

PERSPECTIVES ON THE PQ PLAN FOR SOVEREIGNTY, "QUÉBEC IN A NEW WORLD"

William D. Coleman discusses the PQ's *Projet de Société*

Douglas Brown outlines the PQ's Assumptions About Surviving Canada

Mel McMillan, Ken Norrie, Brad Reid examine the PQ's Economic Proposals

John P. Conway discusses the Politics of Territory

Grand Chief Matthew Coon Come on the Status and Rights of The James Bay Crees

R.B.J. Walker on Sovereignty, Québec, and The New World

EDMONTON CONSTITUTIONAL **FORUM** CONSTITUTIONNEL

Centre for Constitutional Studies/Centre d'études constitutionnelles

Volume 6, Number 1

Fall 1994

Edmonton, Alberta

CONSTITUTIONAL
FORUM
CONSTITUTIONNEL

Editor:

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Layout & Typeset:

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Constitutional **Forum** Constitutionnel is a quarterly publication of the Centre for Constitutional Studies / Centre d'études constitutionnelles published with the financial support of the Alberta Law Foundation.

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Constitutional **FORUM** Constitutionnel is indexed in: **Index to Canadian Legal Periodical Literature, Index to Canadian Legal Literature and Current Law Index.**

ISSN: 0847-3889

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RETHINKING SOCIAL DEMOCRACY: THE PQ's *Projet de Société*

William D. Coleman

Early in the history of the Parti Québécois, a battle for the heart and soul of the party was waged between two factions. On the one side were impatient Liberals and nationalist Créditistes who tended to take a technocratic perspective on matters political. On the other side were the still angry militants of the leftist Rassemblement pour l'indépendance nationale (RIN) and the dreamers of the intellectual classes who emphasized participatory democracy and social democracy. The early victories in the 1972 and 1973 party programmes went to the social democrats. The PQ campaigned in the 1973 and 1976 elections with a set of proposals that placed it to the left of the New Democratic party, favouring a strong leadership role for the state.

In 1985, by the time the party had served its nine years in power, much of this social democratic vision had been lost. The referendum defeat, the bitter confrontations with public service workers in the early 1980s, and the general weariness all leftist parties feel after years of battling business had taken its toll. René Lévesque and his successor, Pierre-Marc Johnson, were willing to set aside sovereignty as a short-term goal in favour of a more centrist, brokerage route to policy-making. In disgust, many of the dreamers and the dedicated *indépendantistes* of the party, Jacques Parizeau among them, resigned.

Still another nine years have passed and the PQ has regained much of its energy and vitality. The dreamers and bed-rock nationalists have returned to the fold. Jacques Parizeau is party president and Premier, Bernard Landry is vice-president and Deputy Premier, and the father of Bill 101, Camille Laurin, is again an M.N.A. at the age of 71. Under

Parizeau's leadership, the party has renewed its programme and rethought its understanding of what independence might mean. In the process, it has returned to its social democratic roots and embraced the old RIN idea of independence first and discussion and negotiation after.

In 1993, the National Executive Council of the PQ authorized the publication of a popularized, summary statement of its new party programme entitled *Le Québec dans un Monde Nouveau*. Rapidly a best-seller in the province, the statement was translated into English by Robert Chodos and published by James Lorimer and Co. in 1994 under the title *Québec in a New World: The PQ's Plan for Sovereignty*. The party's statement comes in three sections: the first describing the changed socio-economic context, the second outlining a societal plan or *projet de société*, and the third sketching a process that leads from an electoral victory to sovereignty.

THE NEW WORLD

The PQ begins by noting the increased interdependence among the world's economies. No longer can a country be content with producing for its own domestic market and protecting its businesses with tariffs and subsidies. Rather, to succeed, a nation-state must look more and more to export markets and must rely on international economic institutions and trade agreements to protect access to these markets. The old protectionist type of state intervention is neither legal nor particularly well-advised. The transition to this more globalised economy has placed tremendous pressure on the social welfare state and such programs as unemployment insurance, social

assistance, and universal health care. As these pressures have taken their toll through program cuts, fissures in society have widened between the poor and other classes, between peripheral regions and metropolitan centres, and between ethnic and religious groups.

One response to these changes has been to say that the state no longer needs to be involved in industrial policy; that the welfare state has removed incentives for citizens to improve themselves and should be dismantled; that regions must fend for themselves and let the most market-oriented win; and that the forces of law and order should be strengthened. Today's Parti Québécois passionately rejects this neo-liberal ideology. It argues that governments should not stand aside; rather, they must actively formulate coherent adjustment strategies to maximize opportunities in the new economy. Governments must protect as best they can the social safety nets. Finally, they must actively cultivate and promote social solidarity and mutual responsibility.

Throughout this analysis of the new economic order, the party sees a key place for a strong, active, interventionist state. In fact, it is urgent that the state move quickly and undertake major reforms. For such action to occur in Québec, the PQ adds, sovereignty is a virtual necessity. The Canadian federal system is so paralysed by overlapping responsibilities and inter-governmental bickering and the Canadian state so lacks legitimacy in Québec following Meech Lake that no effective state response is possible within existing constitutional arrangements. Only the Québec state can assume this full role and only when it becomes a new, sovereign member of the family of nations.

A PLAN FOR A NEW SOCIETY

The PQ's return to social democracy is signalled by its overriding commitment to the achievement of full employment: "Québec can rebuild and strengthen its networks of solidarity and move towards full employment by making job creation the central objective, even the obsession, of its economic development strategy" (at 20). Job creation and the achievement of full employment thus form the core objectives around which the PQ's societal plan is built. In sketching out this plan, the party moves away from the typical social democratic Keynesianism of the 1960s and 1970s: the management of demand by the manipulation of fiscal and monetary macroeconomic policies. Its social democ-

racy rests on a strong, interventionist state to be sure, but one that acts on the supply side using microeconomic policies.

First on the party's agenda is educational reform. To survive in the new economic order, societies must have citizens with a solid basic education, and a mastery of their language, both marked by reception of a secondary school diploma. In addition, more citizens need to pursue postsecondary education, particularly vocational training buttressed by extensive apprenticeship programs and significant investment by business firms. Second, the contemporary state must support and encourage high levels of research and development. In this respect, the PQ emphasizes the importance of small business. Thinking perhaps of such successful European regions as northern Italy and Baden-Württemberg in Germany, the party stresses the role of cities and regions as poles of development. It adds that dense networks of business firms, local governments, and regional educational institutions, particularly as they are indigenously rather than foreign controlled, provide the key to a successful economy in the new world order.

Third, the contemporary state must actively build social solidarity and a sense of partnership among key societal actors: "For a full employment policy to work, it is essential for all stakeholders in employment — government, business, the cooperative movement, trade unions, community groups and educational institutions — to participate and work together ... Here the public authorities have the role of orchestra conductor or catalyst: they ensure that cohesion and solidarity among economic stakeholders work to best advantage" (at 25). This notion of social partnership echoes the social corporatism of the similarly small European states of Norway, Sweden and Austria. It also represents a long-standing goal of the PQ. During its period in power from 1976 to 1985, the PQ set up a whole framework for joint decision-making by social partners in various sectors.

Built around these three core elements of the plan, the party adds policies for balanced regional development, sustainable development, equality of opportunity, gender equality, and the elimination of poverty. In reflecting upon the need for social solidarity in the new Québec society, the party calls upon the government to support actively Québec culture, including nurturing the talents and vitality of artists and other creative citizens. It also affirms its commitment to a pluralist society where the individual rights of anglophones are protected, where

their network of educational, social and cultural institutions can flourish, where immigrants feel welcome, and where Aboriginal peoples will have a "special place" and autonomous governments.

Finally, the PQ stresses that this revitalized social democratic society can only be created and sustained if Québec is a sovereign state: "Sovereignty will provide us with the conditions in which full employment can be achieved because it will, at long last, make possible reaching the crucial goal of coherence in our policies relating to economic development — job training policies, fiscal and budgetary policies, industrial and agricultural policies, regional development policies" (at 20-1). Sovereignty is also crucial for social solidarity because it gives "Québec control over all the instruments it needs to develop its cultural identity" (at 36). Sovereignty will allow anglophones and other minorities to dispense with competing loyalties to Canada and Québec and commit themselves firmly to Québec. Sovereignty will provide a new context for drawing up a "social contract" between the government of Québec and Aboriginal peoples. For the Parti Québécois, realization of its social democratic vision for Québec is only possible if Québec becomes an independent nation-state.

ACHIEVING SOVEREIGNTY

Following the debates and analysis that took place in Québec after the failure of the Meech Lake Accord, the PQ states that consensus has been reached in the province about what sovereignty means:

- all taxes imposed in Québec are collected by the Québec government or its agents
- all laws that apply to Québec citizens on Québec territory come from the National Assembly
- all international treaties, conventions and agreements are negotiated by representatives of the Québec government and ratified by the National Assembly.

At its 1988 and 1991 party conventions, the PQ specified the major steps it will take if elected in order to bring independence about. An examination of these steps shows that they represent a rejection of a gradual *étapiste* approach followed by René

Lévesque in favour of a more direct and rapid process.

Once elected, the PQ promises to follow these steps:

- submit to the National Assembly for adoption a solemn declaration stating Québec's wish to accede to full sovereignty
- following discussions with the federal government, proceed to fulfil its responsibility and its mandate to establish a timetable and mechanism for the transfer of powers and for the division of debts and assets
- ask the National Assembly to institute a commission with a mandate to draw up a proposed constitution for a sovereign Québec
- ask the population of Québec in a referendum to approve the idea of a sovereign Québec with the proposed constitutional mechanisms
- propose "mutually advantageous" forms of economic association to the federal government (at 44).

If we examine these steps carefully, we see that the PQ's electoral victory today means something quite different than did its victory in 1976. In 1976, the party promised to provide "good government" first and then to hold a referendum on whether to start the process toward independence sometime later during its mandate. Accordingly, the referendum question in 1980 asked the people of Québec whether they would give the government a mandate to begin negotiations. In 1994, an electoral victory will be interpreted as already providing the government a mandate to begin negotiations and preparations for independence. The people of Québec will then be asked to ratify in a referendum the constitution and proposed relationship with Canada.

In its planning document, the PQ provides some indication of what it would like in the new constitution. It proposes to retain a Westminster-style parliamentary form of government, but as a republic with a President elected by the National Assembly. It would like the Québec Charter of Rights and Freedoms entrenched in the constitution, including

guarantees of rights for the anglophone minority. It will also propose guaranteeing Aboriginal rights, recognizing Aboriginal peoples as distinct nations, and providing explicit recognition of their right to autonomous governments. It argues that Québec's territory will include the present boundaries of the province of Québec.

Unlike 1980 when an economic association with Canada was part and parcel of an independent Québec, the 1994 program sees this relationship to be one that is negotiated *after* Québec has become sovereign. The party has some preferences. It would like to retain the Canadian "economic space" based on a monetary union, a customs union, and a free trade area involving "some" degree of free movement of services, capital, and people. When it comes to governance of this economic space, the program is more vague, offering some ideas but not drawing firm conclusions. It speaks of a ministerial council, a secretariat, and a dispute settlement tribunal. It would also like some participation in the Bank of Canada. What is important here is that this economic association is no longer a necessary condition for independence. If an economic association is not negotiated, so be it. Québec will continue on its way as a sovereign state, belonging to the United Nations, the GATT, NATO, NORAD and, the PQ expects, NAFTA.

EVALUATION

The Parti Québécois has articulated a clear, coherent vision of a social democratic Québec operating as an independent nation-state. By defining full employment as its long-term goal and job creation as its most immediate objective, the party rejects neo-liberal orthodoxy that commands the state to cease intervening in the economy. Boldly, the party claims a central role for the state and rejects any notion that the state should stand aside and let the chips fall where they may. Linked to this social democratic vision is an urgent call for immediate independence for Québec. Perceiving Québec's society and economy to be in crisis as a result of global restructuring, the party argues that only a full set of policy instruments that comes with political sovereignty will enable it to act in time. Unemployment is high, poverty is rising, and social solidarity is disappearing.

Two questions arise about this vision of Québec's future. First, is the social democratic vision a viable one? Three times over the past five years, Canadians

have elected social democratic NDP governments. Each of these governments in Ontario, Saskatchewan, and British Columbia came into office with social democratic ideas not that dissimilar from those of the PQ. Yet faced with significant budgetary constraints and the concerted opposition of their respective business communities, these governments have had rather little success in realizing the changes in society and the economy they had hoped for. All have come to espouse the fiscal orthodoxy that one might have expected from Liberal or Progressive Conservative governments.

Evidently, a Parti Québécois government will be swimming against a similar budgetary stream. The government of Québec has a significant deficit that must be addressed. Business in Québec is not social democratic in orientation and thus different from capitalists in other provinces. Yet the PQ plan will require significant government intervention and perhaps increased spending. Are these sustainable in the long run? One advantage available to the PQ and not to the other social democratic governments is a longer history of cooperation among the social partners. The political organization of business interests, of labour, and of agriculture in Québec all follow a more European approach.¹ In this respect, the government has available to it in society the organizational capabilities for broader change that are not found in Ontario, Saskatchewan and B.C.

If we assume that realization of the social democratic vision will require some increase in government expenditures and a strong sense of social solidarity, the pursuit of political independence will present further obstacles. Even the most nationalist of Québec's economists argue that independence will be costly in the short term and perhaps over the medium term. These added costs, when coupled to the existing deficit, will leave the government precious little room to follow a social democratic agenda.

Moreover, if the 1980 Referendum campaign is any indication, the political process leading to independence will be highly divisive. As yet, there appears to be no clear consensus even among francophones that independence is the best solution to Québec's problems. The anglophone and other non-francophone cultural communities are close to unanimous in their opposition. Two of the most prominent First Nations, the Mohawks around Montreal and the Cree in Northern Québec, are adamantly opposed to sovereignty as well. Creating the kind of social solidarity that is a necessary

condition for social democracy promises to be a near impossible task over the medium term.

Second, is the winning of an electoral mandate a sufficient basis for beginning the process toward independence? Political scientists who have investigated the idea of electoral mandates have demonstrated that these are very difficult to justify. Citizens vote for a host of reasons. Even in the 1988 federal election where the free trade issue dominated the electoral campaign, a close examination of public opinion and voter preferences provides only scant evidence that the victorious Conservatives had a "mandate" to implement free trade.² A PQ election victory means many different things to different groups of people. For only a small minority does it signify an endorsement of an immediate move toward political independence.

In its earlier guise, the PQ developed an *étapiste* strategy in response to a clear preference of Québec citizens to deal separately with the independence issue outside the usual electoral process. How far can the party move toward independence when it will scarcely have any mandate to do so? What will be the political repercussions in Québec and in Canada if it proceeds as planned? These questions are remarkably difficult. Any Parti Québécois government will be forced to compromise somewhat the party programme on the accession to independence if it is to retain its legitimacy. Will the party leadership be willing to compromise? What does democracy demand in this situation? The answers again are unclear and yet heavy with implications for the nature of the political debate over independence and the socio-political strife that is bound to follow. □

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Endnotes

1. For some analysis, see W.D. Coleman, *Business and Politics: A Study of Collective Action* (Montreal: McGill-Queen's University Press, 1988).
2. See H. Clarke, J. Jenson, L. LeDuc and J. Pammett, *Absent Mandate*, 2nd ed. (Toronto: Gage, 1991).

