevent a sovereign Quebec form using the Canadian dollar if it wishes. Up to now, Quebec has never been consulted on the monetary policy followed by the Bank of Canada, especially in regards to interest rates.(6)

Treaties

Based on International law legislation, Quebec should assume its obligations and enjoy the rights of the treaties to which Canada is a part of . It should also include the international conventions to which Canada is a signatory according to international law.

Countries sign treaties with each other because it is in their best interest to do so. Once the treaties are signed, it is in the best interest of the signatories to maintain them. This is the reason when a country become sovereign, International law favors the maintenance of treaties. This is called "State succession", by which the new country succeeds automatically to the rights and obligations of the country of which it was formally part of . Quebec will definitely submit application to all treaties of which Canada is now involved into so, it can, in the future, have a continuity with the countries Quebec is presently involved with.(36)

International alliances or relations

The government is authorized to apply for the admission of Quebec as a member of the United Nation Organization and other international organizations that may apply.

When Quebec is finally admitted to the United Nations, Quebec will become its 185th member. It will be rank the 18th largest member in terms of territory, 11th in terms per capita consumption and 80th in size of population.(6)

Montreal is already the headquarters of one of the official agencies of the United Nations, the International Civil Aviation Organization, as well as of many other major international institutions. Today, it is not unusual for new countries to emerge. Over the past ten years, some 28 countries have joined the United Nations Organization.(6)

In addition to be part of the United Nations and other international organizations, Quebec should take the necessary steps to remain a member of the following organizations: Commonwealth, the French-speaking community, the North American

Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT).(38)

Quebec meets all the conditions and criteria for joining the various alliances of which Canada is already a member. In fact, these several alliances have historical, cultural, political or economical foundations that Quebec, like Canada, can possess.

In some of these alliances, particularly the World Trade Organization, like GATT, Quebec could be admitted simply by State succession. In other cases, such as NAFTA, the admission could also be by State succession but only with signatories consent.

Continuity of Law

Laws passed by Canadian parliament that apply to Quebec at the time of the separation comes into effect. The rules, under such laws, should remain applicable until the National Assembly modifies them. (6)

According to the same terms and conditions, the government should continue today pensions and supplements to the elderly. In addition, all permits, licenses and authorizations issued in the province, before the "break up", should remain in force until the expiry date shows otherwise.

The courts of civil or criminal jurisdiction should continue to exist. The judges supervising over the Quebecois society should continue to do so and retain their authority over them. All cases pending in process may be continued until the jury or the judge has found a verdict. Until a Supreme Court is established under the new constitution mentioned earlier, Quebec Court of Appeal should become the court of highest jurisdiction. The judges of Federal and Supreme Courts of Canada, with a Quebec bar, become, only if desired judges of the Superior Court and Appeals Court of Quebec.

In keeping with the procedure provided by law, the government may appoint all persons required and take all steps necessary to facilitate the application of the Canadian laws that continue to apply in Quebec according to the laws passed by the Canadian Parliament that will apply in Quebec at the time of the constitution. Under this section,

the government should give priority to the functionary and all other employees of the Canadian government or agencies and organizations who reside in Quebec.

Until the new constitution come into effect, the laws, rules and convention which govern the actual constitution of Quebec and access of English language schools will remain in force in the province.

There will not be any legal emptiness when Quebec becomes sovereign. All the necessary steps will be taken for the Quebec government to immediately take over from the Federal movement.

In most cases, services will continue to be provided by the same functionary public servants and other employees of the Federal government working in Quebec, who will simply perform their duties as before, but as employees of the Quebec government. In other cases, measures will be taken so that people receive Federal services with no interruption.(36)

All functionaries Federal public servants and other employees residing in Quebec will be able to becomes employees of the Quebec government if they wish to do so. Their services will be required to authorize Quebec to take over from the Federal government. This is why the draft bill on the sovereignty of Quebec provides that they be hired as a priority to carry out the new duties assumed by the Quebec government.

Apportionment of Property and Debts

The Quebec government conclude with the Canadian government all agreement relating to the division of the Canadian property, debts and any matter susceptible of facilitating the application of this act.(6)

The previous pages explained the draft bill which Jacques Parizeau has proposed in front the National Assembly. The regional commissions established by the prime minister to solicit the general population's views and questions, began on February 5, 1995 and finished March 5, 1995. The regional commissioners will analyze the hearings, and summarize the opinion that were expressed. Recommendations will be

submitted in a final report sometime soon. PQ intends to use those recommendations in order to put everything in their power, and rectify the present draft bill to recruit more popularity. No matter how many extra votes they will recruit, this does not change the following arguments against an independent Quebec.(6)

Cons of An Independent Quebec

International Relations

If Quebec has access to the sovereignty, the province will have to open up to the international community. In order to do so, Quebec will have to set in line in hope to join any existing world trade organizations. By not being a member of any existing international trade agreement or international organizations, a separate Quebec will have to handle its own international relations.

Canada has a privileged position on the international scene. It is a member of the United Nation (UN), Commonwealth, Francophonie, Asia-Pacific economic corporation organization (APEC), Organization of American States (OAS) and NATO.(38) Although the draft legislation on Quebec sovereignty proclaims in the international alliances that Quebec will continue to belong to these international organizations, it is far from a sure thing that a separate Quebec could in fact belong to them.

It seems rather paradoxical that the separatist should be proclaiming that Quebec needs to exercise complete and total control over its affairs at a time when current economic conditions are necessitating the creation of large economic unions.

In the current moment, no country can claim to have total control over its own affair. To the contrary, these countries are strengthening their economies by opening up to the world.

With its 6.8 million inhabitants on an English-speaking continent with a population of nearly 275 million, Quebec is the only political entity in North America in which a French-speaking majority enjoys its own autonomous democratic institutions.

Quebecois are remarkably well represented and influential in Federal institution. They enjoy Canadian and international careers backed by the entire weight of the prestigious G7. An independent Quebec would merely be one more country of over 6 million inhabitants on the international scene.

A separate Quebec could at best hope to belong to the Francophonie, and perhaps the Organization of American States (OAS). However, it would possibly lose all the benefits of membership in G7. Canada is open to the world's three largest economic markets: Europe, Americas and Asia. In these three economic market, a separate Quebec would lose two of these three markets. Since economic growth is agitated in Asia, membership in this organization is a privilege. As a result, the membership of a sovereign Quebec would be almost impossible.(15)

In terms of International law, a separate Quebec would depend on international recognition in order to be able to maintain legal and diplomatic relations with other states.(31) Once again, uncertainty exists: how long would this process of international recognition by other states take? Since this native question was settled, what would a separate Quebec do in the meantime? These are all questions which cannot be answered today, and which indeed would only be answered once Quebec actually separated from Canada. By then, will it be too late to go back!

