



QUEBEC, CANADA, THE FUTURE

text of an interview with

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The Business Council on National Issues (BCNI) has a history of involvement in questions affecting the governance of Canada. What is the Council's view on the current Referendum debate in Quebec?

Senior business leaders in overwhelming numbers in Quebec and in all regions of the country -- many of whom are members of the BCNI -- strongly support a united Canada. This is consistent with the position taken by business leaders throughout the constitutional debates of the past 20 years.

Our faith in Canada is based on one powerful reality -- economically and politically, we are one of the 20th century's greatest success stories. The separatist challenge in Quebec seeks to deny, even worse, denigrate this reality.

While we take nothing for granted in the Referendum campaign, we are confident that the wisdom, pragmatism and faith in Canada demonstrated by the people of Quebec over the course of history will prevail over those who would seek to break the country.

In your view, what are the main economic advantages of a united Canada?

Continuing economic strength -- Canadians enjoy one of the best standards of living in the world and one of the highest per capita income levels. Recently, the World Bank listed Canada as second in the world in overall wealth.

This success has been achieved in a country that has an adaptable federal system, a strong economic union and a diversified domestic market supported by a stable, single currency. Interprovincial trade and investment made possible by the Canadian economic union have been powerful generators of economic growth and job creation for all regions of Canada. In turn, success at home has provided the base for success abroad. Today, Canada is one of the world's strongest trading powers. Our momentum in North American and global markets will be enhanced by sticking together.

Given these advantages, in your view what are the main economic risks in the separation of Quebec from Canada?

As I have said before, I am convinced that Quebecers will choose to remain in Canada -- a country that they had a prominent role in founding, a success story that they in a significant way have helped to shape. A separate Quebec would be a weaker Quebec economically and politically, just as Canada without Quebec would be diminished.

The Referendum in Quebec is a legitimate exercise in democratic consultation. But we cannot escape the fact that it is contributing to uncertainty. Uncertainty rattles confidence. Uncertainty contributes to higher interest rates and to investor fears. A decisive "NO" vote on October 30 will remove this uncertainty.

What of the issue of a separate Quebec's accession to international trade agreements such as the World Trade Organization or the North American Free Trade Agreement?

As someone with an international trade law background, I can say with certainty that Quebec's accession to these agreements would be possible -- but contrary to what the separatists are claiming, it would not be automatic nor straightforward. Accession would take place only after long and difficult negotiations and the cost to Quebecers would be significant. Given that Quebec, as a part of Canada, currently has preferential and secure access to these agreements (and many others) which are essential to its economic prosperity, the risks of compromising such an advantageous situation are very serious.

Bill 1 on the future of Quebec states that "the currency having legal tender in Quebec shall remain the Canadian dollar". What is your view on the currency of an independent Quebec?

As an independent country using a foreign country's currency, Quebec would forego one of the principal economic prerogatives of a sovereign country: the setting of its monetary policy. I fail to see how such a situation would increase Quebec's control over monetary policy and economic policy more generally, compared to what it currently enjoys as a province of Canada accounting for approximately 25 percent of Canada's GDP.

Separatist leaders in Quebec have promised that following a "YES" vote, a Canada-Quebec partnership with shared institutions is not only likely but inevitable. How do you react to this promise?

My experience in the law, in business and in government has been that agreements require consent and that for agreements to work, co-operation, trust and goodwill are essential. Quebec's divorce from Canada would be long, painful and more costly than most people can imagine. In such an environment, partnership would be unthinkable and shared institutions of any great significance would be unlikely.

What are your views on possible long term solutions to the unity challenges facing Canada?

The response to the separatist movement in Quebec, and for that matter to those in any part of Canada that would seek to balkanize or fragment the country, is to ensure that federalism evolves with the times. This has been our great strength in the past and it will be a key to our success in the future.

I am confident that Canada's federal system will be up to the task of accommodating change -- change that in the latter half of the 1990s will intensify.

The governance of Canada that I see emerging is one characterized by a smaller and more efficient and responsive public sector, by a clarification and re-balancing of federal-provincial responsibilities and by a devolution of powers to the provincial and local levels based on the principle of "subsidiarity". In this re-balancing, it will be important for all Canadians to recognize that without a credible and effective national government, Canada will be a country in name only.