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UNSTABLE FOUNDING: PQ ASSUMPTIONS AND THE INDEPENDENCE PROJECT

Douglas Brown

BASIC ASSUMPTIONS

The Parti Québécois goal of independence for Québec is based upon many assumptions about the problems facing contemporary Québec and the types of constitutional and institutional solutions which independence would provide. There are also assumptions made, some more explicit than others, about the transition to independence and the nature of the long-term relationship of Québec with Canada. It is important to understand and to challenge these assumptions, and to strip away the self-interest and wishful thinking if one is to form a reliable judgement about the feasibility of the *projet d'indépendance* as a whole. My argument will be that the PQ's questionable assumptions about short-term negotiations with surviving Canada and its longer-term structure and relations reveal an unstable foundation for the establishment of a new state.

The Parti Québécois document *Québec in a New World* is full of broad premises about the role of the state in the Québec society and economy.¹ These include the assertions that Québécois would be better off socially on their own; that full employment would be achievable; that an independent Québec could pursue a unique industrial strategy; and that there would be more fiscal resources for the state to employ. More generally there is the assumption that Québec's economic, social and political problems can only be solved by a *projet de société* which entails a large dose of economic and cultural nationalism. All of these assumptions — shared as they are, no doubt, by a large portion of Québécois — are of arguable merit in the 1990s, let alone in the 1960s when they were first formulated.

Yet it is not my goal to dwell on these broader premises but on assumptions about the independence project which involve Canada as a whole — or as I will put it, “surviving Canada.”² For there are many key assumptions made about surviving Canada that impinge crucially on the success of the overall venture. First is the frequently made assumption that there is a coherent political entity known as “English Canada” whose collective actions can be predicted and whose basic interests can be divined. Second is the related assumption that in the negotiations leading to independence, “English Canada” will come together in sufficient time and with sufficient coherence to ensure a smooth and productive transition to independence. Third is the assumption that a close economic relationship is in the interests of surviving Canada. And, fourth is the assumption that surviving Canada would in fact survive, rather than fragment even further. These assumptions can be illuminated by examining the process that might lead from a referendum campaign through to negotiations for Québec independence, and to the long-term relations that might prevail among two or more new states.

GETTING TO YES

Until recently the PQ program was clear about a step-by-step process to independence. First would be the election of the party; second would be a solemn declaration in the National Assembly of Québec's intent to “accede to full sovereignty”; third would be “discussions” with the federal government to establish a timetable and modalities for transferring powers and dividing assets and debts; fourth would be legislation creating a commission to draw up a constitution for a “sovereign” Québec; fifth would be

a referendum to “speak on the sovereignty of Québec” and be the act of creating independence; sixth would be the proposal of “mutually advantageous forms of economic association to the federal government.” These proposals would include joint institutions to manage the relationship.³

Since the election of the PQ in September 1994, aspects of this “triggering” process have been in doubt. The National Assembly has not yet convened and it may be some months before a solemn declaration is debated and the constitutional commission established. The timing of these steps is unclear, and other aspects of the triggering process may change.⁴ This is not wholly unexpected, as timing and sequencing are the essence of political strategy and are unlikely to be completely revealed in advance. The process has also been affected by the election itself. The PQ victory, solid in terms of a majority government, was not as overwhelming as many had predicted. The Liberal party was not decimated, was not shut out from predominantly francophone seats, and — more importantly — was practically tied with the PQ in terms of popular vote. This has been widely (if too optimistically) interpreted as depriving the PQ of the momentum it required to proceed unabated with its triggering process.

There has been considerable debate outside Québec about the PQ’s proposals, including a questioning of the very notion that Québec *can* secede, about whether it has a right of secession or of self-determination, and other such legal arguments. I will not wade into these issues, but boldly make an assumption of my own — one that is of course shared by the PQ — which is that if a majority of Québécois vote fairly and freely in a referendum for an independent Québec, that vote — regardless of the legal niceties — would be accepted in political terms as binding in both Québec and Canada as a whole. From this perspective, the process begins (or ends) with the referendum.

Yet, the support for “sovereignty” has been declining. In the three month period before the election, support in Québec dropped, according to one polling firm, by as much as six percentage points.⁵ Indeed, part way through the election campaign the PQ itself changed its campaign tactics to emphasize “good government” rather than the sovereignist program.

Much could be said about the nature of public opinion in Québec regarding independence. For our purposes, however, it is sufficient to note, first, that there exists at least some confusion among public opinion in Québec about what “sovereignty” means and, second, that public opinion in favour of the PQ option has not been strong enough in the past two years or more to enable the PQ to win a referendum on independence.⁶ To state the obvious, something will have to happen to Québec opinion for the PQ to succeed. And that something would have to involve a deterioration of the relationship between Québec and “English Canada.” The highwater mark of support for “sovereignty” came with the rejection of the Meech Lake Accord. One would argue that only in the face of a similar rejection or humiliation of Québec, sufficient to create solidarity among francophone Québécois, could a winning level of support be obtained.⁷ The point is not so much to speculate on what would create this reaction, as to point out that as a necessary if not sufficient condition for a yes vote in the referendum, such a reaction may also affect the atmosphere for the transition to independence and the negotiation of longer-term relations. Put another way, the very polarization of emotional and political sentiment leading to a yes vote would also lead to strained relations during and after the transition.⁸

ACCEPTING A YES

The achievement of a yes vote in Québec would come quickly and relatively unexpectedly. It would not be a scenario that had been given enormous forethought outside Québec, and it is clear that there would be no official “pre-negotiation” of the terms of secession. The PQ program, which envisages a series of discussions preceding the referendum, seems to be wishful thinking at best. As long as the results of a referendum cannot be confidently predicted in advance — and I foresee no other scenario for a vote which takes place by the end of 1995 — the federal government and the nine other provincial governments will act as if the referendum will be defeated. Thus, a yes majority would provoke an immediate and prolonged crisis.

While some voices would be raised to oppose Québec secession, or to propose unilateral terms which would only lead to unacceptable outcomes (for example, that Québec could not leave with its current boundaries intact), the more likely scenario is that opinion in surviving Canada would accept the verdict

of Québécois. Beyond this, however, it is difficult to predict what would occur.

The PQ program always refers to negotiations with the federal government only. This is "normal," as they would say. The very foundations of the sovereigntist movement in Québec are based on the premise that Québec is one of the two founding nations of Canada, caught within a constitutional straight-jacket which refuses to recognize that fact. This normative position blinds the PQ, however, to the realities of surviving Canada. They assume a monolithic English Canada where none exists; a federal government with sufficient leadership and legitimacy to speak on behalf of "English Canada"; and a political process that by its very nature will produce a new binational relationship.

While it may be sophism to assert that Québec cannot legally secede — as if that could prevent it from happening — it is another thing entirely to say that Québec's independence project does not need and assume a peaceful, legal transition of power. The financial integrity of the surviving states would demand that negotiations proceed quickly and decisively, and with minimal disruption to the rule of law. This pressure would be present in a post-referendum crisis, but so also would be the realities and difficulties of constitutional politics in Canada. According to some analysts, for Québec to leave constitutionally would require the unanimous consent of all of the provincial legislatures (including Québec).⁹ Political calculus also would require the consent of the Aboriginal Peoples and, according to some commentators, the consent of the people of surviving Canada in their own referendum or constituent assembly, or both.¹⁰ Do we really have any hope that such agreement would be forthcoming quickly given recent experiences with the Meech Lake Accord and the "Canada Round"? And how long could things drag on before unilateral action is taken by Québec — or by the bondholders? These questions cannot be answered with certainty, but they are crucially germane to the foundational assumptions of the Québec independence project.

NEGOTIATIONS

As noted already, a peaceful transition to independence is a vital assumption for the PQ. The nature of the transition is also important in that it is in this period that much of the continuing character of the relationship of the surviving parties depends — the path dependency phenomenon which economists,

among others, often cite as determining behaviour. According to this view the political, economic and financial climate surrounding the negotiations for independence will determine the shape of longer-term relations, closing some avenues and opening others.¹¹

Let us examine PQ assumptions about key negotiation items. Four of the most sensitive issues to be settled in the transition would be those dealing with armed forces, territorial boundaries, citizenship, and Aboriginal Peoples. The PQ programme discusses the need for Québec to "maintain armed forces proportionate to its size and needs," but does not address the issue of how to divide military personnel and equipment and how to provide temporary aid to civil authorities in the event of unrest. On the issue of the boundary the PQ are more forthright: there would be no negotiation — Québec's boundaries cannot be changed without its consent under current constitutional rules — thus Québec would take these boundaries with it to international status. It is a breath-taking leap of logic, and one which is already being challenged. My own view is that Québec's boundaries could not be changed without less than peaceful outcomes, but neither could Québec's territorial integrity be sustained without surviving Canada officially recognizing and thereby guaranteeing it. This would be a difficult step for surviving Canada to take, but one which would give it a powerful negotiating position over other issues.

On the matter of citizenship, the PQ program foresees the granting of citizenship to all current Canadian citizens choosing to stay or live in Québec, and leaves open the possibility of Canada recognizing as citizens those in Québec who request it. They assume that Canada will continue to allow dual citizenship. It seems to me most unlikely that Québécois would be granted any but the most temporary rights to Canadian citizenship, but the climate of the transition could impact significantly on how this issue is settled. Compared with citizenship, the rights of Aboriginal Peoples potentially are a much more explosive issue. The PQ program promises that the rights of Aboriginal Peoples would be preserved, but is not specific with respect to the fiduciary obligations of the Crown and, more fundamentally, does not address how the right of self-determination of Aboriginal Peoples could be respected without allowing for the possibility that they might determine to stay in Canada.

This is not to suggest that any of these issues, as difficult as they would be to resolve, would constitute

a deal-breaker. But each would have to be settled — and quickly — for a peaceful secession to occur. And such sensitive political questions would consume an indeterminate amount of good will and strain the solidarity of surviving Canada. While this assessment is important in itself it is also important in the extent to which it colours calculations of interest and intent with respect to long-term relationships.

LONG-TERM RELATIONS

The issue of long-term relations between Québec and surviving Canada is really about the desire and feasibility for economic and political integration. The PQ and Québec nationalists generally are, it seems to me, fundamentally schizophrenic with respect to economic integration. There is much talk of maintaining the Canadian economic space, while at the same time talk about the ability to have made-in-Québec industrial and macroeconomic policies. The two are not compatible, although there are degrees of incompatibility. Without necessarily linking sovereignty with association (after all, Parizeau parted company with Levesque on this issue), the PQ program nonetheless assumes that it is the interests of Canada to negotiate a wide-ranging economic association, including a monetary union, a customs union, and a free trade area where goods, services, capital, and labour could move freely.

What is key to the PQ proposals is the assumption of a reciprocal desire for economic integration in surviving Canada. But surviving Canada is likely to hold out for the type of economic integration that is in its interests. The pain and bitterness of separation would have at least some impact upon how the interests of surviving Canada are perceived. Of course, the calculation of that interest is apt to be confused with shorter-term political interests in the minds of those negotiating the terms. In such an environment, surviving Canada is unlikely to agree to sustain the level of economic integration now prevailing in Canada. The legislation, regulation and many common policies which have underpinned the Canadian economic space have been sustained by governments in Parliament with strong Québec participation. Even if these laws and policies were kept in place temporarily, one doubts there would be the will to sustain them in the long term without the support of strong political institutions.

This leads to a difficult — perhaps the most difficult — issue surrounding the Québec-surviving

Canada relationship. As the European Union is finding out every day, economic integration beyond the level of an initial free trade area (such as between Canada and the United States) requires the “positive integration” of political institutions. Europe has been building these institutions for years, but a Europe of 12 and a Canada-Québec of 2 are very different prospects, both in numbers and in dynamics. Surviving Canada is unlikely to enter into a relationship that gave Québec a veto over joint institutions, and Québec is unlikely to agree to be placed in a permanent minority situation in terms of voting rights. This would leave a relationship built on the non-binding consultation of international relations: fine if one is content with a free trade agreement, but not a sufficient level of political integration for the higher levels of economic association contemplated by the PQ program, let alone the existing level of integration achieved by the Canadian federation. If this assumption of mine holds, then the result of independence would be considerably less economic integration between the surviving partners than is now the case, with much attendant economic disruption and cost. An independent Québec could of course negotiate its way into the Canada-U.S. Free Trade Agreement and NAFTA — but again, this would not substitute for the existing close economic relationship within Canada.

SOLID AS A ROC?

The final assumption which the PQ tends to make is that “English Canada” will survive the separation of Québec to become a prosperous and stable political and economic partner. This assumption is key to its dream of binational parity in joint institutions, to its premise of continued access to a Canadian economic space, and to its occupying a comfortable geopolitical niche in North America. But what if little or nothing of Canada survived? What if the train of events set in motion by the secession of Québec ended in further balkanization? There are many centrifugal forces already at play: eroding east-west trade links; disintegrating elements of social cohesion and equity; the increasing importance of non-Canadian economic linkages, such as the Pacific Rim. All of these trends would be accelerated with the departure of Québec, and it cannot be confidently predicted in advance that the equilibrium political configuration would be an awkward federation of nine.¹²

The stability of surviving Canada is a question that loops back to the issues of transition and the

negotiation of the terms of secession. If Canada outside Québec could not get its act together, as various political actors spent more energy looking after the prospects for their own regions, then effective negotiations with Québec would be at risk. In such a scenario, Québec could be tempted to cut short the interminable delays and proceed unilaterally, but at the risk of increasing uncertainty even further. Among other costs, the financial burden of such continuing uncertainty would be heavy.

In summary, the prospects for success of an independent Québec hinge crucially on questionable assumptions about the interests, actions, and stability of surviving Canada. Under current conditions of public opinion, Québec-“English Canada” relations would have to undergo considerably more polarization than now exists for the PQ to win a referendum on sovereignty. The heat of such polarization would contribute to the other difficulties of sustaining an effective and peaceful transition to independence, namely, the unpreparedness of surviving Canada for the separation and the problems of reaching agreement in surviving Canada on anything but the most minimal of terms with Québec. The pain and anxiety of the breakup would colour the heightened consciousness of surviving Canada’s own interests and result in a much reduced level of economic and political integration. Further reinforcing the difficulties of reestablishing long-term relations would be the uncertain stability of surviving Canada itself. Québec would face an interlocutor which has no current legal or political standing, a weak and often unconscious sociological basis, and widely differing economic and fiscal interests. The irony of the Québec independence project is that to create one new country requires the destruction of another. And the consequences of destroying the present Canada may be that no Canada at all would survive, jeopardizing the future of Québécois and Canadians alike. □

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The author is Executive Director of the Institute of Intergovernmental Relations, Queen’s University. I would like to acknowledge the debt of many discussions with various colleagues on these issues, in particular Robert Young, Keith Banting, Ronald Watts, David Cameron and Peter Leslie.

Endnotes

1. The National Executive Council of the Parti Québécois, *Québec in a New World: The PQ’s Plan for Sovereignty*, trans. R. Chodos, (Toronto: James Lorimer, 1994).