Quebec benefits greatly from the influence and prestige of Canada's international image. The United Nations program has develop a report which ranks the countries according to the economical prosperity, the quality of life, the equality of sexes and races, revenue distribution, and the liberty.

In 1991, this report ranked Canada in second place behind Japan. This signifies that only one country out of 175 could not "envie" Canadians for their quality of living. Unfortunately, the separation is threatening the Canadian quality of life ranking and might result in a tumble similar to Argentina's. Canadian cannot consider a country without Quebec.(15)

Whereby, a separate Quebec would not enjoy such and influence. Many countries can only dream of enjoying Canada's international prestige. The separatist are probably unique in the world since they want to separate from an influential, flourishing country which today is now ranks first in quality of life.(10)

Quebec currently has offices in capitals and major industrial cities around the world. In addition, Quebec plays a key role in Canadian diplomatic missions and delegations abroad. With its delegations already in key regions and its participation in Canadian diplomatic mission abroad, it would be very hard for an independent Quebec to maintain better external relations.(10)

International Trade Agreements

In the international trade agreements, a separate Quebec definitely think that it will enjoy the rights contained in the treaties to which Canada is a party. Contrary to the separatists' claims in their draft bill legislation on Quebec sovereignty, there would be nothing automatic about the continuity of international trade. "The party Quebecois has argued for years that a sovereign Quebec would have to get in line like any other country"⁷ Each trade agreement, such as GATT, FTA, NAFTA, Auto Pact etc., will have to be negotiated by a separate Quebec.

In the case of the GATT, in particular, the Belanger-Campeau commission's report pointed out that once Quebec is admitted to the GATT, the terms and conditions of its participation proceedings and the process for renegotiating the agreement would obviously depend on the agreement Quebec reached with the rest of Canada concerning coordination of their respective trade policies. "The GATT, renamed the World Trade Organization, does not refer to separation movements and does not require new members to apply."⁸ Quebec and Canada could opt for a common trade policy and choose to

⁷ Authier, Philip "Independent Quebec Would Keep trade Ties, Le Hir Says". Montreal Gazette. March 14, 1995; A1

⁸ Ibid.

present a common front at the GATT. The brief says, "The economic proximity and similarity between Quebec and Canada are such that other members should be satisfied if Quebec agrees to succeed to the GATT with the same tariff schedule that Canada negotiated."⁹ The benefits enjoyed by Canada under these international trade agreements will not necessarily be given to Quebec. "The Geneva based GATT, which enforces the international trade rules agreed upon by its 111 member states, including Canada, already has a growing queue of developing countries that want to join."¹⁰ When these treaties were negotiated, the partner of the other countries were negotiating with Canada and not Quebec.

Quebec would stand to lose much more than it would gain if it were to ask for these treaties to be reopened. Its market of 6.8 million does not give the same bargaining power as Canada with its 27 million inhabitants.

Interdependence

If Quebec chooses to be sovereign, English Canada may reject the Province totally. It may decide that a new relationship would give Quebec too much control over future decision making. In those circumstances, Quebec and Canada can pretend that the other does not exist. This would turn out to be a form of economic self-sufficiency. It would require a giant effort on the part of Quebecois and Canadians to pretend the dense network of commercial, personal, social and community ties.

In these circumstances, Canada and Quebec would effectively be cutting the bonds of a common history and past experience. There would be minimal co-operation between governments. Without this co-operation, it would be very difficult to manage either effectively or coherently their interlined economies. According to a document prepared for US politicians, "Quebec independence will add a certain amount of

⁹ Ibid.

¹⁰Ferguson, Jonathan "Trade Experts Points Out Flaws in PQ's Economic Forecast." Ottawa Citizen. July 22, 1994; D8

uncertainty in "areas of co-operation", while any economic upheaval in Canada would be felt in the United States."¹¹ Many of the economic difficulties that have bothered Canada's economic union would increase. Each party would eventually turn to establish non-tariff barriers to protect its markets and strategic interests. There would be less government co-ordination in such key areas as investment, taxation and labor market policies.

Cutting Quebec's links to Canada's markets would increase the cost of disassociation. Companies would be faced with a high degree of uncertainty and instability. In such an atmosphere, many of the key economic decisions made outside of Canada and Quebec would have a negative impact on local economies. Many US corporations operating in Canada would be reluctant to spend new funds on research and development or expand production facilities. In such circumstances, Quebec has at least one critical advantage. It has the highest degree of local control of its corporate structure of any Canadian province. Almost 70 percent of corporate revenues come from locally controlled firms.(3)

For example, NovaBus, Corporation of Saint-Eustache, Quebec, which has 100 employees and annual sales of \$300 million, is one of North America's leading transit bus manufacturers. Its main product is the classic model city bus. The company is developing low-floor and alternative-fuel models. Its NovaQuinTech division manufacture fire trucks and aerial access devices for the North American market. Everyone would be disrupted by the increase of obstacles to the integration. In the end, only the United States would benefit from it. It would emerge as the dominant player, with Canada and Quebec being forced to adopt US tax, spending or other regulatory policies. It assumes that sovereignty has to contribute in a time of global markets and

¹¹ Anonymous, "U.S. Concerned?" Canada News. December 10, 1994. p.15

growing economic interdependency. This means that Quebec and Canada have to negotiate a new way to reassociate and manage what they share in common.(19)

Currency

Since the Meech Lake Accord, many studies have examined the possibility of Quebec's independence and the range of options that would be available, to both Quebec and Canada, to handle economic and political consequences of a divorce. Two questions in particular have risen in the mind of fellows Canadians. First, could Quebec go it alone without association with Canada? Second, is an association or economic union between Canada and an independent Quebec workable?

There is a significant difference of opinion between the Belanger-Campeau commission and the commentary from English Canada on these options. According to Belanger-Campeau and the PQ, Quebec could go alone without association, using its own currency or the Canadian dollar. However, an independent Quebec chose to use the Canadian dollar as its unit of currency, according to the draft bill.

"An independent Quebec would continue to use the Canadian dollar. But this could only work to the extent that there exists a mutual interest between Canada and Quebec to use its currency. If problems were to arise that were insurmountable or damaging the Quebec economy, Quebec would get for another currency. Maybe that could be the American dollar."¹²

While there would be a transition costs related to these options, Canada could do little in response. For example, there would be no way that Canada could prevent Quebec from using the Canadian dollar, as they intend to do. With respect to trade, Quebec would have some access to the Canadian market under GATT rules and the United States would be likely to negotiate a trade agreement with an independent Quebec. Therefore, these views seems to minimize Quebec's incentive to negotiate association with Canada.

