

NEGOTIATING WITH A SOVEREIGN QUEBEC: FOUR SCENARIOS

by Daniel Drache

Canadians have entered their referendum year of living dangerously, unprepared for the decisions that lie ahead. The national mood is increasingly surly. All across the country, people are impatient to defeat the referendum. Canada's elites, too, have convinced themselves that 1995 will be a rerun of the 1980 referendum. This is a serious mistake. There is a better than 50/50 chance that Canada will be negotiating with a sovereign Quebec in the immediate future. So if English Canada is not to sleepwalk through history, it's time to wake up and get streetwise.

SCENARIO 1: THE SYSTEM DYNAMIC HAS BROKEN DOWN

The progressive middle has lost sight of the baseline reality pushing Quebec toward its long-time goal: la belle province remains a beleaguered minority in a majoritarian federal structure. It cannot win within the existing rules of the game. It can make alliances with other provinces to extract new concessions from Ottawa, but it can never be in control of its own destiny. Its constitutional future in Canada is contingent on the goodwill of others. Therein lie the roots of the present collision course.

Quebec's preferred option was staying within federation, but Canadians refused Meech Lake's modest offer of entrenching Quebec's special status in the constitution. Ottawa tried a different tack, but Canadians turned down Charlottetown because they do not want to see the national government devolving power to all 10 provinces. Canadians want a country, not a federation

of warring provincial entities. So, how does an exasperated majority respond to an internal threat of seismic proportions? The answer is: with perplexity, anger, and miscomprehension. English Canada has now placed its future in the hands of Chrétien's Liberal government. But is it a good bet?

SCENARIO 2: TEAM CANADA OR TEAM QUEBEC—HOW DO THEY COMPARE?

Referendum '95 is a very different affair from the 1980 vote that the feds won. The PQ lost last time because Trudeau held open the prospect of constitutional renewal. This time there is no federalist shining knight ready to rescue Quebec federalists and Quebec-leaning federalist nationalists. Even pollsters concede that Parizeau has seized the initiative and kept it. By contrast, Daniel Johnson's popularity has dropped 10 points in the public opinion polls since October 1994. With no constitutional offers on the table, the federalist forces will be going into the referendum fight with nothing concrete to propose. A negative defence of the status quo is not much of a defence. Even if support for sovereignty and independence has not grown beyond the 45 percent mark, support for sovereignty is not declining. Polls released at the end of March put the PQ within hailing distance of the 50 percent mark.

Ottawa wants to forget that the Parizeau government is popular and represents in the eyes of Quebecers an alternative to Ottawa's deficit-obsession image and the reduction of social services that has become

its preoccupation. Pretending that sovereignty is not popular and a real option for Quebecers after the rejection of Meech Lake and Charlottetown is dumb, big time.

Paradoxically, Chrétien is riding a crest of popularity in English Canada that surpasses Diefenbaker's and even St. Laurent's. Ottawa wants to decentralize the country, and though decentralization may be applauded by some English Canadian premiers, it will also help Parizeau sell the "yes" vote to Quebecers. When Ottawa makes the provinces responsible for social programs without giving them more fiscal resources, the sovereignty cause looks more appealing than ever. With fewer transfer payments going its way, Quebec has less reason to remain part of the Canadian federation.

The dangerous mistake is that by playing hardball—"our way or no way"—Quebeckers will increasingly feel isolated from the rest of Canada because their special needs are not being met within the existing framework of Canadian federalism. On this point, Parizeau offers Quebecers two tangible advantages: an end to the duplication and overlap created by federal-provincial programs, and a government empowered to protect Quebec's identity and economy in a world without borders. By contrast, Chrétien's only offer on the table is a doomsday scenario—"if you go, you will fail." Visions count more than ever in the world today. In 1980, the feds had one; in the '95 return match, they don't.

But Chrétien's major political weakness is no guarantee that Parizeau will win the fall referendum. To attain independence, the PQ has a viable political project; troops and resources on the ground; the capacity to mobilize people when it counts; and, in Parizeau and

Bouchard, topflight leadership. What, then, is missing?