2. There is no easy way of briefly referring to the political entity that will exist outside of Québec if Québec were to separate from Canada, because no such entity exists now and many Québécois will be profoundly ambivalent about losing the very name which as “Canadiens” they partook of for generations, until now. I choose “surviving Canada” because it connotes the legal status of a successor state as well as the psychological status of a casualty of political and constitutional trauma. Besides, it is so “Canadian” (or at least so says Margaret Atwood in *Survival: A Thematic Guide to Canadian Literature* (Toronto: Anansi, 1972)).
3. *Québec in a New World*, *supra* note 1 at 44-45.
4. For a discussion of this concept see reports in the *Toronto Globe and Mail* (4-5 August, 1994); *Montréal La Presse* (22-23 September, 1994).
5. The “Léger et Léger” poll for June 1994 found 42 percent support for Québec sovereignty while the same firm found only 36 percent support for the same question in September.
6. For a discussion see Maurice Pinard “The Secessionist Option and Québec Public Opinion, 1988-1993” *Opinion Canada* 2:3 (May 1994).
7. This point is made in Richard Nadeau and Christopher J. Fleury “Cross-Pressured Nationalists and the Sovereignty Decision: Evidence from the Québec Case,” paper presented to American Political Science Association Annual Meeting, New York, September 1-4, 1994.
8. This point is made by Robert Young in his study of the polarization leading to the separation of the Czech and Slovak Republic. See *The Breakup of Czechoslovakia* (Kingston: Institute of Intergovernmental Relations, Queen’s University, 1994); see also his paper “How Do Peaceful Secessions Happen?” *Canadian Journal of Political Science*, forthcoming.
9. For discussion see Neil Finkelstein and George Vegh, *The Separation of Québec and the Constitution of Canada* (Background Study No. 2 of the York University Constitutional Reform Project) (North York: York University Centre for Public Law and Public Policy, 1992) at 5-32.
10. For further discussion see Finkelstein and Vegh, *ibid.*, and Maureen Covell, *Thinking About the Rest of Canada: Options for Canada Without Québec* (Background Study No. 6 of the York University Constitutional Reform Project) (North York: York University Centre for Public Law and Public Policy, 1992).
11. I am indebted to Robert Young for his analysis and emphasis on the importance of the transition.
12. For a full discussion see Keith G. Banting “If Québec Separates: Restructuring North America” in R. Kent Weaver, ed., *The Collapse of Canada?* (Washington, D.C.: The Brookings Institution, 1992).

CANADA AND QUÉBEC IN A NEW WORLD: THE PQ'S ECONOMIC PROPOSALS

Mel McMillan
Ken Norrie
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I. INTRODUCTION

The PQ document, *Québec in a New World*, contains a number of economic proposals that Canadians¹ will need to respond to in the event that the referendum on sovereignty is successful. Our objective in what follows is to examine these proposals with a view to determining what Canada's response to them might be. The paper does not debate the logic of the PQ position, or its suitability for Québécois. Its sole concern is in determining what is in the best interests of Canadians in the event the "yes" side triumphs. It proceeds by asking: if a PQ government, fresh from a referendum victory, wishes to negotiate the economic association provisions in this document, what should Canada's position be?

The PQ's economic plans can be grouped into four categories. The first proposal is to replace the current Canadian economic union with a new Québec-Canada economic arrangement. We look at the trade and factor mobility provisions of this proposal in Section II, and at the monetary provision in Section III. The document indicates that Québec intends to assume its share of the federal government debt. Thus in Section IV, we look at how the division of the debt might be accomplished. Sovereignty obviously implies a transfer of taxation and spending powers from Ottawa to Québec. In Section V, we look at what these reallocations would mean for the present system of intergovernmental fiscal transfers and, in Section VI, we look at the issue of shared public goods.

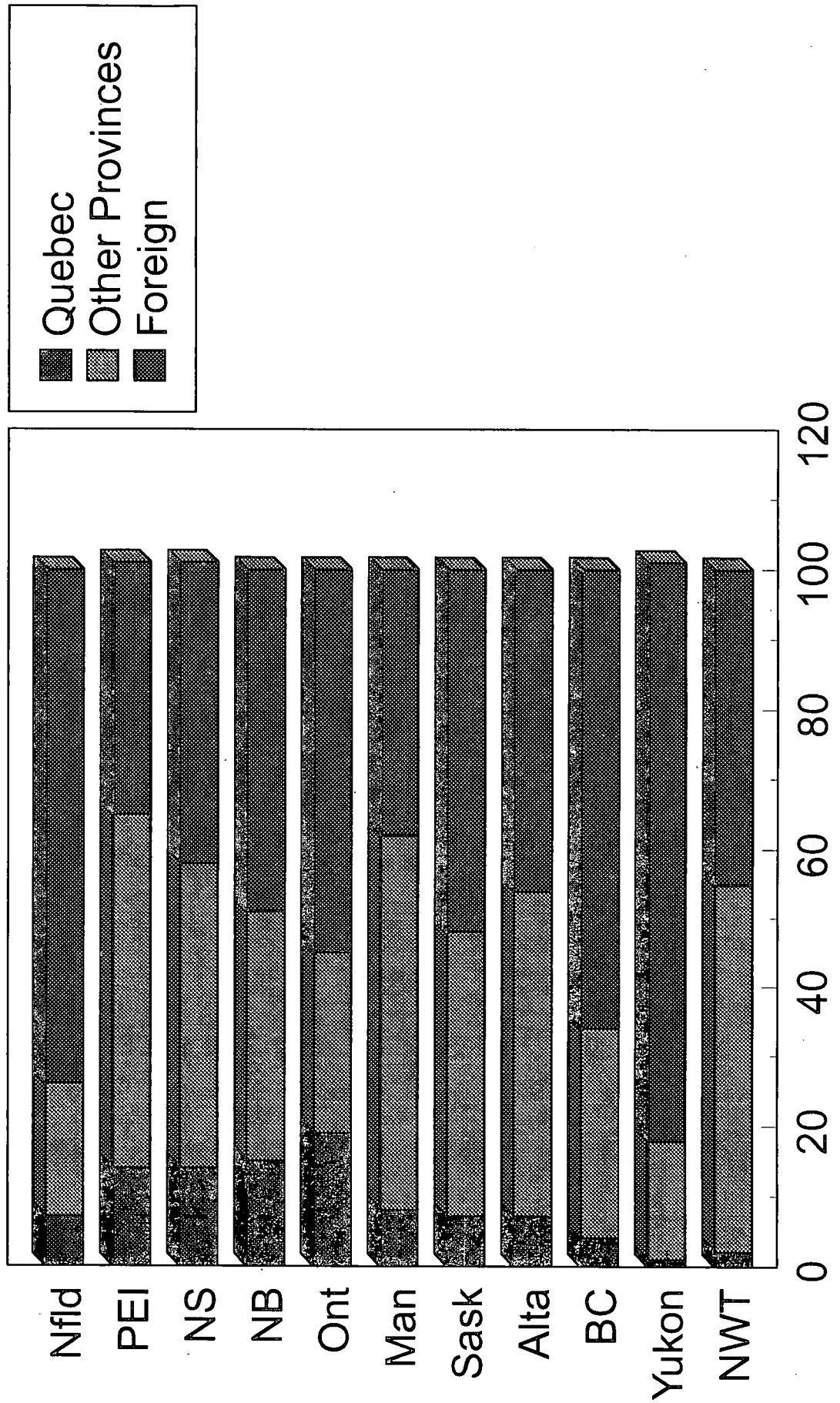
II. A QUÉBEC-CANADA ECONOMIC SPACE

The PQ document proposes creating what it calls a Québec-Canada economic space. This arrangement would feature free movement of goods between Québec and Canada; a common trade policy towards other countries; free movement of services, capital, and people (including the right of both Canadians and Québécois to hold dual citizenship); and retention of the Canadian dollar as a common currency. The PQ would create four institutions to manage this arrangement: a council of ministers designated by each country, with decision-making powers; a secretariat to administer the union; a tribunal to resolve disputes; and some form of Québec participation in the Bank of Canada.

Canada's response to these proposals will be conditioned by two important facts. First, the Canadian market is more important to Québec than the Québec market is to Canada. Figure 1 illustrates that Québec was the least important of the three export destinations for all eleven provinces and territories in 1989, generally by a considerable margin. Ontario was the most dependent on the Québec market (19% of exports), followed by New Brunswick (15%), Nova Scotia (14%), and PEI (14%). For Newfoundland, the four western provinces, and the two territories, sales to Québec were 7% or less of total exports. By comparison, Québec shipped 54% of its total exports of goods and services to other provinces (mainly Ontario) in 1989, while 46% were sold internationally.

FIGURE 1

Total Exports by Destination (%)



The clear implication is that future Canadian trade policies must give more priority to international and internal links than to those with Québec.

The second fact is that Canada will be a member of the North American Free Trade Association (NAFTA) the day after sovereignty takes effect, while Québec will not. Since it is clearly in Canada's interest to maintain NAFTA membership, the issue is how to fit a Canada-Québec economic association into this larger framework. If Québec seeks full membership in NAFTA, as the PQ suggests it will, and if the application is successful,² an important portion of the Canada-Québec economic space would fall automatically under NAFTA.³ There would be free trade in goods; no common trade policy with respect to non-member countries; detailed rules of origin; a considerable degree of free trade in services; some amount of capital and labour mobility; a host of special provisions with respect to government procurement practices, telecommunications, monopolies and state enterprises, and so forth; and access to administrative services and dispute resolution mechanisms.

There is much to recommend this arrangement to Canada. It would preserve the present gains from trade, or, put differently, it would avoid the potentially costly trade diversion that would result from imposing tariffs and other restrictions on Canada-Québec trade. NAFTA's dispute resolution mechanism, essentially unchanged from what it was under the Canada-US Free Trade Agreement, has proven to be reasonably effective and efficient. It could serve as a relatively low-cost way of resolving the inevitable Canada-Québec trade disputes, obviating any need for bilateral institutions such as those the PQ envisions. Joint membership in NAFTA might actually improve Canada-Québec economic links if, as is often suggested, international rules and tribunals can bring down trade barriers that, to date at least, have defied constitutional provisions and intergovernmental negotiations.

The PQ proposals for economic integration go well beyond the NAFTA arrangement, however. As noted, they envision a common external tariff, free flow of capital and people, and use of the Canadian dollar as a common currency. The question thus arises as to whether there are net economic benefits to pushing Canada-Québec economic integration beyond that found in NAFTA. In particular, are the gains from further integration worth the additional

negotiation and monitoring costs that a special bilateral relationship would necessarily involve? These queries are also relevant if Québec does not obtain membership in NAFTA, for whatever reason. In that event, Canada would have to consider what form of economic association it wishes with Québec, and what institutions would govern it.

The proposal for a common set of tariffs and other restrictions on trade with other nations is appealing in that it would make customs inspections, such as exist between Canada-US and Canada-Mexico, unnecessary. There is a potential cost to the proposal, however, beyond the additional negotiation and administration costs. The Canadian tariff structure has long been a source of regional grievance. Given that the Western provinces would be a dominant part of the economy after sovereignty, Canada would almost certainly wish to alter its tariff structure, particularly as it applies to trade with Pacific Rim countries. Thus it would be important that negotiations with Québec not end up replicating the present external tariff structure.

As already noted, Québec membership in NAFTA would bring with it some limited degree of capital and labour mobility. Given that, in principle, factor mobility complements the gains from free exchange of goods and services, it certainly is worth exploring possible bilateral arrangements that would add to this mobility. This is especially the case since sovereignty will, to the extent that it leads to tax and regulatory environments in Québec that differ from those in Canada, reduce factor mobility from what it is currently. Again, these arrangements should only be pursued to the extent that the extra gains they bring are worth the additional negotiation and administrative costs they would inevitably entail.

The PQ document is not clear on what Québec would seek with respect to mobility rights. In one place (at 57), it talks about preserving the current mobility arrangements within Canada, while two pages later it refers to existing (and much more limited) Canada-US agreements on the free movement of people as a model. The distinction is important since the former arrangement would require a number of bilateral agreements and the institutions to support them, while the latter could be administered within NAFTA. The document is more explicit about capital mobility, asserting that it would be completely futile to try to limit these flows.

In sum, much of what Québec proposes in the way of a Canada-Québec economic space can be achieved automatically if Québec gains full membership in NAFTA. Thus once the division of the federal government debt and other outstanding issues are resolved, Canada should support Québec's application to this body. Any bilateral arrangements that would push economic integration beyond that in NAFTA today, or that can be reasonably anticipated to be part of NAFTA in the future, should be examined on their individual merits.

III. MONETARY ARRANGEMENTS

The Québec sovereignist position regarding monetary arrangements after a separation of Québec from Canada is to continue to use the Canadian dollar as legal tender, unit of account, and medium of exchange. Such a monetary strategy has clear advantages to Québec. It eliminates the need to "redenominate" money prices and financial instruments into alternative currency terms (either a Québec currency or some other currency like the US dollar), it eliminates the resource costs of a central bank and the credibility problems which would arise if Québec chose to issue its own currency, and it reduces uncertainty about monetary policy choice.

Several questions arise from the Canadian perspective with respect to the stated Québec sovereignist position concerning monetary relationships. Should Canada actively oppose, actively support, or benignly ignore these Québec intentions in a post-separation environment? The Québec proposals are sufficiently vague as to encompass something as simple as a currency area in which Québec just uses the Canadian dollar as its medium of exchange, to more complex arrangements of cooperation and coordination in monetary policy choice and financial market regulation, to a full-fledged monetary union between Canada and Québec which replicates aspects of the pre-separation environment. Which of these options are to Canada's advantage or disadvantage?

As a starting point it must be recognized that it is not reasonably possible, nor is it desirable, for Canada actively to prevent Québec from continuing to use the Canadian dollar after separation. To prevent Québec from having access to Canadian dollars would require the implementation of foreign exchange market controls that would strictly limit the

"exportation" of Canadian dollars. Controls of this sort would have to be applied to all transactions between domestic and foreign residents, not just those of Québécois, and would constitute a significant impediment to international transactions for Canadians. Accordingly, it is not reasonable to propose that Canada attempt to prevent the adoption of Canadian currency by an independent Québec.

More importantly, though, active opposition is simply not advantageous to Canada. A common currency area confers significant efficiency gains arising from reduced transactions costs and reduced exchange rate risk upon *all* participants in the area. Since important and substantial trade linkages would continue to exist between Canada and Québec, Canadian residents would only suffer from reduced efficiencies if Québec were to abandon a Canadian dollar monetary regime. Additionally, the Bank of Canada would be confronted with the problem of how to cope with a reduction in the supply of Canadian dollars that would need to occur as Québec ceased to use these dollars and the demand for the dollar fell by 20-25%. Thus, it is in Canada's own interest to actively support a continuation of the Canadian dollar currency area.

Given that Canada should be supportive of Québec's stated desire to continue using the Canadian dollar, how far beyond a simple currency area should Canada be willing to go in establishing a monetary system after Québec's independence? Should Canada support the idea of a full monetary union with Québec, or something less than this? A full monetary union would entail joint ownership of a common central bank, shared seigniorage revenue from money creation, jointly determined monetary and exchange rate policy, coordinated financial market regulation, common deposit insurance provision, and lender of last resort provision to both Canadian and Québec banking systems by the common central bank. Essentially this constitutes a replication of the fundamental characteristics of the monetary system prevailing in Canada prior to Québec independence.

Clearly, efficiency gains to both Québec and Canada would arise from commonality in financial market regulation, deposit insurance provision and lender of last resort function. The sharing of seigniorage revenue between Canada and Québec would seem only fair. However, the issue of the conduct and choice of monetary policy makes the decision of whether to move to a full monetary union difficult. A simple currency area with no direct input of Québec into Canadian monetary policy choice



would create difficulties for the Bank of Canada without at least some cooperation from Québec. To conduct monetary policy successfully, the central bank needs, at a minimum, information about the supply of and the demand for money which would not necessarily be forthcoming in a timely fashion from an independent Québec that has no input into Canadian policy choice. This consideration would indicate that some form of integration is desirable from a policy perspective. But to move to an environment of joint Canada-Québec policy choice creates its own problems. If Québec faces a set of external shocks that are different from that facing Canada, or at least impacts differently on the Québec economy than on the Canadian economy, the optimal monetary and/or exchange rate policy for Québec may differ from the optimal policy for Canada. In whose favour are conflicts of this sort to be resolved?

If full monetary union were to occur, would a Canada-Québec central bank be organized under equal joint ownership? Would Canada as the larger partner be entitled to a majority ownership position? In such an arrangement, would Québec have a veto over monetary policy choice? Consideration of these policy options is likely to generate considerable market uncertainty about the future course of monetary policy in Canada, and erode the current reputation of the Bank of Canada as an advocate of price stability. Such uncertainty and potential loss of reputation is highly costly. Accordingly, Canada should take the position of opposing significant reorganization of its central banking arrangements, at least until most of the uncertainty about the new environment has gone.

