



CANADA WATCH

Practical and Authoritative Analysis of Key National Issues

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US IMPRESSIONS OF THE QUEBEC ELECTION

by Stephen Blank

The election of a government in Quebec committed to separation and the creation of a new country in North America has attracted little attention from the United States.

The reason is simple enough. The vast majority of Americans in business, government, and the academic community who follow events north of the border don't believe that Quebec will actually separate. Even among a smaller group of Canada watchers who feel that Quebec "sovereignty" is possible, most doubt that it will bring about a fundamental break within Canada.

This perspective helps explain the unruffled views of Wall Street bond watchers. A J.P. Morgan credit re-

port issued last August observed that political risk premiums associated with the possibility of Quebec separation "are overstated." The authors of the report, John Paulsen and Jade Aebi, wrote that "Quebec and Hydro-Quebec paper trade at relatively wide spreads given their ratings due to this political uncertainty. We believe that actual separation is highly unlikely and that, as the market realizes this, spreads are likely to tighten substantially in the near-term."

This is why other Street analysts (Peter Plaut at Salomon Brothers, for example) see a widening of Quebec debt spreads as a "buying op-

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CAN SOVEREIGNTISTS REGROUP IN TIME FOR THE REFERENDUM?

by Alain-G. Gagnon

Contrary to its first mandate leading to the 1980 referendum, the Parti québécois that came to power September 12, 1994 has shed its social movement orientation and taken the form of a typical political party. In doing so, it has lost the élan of the previous decade. However, this trans-

formation has contributed to the Parti québécois's accrued respectability in the international community.

The sense of security created by the successive victories of the nationalist forces during the last two

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years has removed a pressing need to take the next logical step, that is, to separate. Indeed, the election of the Parti québécois last September, along with the impressive performance of the Bloc québécois with 54 out of 75 Quebec seats in the House of Commons, and the defeat of the Charlottetown proposals have contributed to a greater sense of ease among Quebecers. The sentiment among many Quebecers of being strongly represented both in Quebec City and in Ottawa is one of the biggest challenges that the Parti québécois government is facing at the current time.

The most important question at the moment is this: Can the Parti québécois government regroup in time for the referendum? This will be a daunting task for the PQ. Many elements need to be taken into account in any assessment of the government's odds in meeting its objective.

First, having assumed power from 1976 until 1985 and having had the experience of one referendum, the Parti québécois government is no longer a neophyte and has a better sense of the institutions under its control. The popular vote secured on September 12, 1994, (44%) and their impressive victory at the federal level on October 25, 1994 (49%), combined with the defeat of the Charlottetown proposals on October 26, 1992 (56% against), indicate the extent to which a significant proportion of the electorate can be mobilized to protect Quebec interests.

Second, the PQ will attempt to demonstrate that Quebec interests at large are not well protected by the Canadian federal system. References may be made here to problems of the past, such as the S-31 incident that mobilized both Quebec's nationalists and federalists alike against the federal government in 1983-1984.

The same alliance between nationalists and federalists can be recreated with respect to manpower training, economic market, social policy, etc., as was suggested in 1990-1991 during the hearings of the Bélanger-Campeau commission.

Third, social program reform will be at the centre of the Quebec government's strategy. The case will be made that Ottawa is again trying to pass the buck to someone else while strengthening its power of coercion and intruding in an area of provincial jurisdiction. The Victoria proposals failed in 1971 essentially because of Quebec's desire to have a stronger say on social policy. Quebec, influenced by Claude Castonguay, said no to changes proposed by Ottawa in this policy area. The rejection of the amending formula was only secondary to the division of powers issue.

Fourth, the federal government and the Quebec Liberal party give no indication of intending to propose something that is in line with Quebec's traditional aspirations. Following the Bélanger-Campeau commission, a consensus has been established opposing the status quo and favouring additional powers to Quebec in order to increase efficacy and efficiency, and to discourage the overlapping and duplication of programs. Status quo politics has not always been rejected in Quebec, but if it means a further centralization of power at the federal level, as it has meant during the last three years, the PQ government can be expected to make important gains among the undecided.