¹² Authier, Philip. "Independent Quebec Would Keep Trade Ties, Le Hir Says" Montreal Gazette. March 14, 1995; A1.

In contrast, English Canadian commentators have put an accent on the costs to independence of Quebec without an association just like the pacific separation of Norway and Sweden in 1905. During 90 years of union, both countries never had an integrated economy and each kept its own currency and had its own parliament. Their situation does not come close to the current situation. Above all, the economic cost with political disagreement of their separation was heavy. The final rupture was under the threat, of understanding currency convertibility, which could not follow.(15)

As a province of Canada, Quebec exercises a level of control over the Canadian monetary policy. If Quebec uses the Canadian dollar, it would give up the control over the monetary policy to the Bank of Canada. An independent Quebec would exert only slight, almost negligible, control over Canadian monetary policy. Any influence Quebec would have to must be minimal given its lack of political control over policy direction. Without any control over the currency, an independent Quebec would lose its Sovereignty in this particular area and would be even more dependent than it is today. So, if Quebec separate and keeps the Canadian dollar, as they intend to do, that will have no control what so ever over the monetary policy. If the Bank of Canada were to adopt a monetary policy that is contrary to an independent Quebec's best interest, Quebec will face many pitfalls.

The possibility that Quebec could exert any form of control over the setting of such policy in a future monetary union with Canada would, depend entirely on Canada's behavior. In the event that Canada were to refuse to involve, itself in an independent Quebec in the elaboration of such policies, Quebec would find itself with less influence than it has today because its interests would not be represented in the Bank of Canada.(31)

If Quebec were to remain part of the Canadian monetary union, the exchange rate between its currency, the Canadian dollar, and the currency of the rest of Canada, as well as the Canadian dollar, would, by its very definition, remain stable. In the event that

Canada and Quebec were to agree to a monetary union, history indicates that such an association, when not accompanied by political union, would inevitably collapse (29). By retaining the Canadian dollar, but pulling out of the Canadian political union, Quebec would lose all benefits normally associated with monetary unions such as the equalization payments. What purpose would political independence serve without the power to set its own monetary policies?

On the other hand, the use of another country's currency has usually worked successfully over the long term of small, weak or imperially dominated economies, rather than for economies of the size and strength of Quebec. In addition, the English Canada believes that using the Canadian dollar would create strong pressures toward further integration of policy, especially since both economies are already integrated. Meanwhile, other experts have argued that Quebec could not use the Canadian dollar for a currency without the Canadian National Assembly approval.

The issue on the economic association discussed on both sides seem to draw a similar situation as the one from the European Community (EC). Either the EC is a model of political integration, in which the states involved are gradually losing their sovereignty, or the EC is still an essentially intergovernmental arrangement in which states retain their sovereignty. Never the less, it seems in the eyes of Luc Bergeron, that the EC provides a model in which sovereign states may come together for economic purposes.(15)

Ironically, Europe has a chance to accomplish the monetary union of the ECU, European Currency Unit, by 1997, once the economic community reaches a political degree of integration comparable to the one actually existing in Canada. In other words, when all the European countries reunite in Europe with conditions just like the ones like the Canadian provinces actually have: one bank, and a national political economy. Why should Canada abandon what the European community has aspired and reached for quite some time?

The situation is very costly. Certain people pretend that an independent Quebec and the rest of Canada could share the Canadian dollar without Quebec having an official influence on the decisions of the Canadian Bank.

The issue of currency is crucial. Monetary policy is at the very heart of a nation's sovereignty. An independent Quebec choice of currency is an issue with major consequences on the economic security of all Quebecois. Monetary policy and the stability of the dollar have a major impact on the value of currency, and inflation on interest rates. It also has an impact on Quebec's prosperity and the job opportunities available to Quebecois.

Quebec's separation would mark the beginning of the "death march" for the Canadian financial market which currently covers all of the nation's territory. The establishment of different systems in Canada and in Quebec would reduce the efficiency of the financial markets and cause interest rate to rise.(29)

Employment

There is more to Canada than a trade agreement, interdependence and, a currency situation. By belonging to Canada, Quebecois can settle and work in any province they wish. Neither NAFTA, nor GATT would allow Quebecois to keep such benefits. We find proof to support this statement. NAFTA countries, Canada, US and Mexico, have restrictions preventing Canadians to work freely in the two other countries. The same rules apply to the Mexicans and Americans which to do the same. The NAFTA agreement does not have the same regulations as the European Community (no free flow of people) even if they share common interest. However, in the long run, NAFTA will be subjective in implementing the free flow of people in the actual agreement. A 35 years old foreman said, "We see (Canada- United States- Mexico) free-trade as a chance to improve the wages and working conditions of our country"¹³.

¹³Ferguson, jonathan. "Not Going To Be Weakling ...". Toronto Star. June 25, 1994; E1

How can an independent Quebec be able to achieve full employment when they are restricting the area for Quebecois to do so? The idea of full employment is simply unrealistic. The PQ program does not explain how the government of Quebec intends to achieve full employment.

Separation would create a climate oppose to economic growth and job creation by causing a rise in interest rates, thereby damaging foreign investors, and disrupting market and trade relations with the rest of Canada. An independent Quebec's heavy tax burden would restrict its ability to stimulate the economy and limit its capacity to put job creation measures in place.

Trade barriers imposed an independent Quebec by the rest of Canada would interrupt production processes, and therefore would eventually fade on employment in Quebec. Chief Economist, Lloyd Atkinson of the Bank of Montreal, said:" If you were to have sustained additional increases in interest rates, you could have much weaker growth in 1995 and rising interest rates of unemployment".¹⁴

Caused by the possible Quebec independence, some corporations might be subject to be affected with the employment effect. For example, in the Montreal region, Crow Corporations, CN, Via Rail, and Atomic Energy Canada may move all their non-Quebec related operations out of the province. As a result, thousands of jobs would be lost. In addition, large multinational, especially the English based ones, whose activities represented a small portion of their overall business operations could also intend into an eventual departure to other Canadian areas. Such companies would include Air Canada, Bell Canada, Alcan, Segram, and Bombardier.(27) At the present moment, these companies may object or deny any intention to leave, however, have future motives to leave the primary francophone area if separation becomes reality. Now, if we keep

¹⁴ Rubin, Sandra "Separation Talk Spooked Investors: Bankers, Higher Loan, Mortgage Rates Possible" Montreal Gazette. May 31, 1994; B3

adding to the previous information, we must come close to over 10,000 job lost. Most of these corporation offices would obviously move to Ontario, Toronto, where the economic climate is much more protected, stable and safe.(34)

Small and medium sized businesses whose management are largely English and activities are corporate services, such as finance, could be expected to follow their clients. This, overall, mean that Montreal could lose anywhere from 20,000 to 30,000 jobs within 5 year period.