IV. THE NATIONAL DEBT

The division of the national debt and assets between Québec and Canada will likely be one of the most contentious issues surrounding a departure of Québec from Canada. A variety of divisional rules have been proposed (see, for example, Boothe, Johnston and Powys-Libbe, 1992), but the actual task of disentangling assets and liabilities would be difficult. The question of what share of the net national debt would be assigned to Canada and to a sovereign Québec notwithstanding, an equally important question remains: how to actually accomplish such a division and what position should Canada take in this aspect of any negotiation.

The PQ document takes the position that outstanding federal government debt would remain the legal responsibility of the Government of Canada, but that a sovereign Québec would contribute its share towards the payment of interest and principal on that debt. Even if the question of what constitutes a fair share could be resolved amicably, this position is clearly disadvantageous to Canada after a Québec separation. Such an arrangement leaves the Canadian taxpayer ultimately responsible for the entire stock of debt issued by the Government of Canada. While the PQ government may be willing to assume responsibility for its assessed share of interest and principal payments, a current assumption of liability cannot bind future governments of a sovereign Québec to such an arrangement. Thus, Canadian taxpayers will bear the risk of any future default by Québec on these negotiated obligations. A default of this sort may not even be punished by international financial markets if international participants simply viewed it as a part of a continuing argument over fair share.

Additionally, the financial proposal by the PQ ties Canada to the promises of a sovereign Québec for an extended period of time. This link raises the prospect of continuing negotiation and renegotiation over what constitutes a "fair share" and the terms under which this share is to be retired. It also raises the possibility of a Québec default being used as leverage in a variety of other disputes, such as trade issues, that will arise over time between any two sovereign nations with close linkages.

From Canada's perspective the ideal solution to these problems is for an independent Québec to issue and sell its own debt instruments in internal and international financial markets to fund the repayment of its obligations to the rest of Canada. This action would allow the Government of Canada to retire the share of its national debt attributable to Québec, and would instantaneously disentangle the two nations. Unfortunately, such a solution may not be feasible. It may be unreasonable to believe that international financial markets would be willing to absorb an instantaneous debt offering likely in excess of \$100 billion from a sovereign nation with little or no reputation in the market, at least without a substantial risk premium attached to the yields offered on such debt, even though the simultaneous retirement of Canadian government debt would create the necessary "room" in the market for the Québec government debt issue.

One possible intermediate solution to this problem would be to require that the government of Québec issue its own marketable debt instruments (in a form that is indistinguishable from its other liabilities) in an amount equal to the negotiated obligation to the rest of Canada. Some portion (not inconsequential) of this Québec-issued debt would be sold in international financial markets (the proceeds of the sale used to reduce Québec's obligation to Canada), and the remaining portion would be transferred to the Government of Canada from which the interest and principal payments would be used to meet Québec's remaining obligation to the Canadian national debt. The fact that a significant portion of this Québec debt would be held internationally would reduce risk exposure of Canadian taxpayers to the possibility of Québec default (partly because some of the debt would be held by non-Canadians and partly because default would be more costly to Québec, and hence less likely, as it would damage its reputation in financial markets) and would allow the Government of Canada the option of gradually reducing its exposure by re-selling this Québec debt over time if it so desired.

V. FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

The PQ position paper treads quickly over this ground, pausing only to assure continuity of (federal government) services to individuals and businesses. Bolstered by the tax revenue that would otherwise flow to Ottawa, a sovereign Québec under the PQ would maintain and avoid interruption to such transfers to persons as old age security, unemployment insurance, and child tax benefits. In addition, a commitment is made to provide a government job for any federal civil servant from Québec. In support of the viability of the PQ program and of an economically costless transition to a sovereign state, Jacques Parizeau, in the recent Québec election campaign, claimed that Québec would realize a \$3 billion annual gain from separation.

Parizeau's claim for the large economic benefits to Québec from sovereignty are particularly striking in that they are almost exactly opposite to the results of most fiscal balance accounting studies which predict significant losses to Québec. Estimates of the pluses and minuses in the fiscal flows between the federal and the provincial governments are available from many sources. Examples, all reporting net fiscal gains to Québec from federalism, include an estimate

of a \$3.0 billion difference between federal spending and taxes in Québec for 1990/91 (Gibson, 1994: 104); net intergovernmental transfers to Québec of \$2.5 billion and net transfers to persons of another \$1.5 billion in 1988 (Reid and Snoddon, 1992); from a more comprehensive base, net fiscal gains between \$1.5 and \$3.3 billion in 1988 (Mansell and Schlenker, 1992); and an estimate between \$0.8 and \$1.0 billion (Raynauld, 1990). Even a study from Québec's Belanger-Campeau Commission estimated a net fiscal gain of \$2.7 billion in 1988, an amount equivalent to \$409 per capita (see Grady, 1991).

At best, these calculations are relatively crude first-round estimates of the net financial flows among governments and among regions in the country.⁴ However, despite differences in the methodology, the general results are notably similar in that they indicate that Québec realizes significant fiscal benefits, not losses, from federalism.⁵ Parizeau may also have had other factors in mind when making his prediction — for example, potential savings from avoiding duplication between federal and provincial programs are often noted — but the data suggest that such savings are relatively modest. While the Belanger-Campeau Commission studies predicted savings perhaps as large as one billion dollars, others (e.g., Côté and McCallum, 1992) project limited savings from this source. Overall, the empirical information indicates that Québec is a net fiscal beneficiary of federalism and will lose those benefits if it chooses separation.

The loss of those net fiscal transfers will not be borne easily by Québec because it is already a low fiscal capacity, high tax and high debt province. But our concern is with the implications of this change for Canada. In the case of fiscal transfers, Québec's loss is a saving for Canada. Although there are much larger per capita net transfers to some other provinces, the size of Québec makes the sums relating to it large aggregate amounts. For example, in 1992/93, Québec received over \$3.5 billion in equalization payments from the federal government — 45 percent of the total equalization payments made. Without Québec, the equalization bill is reduced by almost half. A consequence is that the cost of equalization is reduced, not only in aggregate but also per capita. Assuming that the other 1992/93 payments remained unchanged, the per capita cost would decline from \$280 to \$206 or by about a quarter. This reduction in the relative burden of equalization is a positive result because it increases the probability that the equalization system — very important fiscally and conceptually for some, especially for Atlantic,

provinces — would survive as a mutual insurance scheme in a Canada without Québec.

Similar savings will be realized elsewhere because Québec is a net beneficiary of a variety of federal intergovernmental and personal transfer programs. Those savings will help reduce the cost of a range of national social programs that collectively are widely regarded as an important bonding agent, part of the “social policy railway” that has helped to link the country and may be important in keeping the rest of Canada together should Québec leave.

The importance of these savings should not be overstated. Because Québec is also a major contributor to as well as recipient of federal programs, the net benefits are all that are realized in the end (although the impacts may vary considerably among programs). Although amounts in the order of three billion dollars are not trivial, they need to be kept in perspective. Three billion is 4.3 percent of the \$69.2 billion of federal expenditures on personal and intergovernmental transfers, and 1.85 percent of total federal spending in 1992/93. In the face of \$40 billion federal deficits, and a huge federal debt burden that requires a quarter of the federal budget for interest payments alone, the government is looking for ways to reduce expenditures.

Social programs are under close scrutiny. We should expect that, with or without Québec, personal and intergovernmental programs (which account for more than half of non-interest expenditures) will look quite different in the future and are likely to be smaller. Any savings from Québec leaving will not be of a magnitude sufficient to preserve the existing (imperfect) structure, but will facilitate the funding of revamped programs and make a modest contribution to easing the overall fiscal burden. Of course, the difficulties of separation may place burdens on social programs in Canada (as well as in Québec) that would swamp any potential savings in the short term. In a Canada without Québec, the design and allocation of responsibility for social policy may be more critical than the magnitude of federal expenditures to the continuation of a national social policy and to keeping the rest of the country together. In addition, interprovincial transfers among the remaining provinces may be highlighted by Québec separation and tempt some other parts of the country to follow Québec's lead.

Québec's separation will end the Canadian government's transfers to Québec. Because Québec is a net beneficiary of those transfers, Québec will be left financially less well-off and Canada will realize a marginal gain that may help to preserve important programs like equalization. However, the rethinking and restructuring caused by Québec's leaving could well encourage further breakup. Unfortunately, it is entirely possible that any division, or further division, of Canada will disadvantage almost everyone.

VI. CONTINUING COMMON INTEREST

Even as separate nations, Québec and Canada will find some areas of common interest where cooperation will be mutually advantageous. Here, reference is made largely to those public goods and services for which costs are high and relatively invariant with the numbers served and spillovers can be substantial — the national parallel to the local fire station. Before turning to those cases, we mention in passing that there are numerous areas of common interest that will be sacrificed or diminished to Québec and eroded in Canada as a result of separation — for example, the advantages of pooling and spreading economic risks across more regions, savings from more homogeneous regulation and tax harmonization, greater bargaining power in international negotiations as one nation, and a lower cost of borrowed funds to a united Canada. Although the economic costs associated with these issues may be large, there are some areas for cooperation.

National defence is a major area for potential cooperation. While separation will divide the defence infrastructure and forces, we assume that they will have common rather than conflicting security interests. If so, there is potential for sharing the responsibility and burden of national security. Complications and costs may arise over time, however, as the two forces become more unilingual in different languages. There could be advantages to providing joint international peacekeeping units, but it can be expected that eventually there will be differences of opinion on their deployment. Over time, we can expect greater separation with Québec becoming just another player in continental or broader defence pacts.

International representation is another area for possible cost sharing. For both countries to be

represented as broadly internationally as now will require considerable duplication. Sharing facilities, even representatives, is possible but it is unlikely to be an appealing option to a newly independent state wishing to demonstrate its sovereignty.

The St. Lawrence River is a feature of common interest, particularly for transportation purposes. Maritime services could be shared. This possibility applies also to the interests in the fishery there, to the environmental quality of the river and to fishery and river-quality management. Again, however, while there are considerable mutual interests, they need not always coincide and, when they do not, the negotiations will be rigorous.

A land link between Ontario and Atlantic Canada will become a new area of common interest. Assuming such a link is agreed to, the transport facilities (road and rail presumably, and possibly other modes) will serve both Québec and Canada. Opportunities for cost sharing and for ensuring quality service are obvious.

Other areas of common interest and potential cooperation can easily be mentioned. Some include air transport, communications, exchange of French- and English- language programming and educational materials, and Arctic passage and waters. In these areas as well as in those noted above, the potential savings from and motivation for any extraordinary arrangements are likely to be modest. Over time, relations between Québec and Canada on items of common interest can be expected to parallel those with other countries on similar questions. □

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Endnotes

1. We follow the PQ document in using the term Canada to refer to Canadians outside Québec.
2. As a signatory to the current Agreement, Canada has the right to veto Québec's application. This could be a useful strategy to employ in the event that negotiations over Québec's share of the federal debt went badly.
3. There are some differences in bilateral relations within NAFTA, so there might be some scope for special Canada-Québec arrangements.
4. See the studies cited in Grady's review, for example, for a discussion of some of the problems with the fiscal balances approach.
5. Indeed, these studies generally show that all provinces but Alberta, British Columbia and Ontario are net beneficiaries from the expenditure and tax policies of the federal government.

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QUÉBEC AND ENGLISH CANADA: THE POLITICS OF TERRITORY

John P. Conway

English Canadian threats to the territorial integrity of a future sovereign Québec were rare in the past, perhaps reflecting English Canadian confidence that the Québécois would never finally make the fateful decision to withdraw from the federation. During the 1970s, and even during the heated sovereignty referendum campaign in 1980, suggestions that a sovereign Québec would not be permitted to enjoy its existing territory tended to come only from hostile, francophobe fringe elements in English Canada. Incumbent politicians and other central actors in the debate on sovereignty among English Canadians rarely addressed the issue, at least not centrally. Perhaps the view shared in prominent English Canadian political and academic circles was that such talk would either be viewed in Québec as provocative and threatening, or be viewed in English Canada as going too far in accepting the imminent, real possibility of a sovereign Québec. In both cases, the perception was that challenges to Québec's post-sovereignty territory would perhaps serve to either negatively or positively encourage the Québécois to choose the independence option.

Lévesque's 1979 white paper on sovereignty-association, *Québec-Canada: A New Deal*, devoted only two very short paragraphs to the territorial issue in the 109 page English-language version of the document, one of which was key:

Québec has an inalienable right over its territory, recognized even in the present Constitution, which states that the territory of a province cannot be modified without the consent of that province. Moreover, since the agreements were reached on James Bay,

there no longer is any lien on any part of the Québec territory. In becoming sovereign, Québec, as is the rule in international law, will thus maintain its territorial integrity.

The current program of the Parti Québécois, translated into English and published by Lorimer in 1994, found it necessary to devote almost two full pages of the 65 page document to the territorial question in order to make some essential points:

...[B]efore Québec becomes sovereign, under the provisions of the Canadian constitution, its borders cannot be changed without its consent. After it becomes sovereign, the framework for questions of its territorial integrity will be international law. Thus, when Québec becomes sovereign, its borders will be the borders of the current province of Québec.

The document goes on to make some constitutional arguments about why the lands transferred to Québec by federal statute in 1898 and 1912 — the northern territories beyond the Height of Land, taking the province's borders to Hudson and Ungava Bays and the Hudson Strait — would remain "an unrestricted and integral part of Québec" after sovereignty. Finally, the document asserts that the orderly surrender of Aboriginal title in northern Québec was legally effected by the 1975 James Bay Agreement. These confident constitutional assertions rest on the opinion of an unnamed "panel of five international experts" and "the work of the National Assembly's committee on questions relating to sovereignty," a

clear reference to the 1992 report of the Bélanger-Campeau Commission.

Personally, I find the Québec sovereignists' constitutional arguments on the territorial question reasonable and persuasive, though I do remain uncertain about whether Québec's move to sovereignty might not morally, if not legally and constitutionally, at least partly re-open the question of the allegedly full surrender of Aboriginal title in northern Québec. But then I am neither a legal nor a constitutional expert, and constitutions being constitutions, laws being laws, and lawyers being lawyers, I have no doubt that there could be reasonably strong and compelling arguments to be made by all sides of the territory question. The PQ appears aware of that and by citing "international law" and by further asserting after sovereignty "the framework for questions of its [Québec's] territorial integrity will be international law," the PQ has presumably made a commitment to submit such questions to arbitration by the World Court and to abide by the outcome. Thus the PQ is offering the means for the orderly and peaceful resolution of all territorial conflicts which might emerge in a transition to sovereignty. Those in English Canada, and those among the Aboriginal nations who dispute a sovereign Québec's territorial claims, have yet to make a similar commitment, a potentially ominous portent for the future.

English Canadians have yet to awaken to the profound significance of the unprecedented turning point political relations between English Canada and Québec have reached. For the first time in history, as a result of the 1993 election, a clear majority of Québec's seats in the House of Commons are occupied by a party committed to Québec sovereignty (54 of 75 seats). As a result of the PQ victory in the September 12, 1994 election, the people of Québec are democratically represented in both the House of Commons and the Québec National Assembly by separatist parties. In terms of international law, political morality, and any conceivable theory of democracy, relations between English Canada and Québec are in a very different situation than in the past when the people of Québec elected a separatist party to speak for them in the National Assembly and a federalist party to speak for them in the House of Commons — thus both separatist and federalist politicians from Québec could justly claim to represent the people of Québec. If a clear majority of those elected to represent the people of Québec — both in Québec City and in Ottawa — are committed to sovereignty and a referendum affirms that option, then a refusal by English Canada to negotiate all

issues, but most particularly explosive territorial issues, would find little support among the international community.