The most important ingredient in short supply is the heat and passion that is needed to galvanize a "yes" vote in sufficient numbers to put the referendum over the 50 percent mark. Nationalism is as potent a force in Quebec politics as ever but it has lost its vision of what Quebec society might be in the future. Quebeckers are like their counterparts in English Canada. They want better government, one that is less wasteful, more open, and more accountable; they want a renewed sense of citizenship and a government that can deliver a top-end economic performance.

This is why Parizeau could lose. Nationalism is not enough. There is a second obstacle as well. There is no external threat so powerful as to force the soft nationalists and disillusioned federalists to go the extra mile and support the referendum. The immediate question is whether the PQ will be able to find those votes in the ranks of the soft nationalists, disillusioned federalists, the over-65, and the under-25 to get the narrow majority it expects. The votes are there if Mario Dumont and the Action démocratique get on side. They stand between success and failure. They have the votes that Parizeau and Bouchard need if the referendum is not to end in only a "moral" victory. So Parizeau and Bouchard will have to change their game plan and propose a question that links Quebec's sovereignty to the negotiation of a new economic relationship with Canada.

SCENARIO 3: THE VOTE— THREE POSSIBLE OUTCOMES

As matters now stand, there are only three scenarios in the offing. First, the "yes" vote obtains a 40 percent score, which is no better than the 1980 referendum. With Bouchard and Parizeau heading the Quebec campaign, this prospect is

doubtful. Second, the "yes" side comes within a hair's breadth of winning with 48.3 percent support. This level of vote would be better than the PQ did in the 1994 election that brought it to power. Under this scenario, the "yes" campaign would have garnered 60 percent of the vote chez les Francophone, but not enough to go over the top. Finally, a simple majority of Quebeckers' vote of 50.2 percent for independence. This is the best outcome that the PQ government can reasonably expect at the present time. It, too, is not without its downside.

Modern referendum campaigns usually are won or lost on the narrowest of margins, as happened in France, Sweden, Norway, and Denmark, all of which held a referendum to adopt the Maastricht treaty. The results have been breathlessly close because modern society is so divided on major issues of national sovereignty that there is no clear way for Europeans or anyone else to predict the real consequences of a "yes" or a "no" vote. When the issues are so complex and difficult to grasp, a big win or a big loss is not in the cards.

Quebec voters are in an identical situation. How does the PQ convince a "doubting nationalist" whether Quebec is entitled to use the Canadian dollar? Whether it will have its own currency? Whether an independent Quebec can make it on its own? Or whether political sovereignty will be but the first step to renegotiating its interdependency with Canada, however lengthy and difficult the process?

This is why Quebec opinion will continue to be split down the middle. A "yes" vote that is stronger than expected will create a new highwater mark of support chez les indépendantistes. For federalists, it will be interpreted as a clearcut victory even if the underlying issues have not been resolved. So, a "yes" vote is, in the end, a vote for renewal of Quebec's relations with Canada.

A "no" vote also comes with a high price—a third face-off, political deadlock between Quebec and Ottawa, and an embittered nationalist movement in Quebec that will look to the right for answers to explain its defeat.

SCENARIO 4: WILL ENGLISH CANADIAN POPULAR OPINION EVER ACCEPT A "YES" VOTE?

There is no single, monolithic English-Canadian opinion about negotiating with a sovereign Quebec. There are, of course, three very different public opinions. The "stick-it-to-'ems" is the first and the most shrill and extreme in its views. Largely rooted in Reform party supporters out west, it also exercises a powerful grip on many of Toronto's media elite and think tanks like the C.D. Howe Institute. This group sends an unambiguous message that if Quebec goes, it will have no relations with English Canada and no special relationship with regard to the dollar or any other matter. It is the apocalyptic view that there is no Canada without Quebec! Its premise assumes the worst-case scenario as the only option on offer and its message is brutally frank—"read my lips, vote Canada."