These job losses would also have a huge effect on Montreal's economy, bringing with them a probable second wave of job cuts. It is highly believable that as many as 50,000 to 75,000 jobs could be lost in the Montreal area alone. This would correspond to a 3 to 5% increase in unemployment for the region, and paralleling the high unemployment recorded between 1976 and 1981.(17)

As a result, the separatists will have a hard time convincing the Quebecois that full employment is achievable under such discouraging conditions and statement. Paul Lamoureux, owner of a General Motors dealership, said "Prospering in an area of Montreal where the real unemployment rate is estimated to be at least 25%... Lamoureux admits feeling skittish."¹⁵ If the situation is so horrifying for the Montreal region at the present moment, who knows how much more damaging it will be for the Montreal regions and the other regions in the province of Quebec! Separation would have a destabilizing effect on Quebec and would be an obstacle to the type of economic climate favorable to job creations.

Expanding even more on the frightening scenario of PQ victory, last September 1994. It appears, according to Johnson, opposition of Parizeau, that Parizeau's party would invest millions of dollars hiring "everything that moves, squirms and hops" in the

¹⁵ Ferguson, Jonathan. "Weathering Separatist Storm Quebec Federalists Fear Business Flight" Toronto Star, July 30, 1994; B1

way of management consultants, to transfer all Federal responsibilities to an independent state.(20) The cost of the referendum would add to about CAN \$50 million. Under the circumstances, according to the CROP survey, 53% of Quebecois are not in favor of an independent Quebec.(4) In other words, the actual situation is a waste of time and money, as Johnson said " Fifty million dollars for a referendum which nobody wants. It makes no sense."¹⁶

The OECD, Organization for Economic Corporation and Development, forecast that Canada's employment situation will continue to improve until at least 1996. The separatist will be taking away any chance Quebecois would have to benefit from these favorable conditions if they separate Quebec from Canada.(17).

Youth Employment

The period of instability created by Quebec separation could negatively impact unemployment, the young and the poor. It appears that these three groups of people are always the first ones to suffer in difficult times. In fact, there is no country in the world that is exempt from unemployment, recessions, and deficits. Independence does not seem to be the solution to these worldwide problems.

Studies show that young people from ages 15 to 24, especially males, still have a higher rate of unemployment than do older individuals, in spite of the improvements between 1982 and 1989. This improvement was brought on by the economic recovery and declining number of young people. The youth unemployment rate is highly sensitive to the state of present economic circumstances.(31)

McCallum and Green maintain that a weakening of the economy over a period of two to four years would cause the unemployment rate has already passed the 20% mark.(33)

¹⁶ Contenta, Sandra "Quebecois Get The Call To Choose Their Destiny" Toronto Star, July 25, 1994; A1

Two levels of government, like the current ones in Canada, are never too many when addressing youth employment problems. Quebecois must take advantage of the cooperation and efforts of other provinces faced with the same problem.

Unemployment and Tax

In 1980, Levesque has caused much pain in the economic structure of Quebec in the past with his obsession of Quebec independence. Fearing Quebec would split from Canada, corporate directors were forced to vote for moving head offices and corporate charters from the province. Royal Bank and the Bank of Montreal were among the first to move their head offices functions to Toronto. This action was equally true for 90 of the 500 largest companies that had their head office in Montreal at the time of Levesque's victory. As a result, the province lost 235,000 employment positions. These corporation included such giants as Redpath Sugar, Sun Life, Molson's, Royal Trust, Trizee and Northern Telecom.(35)

The decision to depart will not be based on the personal notion the CEOs might have toward Quebec becoming independent but will flow from the hard world of corporate taxation. Since we live in a world of treaties, no treaties are more important than the ones that prevent large foreign revenues from being taxed both at home and abroad for Canadian companies. These offshore earnings can be, in fact, isolated by Canada without being subject to other countries punitive withholding taxes. Generally, treaty countries charge 10 to 15% tax, versus non-treaty countries which charge as high as 45%. This is an enormous difference for Quebec based firms that earn a significant portion of their profits outside of Canada. So, if Quebec decides to leave Canada, this mean that the independent Quebec would no longer be part of the tax treaty network that Canada is now a part. In consequences, Sam Slytsky, Toronto-based tax expert said, "The tax situation will cause offices that otherwise don't want to leave Quebec to have to

move their operations into Canadian provinces."¹⁷ If Quebec's company directors refuse to move their head office and corporate charters, it will turn out to be very expensive for them to keep doing business overseas. A new Quebec would have unrecoverable taxes of 25 to 45% while the rest of Canada's business would pay out 10% recoverable by the treaty. It becomes the duty of a corporation to act and move if they do not want to face this taxation issue. At the same time, doing business multinationally in a sovereign Quebec will not base any major corporation in Quebec without having tax treaty treatment favorable to their firm.(35)

Cost of Separation

Independence will push up the unemployment rate. According to Fortin, it will lead to an increase of as much as 2% in the jobless rate. In John McCallum's view, this increase would more likely be 5% over three years. With the departure of major corporation head offices and charters, they may soon be considered a Third World country. The separation would lead to uncertainty in investment from local and foreign companies, generating an economic shutdown that would push up unemployment and threaten Quebecois' jobs.(33)

Most economists agree that Quebec independence will bring out major costs. A separate Quebec would have to rationalize its expenses quite substantially in order to meet the demands of an enormous transition cost brought on by uncertainty, the necessary creation of numerous institution and its share of the Federal debt.

Canada dispenses universal health care free of charge across the country. The Canadian system is the envy of the world. Universal health care comes at a cost, and to maintain universality, governments face budget-related choices. The separatist cannot offer any guarantees that free health care would be maintained, since Quebecois'

¹⁷ Newman Peter. "Why Business Flee A Separate Quebec" Maclean's. August 1st,1994. p.31

separation would lead to enormous transitional costs which would require major spending cuts. The health of the nation would almost certainly be affected. So, under the Canadian health system, medical discoveries and advances are shared across the country. In leaving Canada, the separatists would deprive Quebecois of one of the leading health care models in the world.

"Present-day Canada distinguishes itself from the United States by its social programs, for example, our old-age security and, above all, our health insurance. Canadians and Quebecers are deeply committed to these programs. But they cannot necessarily be taken for granted. Within the context of the North American Free Trade Agreement, there will always remain a certain amount of pressure for us to align our social costs and taxation levels with those of our powerful neighbor. Canada's provinces and regions have a common interest in ensuring that none among them caves in to this pressure."¹⁸

Contrary to what the separatist say, the goal behind Canada's equalization program is not to force the provinces into poverty and later compensate them for it, but rather to bring the provinces closer to an overall balance.