This unprecedented political situation is re-enforced by an equally unprecedented economic situation in Québec. Significant elements of the business lobby in Québec stand in favor for sovereignty, expressing a conviction that they see their future as importantly tied to a sovereign Québec in a free-trade world unencumbered by a declining English Canada. The potential political significance of this should not be underestimated. The Québec business lobby, especially the large corporate and financial sector, spoke with one voice against sovereignty throughout the 1960s and 1970s, echoing the English-Canadian business lobby, and played a key role in the economic fear campaign that helped defeat the 1980 referendum. Now it appears that the economic fear trump card — which failed so woefully during the Charlottetown referendum — will be less likely of a success in a future referendum in Québec. At the very least, the voice of the business lobby in Québec will be deeply divided.

A future referendum on sovereignty in Québec could, therefore, easily have a very different outcome than that of 1980. The balance of political forces could be dramatically weighted in favour of sovereignty — a PQ government in Québec City, a strong majority of Québec's federal MPs campaigning in favour of a "Yes," and large and influential elements of the business lobby now on the "Yes" side. Additionally, there is the already existing, very strong popular support for sovereignty which gave 40 per cent to the "Yes" side in 1980, hardly an insignificant outcome when the balance of political forces was so clearly in favour of federalism.

In this context, English Canadian reticence to express a willingness to seek international arbitration and to abide by the rule of international law regarding territorial matters is at least worrisome. Is there an unspoken agenda to keep options like territorial provocation and military intervention open? Or is it just an understandable reluctance to appear to give aid and comfort to the separatists by beginning to set the terms for sovereignty negotiations as if a referendum might pass? Perhaps. But given the role territory has played in the history of world and regional conflict — and the dirty tricks often employed in order to provoke territorial confrontations in order to justify already well-prepared military action — one should not be naïve. And given

the frequency with which English Canada has used military power in the struggle with Québécois nationalism in the past, one might be forgiven for harbouring a fear that English-Canadian military action — notwithstanding a democratic expression of the will of the people of Québec — is not beyond the realm of possibility in the minds of some in English Canada in the event that sovereignty wins the hearts and minds of a majority of Québécois.

Since the collapse of Meech we have become dreadfully familiar with the dangerous nonsense emanating from English-Canadian extremists, like the right-wing Alliance for the Preservation of English in Canada and many in the closely associated Reform party, who talk loosely of the use of military action to support the establishment of non-francophone ethnic enclaves in Montreal West and the north, to force a territorial corridor through a sovereign Québec to link Ontario and Atlantic Canada, and even to suppress any general move to sovereignty as treason. Even the careful Preston Manning, speaking to a U.S. audience, alluded to the possibility of civil war as a means of finally resolving the English/French conflict. When one adds to this political mix some of the recent comments by leading political figures in English Canada, one's anxiety seems more justified. And some of these comments have touched on the sensitive issue of territory.

Federal Indian Affairs Minister Ron Irwin's comments in May, 1994 caused the biggest stir when he informed a meeting of Aboriginal leaders in Québec that they could choose to remain in Canada if Québec opted for sovereignty. The minister was promptly but not very publicly rebuked and reassurances were provided that his comments did not represent a change in the Chrétien government's "hands-off" approach to the debate in Québec. Some constitutional experts reminded the minister and his government that if he supported the right of Aboriginal nations to secede from a separating Québec then surely the same principle applied to Aboriginal nations across English Canada. Just as the Irwin storm was abating, Premiers Romanow of Saskatchewan and Harcourt of B.C. chose to become belligerent and provocative. Besides throwing a series of personal insults at Bouchard and Parizeau, Romanow mused that even if Québec voted for sovereignty there was just no legal or constitutional way it could leave the federation. Harcourt went further, declaring that if Québec "decided to separate ... we'd be the worst of enemies," there would be a

"nasty split," and the people of Québec would "suffer in every which way." Furthermore, Harcourt declared that a separating Québec couldn't be assured that its borders would remain intact.

The reaction in Québec to these comments was as predictable as it was instantaneous and unanimous. PQ leader Parizeau reiterated his 1991 position that Québec's borders "are what they are ... there's no way the federal government will say ... we are going to carve out pieces of you. Nobody does that in a country where the rule of law applies." BQ leader Bouchard was blunt, declaring that any attempt to redraw a sovereign Québec's borders would unite all francophones: "If there is one thing sacred in Québec, as in any other country, it is territory ... Even Robert Bourassa would get angry." And finally, eloquent confirmation was provided by Québec Premier Daniel Johnson's solemn declaration in the National Assembly: "We will defend Québec's territory no matter what happens."

It is therefore important to assess the political impacts and consequences of English Canada's threatening posturing on a sovereign Québec's territory. In English Canada the effects are clear to me. For those, like myself, who wish to see an orderly and peaceful resolution of the Québec question, and who are willing to contemplate both special status and Québec's right to secession, such bellicose talk provokes dismay and, frankly, fear of the future. For those hostile to Québec, however, such belligerent talk stiffens their resolve to be uncompromising and lends legitimacy to their anti-Québec anger and hostility. In Québec, such talk gives aid and comfort to the hard separatists and makes the task of pro-federalist Québeckers much more difficult. In a sense, then, belligerent talk in English Canada on the territorial question feeds the extremists on both sides — the Québec separatists who see separatism as the only viable option and the English Canadian hard-liners who will yield nothing to Québec on anything no matter what the outcome.

There are doubtless some in English Canada who might argue that a judicious amount of bellicose talk, including territorial threats, could be politically useful in the run up to the next sovereignty referendum. Such talk in English Canada might scare the soft separatist supporters among the Québécois into reconsideration before and during the referendum. (Such a simplistic view was common during the October Crisis in 1970 when the troops went in and

the mass arrests took place — this, some in English Canada said, was just the sort of reality therapy needed to deflect the people from support for separation). I can see how the unsophisticated might make such an argument, but I would suggest the historical record of English Canadian/Québécois relations demonstrates such an approach is finally counter-productive, serving only to exacerbate the fear and anger of those opposed to separation, to stiffen the resolve of those committed to separation, and to compel those in Québec who struggle to reconcile federalism and Québécois nationalism to walk an intolerable tightrope from which they inevitably fall. And after the referendum is over — indeed, after the PQ election victory — such talk becomes little more than civil war talk and can only lead to a deeper chasm between the two solitudes.

English-Canadian political leaders — and federalists in Québec — must carefully assess their choices with regard to the two most contentious issues of Québec's possible separation. First, the mechanism for separation should a referendum pass and the Québec government and the BQ MPs adhere firmly to such a course. Second, the territorial question. I will focus on the territorial question. English-Canadians and federalists in Québec, it seems to me, have three options as to how the territorial question might be addressed. The first and by far the best option would be to accept the PQ's olive branch and agree that contentious territorial issues will be resolved according to international law with the World Court as final arbiter should peaceful negotiations fail. Second, bellicose talk and territorial threats could be used as a political device in an effort to undermine support for separation in Québec, as well as, in the event of a successful referendum, a means to postpone and avoid negotiations in hopes that subsequent political events might change the dynamic — a subsequent provincial election, an intervening federal election, a dramatic constitutional offer from English Canada. Such a political strategy is very risky, but might work.

The final option is to seek a military resolution, that is, to ignore the democratic expression of the will of the Québécois — the election of the BQ to Ottawa, the election of the PQ in Québec City, the passing of a referendum — declare a state of emergency, suspend the Québec National Assembly, expel the BQ MPs from the House of Commons, and send in the troops. All these things could arguably be done quite legally and constitutionally under section 91 of the *Constitution Act*, 1867. If English Canada were to embark on this third option, then the political

manipulation of the territorial question could be key to establishing the political and civil turmoil necessary to justify such Draconian measures. By provoking, encouraging, and supporting resistance among the Aboriginal nations in Québec, up to and including armed uprisings and states of siege, such as that at Oka, Ottawa could establish a pretext for the invocation of section 91 and the insertion of federal troops. Similarly, by provoking, encouraging and supporting resistance among the English-Canadian and Allophone minorities in and around Montreal, including the establishment and declaration of enclaves and urgent appeals to Ottawa for assistance, Ottawa could again establish the grounds for military intervention and extreme political measures.

For those who believe that the third option is unthinkable, I urge you to re-examine the historical record regarding the provocation and suppression of the 1837-38 Rebellion in Lower Canada, the 1885 Riel Rebellion, the 1970 October Crisis, the betrayal of Lévesque by the English-Canadian premiers in 1981, and the insertion of a CSIS mole for years in the Lévesque cabinet. I am convinced that a detailed plan for "the third option" already exists, marked Top Secret, and sits in CSIS and Privy Council offices awaiting political decision in the event that Québec votes for sovereignty. To believe otherwise is to ignore the realities of the modern nation state. Such plans are there — the question for us as Canadians in a democracy is whether they will be implemented.

It is urgent that we in English Canada, as well as the federalist forces in Québec, clarify our strategy if for no other reason than to avoid being swept along by events, making irrational political decisions in the heat of crisis, manipulated by desperate or foolish political leaders. Our choices are really two and we should clarify them and — given that many believe we have already made the civilized choice — clearly re-affirm our preferred choice. The first choice is to declare that we seek a democratic and peaceful resolution of the issues which divide English Canada and Québec, that Québec is free to decide its constitutional future by democratic means, and that we in English Canada and the federalists in Québec will accept the outcome. Further, we must clearly declare that any conflicts, particularly territorial conflicts, will be resolved legally and peacefully through existing mechanisms of international legal arbitration. If this is our choice — as I think many Canadians believe it is — then we should say so and stick to it. And federal ministers, provincial premiers

and Preston Manning who believe otherwise should be firmly invited to avoid bellicose talk.

If, on the other hand, we in English Canada and federalists in Québec retain a willingness, unspoken or otherwise, to use force if the people of Québec opt for sovereignty, then surely we should debate this strategic choice and determine whether it is finally acceptable. Leaving aside the fact that military action would be an abomination against democratic and civilized political conduct, an abomination from which Canada would never recover regardless of the outcome, there is no guarantee that it would even be effective in the short term and might merely lead to Québec's disastrous and bloody exit from a Canada which would very soon disintegrate.

The saddest part of this whole impasse is that a resolution has always been within our grasp, but English-Canadians have never mounted sufficient political will and good faith to seize the many missed opportunities. For 30 years Québécois nationalism has made it clear that the choices before us were special status or separation. By repeatedly denying special status, English Canada has made separation the only option available to Québécois nationalists unwilling to accept federalism as it has evolved. Ironically, separation, if it occurs, will become a rather long and messy road to what in political effect will be a form of special status as a sovereign Québec and a sovereign English Canada conclude a whole series of agreements to achieve a workable political and economic association.

As we go through this next phase of crises around the Québec question, there will be considerable instability and uncertainty. Indeed, the PQ and BQ are currently blamed for threatening the Canadian economy as a result of their separatist project. Here I must beg to differ. The uncertainty and instability we are living through now is not the fault of the Québécois nationalists and their struggle for a sovereign Québec in association with English Canada. Rather — and I believe the last 30 years and more of our history confirms this — the blame for the uncertainty and instability can be laid clearly at the feet of English Canada and many of its current crop of political leaders. They are the ones engaging in threatening and bellicose talk, not the Québécois nationalists. They are the ones saying that there is no orderly way Québec can separate regardless of any referendum result. They are the ones threatening enclaves, corridors and annexation — all of which to

an international observer, wise to the ways of the world, is nothing more than a civil war in words that often precedes a civil war in action. If the Romanows and Harcourts and Mannings want to soothe the international business community, as they claim, all they have to do is say that whatever the Québécois choose, English Canada will honour; that there will be a speedy, orderly and peaceful transition to new political and economic arrangements should a referendum pass. End of uncertainty. End of instability. End of the largely manufactured crisis.

To be brutally frank, both as an English-Canadian and a student of our history and politics, I do not fully trust us to handle this in a reasonable and civilized way, and this fact, more than anything, makes me sad and fearful. □

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THE STATUS AND RIGHTS OF THE JAMES BAY CREES IN THE CONTEXT OF QUÉBEC SECESSION FROM CANADA

Grand Chief Matthew Coon Come¹

Wachiya! Thank you for the invitation to speak here today, and for your warm welcome.

A week ago today, the secessionist government of the Parti Québécois was elected to rule in the Province of Québec. Another secessionist party, the Bloc Québécois already sits in the Canadian federal Parliament as the Official Opposition. The leader of the Bloc Québécois, Mr. Lucien Bouchard, spoke here in Washington last March.

It is no secret that the elected government in Québec now intends to make every effort to take Québec out of Canada. The issue of Québec's secession from Canada has moved from the hypothetical to the distinctly possible.

I believe that America's interests will be challenged by the events now taking place in the Province of Québec. I believe that Americans in particular, with their persistent and heartfelt sense of justice and fairness, and their concern for fundamental human rights, cannot turn their backs on threatened abuses or injustice.

I am here because something wrong could soon take place in my country. I am here because the Aboriginal peoples, who have been the historical victims on this continent for five hundred years, are in danger once again of being dispossessed and shoved aside. This time it is proposed that we simply be handed from our country to a foreign country against our will and without our consent.

I want to make sure that I am fully understood today, so I will offer my apologies for those who

already know our history, because I will first give you some background.

I am a Cree Indian — an elected leader of my people. The Crees have lived, since the end of the last Ice Age, in the territory surrounding James Bay, at the southern end of Hudson's Bay. The Inuit people live to the North of us, and together we occupy a territory about twice the size of California. We are indigenous, that is, Aboriginal peoples, and to this day are the only peoples to live permanently in this territory.

Long before there was a Canada or a United States, our territory was given its name — *Eenou Astchee* — the people's land. We Crees number about 12,000, we continue to hunt, fish, and trap as a major economic pursuit, and we live in nine different communities that are spread out over hundreds of miles. It is a beautiful, and for the most part, pristine land that has only come under development pressure during the past twenty years.

We have always been the majority inhabitants of our territory, which we have never left. We have never been involved in an armed conflict or uprising with Canada or any colonial power. We have never, until recently, faced any political threat to our territory or our existence as a people. We have our own language, culture, history, legal system, social structure, traditions and beliefs. We have always conceived of ourselves as one people, tied together by the land we share and care for, and upon which our survival has always depended.

We Crees are not "nationalists." That concept does not exist in the Cree language. Our tie to the

land is not just political, it also is physical. We are part of our lands.

Our connection to the land is, to this day, barely understood by others. Few who have claimed over the centuries to own and govern our lands have even been there. On the 2nd of May 1670, King Charles II of England "granted" the entire Hudson Bay drainage system to the "Company of Gentleman Adventurers Trading into Hudson's Bay," also known as the Hudson's Bay Company. He named this vast area of land "Rupert's Land" in honour of his cousin Prince Rupert. This grant lasted until 1870, when "Rupert's Land" was annexed to Canada by Queen Victoria at Windsor.² The colony of Canada at that time was just three years old. Thirty or so years later, in 1898 and then in 1912, "Rupert's Land" was broken up and given to the Canadian provinces of Manitoba, Ontario, and Québec.

Thus it was not until 1912 that the largest part of *Eenou Astchee*, the Cree Territory, somehow became part of the Province of Québec. The Cree Territory was never part of the historical entity known as Québec. In colonial terms, it was a territory under exclusive Canadian federal jurisdiction until 1912.

During all of these years of Royal and colonial gifts, transfers, and jurisdictional changes, we Crees were never consulted, or even informed. This was all done without our consent, and without our knowledge. Based on the racist beliefs and practices of those days, we were described in colonial documents as wild creatures and squatters.