Fifth, the PQ government has control over the agenda. This is not without significance. Already we have Mr. Parizeau opening up on the aboriginal question. A good case in point is the global offer the Premier intends to make to the Attikamek-Montagnais nation before the end of

1994. The government will probably set up an extraordinary commission to allow all Quebecers to express their views on the future of Quebec. An important place will be given to women, cultural communities, anglophone Quebecers, regional representatives, and other spokespersons from the corporate, cultural, education, and union quarters. It will be difficult, though not impossible, to recreate the excitement of the Bélanger-Campeau commission, because the participation of the federalist forces is not guaranteed, as was the presence of nationalist and autonomist forces at the 1990-1991 hearings.

Since its election on September 12, the PQ government has made efforts to empower Quebecers through proposals with respect to aboriginal nations, regional governments (establishment of the position of regional delegates), unions (modification of rules with respect to investment programs), and women (equality of representation on Priorities Committee, and salary equity in the public service). We can expect additional initiatives during the period leading up to the referendum.

THE RAINBOW COALITION

Parizeau has also changed his attitude toward non-orthodox supporters of sovereignty. He now speaks of a "rainbow coalition." In this he takes his lead from people like André Boisclair and Jean-Pierre Charbonneau, who have been strong advocates of *rapprochement* between all autonomist forces in Quebec. This contrasts profoundly with his earlier approach to politics and has surprised many observers of the political scene. Parizeau has made every effort to comfort Quebecers by not proposing major reforms to existing institutions. Changes to the parlia-

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mentary and electoral systems are not in the offing. The strategy may be too unsettling to people. However, while it promotes security, this strategy tends to bring little passion into the political arena and may be counterproductive.

A NATIONAL PROJECT

Excitement for a national project will develop if the government is willing to take the high road into politics and elaborate on an innovative project. Such a project ought to be constructed around a Quebec constitution, an entrenched charter of human rights and freedoms and, to name a few elements, a house of regions in which aboriginal nations, cultural communities and regions would be represented. However, it would prove difficult to go beyond a formal recognition of the overall ob-

jectives of such reforms, without risking an eruption of conflict among the various sectors of Quebec society.

Quebec is experiencing challenging times once again and it is crucial to take advantage of the situation to build bridges between all communities. At the end of this process, whether Quebec is in or out of Canada, it is fundamental for the government to add depth and meaning to relations between all members of Quebec's constituent communities. Therefore, to achieve its foremost objective, the PQ government will need to find a way to reach out to Quebec's various political communities. The PQ government will also need to ensure that party activists are invited to contribute to the mobilization process. If it wants to stand a chance of creating momentum for the project, it is essential for the PQ to renew its social movement tradition. This strategy

may, in fact, bring back the élan the PQ government needs to invigorate its position.

The deliberations under way since the tabling of Meech Lake in 1987 offer Quebec a great opportunity to explore new avenues and assess alternatives to current political arrangements. One thing is certain: the status quo is no longer acceptable for most Quebecers—and if federalist forces intend to counter nationalist and autonomist demands with the "politics as usual" credo, the game will be far from over.

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EDITORIAL

FEDERALISM AND THE CHRÉTIEN AGENDA

by Jamie Cameron

A CANADA-US COMPARISON

The last year has seen elections both in Canada and the United States register a strong anti-establishment vote. Similar dynamics have nonetheless yielded vastly different results.

The 1993 federal election returned a Liberal majority to Canada's Parliament. Not only were its two other traditional parties, the Conservatives and the New Democratic Party, effectively eliminated from the national landscape, the Bloc québécois, a party committed to a sovereign Quebec, formed Her Majesty's loyal opposition. One year later, the Reform party, which vaulted to prominence in Parliament on an anti-es-

tablishment platform, remains incapable of defining its "reform" agenda.

Although Canada's Parliament has been an interesting place since the 1993 election, the prime minister's ability to govern has not been compromised. One of the cornerstones of parliamentary democracy is party discipline, a principle that in most cases guarantees the safe passage of the governing party's initiatives.

Meanwhile, the American presidency is headed for trouble. In the United States, where the executive and legislative branches of government are separate, leadership skills are enormously important. The separation of powers is a two-way street:

Congress is as independent of the president as he or she is of Congress. Even with party control of the Senate and House of Representatives, the president cannot count on his policies being rubber stamped by Congress.

In that setting, Clinton had stumbled long before last week's midterm elections. Although he achieved unexpected results, as, for instance, on NAFTA, other initiatives, like health care reform, have foundered badly. As Whitewater and the sexual harassment action against him attest, the president's personal shortcomings have undermined confidence in his leadership.