By separating from Canada, Quebecois would be forced to furnish services already offered by the Federal government. In doing so, Quebec would forego all economies of scale related to the sharing of fixed cost, and saving made possible by delivering common services with the nine other provinces. By duplicating these Federal services, the fixed costs Quebec tax payers would have to pay would increase. All the savings Quebec would supposedly benefit from, would not be sufficient to compensate for its losses.

The federation gives Quebec a position within North America that it would otherwise not have. Canada, like the Quebec government, protects Quebec's autonomy. Quebec benefits from its representation in Canadian institutions and has a certain level of

¹⁸ Girard, Normand "Parizeau Confronte Beleanger-Campeau" Journal de Montreal. February 5, 1995 p.7

influence over the entire country. An independent Quebec would be depriving itself of such influences.

The climate of uncertainty brought on by Quebecois independence could cause interest rates to rise and production and investment levels to drop, which could ultimately result in another economic recession in Quebec, Ontario and Atlantic provinces. Such economic instability would have Quebec in a position of great vulnerability.

Since Quebec is in continual concurrence with other countries in the world, investors around the world are worried about the current situation. They want to make sure, before any major transaction in the country is made, that Canada remains united. Chief Economist, Carl Weinberg, said " I don't think many big investors would take many announcement by the Quebec government seriously as long as opinion polls indicate that the most Quebecois oppose slitting from Canada."(18) At the same time, investors think that the question to be posed in the referendum is too complex, unclear and uncertain. Because of that, some investors say, "It adds to the likelihood that at least some potential investors will delay placing money in Quebec."(18) Investors are not ready to jeopardize and risk what they have been working for, for such a long period of time. As a result, international investors have decreased tremendously the amount of dollars they can put in Canada, but even more in Quebec.

Canada has been built on uncertainty. This uncertainty, brings enterprise, public forces, to delay and push forward investing decision. This is slowing down the revival of the economic situation.

Some companies would particularly be affected by the loss of vast market created by the Federal government. Immediately, the defense industry comes to mind. It is highly probable that, if Quebec were to separate, the majority of the defense contracts given to Quebec firms would have to be reconsidered, unless Quebec were to maintain its current level of military spending which is highly unlikely. The following chart demonstrates the current Federal government military contracts.(16)

Reliance on defence contracts			
Type of Contract	Company	Location	Million\$
UTTH Helicopters	Bell Textron	Mirabel	1000
Air Traffic Control	CAE Electronics	St-Laurent	39
Air Support	Canadair	St-Laurent	165
Munitions	Tech. Industrielles SNC	Le Gardeur	300
Research	Praat & Withney	Longueuil	38
Simulation	CAE Electronics	St-Laurent	11
Pumps	Peacock	Montreal	23

Belanger Campeau Commission, Final Report, 1991.

Quebec share of the Canadian debt would be the major issue of the separation. Quebec's share of debt would be, the subject, over a long period of time of difficult discussions and a source of economic uncertainty and instability. On June 11, 1994 "The joke making the rounds in Quebec economic circles these days is that Jacques Parizeau is the only economist in the province who doesn't think separatism will cost a cent"¹⁹ With the country only just emerging from the recession, it is irresponsible of the separatist to remain silent on the potential costs of Quebec separation. Parizeau and the PQ have obviously underestimated the cost of a divorce with Canada.

There are already many opinions as to which portion Quebec would have to support. To start with, Quebec must be aware that the Federal government debt alone is over CAN\$700 billion. The Fraser Institute mentioned that when all the public debt is counted, such as municipal and hospitality borrowing, aboriginal land claims and other liabilities, the figures surpass CAN\$1.76 trillion.(7) That would mean approximately CAN\$65,185 for every 27 million Canadian citizens, including Quebec. Quebecois must be aware that Canada is trying to put its financial house back in order. The Prime

¹⁹ Derfel, Aaron "Montrealers Critical of Strategy" Montreal Gazette. December 7, 1994; A7

Minister Jean Chretien has the intention of doing more with less, establishing new ways of governing, cutting out waste and duplication, better targeting its policies and programs.

Now, if Quebec becomes independent, and refuses to pay its share of the debt, Robin Richatdson said "it would result in a major financial crisis since the government of Canada would not be able to service its debt, having just lost 25% of its taxpayer base... This surely would qualify as a hit-the-wall experience"²⁰ Quebec must acknowledge responsibility for his portion of the Federal debt. In consequences, Quebec would have a debt load of \$150.6 billion which would equal about 150% of its GDP. Under the circumstance, Quebec's \$3.7 billion deficit from last year would increase to well over \$10 billion.(39) All these statistic, would certainly mean that independent Quebec would be among the most indebted countries. Quebec's cost of transition will definitely lead the new country into a deep recession and be considered as a Third World country.(10)

By taking into account its own debt as well as its share of national debt, the Quebec government would have to pay \$15 billion each year in interest payments at the average debt rate. Or, would have to pay 10% of the province's GDP, compared to the current level of 3.3% and 5.4% for Ottawa.(29) What price are Quebecois willing to pay to attempt this experiment? Political, economical and social instability are not conducive growth for the future new country. These interpretations lead one to anticipate heavy negotiations generating a climate of economic instability.

If Quebec separated, customs checkpoints would be set up by Canada at all crossings into Quebec, and vice versa. Setting up customs affect billion of dollars in trade in goods between the Atlantic provinces and the rest of Canada which pass through Quebec each year. For example, milk producers of Quebec would lose one third of their 1 billion annual distribution with the other provinces of Canada.(10) Most of Quebec's

²⁰ Anonymous, "Expert: Time For Tacling Debt Quickly Fading" Canada News December 10, 1994; p.23

trade in goods and services is with the other Canadian provinces. How many Quebec firms are running on enormous risk of losing their market because of the separatist? Whether or not an economic association is maintained will depend, above all, on the other provinces' willingness to and interest in joining forces with Quebec.

Since Quebec cannot just walk away from all this, it will have to pay its share. In order to do so, Quebecois will have to pay more taxes. Separation would lead to such budget restrictions that would suggest major cuts in some areas and non-escapable increase in taxation.

A Normal Country

The term "normal country" has been badly abused by Jacques Parizeau and Lucien Bouchard over the past few years, especially during the last election campaign. According to Parizeau, he thinks that as long as Quebecois are part of Canada, they cannot claim to be living in a normal country. It has captured the attention of a few people who always wonder what a "normal country" is. Norman Webster attempted to answer that question.