However, certain conditions for the settlement of Native rights and interests were attached to the 1912 Act of Parliament that granted our lands to Québec.³ But nothing was done, and still no-one spoke to us, for a further 60 years. Then in 1971, again without so much as notifying the Crees, Québec and its provincially-owned electric utility Hydro-Québec, started construction of the massive James Bay Hydro-electric Project, that would flood and destroy several sensitive regions in the Cree Territory.

We went to court, and won a landmark case on our rights. But Québec's highest court summarily overturned our plea for relief, which we based on the requirements of the 1912 Act transferring a portion of Rupert's Land to the Province of Québec. Québec argued that we Crees had the legal status of "squatters," living on, but not in possession of, our

traditional land.⁴ Unabashed, the Court ruled that our rights to our lands had been extinguished by King Charles II's distant gift to Prince Rupert, way back in the 1600s!

Ironically, the Supreme Court of Canada stated in 1990 that the James Bay Hydro-Electric Project was "initiated without regard to the rights of the Indians who lived there, even though these were expressly protected by a constitutional instrument."⁵

But this statement came too late for the Crees. We had already entered into the James Bay and Northern Québec Agreement back in 1975. This Agreement, which was entered into under conditions of duress and real oppression,⁶ is now purported to have "remedied" the previous 400 years of colonial manipulations.

Such as it is, the Agreement is a treaty that was negotiated within a federalist context, between the Crees, the Government of Canada and the Government of Québec, as a Canadian province. This is critical in the current context. This treaty establishes and confirms rights and obligations emanating from *two* levels of government, with intentional and inherent checks and balances which were fundamental to us. In particular, it is specifically recognized that the Parliament and the Government of Canada have a "special responsibility" to the Crees. The rights we have in this treaty with the governments of Canada and Québec are specifically enshrined within the Canadian Constitution.⁷

In confirming this Agreement by law in 1977,⁸ the Parliament of Canada simultaneously enshrined permanent Cree rights as citizens of Canada and residents in the Province of Québec, as well as the other rights contained in the treaty. These terms and conditions may only be amended with the consent of the original signatories. Our relationship in perpetuity with the federal Crown and Parliament are, in law at least, not subject to unilateral abrogation or transfer.

I will complete this short history by jumping back to the 18th century, recalling that France surrendered its part of what later became the Province of Québec in 1763, in the Treaty of Paris. That surrender and extinguishment followed the conquest of the French by the British on the Plains of Abraham in Québec City in 1759. Importantly, the borders of the Province of Québec were intentionally

drawn in 1763 to *exclude* the lands of the Hudson's Bay Company, which included the Cree Territory far to the North.

Throughout this time, the Crees' way of life went largely unchanged, because there was little or no contact with government authorities; and although our rights were purportedly affected, we remained unaware of all of these jurisdictional implications. Our elders tell us the stories about the French soldiers coming down the frozen rivers to attack the Hudson's Bay Posts in James Bay, but the Hudson's Bay Company remained, and English became the second language of the Crees.

It was not until 1963 that the Province of Québec sent the first government officials into the Cree Territory, but no services were provided then by Québec and little happened until the James Bay Project in 1973. Last year the Government of Québec held formal ceremonies commemorating its presence: "Thirty Years in Northern Québec."

In his study on secession, American scholar Allan Buchanan questions the legitimacy of secession in contexts where the secessionist group acquired all or some of its territory through unjust or nefarious means. Buchanan states:⁹

This may be an accurate description of the situation in Québec... For one thing, the French acquired at least some of the territory in unjust ways from the various Indian tribes (some now extinct, some virtually so, and others readily identifiable) who originally occupied the land. For another, some portions of present-day Québec were ceded to the province by the English after unification.

Even Québec government officials do not really know Cree history. I remember that the Crees were rebuked in 1977 by Québec officials for not speaking and using the French Language. A law passed at that time prohibiting the public use of languages other than French in Québec, was imposed in the Cree and Inuit Territory. After strong protests and demonstrations of civil disobedience by the Crees and Inuit, the French Language Law was imposed in the rest of Québec outside of our Territory, but the Crees and Inuit won an exception substantiated on our treaty rights.

It is because our rights as Aboriginal peoples of Canada could forever and irrevocably be altered and

diminished in this conflict, that I must speak to you. I wish to emphasize that I am not here today to express our fears about whether our human rights will be respected in an independent Québec. We are promised daily by the secessionists that we will be well-treated. But the Crees are not seeking such assurances concerning their rights in some future independent Québec — that is not the point at this time. No, I am here because the process of secession itself, as proposed by the government of Québec, involves imminent denials of fundamental human rights.

The Parti Québécois, now the Government of Québec, proclaims the Québécois — that is, anyone who may presently reside in the province — a people. The Parti Québécois then claims for that Québec people the fundamental right of self-determination, while in the same breath denying the Crees and other Aboriginal peoples this self-same right.

The Parti Québécois, now the Government of Québec, states that we have no rights in our land, that these have all been extinguished through centuries of colonial acts. It always fails to mention, however, the extinguishments and surrenders of the territorial rights of Québécois at the Treaty of Paris and again when Québec joined Canada in 1867.

The leader of the Parti Québécois, now the Premier of Québec, has stated that the Cree people have no valid claim on their territory because, he says, our rights were all extinguished when the James Bay and Northern Québec Agreement came into force in 1977.¹⁰ With respect, we disagree. In any case, Mr. Parizeau neglects to mention, of course, the many federalist aspects of the Agreement that bind his Province and the federal government to the Crees.

All these statements constitute a profound double standard, a discrimination we can only conclude is based on race, in breach of all international standards. An observer of this situation noted recently in the *Cornell Journal of International Law*:¹¹

A self-respecting international law cannot apply as lofty a principle as self-determination in a racially discriminatory manner: 'yes' for whites in Québec, 'no' for indigenous peoples throughout Canada.

All of these assertions of the Parti Québécois, now the government of Québec, involve breaches of domestic and international law and of our human rights.

Fundamentally, there is no right for a portion of a State to secede, either in international or in Canadian constitutional law. To accomplish its stated goal, the Government of Québec will either have to persuade the Canadian State to amend its Constitution to dismember itself or Québec will have to secede unilaterally. In either case, we intend to ensure that the constitutional and human rights of the Aboriginal peoples are not violated.

There are many injustices in the Americas that bring all of us to this point in history — wars waged, battles lost, the powerful against the weak, the caprice of monarchs, the treachery of tyrants. None of this is fair, but here we are, anyway — those of us who have survived. The Aboriginal peoples of the Americas have without doubt been the most tragic victims of European migration to the “New World.”

Yes, we fight against injustice, we file land claims in the courts, we demonstrate to defend our rights, we seek the further recognition of our status and rights in international forums. But this does not constitute an effort to turn back the clock on history itself, and to demand total independence and absolute sovereignty over our peoples and their territory. Much as some of us might like to, we recognize that the best we can do is defend and enhance the rights that belong to us as peoples and nations.

As a result, we live in relatively stable societies, governed by known laws and procedures (though mostly not of our own making) which, although frustrating and often unfair or unjust, are evolving to provide some means for us to pursue the interests of our people. Over time we will redress the wrongs we have suffered, within the framework of law and international human rights standards. We spend a great deal of time and money in the law courts and even at the United Nations. But, and I say this again, we have not tried to change history.

In Québec, something else is happening. In Québec, a group representing less than half of the population of the province, wants to “correct” history. Automobile license plates in Québec carry the motto: “Je me souviens,” which means “I remember.” What is it that I, as a Cree Indian, am supposed to remember?

Québec was never independent. It was a French colony, surrendered by France in war — a strip of land along the upper St. Lawrence River where two

European powers fought for control of Aboriginal land. From an Aboriginal point of view, both the French and the English are recent arrivals. Whatever upsetting defeat may have occurred on the Plains of Abraham in 1759, it does not begin to compare with the dispossession and oppression that has been practised against the Aboriginal peoples.

Now, the political leaders of the Official Opposition in the federal Parliament and a provincial government in power are demanding total independence and sovereignty for Québec so that it can, as Mr. Bouchard claims, reach its full economic potential. Québécois want to become a “normal people,” Premier Parizeau stated last week. These are the reasons being put forward as the justification for the dismemberment of Canada.

Under international law, the right of self-determination may not be exercised so as to affect the territorial integrity of a recognized State, unless that State violates the basic human rights and fundamental freedoms of peoples within its borders. Only then may secession become the only practical remedy.¹²

The Province of Québec can hardly claim that the rights of its citizens are now being abused. The Prime Ministers of Canada have come from Québec repeatedly through the history of Canada, including for 25 of the past 26 years. The leader of the Official Opposition in the House of Commons is a Québécois; the leader of the Progressive Conservative Party, which formed the previous federal government is a Québécois; the Chief Justice of the Supreme Court is a Québécois; the Canadian Ambassador to the United States is a Québécois. And as Mr. Bouchard told you, his secessionist party has been treated fairly in Parliament even though it openly avows the dismemberment of Canada itself. Québec holds 75 of 211 seats in the House of Commons. One third of the seats in the Supreme Court of Canada are guaranteed to Québec.

Nevertheless, the secessionist government in Québec has made public its program to separate from Canada, which will formally place Québec on the course of secession. Within one year, Premier Parizeau, has promised to hold a referendum on separation from Canada. If there is a “yes” vote on the referendum — even a fifty-per-cent-plus-one “yes” vote — Québec promises to separate. If Canada refuses, then Québec will unilaterally declare independence and attempt to impose its own laws on

an exclusive basis throughout the territory of the existing province.

As an Indian, I am terribly disturbed by this scenario, which makes no allowance for the rights of my people.

In May Mr. Bouchard stated publicly that the Aboriginal peoples in Québec do not have the right to self-determination — in his words, “it does not belong to them.”¹³ Yet Mr. Bouchard’s chief legal advisor, Professor Daniel Turp of the University of Montreal, wrote in 1992:¹⁴

The fact that [Aboriginal peoples] constitute peoples who are self-identified as peoples confers on them a right of self-determination *at the same level as Québec*. Aboriginal nations and Québécois both... have a right to self-determination. In terms of legitimacy, the Aboriginal peoples, the Aboriginal nations on their territory, are quite ahead of the francophones of Québec, the anglophones of Québec, all the Europeans and other nationalities on this territory.

The secessionists simply are saying that we Crees may not choose to stay in Canada. They are saying that whether we like it not, and with or without our consent, we are aboard the canoe of independence, and may not stay where we are on the dry land of Canada. We are being told that we must join with the secessionists in their adventure to redress their historic wrongs.

And if the Crees refuse to go with Québec, what then? What will Québec do if the Crees invoke their treaty rights as citizens of Canada, protected by the Canadian Constitution? What will Québec do if we ask the governments to respect their own laws and respect our constitutional and treaty rights — the right to live on our lands in Canada and to benefit from all of the rights of Aboriginal peoples in Canada?

Mr. Jacques Brassard, now a prominent member of the new government in Québec City, stated in May that an independent Québec would ensure that its laws are respected by those who may resist separation from Canada. He was referring primarily to the Crees. Mr. Brassard warned: “We would have to maintain order with the means of a modern state; that means laws, courts, *and police forces*, which are also institutions and instruments of a state.”¹⁵

We Crees are not nationalists, and we are not contemplating secession or insurrection. We have never and will never use violence. We ask ourselves, however, in the face of the potential breakup of Canada: Who is it that is really threatening these things?

This, ladies and gentlemen, is the situation we face not many miles from here. If the Crees want to remain in Canada, we will have to face the police forces and army of a State that is itself acting in defiance of Canadian and international law. Mr. Bouchard was careful to avoid these questions when he spoke here in March. He attempted to soothe the American people, to make it all look easy.

My people are worried. At our Cree Nation Assembly last month they gave the mandate to hold a Cree referendum if Québec holds its promised referendum on secession. We Crees do intend indeed to make our own choice, to assert a right of self-determination at least equal to that claimed by Québec.

Of course, the new government of Québec promises that it will adequately define and then respect the rights of the Aboriginal peoples in an independent Québec, and they ask us to be content with that.¹⁶ But they ignore the fact that the very establishment of an independent Québec through the process they describe will entail violations of our basic human rights and fundamental freedoms. Among these violations are denial of our nationality, denial of our right of self-determination as a people, unilateral abrogation of our treaty rights, and the imposition of a new international border between us and our brethren in the rest of Canada.

Mr. Parizeau, now the Premier of Québec, reacted immediately and heatedly to the Cree decision to hold our own referendum. He declared that the Crees would have to respect the wishes of Québec in its own referendum. He stated that Québec’s borders were inviolable, that the territorial integrity of Québec with its present borders could not be questioned. He stated again that the Crees, as an Aboriginal people, do not have a right of self-determination.

These double standards are deeply disturbing, and make us fear for the future of our people. Premier Parizeau claims territorial integrity for Québec, but not for Canada, a recognized State. He objects to the idea of a nation-wide Canadian referendum on Québec secession, stating that

Québecers have the right to decide for themselves. However, when my people take a similar position and explain that the future of the Crees can only be determined by the Crees themselves, and that the Crees will not permit themselves to be forcefully integrated into the entire Québec population, Mr. Parizeau demurs.

The secessionists are now accusing the Government of Canada of engaging in a conspiracy with the Aboriginal peoples to use the Aboriginal issue to block separation. This is both paternalistic to us, and untrue.

The Crees saw all of this coming several years ago. We began to research our rights under Canadian and international law. We sought to further delineate our rights, and to inform the international community of the threatened violation of our human rights. Our basic study on Cree rights in the context of Québec secession was tabled before the United Nations Commission on Human Rights in 1992, and published subsequently in the *New York International Law Review*.¹⁷

The Aboriginal peoples, and the Crees in particular, have now indeed been recognized as crucial elements that could prevent the secession of Québec. But it was not until May of this year that the Canadian federal Minister of Indian Affairs, Ron Irwin, finally stated the obvious, and confirmed the right of the Aboriginal peoples together with their territories to choose to remain in Canada.¹⁸ The hostility and outrage of the secessionists was deafening, but in the end they had to admit that he might have a point.

After all, Mr. Irwin explained, the Crees have been on their lands for 5,000 years. The Canadian Prime Minister stated that Mr. Irwin was doing his job, and that as long as there was a Canadian Constitution, the federal government would have a special relationship with Aboriginal peoples. He also observed that while Québec's borders as a province are guaranteed in the Canadian Constitution, there was no guarantee that an independent Québec would have the same borders as the present Province of Québec.¹⁹

We are confident that our position in law is clear. The Canadian Constitution recognizes us as a people. As a people, the Crees are entitled to enjoy the right of self-determination described in the two

International Covenants and other United Nations instruments. International law experts consider that Québec, as an administrative entity within Canada made up of diverse populations, is not a unit for self-determination.

An act of secession by Québec would constitute a sufficient violation of the Crees' fundamental rights for us to invoke an external right of self-determination, and give the Crees, at the very least, the choice to remain in Canada.²⁰

As for the purported extinguishment of Cree rights, legal experts note that the concept, like discovery, is increasingly being rejected as racist against Aboriginal peoples and incompatible with modern concepts of human rights.²¹ In any case it must be noted that extinguishment of Cree rights, if they occurred at all, did so in a federalist context in which our rights to remain in Canada were enshrined. And if extinguishment is an issue to be used against the Crees, let us not forget that Québec's sovereign rights were also extinguished and surrendered in 1763 and again in 1867.