About 15 percent of Canadians identify with this tendency, but its numbers and influence could grow if the political middle does not get its head around other possibilities. Business has not endorsed the stick-it-to-'em option for good reason. Major corporations and banks have large investments in Quebec as well as many customers and thousands of employees. For the time being, they do not want to risk angering their employees and customers by not respecting the democratic will of Quebeckers. Their caution and realism could change if in the referendum run-up Canada-Quebec relations become bitterly polarized.

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Then there are the "renewalists," the second public, comprising federalists who would use the hung-jury scenario to try one last go-round of negotiating with Quebec. The renewalists draw their strength from largely federal Liberals and publically minded Canadians. This strand of opinion faces an uphill battle to convince Canadians that it is worth it to reopen constitutional negotiations with the sovereigntists.


Finally, there is the "let's-talk" crowd, the largest body of Canadian opinion. It consists of "middle Canada" including popular sector groups, trade unions, ordinary Canadians, and disaffected elites who are committed to the democratic process. If there is a stalemate, English Canadians may eventually see this option as the one that makes the greatest practical sense. When the IRA and the UK are talking, and the

ANC and the Afrikaaner minority are working together inside the same government, can Canada and Quebec afford the luxury of a total rupture? Doubtful. Canada will eventually have to negotiate with a sovereign Quebec because in an era of globalization there is a growing recognition that a made-in-Canada beggar-thy-neighbour policy is not sustainable either for Ottawa or for Quebec.

The current draft bill before the Quebec National Assembly defines political sovereignty as the complete transfer of power to the Quebec national assembly, constitutional empowerment in all legislative matters, and a *Charter of Rights* with its own judiciary. Yet, a fully sovereign Quebec cannot change the reality that Quebec and Canada share a common space and remain interdependent in all areas—not only in their markets but also on questions about culture, the environment, and geopolitics. The first task of a sovereign Quebec

and a sovereign Canada will be to negotiate a new framework to manage their interdependence.

This is why the "let's-talk" option holds the greatest promise of political renewal, however daunting the negotiating process turns out to be. Business, labour, and popular sector groups in English Canada have already recognized Quebecers as separate and sovereign entities within national organizations as diverse as the Canadian Manufacturers Association, the Canadian Labour Congress, and the National Action Committee on the Status of Women. The point is that if non-governmental organizations can arrive at a new relationship with Quebecers, is it not possible for Quebecers and Canadians to do the same when the negotiations begin?

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THE UNITED STATES AND AN INDEPENDENT QUEBEC

by Stephen Clarkson

One of the few aspects of Quebec's future under sovereignty that has been underdiscussed is the rather blithe péquiste view that Uncle Sam will make things all right. But the fantasy of sovereign bliss in a benign continental superstate does not hold up long when one tries to think through the short- and medium-term prospects for an independent Quebec within North America's political economy.

QUEBEC AND WASHINGTON IN THE SHORT TERM

The PQ's draft *Act Respecting the Sovereignty of Quebec* assumes that a sovereign Quebec can slip into the North American free trade

agreement (NAFTA) with no questions asked. But most knowledgeable experts believe that NAFTA's accession clause would apply if a newly minted laurentide state requested admission. This would require the approval of not only the Mexican and Canadian governments, but also that considerably more formidable body, the U.S. Congress. Here, the "United States" should be equated with self-interest: any forecast of Quebec's medium- and long-term prospects in North America must consider the United States' current strategic concerns.

With no significant military concern about its transpolar security,

Washington has been able to strike a calm but firm attitude toward the troubles on its northern border, confident that its political and economic interests there can be accommodated. Politically, Washington would prefer to deal with a united Canada but, with Premier Jacques Parizeau having turned out to be a particularly unscary neo-liberal, it would have no cause for ideological trepidation. Still, political instability would have economic implications, and the U.S. government does not need either a new currency to support or, worse, further reasons for global speculators to mount another attack on the American dollar.

Washington would proceed to recognize Quebec provided that Canada was satisfied with its separation agreement (which will turn on Quebec's shouldering 25 percent of Canada's debt) and assuming that