"The most flexible way of reconciling differences in "abnormal" countries, as the separatists call them, is Federalism. For instance, the Americans, Germans Swiss, Australians, New South Africans and Canadians have balanced their federations by giving more powers to the different levels; they give the branches the opportunity to manage much their own affairs while reaping the benefits of greater political unity."²¹

The United States, Switzerland and Australia are luxurious, wealthy countries which have chosen to live and develop within a Federal framework. But that does not make them "abnormal" countries, does it? Federalism offers the most flexible system which acquire the benefits of harmony and diversity. Therefore, Webster said, "Quebecois are already a normal people, and an integral part of remarkably normal

²¹ Webster, Norman "Canada; Un Pays Abnormal" *Le Devoir*. August 21. 1994; A8.

country. That is simple and pleasant reality"²² Normal people are tolerant, open-minded and generous. These are the values shared by all Canadians.

It seems to be that separatists associate the concept of a normal country with a nation. Quebec, as a nation, is entitled to a normal country, and Canada, is an abnormal country. There are now fewer than 5000 nations in the world, but only 175 states.(40) If all "abnormal" countries decide to become sovereign, it is not hard to imagine what kind of climate we would be living in. Quebec has a privileged position within a completely normal country. Remember that a country's wealth is not measured only in terms of assets but also in terms of its mixtures of cultures, languages, histories, etc.

Citizenship

According to the citizenship situation of the draft bill on Quebec sovereignty, separatist mentioned that the fact the Quebec government would allow Quebecois to retain, if they so desired, their Canadian citizenship. Parizeau and his committee claim that Canadian citizenship laws implicitly allow double citizenship by virtue of the fact that a citizen of Canada may abandon his or her Canadian citizenship in favor of another nationality. However, there is much room for interpretation in the matter of double citizenship.

Citizenship is a privilege, not a right. When people choose to leave a country, as the separatists are proposing, people are prepared to renounce their citizenship to that country, unless the advantages it carries are too great to lose. The decision to extend Canadian citizenship to Quebecois, in the event of separation, belongs to the Canadian Parliament, not to the separatist. Jean Chretien, replied "... only Ottawa- and not Quebec city- can decide who has a right to dual Canadian citizenship."²³

²² Ibid

²³ Anonymous, "Webster Attack Plan For Quebec: Separatist Told They'll Lose Status" Miami Herald. December 12, 1994; A20

The free circulation of people within Canada, is one of the advantages that Canadian citizenship offers to its citizen. The right to settle and work in any province in Canada is constitutional to Canadian citizenship.

The separatists cannot guarantee that the Federal government will agree to extend Canadian citizenship to the citizens of an independent Quebec. The current Canadian law on citizenship provides no such guarantee, however, can be rectified by the Canadian parliament. Furthermore, it has been said by the Federal officials that the Citizenship Act could in fact restrict Canadians from holding dual or multiple citizenship. In consequences, this would stop Quebecois from keeping their Canadian passports if they become independent. (9) Why retain Canadian citizenship and reject all of the advantages that this citizenship offers? The best way to retain the Canadian citizenship is to remain Canadian. Contrary to what the PQ may say, nothing can be less certain than whether Quebecois will be able to retain their Canadian citizenship. The decision on this issue will be taken by Canada, just like many other decisions.

Language

Quebec's culture experienced a growth since 1960. With enhanced protection from both Quebec and Canadian institutions, Quebecois have regained their self confidence and used their potential above their own cultural values. Since that time, the Quebecois culture has been constantly enriched.

The only significant decline in the "French fact" noted by the commissioner of official languages is in the percentage of people of francophone origins in the Canadian population. This is the result of a declining birth rate, immigration and assimilation, all trends which neither a new constitution nor the separation of Quebec can correct.(19)

It is quite ridiculous for the PQ, still today to, display the disappearance of the language at a time when the influence of French culture and language has never been so great and recognize in Canada.

The Canadian charter of rights and freedoms consolidates the cultural future of Quebecois by guaranteeing the linguistic rights of francophones in Federal institutions. The charter also guarantees that both French and English are the official languages of Canada, and that those languages may be used in parliament, before the courts and within Federal departments and agencies. In addition, the right of francophones to be educated in their own language is guaranteed across Canada as it is for anglophones in Quebec.(29)

Promoting French from one end of the country to the other is the best guarantee for the survival of the of Quebec language. In addition, through Federal institutions, French-speaking Quebecois are positioned on the national and international scene, and try to influence at their best, the French language and Quebec culture, in order to best guarantee its protection. Quebecois have demonstrated that the legislative and institutional look at their disposal have led and will continue to lead to the growth and survival of their language and culture.

Territory

There is no guarantee that a separate Quebec can maintain its territorial integrity. A separate Quebec would inevitably have to negotiate various of its territorial borders with the Federal government, in particular its maritime boundaries.

Experts say, with separation, the principal of international law that provides for the recognition of territorial land boundaries of the state wishing to secede do not necessary hold true for the maritime boundaries. According to Henri Dion, a separate Quebec could not claim jurisdiction over the St-Lawrence River, nor over the Hudson James or Ungava Bays. The negotiation of a political agreement would, according to Drache, be the only manner in which Quebec could achieve jurisdiction over these maritime regions.(2) Separatists would have Canada take Quebec's current territorial boundaries for granted, as they refuse to accept Canadian territorial integrity.

The best way for Quebec to retain its current borders, is to remain with its Canadians partners. If Canada is divisible, then so is Quebec!

What will happen to Quebec after it chooses sovereignty?

Most expert seems to say that if Quebec departs from Canada, the rest of Canada will probably follow the steps of Quebec and break up as well. In addition of a break up, the parts will eventually be absorbed by their fellow neighbors, the United States.

English Canada has nothing to differentiate from the United States, except the culturally and linguistically unique presence of the province of Quebec. Consequently, if Quebec leaves, the remaining parts of Canada will separate shortly after wards.

There is, however, almost no evidence that Canadians want to become American. Polls that ask Canadians to choose between remaining Canadian and opting for the United States have never shown support for the second option.(4) There has never been a serious political movement in English Canada and there are no signs of any force under the current crisis conditions.

Conclusion

The world population is looking for something Canada already has: liberty, security, economic stability and the international appearance and recognition of other nations.

Countries are always at the mercy of mistakes that are considerably expensive to the ones that they have committed. Now, Canadians are presently finding themselves in that "March of the Folly". Actually, too many Canadians assist passively to the possible decomposition of Canada's country.

The draft bill is more than a piece of legislation. It is also a masterpiece of political propaganda and psychological manipulation. Quebecois, Canadians and people all over the world, hear constantly that the separation would be relatively easy and inexpensive such as a divorce by mutual agreement. Not only does Canada face peril and crumbling, but also many Canadians have started to recognize that the separatists are the real problem.