I have already referred to the conclusions of secessionist advisor Professor Daniel Turp, who has stated the view that the Crees would have the right to choose — Canada, Québec, or even independence. Likewise Gordon Robertson, former Clerk to the Privy Counsel, and once Canada's most senior civil servant, predicts that there may be dire consequences if Aboriginal constitutional rights are ignored.²²

The secessionists like to say that it would be absurd for 12,000 Crees and 10,000 Inuit to determine the status of such a large area of land. This is, of course, a political and not a legal argument. So is Mr. Bouchard's argument that Québec is the only "nation" of 7 million people in the Western world who do not have their own State. New York City could make the same claim. Many Europeans comment on the fact that Canada is too large a country to have a population of only 28 million people.

However, in the context of Québec secession, the political arguments are likely to be just as important as the legal ones. The big questions are: What would Canada do? Would certain countries recognize Québec? Would human rights be a factor in the decision to recognize the new State?

The most critical question for us is: Would force be used against the Crees if we asserted our right to choose? The secessionists predict that all will be peaceful and reasonable. Nevertheless, they now state that they will assemble an army. Asked who would threaten them, they reply that they need an army "just as any modern State." When I think of Mr. Jacques Brassard's comments about the instruments of a modern state, I can only think that one purpose of the Québec Army will be to deal with the Aboriginal people who may reject being taken from Canada.

The secessionists also raise the spectre of an Indian uprising in Canada. If the right of self-determination of the Crees in Québec is recognized, they claim, then all the Indians in Canada and the United States will have the right to set up their own countries and the situation would be intolerable. This line of argument is absurd.

Please recall, it is not the Aboriginal peoples who are attempting to upset the political makeup of North America. I must repeat: the Crees are not secessionists and we are not nationalists. If Québec makes no attempt to change unilaterally a constitutional landscape in which we are an explicit stakeholder, then the issue of our right to external self-determination remains moot. Our right of self-determination would arise from the fundamental denial of our rights in the process I have just explained. Self-determination conveys no right of secession in States where human rights are respected.

The big question, as always, is: What would the United States do? Mr. Bouchard came here to Washington to tell the American people that he did not plan to take the campaign for Québec sovereignty beyond Canada's borders.²³ But he had just come from a meeting with the United Nations Secretary General, and he subsequently went to Europe to meet with the most senior members of the French government to discuss the secessionist cause.

Here in Washington he told you that he was simply providing information on an internal Canadian issue. He said this despite the fact that the secessionists have said over and over again that the success of their venture will depend on a favourable reception from the United States, and they have lobbied here to achieve this end.

I will not pretend that I am not interested in your support. We Crees and the other Aboriginal peoples in Québec need the support of the American people.

We believe that the interests of the Aboriginal peoples are at stake, but also that the honour of Canada and the community of North American nations is also at stake. For this reason, we want you to ask tough, vigilant questions of Québec now, and also if and when it requests membership in the club of nations. This membership should not be granted if its achievement can only be accomplished through the breach and denial of our fundamental human rights.

So I ask: Where will the United States stand on this issue? Is it hands-off no matter what happens?

Québec secession is essentially an ethnic nationalism that is supported by barely half of the Québécois of French descent (a majority of whom, by the way, agree that the Aboriginal peoples have the right to make their own choice).²⁴ Mr. Bouchard told this audience that Québec nationalism is "territorial nationalism." There is no such thing — and it is hard to imagine a territorial nationalism where two-thirds of the "national" territory only came into the province in 1912. No, these arguments were given only to quiet American concerns.

It should be obvious that others may have a great interest in what happens in Canada. We have heard first-hand reports in Geneva that the secessionists have prior agreements with Belgium and France to quickly recognize an independent Québec. It is impossible to predict the outcome of any new arrangements in the political make-up of North America, or in the changes in trade relations that could occur in the North American trading bloc if European interests secure political affinities with an independent Québec.

A New York Times editorial late last week stated:²⁵

the United States has political, economic and neighbourly interests in keeping Canada whole, as well as a desire to avoid the chaotic unknown. As a global superpower, America wants stability on its borders, not neighbours engaged in a testy divorce... In power, the Parti Québécois may yet convince the majority of Québécois they would be better off as a nation apart. That would be unfortunate for all concerned.

We Crees also have strong political, economic and neighbourly interests in avoiding the chaotic unknown. But there is an important connection between Cree and U.S. interests. The U.S. is correctly

reticent about interfering in Canada's internal affairs. But it is beyond dispute that human rights issues are always a matter for international discussion and comment. It is also beyond dispute that the human rights of Aboriginal peoples, including the rights of Aboriginal peoples in Canada, are not fully respected.

It would be particularly unfortunate if Americans were to accept the position advanced by Michael Lind in his article in *Foreign Affairs* where he implicitly condones the oppression of small groups as an acceptable cost of Québec secession: "Québecers, if independent, might be more inclined to oppress American Indians in Québec," he observes, just prior to an explanation that he is of course "not condoning any injustice."²⁶

Full respect for the fundamental human rights of the Crees and the other Aboriginal peoples in Québec would include our right to choose whether we wish to remain in Canada in the event of Québec secession. Guaranteeing Cree human rights and choices — currently being denied by the Québec secession strategy — could decisively influence the desirability of the secession option. The guarantee of Cree rights and full respect of our treaty with Canada and Québec seriously could affect the Québec secession option.

Economically speaking, about 50% of the electricity generated in Québec is produced in the Cree Territory; 50,000 megawatt-hours per year with a value of some \$2 billion per year. From one-half to all of the electricity exported to the U.S. from Québec is generated on Cree lands. Millions of dollars worth of timber and pulp is taken from the Cree Territory every year, and many millions of dollars more of copper, gold, silver and other minerals. Much of this is imported into the United States. If Cree Territory remains in Canada, an independent Québec would be a smaller, poorer country than it is as a Canadian Province.

Politically, if Québec secedes with its borders intact, Canada would be split into two parts, east and west of Québec. If, however, Cree territory remained in Canada, Canada would remain continuous from coast to coast.

I want to conclude with a frank explanation of our interest in this entire issue. The Crees do not oppose the aspirations and legitimate expression of self-determination by any people; and we certainly will do nothing to prevent an expression of self-

determination by any populations in Québec, so long as there is full and equal respect for the rule of law and our human rights. Québec may well have legitimate claims, but it may make no valid claims on the Cree people or Cree Territory that would deny the Cree people's right to choose how we would be governed.

"What do the Crees want?" our critics ask. Let me end by telling you what I want for my people, and what we want for all Aboriginal peoples. We want to become legitimate and genuine participants in our society and its government. We want the Aboriginal peoples, who today are the most marginalized peoples in our country, to have a fair share of the wealth of the nation. We want our people to be treated with respect. We want our opinions and our beliefs to be taken seriously.

We want our lands and our environment protected from irresponsible and destructive development; and we want our people, who have cared for those lands and resources for thousands of years, to have a real say and stake in their future use. We want our people to benefit from the best educational and health services that we can provide. We want our people to have decent housing, sanitation, and clean water to drink, and meaningful economic choices. We want an end to tuberculosis, whooping cough, gastroenteritis and other endemic diseases that were eliminated in non-native communities in Canada decades ago. This is what we want for our people and I want for my children.

So when and if that day comes, and my people have made their choice, and I am asked — you can hold me to my word — this is what I will ask.

In the meantime, we ask to be treated equally and with respect for our fundamental rights, particularly in the context of the possible secession of Québec from Canada.

President Woodrow Wilson stated: "No right exists to hand peoples about from sovereignty to sovereignty as if they were property."

We feel that these words are as applicable to the situation facing Aboriginal peoples in Québec as they were when they were spoken. □

Matthew Coon Come

Grand Chief of the Grand Council of the Crees (of Québec) and Chairman of the Cree Regional Authority.

Endnotes

1. These remarks were delivered by Chief Coon Come in an address to the Centre for Strategic and International Studies in Washington, D.C. on September 19, 1994. Endnotes have been added to this text by the Grand Council of the Crees (of Québec) for the purpose of publication in this journal.
2. See the *Rupert's Land and North-Western Territory Order*, R.S.C. 1985, App. II No. 7, included as item 3 in the Schedule to the *Constitution Act*, 1982 as part of the Constitution of Canada.
3. See Grand Council of the Crees (of Québec), *Submission to the Forty-Eighth Session of the United Nations Commission on Human Rights: The Status and Rights of the James Bay Crees in the Context of Québec's Secession from Canada* (Ottawa: Grand Council of the Crees (of Québec), 1992) at 75ff.
4. *Kanatawat v. James Bay Development Corp.*, [1975] C.A. 166, reversing [1974] R.P. 38, leave to appeal to S.C.C. granted [1975] 1 S.C.R. 48.
5. *R. v. Sparrow*, [1990] 1 S.C.R. 1075 at 1103-4.
6. See Grand Council of the Crees (of Québec), *Submission to the Royal Commission on Aboriginal Peoples*, (Montreal, 28 May 1993) and Grand Council of the Crees (of Québec), *Submission to the Royal Commission on Aboriginal Peoples*, (Montreal, 18 November 1993).
7. By virtue of s. 35 of the *Constitution Act*, 1982.
8. *James Bay and Northern Québec Native Claims Settlement Act*, S.C. 1976-77, c. 32. The preamble of this Act makes clear that the federal fiduciary responsibility for the James Bay Crees and Inuit continues: "AND WHEREAS Parliament and the Government of Canada recognize and affirm a special responsibility for the said Crees and Inuit." Moreover, it has been held by the Supreme Court of Canada that the federal Crown has a continuing fiduciary responsibility towards Aboriginal peoples: see s. 91(24) of the *Constitution Act*, 1867; *R. v. Sparrow*, [1990] 1 S.C.R. 1075 (S.C.C.); *Guerin v. The Queen*, [1984] 2 S.C.R. 335 (S.C.C.).
9. Allen Buchanan, *Secession: The Morality of Political Divorce from Fort Sumter to Lithuania and Québec* (Boulder, Colorado: Westview Press, 1991) at 111.
10. See E. Thompson, P. Authier, "Ottawa won't abandon aboriginals; Will help them remain in Canada if Québec separates: minister" *Montreal Gazette* (18 May 94) A1; J. Aubry, "Québec Separation: Cree say army should be ready to guard lands" *Ottawa Citizen* (19 May 1994) A1.
11. M.C. Lâm, "Making Room for Peoples at the United Nations: Thoughts Provoked by Indigenous Claims to Self-Determination" (1992) 25 Cornell Int'l L.J. 603 at 618-619. The full text reads:

Indeed, if now Québec, whose ethnic 'depth' as Québécois (as opposed to French) is *chronologically* shallower than that of any other cultural group presently claiming self-determination, receives a hushed response from both Canada and the interstate system to its secession threat, what then remains of the prohibition against secession other than the selective and arbitrary exercise of raw power? Indigenous representatives from Canada attending last summer's Working Group session in Geneva passionately argued that a *self-respecting international law cannot apply as lofty a principle as self-determination in a racially discriminatory manner: 'yes' for whites in Québec, 'no' for indigenous peoples throughout Canada.*

See also B. Kingsbury, "Claims by Non-State Groups in International Law" (1992) 25 Cornell Int'l L. J. 481 at 496, who observes that the:

Cree in Québec ... have argued that if the province proceeded to exercise the right to self-determination, the Cree would have a separate international legal right to self-determination; that historically Cree sovereignty was not surrendered to Québec and could properly be (re)asserted; and that, international norms specifically applicable to indigenous peoples would also apply.
12. See Grand Council of the Crees (of Québec), *supra* note 3 at 8ff and *The Québec Boundaries Extension Act*, 1912, S.C. 1912 (2 Geo.V), c.45.
13. Bouchard's full statement in this regard was: "Native people do not have the right of self-determination. It does not belong to them. We have been very clear on that." See R. Gibbons, "Home and Native land" *Ottawa Sun* (26 May 1994) 11.
14. Assemblée Nationale, *Journal des débats*, Commission d'étude des questions afférentes à l'accession du Québec à la souveraineté (9 October 1991) No. 5, p. CEAS-137. Likewise, Gordon Robertson declares that: there is no clear principle in international law and there is no clear definition in any of the United Nations covenants ... that would say that there is a right of self-determination by the people of Québec as a whole, but no right of self-determination by an Aboriginal people.

Assemblée Nationale, *Journal des débats*, Commission d'étude sur toute offre d'un nouveau partenariat de nature constitutionnelle (22 January 1992) No. 15, p. CEOC-491.
15. See (Canadian Press), "Sovereign Québec would use police against dissident natives, PQ official says" *Ottawa Citizen* (31 May 1994) A3.
16. See, for example, D. Cliche, "The sovereignty and territorial integrity of Québec" (1992) 2(5) *The Network* (May 1992).
17. Grand Council of the Crees (of Québec), *The Status and Rights of the James Bay Crees in the Context of*

- Québec's Secession from Canada* (1993) 6 New York International L. R. 1.
18. See R. Seguin, "Irwin reassures Québec Natives" *The Globe and Mail* (18 May 1994) A1.
 19. See S. Delacourt, "Québec land not inviolable, PM says" *The Globe and Mail* (25 May 1994) A4.
 20. See C. Iorns, "Indigenous Peoples and Self-Determination: Challenging State Sovereignty" (1992) 24 Case W. Reserve J. Int'l L. 199 at 267:
The argument relating to consistent application of the law is even more relevant in the case of Canada and the proposed secession of Québec. *If Québec is allowed to secede from Canada without objection from the international community then an argument can be made that consistent application demands that at least the indigenous peoples within Canada similarly be entitled to secede.* This argument is stronger than in the European examples, particularly because of the lack of history of oppression of Québec by Canada (it thereby does not fit the existing criteria for colonial or racist domination) or of imposed union with the other Canadian states, and because of the *satisfaction of these criteria by the indigenous peoples.* (Emphases added.)

See also G. Marchildon & E. Maxwell, "Québec's Right of Secession Under Canadian and International Law" (1992) 32 Virginia J. Int'l L. 583 at 616-617:
[t]he possibility of other secessionist movements within Québec (by...native peoples, for example) is not unfathomable. [Footnote to text: *In northern Québec for example, native Indians and Inuit remain in majority. Moreover, this territory has never historically been a part of French Canada, but was granted to Québec by the Canadian government in 1912 by virtue of the Québec Boundaries Extension Act, 1912, 2 Geo. 5, ch. 45.*] Indeed, the Cree aboriginal people of northern Québec have already made a formal submission before the United Nations Commission on Human Rights that, without denying Québec its right of self-determination, asserts a right of self-determination for the Crees.
 21. See, for e.g., R. Penner, "Power, the Law, And Constitution-Making" in *Aboriginal Title in British Columbia: Delgamuukw v. The Queen* (Montreal: Institute for Research on Public Policy, 1992) at 247-252.
 22. See G. Robertson, "A few hitches: PQ blueprint for sovereignty ignores constitutional realities" *Montreal Gazette* (23 June 1994) B4.
 23. See L. Bouchard, *Towards Québec's Sovereignty*, Notes for a speech to the Center for Strategic and International Studies, Washington, D.C. March 1994; and CBC Newsworld, *Bouchard Press Conference*, Washington, D.C., 1 March 1994.
 24. See A. Toulin, "Québec 'No' for independence; Majority back aboriginal referendum if province separates: poll" *The Financial Post* (28 June 1994).
 25. Editorial, "An Encouraging Signal from Québec" *New York Times* (15 September 1994).
 26. Michael Lind, "In Defense of Liberal Nationalism" (1994) 73(3) *Foreign Affairs* 87 at 91.

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THE MORE THINGS CHANGE: SOVEREIGNTY, QUÉBEC, AND THE NEW WORLD

R.B.J. Walker

Whatever the precise relationship between the text of *Québec in a New World* and those intricate political struggles that seek to advance the cause of something called sovereignty for something called Québec, the text itself is noteworthy for its explicit attempt to legitimise the ambitions of the Parti Québécois in relation to an analysis of a changing international and global environment.