Many forget to ask the question of the cost of separation and wish not to face reality. If there is something, Canadian must face reality and act. Quebecois wish to destroy the country so that they may hide from reality. They explicitly have to ask themselves if separation is the answers to the challenge they must face. Most Quebecois destroy a country, Canada, to admit and protect this reality!

After exploring the political background, understanding the draft bill content and recognizing the cons of an independent Quebec, it is likely to believe that "les Quebecois" would obtain advantage and victory by voting a United Canada.

Again, everyone would face failure. Canada and Quebec would be less in measure to finance their expansion, their employment creation, their measures of protection of the environment and social programs. Is it really what the Canadians are looking for? Now that we are finally out of that cruel recession, it is not time to reenter another gigantic one.

European are applying the principle that Canadians seem to have forgotten: the union built strength, and the separation push toward destruction. Canada cannot simply ignore the current changes outside of its territory. With the disappearance of the communist regimes, the Democratic Liberal union opens up to new ideas. No force is more powerful to the ones that bring together the European nations. They seem to have learned to put aside their sovereignty to create one of the largest common markets of the world. Is it really worth it to join the historical "March of the Folly."?

Bibliography

Books:

- 1.Chodos, Robert. "Quebec In A New World" National Executive Council of the Parti Quebecois, James Lormier & Co. Toronto, 1994. pages 65.
- 2.Daniel, Drache. "Negotiating With A sovereign Quebec" James Lormier & Co. Toronto, 1992. page 243.
- 3.Valaskakis, Kimon. "Le Canada Des Annees 90; Effondrement Ou Renaissance?" Transcontinental Publications Inc. Montreal,1990.

Articles, Journals, Public Documents and Newspapers:

- 4.Anonymous, "Poll Suggest Voter Are Looking For A Change; Decision '94" Montreal Gazette, August 30th, 1994; A9.

A.B. The article written by the Montreal Gazette played a supporting role in the paper. Public opinion survey results, about the Quebec crisis are mentioned in the article. Fortunately, 53% of Canadians would vote "No" to sovereignty, while 37% would vote "Yes" and the remaining 10% were undecided.

5. Anonymous. "One Country Or Two?". The Economist. September 10, 1994. p.39-40.

- 6.Anonymous, "Avant-Projet de Loi Sur La Souverainete Du Quebec" La Presse de Montreal. December 7, 1994; B3

A.B. On December 6th, 1994, Quebec's Prime Minister, Jacques Parizeau, distributed a copy of the tabled draft bill to the National Assembly committee. The article is the text of the act respecting the Quebec sovereignty. The bill was tabled in order to settle the constitutional problems between Quebec and Canada. It defines briefly the process of the 17 articles proposed by the PQ to achieve independence.

- 7.Anonymous, "U.S. Concerned?" Canada News. December 10,1994; p.15

- 8.Anonymous, "Experts: Time For Tackling Debt Quickly Fading" Canada News. December 10, 1994; p.23

A.B. This was used as a supporting article in the paper. It provided much needed information on the National Debt which Canada is facing today. The quote on Quebec's possible refusal to pay its own share of the debt was also utilized from this article. Such behavior from Quebec would lead to a catastrophe on Canada's side of the fence.

Good work

9. Anonymous, "Westerners Attack Plan for Quebec: Separatist Told They'll Lose Status" Miami Herald. December 12, 1994; A20

A.B. This article is about the dual citizenship Parizeau is hoping to achieve for the Quebecois. It mentioned that Quebecois must think again if they believe that they can separate from Canada and still hold onto their Canadian citizenship. It supplied me with the quote of Jean Chretien explaining that nothing is guaranteed. You will find this supporting quote in the opposing arguments on independence, under the citizenship subtitle.

10. Anonymous. "Les Quebecois opteront pour Le Confort Canadien Soutient Marcel Cote" La Presse Canadienne. December 13, 1994; C7

11. Anonymous. "Quebec Libre? When?" Economist, February 4, 1995, p.41

A.B. This article contained the most updated polls about the current political crisis in Canada. According to the surveys, Quebecois would respond less in favor of independence if the question would be more direct. This article also briefly discuss the 15 commissions Parizeau has created in order to listen Quebecois' opinions.

12. Aubin, Benoit "Back to the Future." Maclean's . August 1st, 1994, p.16.

A.B. Quebec's history leads us to believe that the previous constitutional debate could have been adopted by the province. It explained the Meech Lake Accord situation which in the 1980's. The Liberal government supported the accord which would have brought Quebec into Canada's constitution.

13. Authier, Philip "Parizeau's Map For Sovereignty Outlined In Bill". Montreal Gazette, December 7, 1994 : A1+

14. Authier, Philip. "Independent Quebec Would Keep Trade Ties, Le Hir Says" Montreal Gazette, March 14, 1995; A1

A.B. This was a report submitted by the New York lawyer firm Rogers & Wells. In the journal article, the lawyers firm reviewed legal documents of Quebec sovereignty. The firm consulted US State Department legal advisers to see how significant and realistic the documents published by the PQ were. The article explained the possibilities of the International Treaties guarantee if Quebec divorce Canada.

15. Banque Royal du Canada "Au Sujet Du Prix De La Desunion de L'Histoire". La Presse of Montreal. February 8, 1992; A10 & A11.

A.B. This article was inspired by a speech given by M. Taylor, President of the Council and Chief of Management, during the 123rd shareholders annual assembly of the Royal Bank of Montreal held in Montreal on January 23, 1992. The article brought the idea of the "March of the Folly" by Barbara Tuchman, an American historian. It explained the political and economical disorder impacts on certain countries around the world. It provided me with the 1905 crisis of Norway and Sweden. It also explained the concept of the European Community: the union built strength, and separation push

toward the folly. This article was full of supporting arguments in favor of a United Canada. It covered some arguments in the currency, investment, EC and the costs. This article was very helpful and at the same time very interesting.

16. Belanger-Campeau Commission, Final Report, 1991

17. Blohm, Robert. "The bond Market Holds Quebec's Fate". Wall Street Journal, August 5, 1994; A9

A.B. Mr. Blohm is an investment banker and a fellow at the American Institute for Economic Research in Massachusetts. Quebec's economy has been the most important issue of Quebec Nationalism. The article calls for overreaching national employment. Blohm explained that job losses would have an enormous effect on Quebec's economy.

18. Bryan, Jay. "Quebec Business Leaders Divided; International Markets Stay Quiet" Montreal Gazette, December 7, 1994; A7.