This is a narrative ploy with considerable advantages. There is no doubt that the structural conditions under which contemporary political life is played out are changing dramatically. Anyone expecting things to continue as they have betrays a profound naivety and political incompetence. Invocations of the dissolution of old orders carry considerable rhetorical conviction. Their appeal is by no means limited to Québec and Canada. But while it is possible to be strongly sympathetic to many of the specific observations and critiques that are expressed in this narrative, the conclusions advanced by this particular text fail to take these observations and critiques seriously enough. They especially do not take them seriously enough in the context of contemporary challenges to the principle, institution, and practice of state sovereignty.

The first page of the text advances three specific claims about contemporary patterns of transformation which, it is argued, sustain the conclusion that sovereignty for Québec is both a plausible and desirable option under contemporary conditions. First, "Québec is part of a new world.... A new order is rapidly emerging and making its presence felt everywhere on earth." Second, "the new environment affects both the internal organization of societies and the relationships among them." And

third, "these transformations have substantially modified the nature and meaning of borders throughout the world."

In very general terms, it is difficult to quarrel with such claims, even though the third already raises questions about the distinction between the internal and external organization of states that is affirmed in the second — questions that are of considerable significance in the context of claims about state sovereignty. Matters become much more complicated and contentious once the difficulty is admitted of discerning any clear trajectory in the way our world is becoming. For it is one thing to appeal to change in the abstract. It is quite another to specify precise directions or concrete implications. The text clearly draws upon an extensive literature about transformations in the contemporary international and/or global political economy, but gives very little sense of the diversity of interpretations that animate this literature. It makes a crucial difference, for example, whether contemporary economic life is assumed to be organized internationally or globally. Some of the most difficult and profound political problems of our time can be ignored, though not avoided, by treating claims about the international and claims about the global as synonymous. They are not. What is most striking about this text, in fact, is that claims about the transformative character of contemporary politics are used to affirm the necessity for a continuity in the essential form and character of politics itself. A plausible critique of the way things are mutates into a profoundly nostalgic account of the way things should be. The more things change, it seems, the more they *must* remain the same.

This is a familiar argument. It follows a formulation that has been seen many times before as states have been reconstructed in response to the dynamic transformations of capitalist modernity. It may be that it is a formulation that is not yet entirely obsolete. There are many reasons to wish to be masters in one's own house. State sovereignty especially affirms this wish in relation to the experiences of empires and hegemonies. If the empirical claims of this text are right, however, the old struggle between sovereignty and hegemony, between the tendency for the states system to embrace the ambitions of its dominant players and the affirmation of sovereignty as the only way of keeping hegemonies under some sort of check, may not be the most useful way of framing the potential future of either what we call Canada or what we call Québec.

It is especially telling in this context that much is made of a speech given by the Secretary-General of the United Nations in May 1992, which is said to describe "the new role of nations." In this speech, Boutros Boutros-Ghali speaks of the need for "an intermediary" between the individual and the universe: "It is this set of needs that are met by nation-States, which transcend the immediate allegiances of the family, the clan and the village. A nation is a common 'will to live' which constitutes a first step towards the universal, towards the universal civilization" (at 16). Both the quotation and the source are telling because they express a thoroughly conventional account of how the old states system and state sovereignty have been understood since about the seventeenth century, and how the principles of this system have been entrenched in the Charter and institutions of the United Nations. The quoted fragment of Boutros-Ghali's speech simply offers a gloss on the principle of state sovereignty as a specifically modern resolution of all relations between unity and diversity, between "man" and "citizen."¹ Far from invoking an account of the "new role of nations," *Québec in a New World* reproduces an account of the legitimacy of the modern state that would have appealed to many of those writing about politics in early-modern Europe.

The major transition in early-modern Europe, it may be recalled, involved the transformation from a civilization predicated on hierarchical principles — the 'great chain of being' through which 'lower' was connected, and subordinated, to 'higher' — to one predicated on the horizontal separation of individuals both from 'nature' and from each other. The

principle of state sovereignty expresses a secular refusal of all transcendental authority and an insistence that all mysteries can be solved upon the horizontal terrain of the territorial state. Like most of the other crucial moves in this transition towards a modern capitalist world, it also expresses a privileging of a distinctive space in which life can be ordered and represented. Within this space, time and history can unfold, societies can progress, nations can congeal, and individuals can seek to achieve their universal humanity courtesy of the state. The crucial paradox, of course, is that this state that is supposed to mediate between individuality and universality is itself a particular space, a particularity among other particularities, a singular state among other states. And as particularities, these states are always likely to contest all claims to universality. The rise of the state as the home within which individuals might seek to become humans by virtue of being citizens is simultaneously the rise of the states system. And the states system, as the tragedians of modern political thought are apt to remind us, is always likely to induce the sort of conflict that at least demands the suspension of all humanity in time of war and at worst implies a quick end to humankind once the technologies of war 'advance' to the necessary degrees of barbarity. The discourse of state sovereignty comes in both celebratory and tragic modes, and in the late twentieth century it should not be necessary to insist that the complementarity of celebration and despair about the achievements of the modern sovereign state is symptomatic of profound problems in our capacity to reimagine and reconstruct the political under conditions of profound structural transformation.

The United Nations expresses both the conventional modern account of the sovereign state as the great secular resolution of all metaphysical and political contradictions and the hope that the appropriate forms of statecraft and interstate order can prevent the consequent contradictions inherent in this historically specific resolution of all contradictions. The hope is that it will prevent the unleashing of all of the energies and violence of those modern societies that have been built up within and between the institutions of the modern state. It is this historically specific understanding of political possibility that is invoked by *Québec in a New World* both in its citation of Boutros-Ghali and in the language of the modern nation-state that permeates the entire text. The citation from Boutros-Ghali affirms the positive reading of the modern state as

that entity which permits particular individuals, and particular nations, to realise their particularities and their differences while participating in a common system of states, and thus in a common humanity. The negative reading, of course, would point to the long narrative of interstate conflict, a narrative that traces the dangerous consequences of this specifically modern resolution of all relations of unity and diversity.

Some of the most influential versions of the more negative story place considerable emphasis on the demands generated by global changes of the kind stressed by *Québec in a New World*. The experience of Germany in the earlier part of this century remains paradigmatic of many other cases. In the context of a modernizing and globalizing system of economic relations, Germany developed a powerful statist and nationalist politics capable of sustaining its attempt to catch up with France and Britain as the leading powers in a globally organized capitalist economy. The outcome of this case has subsequently been understood as a crucial warning about the dangers of nationalism as a response to the changing dynamics of modernization and interstate competition, even though most states have deployed the nationalist card to some degree in this context ever since. The experience has been especially troubling because it adds a dynamic dimension to the problem of sovereignty, which is more usually framed as a trade-off between the benefits of peace and the dangers of war in an essentially static or geopolitical structure of territorial states. The addition of the dialectic of modernization and nationalism intensifies the tension between processes of integration and those of fragmentation that the principle of state sovereignty seeks to balance — a balance which divides particular communities within the state from those relations with other states that together constitute the community of humankind.

It is through some version of this more dynamic narrative that it is possible to reconcile the most dramatic accounts of historical and structural change with a replication of the familiar story of the self-contained political community seeking to accommodate to new circumstances. But the familiarity of this reconciliation cannot conceal its two crucial difficulties.

First, there is the difficulty of ensuring that the state within which the self-contained political community is situated is indeed capable of effecting a proper mediation between the individual and the universe. In fact, almost all modern societies are

quite messy in this respect. Very few states are also nation states. Most sustain a plurality of cultural and other allegiances. The problem of democratic representation and participation is certainly more complex everywhere than the simple codes of nationalism would allow. The possibility of constructing a singular community, a nation that can subsume all other identities in order to construct a singular state that can then mediate with the universal in the corridors of the United Nations, is increasingly remote everywhere. If mediation between individual and universe is still to be the ultimate function of states, which also is increasingly doubtful, it will have to be effected on the basis of democratic complexities, not of a predefined and highly selective account of the already constituted nation. The recent eruption of nationalist politics in so many places says very little about the capacity of nationalism to effect a statist reconciliation between universal and particular promised in the name of nation states. On the contrary, in Québec as elsewhere, the dynamics of contemporary cultural allegiances and identity politics suggest a future that will be resistant to monolithic jurisdictions of any kind.

Second, there is the difficulty of ensuring that it is indeed possible to sustain the sharp line between life within the territorial state and relations between such states. This line is crucial to any understanding of what it means to be sovereign. The modern state, like the modern individual, has been framed as a phenomenon with a clear inside and a clear outside: here and there; community and anarchy; politics and relations; us and them. Without this distinction, whether marked on maps or patrolled in uniforms, political life always threatens to shift into hierarchical arrangements of some kind, whether in the name of empire, colonialism, hegemony, federalism, subsidiarity or some other challenge to the abstract horizontal spaces of the sovereign state. In this context, the desire for sovereignty is quite understandable.

For all its invocation of novelty, *Québec in a New World* does indeed pretend that a sharp line between inside and outside can be sustained, just as it pretends that all differences inside can be reconciled through the voice of the nation. It is this pretence that ultimately undermines its credibility as an analysis of what it could mean to affirm the place of something called Québec in a rapidly changing political landscape.

There is no doubt that those who wish to articulate a form of politics appropriate to changing

structural conditions face great difficulties. The bankruptcy of contemporary political vision is deeply disturbing. But these difficulties cannot excuse a relapse into categories which simply reproduce a world of little boxes, not least because, for better or for worse, little boxes offer less and less scope for responding to a world more characterized by networks and connections, by flows and leakages, than by clear territorial demarcations. Like many nationalists in other parts of Canada, *Québec in a New World* tends to dismiss too many inconvenient accounts of contemporary structural transformations as mere neoconservative ideology. The prevalence of neoconservative accounts of contemporary global transformations does not render the retreat to nationalism any more persuasive.

If the primary rhetorical move of *Québec in a New World* involves a narrative about transformation and globalization that leads to the necessity for a statist and nationalist politics as usual, its secondary move is the constant repetition of the possessive case. Our culture, a shared language, a shared history and heritage, shared values and institutions, a genuine *projet de société*, an authentic Québec social plan, full decision-making powers and control over the levers of development: this is the language of a laudable self-possession. From here it is a simple matter to extrapolate from a claim to self possession to a “clear and coherent plan” for sovereignty. In this case, sovereignty for Québec is taken to encompass a monopoly on tax collection, the enactment of legislation, and the negotiation and ratification of treaties — the three areas that are claimed to “encompass all government activity internally and internationally” (at 43).

This is surely a truncated account of what governments do anywhere. And the reduction of the problem of sovereignty, and of politics in general, to the activities of government is certainly one way to avoid worrying too much about that old and consistently awkward question of whether sovereignty lies with the state or with the people. This text certainly knows who it speaks for. The initial assumption that there is indeed a convergence between a shared culture, language, and so on and the institutions of governance renders the whole question of sovereignty unproblematic. The presence of anglophones, allophones, new Québécois and aboriginal peoples, for example, can then be rendered as a straightforward story about a pluralist society. Again as in so many other places, however, it is not

at all clear that nationalisms and pluralisms can be reconciled quite so easily.

Québec in a New World frames the problem of sovereignty in three distinctive ways. For most of the first part of the text, it is presented as if everyone knows what it is and what it does. It is able to draw upon the specifically modern account of statist politics that has sedimented into popular consciousness and remains understandably attractive to governments everywhere. Where governments remain attached to the nostalgic ideals of early modern Europe, however, claims about the transformative character of modern politics and the globalization of capital are now more usually articulated in terms of profound challenges to those ideals. Sovereignty may now appear to be a straightforward affair, but it took a fair amount of effort, and bloodshed, to affirm its way of carving up the world as elegant, rational, and necessary. Though there may be no straight lines in nature, sovereignty affirms that they can be carved amidst the vagaries of contemporary economic, technological, social, cultural, and political relations.

By the time the three areas supposedly encompassing all areas of government activity internally and internationally are specified, the text has begun to admit that it is not easy to say what sovereignty is exactly. The brief section of the text (at 43-4) that claims to offer a consensual definition of sovereignty in terms of “taxes, legislation and treaties” is convincing only as further evidence that sovereignty is indeed difficult to define, especially if, as here, it is treated as an objective condition, a clear-cut destination, as a simple principle that can be applied almost at will. But while sovereignty may be elegant it is by no means simple, and while it may be a principle, it is also an historical, and historically contingent, institution and a complex set of practices. States deploy considerable resources in order to legitimise their claim to sovereignty despite their obvious failure to monopolize authority within spatially-defined boundaries. It is thus not surprising that the final section of the “clear and coherent plan” reveals a greater complexity and contingency. Indeed, the emphasis on “interdependence” and “integration” in this final section might well be read as a claim that sovereignty for Québec would involve very little change at all. Push demands for autonomy in relation to some specific political arenas, remove these specific arenas from Canadian jurisdiction, and sovereignty will apparently appear as if by magic.

But while the appeal to sovereignty may be a powerful rallying cry in the attempt to attain greater autonomy in specific arenas, greater autonomy in specific arenas does not necessarily lead to a condition of sovereignty. In the context of the patterns of interdependence and integration invoked towards the end of this text, it is not at all clear what sovereignty *could* mean in general terms. In fact it would probably be more useful if references to the term sovereignty were to be dropped entirely, and attention focused on why autonomy is being sought in relation to specific political arenas and governmental capacities, and who is most likely to be the beneficiary.

Québec in a New World is, of course, a popular text rather than a technical legal treatise, and it is difficult to pursue the precise implications of its general formulations very far. What is striking, however, is the extent to which the simple invocation of sovereignty serves to smother almost all the interesting questions that follow from the claim that the status quo will not hold. The rhetorical flourish that ends the text — “We must keep our appointment with destiny” — is emblematic of a more general willingness to forgo a sustained analysis of the extent to which the relations of inside/outside, self/other, universality/particularity and space/time are being transformed in ways that cannot sustain a world of tidy nationalist jurisdictions.

Freed from the tired debate between statism and statism, between federalism and nationalism, it might be possible to envisage a politics that takes its questions seriously rather than insists that the entrenched answers must be reached no matter what questions are now asked. If we ask about the kind of political life, about the communities, identities, and obligations that are possible under contemporary conditions, it is not obvious that a world of nationalist inclusions and exclusions, of straight lines permitting the sovereign demarcation of inside and outside, would become the most persuasive answer. It is curious that for so many people, in the rest of Canada as much as in Québec, it is assumed to be the only possible answer. It is unfortunate that *Québec in a New World* simply feeds the fantasy that endures on both sides of the current debate.

The text ends with a rhetorical flourish of nationalist aspiration, but it is prefaced by Jacques Parizeau's lament for the thwarted hopes of a rising class of “ambitious and innovative entrepreneurs.” It is perhaps even more unfortunate that the precise

relationship between this rising class and the construction of the nation/state that is supposed to sustain its ambitions and innovations is not spelled out in the rest of the text. Once again, the claim to state sovereignty as the appropriate mediation between the particularities of individuals and citizens with the universality of humanity offers a way of forgetting about how particular individuals and citizens come to represent the supposedly sovereign people in general. *Québec in a New World* is right to insist that things must change. For things to change for the better, however, it will be necessary to pay much greater attention to who the ‘we’ is that gets to be written in the possessive case. The preconstituted nation acting on behalf of rising class interests offers an inadequate answer to this question. But this is certainly not a problem for Québec alone. □

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Endnotes

1. Andrew Linklater, *Men and Citizens in the Theory of International Relations* (London: Macmillan, 1982); R.B.J. Walker, *Inside/Outside: International Relations as Political Theory* (Cambridge: Cambridge University Press, 1993).

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