A.B. Quebec's business leaders shared their reactions and opinions to the provincial government toward Quebec's sovereignty. International financial markets seemed unanimous. It furnished my paper with two different views about international investors. One mentioning that some do not take the current situation seriously as long as the poll indicate defeat of separation, while others will delay their investment because of the unclear question Parizeau will ask on which to vote.

19. Chartrand, Luc "Une Mauvaise Raison De Voter PQ" L'Actualite, September 15, 1994;p.6

20. Contenta, Sandro and Mc kenzie, Robert. " Quebecois Get The Call To Choose Their Destiny". Toronto Star. July 25, 1994 : A1.

A.B. Johnson's, opposition of Parizeau, during the provincial campaign in 1994, denounced Parizeau's approach in the form of a waste of public funds. Johnson's quote on the cost of the future referendum, was used in the thesis. It explained how Parizeau is wasting people's time and money. Also, the future referendum polls indicate a negative interest on an independent Quebec.

21. Contenta, Sandro. " Split Over Sovereignty Poll Shows Voters Dispute Mandate". Toronto Star. August 28, 1994: A1.

22. Contenta, Sandro, "Natives Can Play The Spoilers. They Can Make Or Break Quebec Independence. And They Know It." Toronto Star. September 3, 1994 : B4.

23. Davidson, John. "Quebec's Separation Will Hurt Analyst Says Canada Will Face Decade of Pain, Economist Argues". Toronto Star, June 11, 1994; B2.

24. Dion, Stephane. "La Loi Constitutionnelle de 1982 N'est Pas <<Monstre>> Que Certains Disent" La Press de Montreal, February 7th, 1995; B2.

A.B. This was an indirect supporting article. The article explained Lesage, Bourassa and Bourgault while they were leader. The text pronounced the Parti Liberal constitutional reform proposition. The opposition of the Meech Lake accord and of the Charlottetown accord was explained in detail. This was used for the political historical part of the thesis, and. helped me review past political crisis the province of Quebec .

25. Derfel, Aaron. "Montrealers Critical of Strategy" Montreal Gazette, December 7 1994; A7

A.B. Some say the referendum question should be more straightforward. The article provided the thesis with information about the question Parizeau intends to ask the Quebec population on referendum day. It argued the misunderstanding the Sovereignty Law proposed before the referendum. Quebecois, in general, think that Parizeau is there to trick them with a confusing and indirect question. Will the question remain as it is today or will Parizeau risk changing it before the referendum to satisfy Quebecois.

26. Ferguson, Jonathan. " Trade Experts Points Out Flaws In PQ's Economic Forecast." Ottawa Citizen. July 22, 1994 :D8.

A.B. An independent Quebec will have to wait and be approved by member signatories in order to join world trade organizations. This article helped me develop and support the arguments against a sovereign Quebec toward NAFTA and other trade organizations. Nothing guaranteed the entry of Quebec in GATT, NAFTA, FTA, or the Free trade pact. Many other developing countries would have priority over Quebec to enter such international treaties.

27. Ferguson, Jonathan. "Not Going to Be Weakling to Exploit Much Longer Mexican Look at Free Trade as Their Chance for Better Wages 'Era of Exploitation Is Ending'" Toronto Star. June 25, 1994; E1.

28. Ferguson, Jonathan. "Weathering Separatist Storm Quebec Federalists Fear Business Flight." Toronto Star. July 30, 1994 :B1.

29. Grandy, Patrick. "Quebec Souverain et dollar Canadian" Cite Libre, August , 1994, p.7

30. Gagne, Jean-Paul. "Un Quebec Separe Aurait Une Dette Tres Lourde" Journal Des Affaires, September 3, 1994; p.6

31. Girard, Normand. "Parizeau Confronte Belanger-Campeau" Journal de Montreal, February 5, 1995, p.7

A.B. Jacques Parizeau tried to undermined Belanger and Campeau arguments on the cons of an independent Quebec. Parizeau especially debated, in this article, Quebec's sovereignty economic issue. But it seems to be that Belanger-Campeau arguments are more credible to the Quebecois public eyes.

32. MacPherson, Don. "Master Manipulation". Montreal Gazette. December 7, 1994:B3.

33. McCallum and Green "Analyse Pro Forma Des Finances Public Dans L'Hypothese de la Souverainete du Quebec". In Elements D'Analyse Economique Pertinents a la Revision du Statut Politique et Constitutionnel du Quebec, Document de Travail #1, Quebec 1991 p.16

34. McCallum John and Cote Marcel "Les Cout De La Rupture" Quebec, Canada, September 1992. p.

35. Newman, Peter C. "Why Business Will Flee A Separate Quebec". Maclean's. August 1st, 1994, p.31.

A.B. Quebecois elected the Parti Quebecois in September 1994. Newman explored the consequences which Quebec businesses will have to face if Quebec becomes sovereign. It explains the departure of major corporate headquarters in the 1980 referendum. Caused by today's current situation, reflection of such behavior might be probable to repetition with other multinational or major Quebec corporation. Also detailed was the tax situation Quebec corporations would face with an independent Quebec.

36. Parti Quebecois, "Un Projet de Societe Stimulant!" Parti Quebecois Program, 1994. p.26

A.B. This document, put together by the Parti Quebecois, summarized the two hundred and fifty pages of the Parti Quebecois program. Helping to understand better and faster what the Parti Quebecois intends to do for a future independent Quebec. By contacting the National Parti Quebecois, located in Montreal, or the Parti Quebecois Association in the Province of Quebec, a copy of this documentation can be obtained. The document explained in more details some sections which the draft bill covers. It provided me with information to describe further the PQ's article.

37. Rubin, Sandra "Separation Talk Spooked Investors: Bankers; Higher Loan, Mortgage Rates Possible". Montreal Gazette. May 31, 1994: D3.

38. US Department of Commerce "Background Note: Canada" Office Of Public Communication, Washington DC, January 15, 1991.

A.B. This article provided background note on the country of Canada. It also, provided information on the cultural exchange of the country, resource management,

military affairs, history, trade organizations, and trade / economic of the North American Country of Canada. This was not used as a supporting document within the paper. This document gave me needed information for gathering together political facts and dates that are significant to Quebec current political crisis. It also informed me of the actual treaties and international organization Canada is, currently a part of.

39. Symonds, William C. "Will Quebec Really Do It This Time" Business Week. September 19, 1994, p50-52.

A.B. PQ thinks it can overcome the negative economic impact sovereignty may have after a separation with the rest of Canada. The article talks about debts in terms of GDP percentage. It explained the new country's intention to join U.N. and NATO. PQ believes that Quebecois will be able to continue to hold their Canadian passports, use the Canadian currency and preserve international trade agreements and organizations.

40. Webster, Norman "Canada, Un Pays Abnormal". Le Devoir (Montreal), August 21, 1994; A8