

Quebec's Place in the Canada of the Future

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by

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INTRODUCTION

In January 2001, the Special Committee of the Quebec Liberal Party (QLP) on the Political and Constitutional Future of Quebec Society released a preliminary report entitled *Quebec's Choice: Affirmation, Autonomy and Leadership*. This substantial document has since been the subject of consultation with both rank-and-file Liberals and members of the general population of Quebec, with a view to forging a more extensive final report by the end of 2001.

In collaboration with premiers and ministers from the other Canadian provinces, we are currently developing an action plan that will be one of the priorities of a future Liberal government of Quebec. I will discuss this plan in Section 5, outlining our recommended political approach. At this point, I would just like to mention that a future Liberal government would focus, first and foremost, on several initiatives which do not, in themselves, require the reopening of constitutional issues. These initiatives would involve Quebec either acting unilaterally within the compass of its current constitutional powers, or concluding administrative agreements with the federal government or the other provinces.

Our approach is based on three main lines: strengthening Quebec within Canada; improving the Canadian federal system; and expanding the role of Quebec (and the other provinces) on the

international scene. We favour intergovernmental cooperation over sterile confrontation. We believe our position to be realistic, moderate and balanced, and do not subscribe to the current polarization between adherents of a rigid federalism and advocates of sovereignty. We do not accept the status quo, but want to initiate change from within the Canadian federal system.

In our opinion, the federal government's "Plan B" is not an appropriate response to the current situation, as it encourages blithe self-satisfaction and indifference to the needs of Quebec rather than improvement and development of our federal system. "Plan B" has a number of negative effects. It gives Canadians a false sense of security by letting them believe that they will ultimately have the last word on Quebec secession. So why make the effort to accommodate Quebec's particular identity within Canada?

We believe that it is possible to be responsive to Quebec's aspirations and demonstrate the flexibility of our political system without playing into the hands of the sovereignists. Those who think that giving Quebec more room to manoeuvre within Canada is a concession to the sovereignists are committing a fundamental error.

While fully recognizing the right of Quebecers to choose their future, we firmly believe that the interests of Quebec can be served best within Canada. Consequently, we think that Quebecers should continue to make the conscious choice of belonging to the Canadian federation. There is nothing to be gained by denying Quebecers the right to choose their own destiny. It would be far preferable to inspire their free and voluntarily membership in the Canadian federation by convincing them of its benefits and its intrinsic value.

The first section of this paper will examine the basic issue of the affirmation and recognition of Quebec's specificity within the

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Canadian federation, an issue that forms the backdrop to our entire discussion regarding Quebec's place in the Canada of the future. Section 2 explores the role that we would like to see Quebec and the other provinces play on the international scene. Section 3 examines the implications of rediscovering the true meaning of federalism in Canada. This section summarizes several proposed changes, both constitutional and non-constitutional (i.e. administrative), to the Canadian federal system, in response to the need for asymmetry, intergovernmental cooperation and a better balance of relations within the federation. Section 4 underlines the importance of being fully cognisant of the social, economic and political reality of Quebec and Canada, in order to offer Quebecers a social plan that is both modern and inclusive. Finally, Section 5 elaborates on some of the details of our recommended political approach for the next few years, assuming that the QLP forms the next government of Quebec.

1. The affirmation and recognition of Quebec's specificity

The experience of Canadian federalism has amply demonstrated that it is possible for multiple allegiances to exist within the federation without threatening its unity. This type of cohabitation is no longer an exception but is becoming the rule in many places around the world. We have entered an age of "polyidentity". Remarkable advances in communications have brought people closer together, broken down borders and created a new sense of relationship. The phenomenon is particularly evident in Europe, where, increasingly, people are sharing a common, multinational space.

We conclude from this that it is definitely possible for people to be both Quebecers and Canadians. It is also clear that Quebec's identity has managed to become stronger within Canada. Canadian federalism, despite its inherent

limitations, has allowed Quebec to flourish both as a people and as a political community.

In one sense, the Quebec identity and the Canadian identity share a common drive towards differentiation. On the one hand, Quebec needs, more than ever before, to be a part of a Canadian federation that can protect the interests of Quebec vis-à-vis other countries; on the other hand, Canada needs Quebec in order to affirm more clearly the distinctive character of the Canadian identity. Viewed in this light, it would appear to be mutually beneficial to harmonize Quebec's will to form a particular society within Canada and Canada's will to remain distinct from the United States. This bipolar dynamic reveals the degree to which the identity of Quebec is intrinsically linked with that of Canada. For this reason, it is essential that Canada recognize the special character of Quebec society. Such recognition could lead, for example, to the adoption of a measure by which the Canadian Constitution, including the *Canadian Charter of Rights and Freedoms*, would be interpreted as a function of the fact that Quebec's linguistic, cultural, institutional and social specificity are essential to the Canadian federation.

It is not a matter of begging the rest of Canada to recognize Quebec's specificity. Rather, we hold the legitimate hope that the Canadian constitutional framework recognize the unique character of Quebec and take fully into account its special responsibilities as the main seat of the *francophonie* in the Americas.

We firmly believe that the Canadian identity can only be enriched by the special nature of Quebec. Quebec's specificity is an essential element of Canada and should be perceived as such by all Canadians.

2. The role of Quebec and the other provinces on the international scene

In the current environment of globalization, we can observe a new trend towards large

political units and an increase in the influence of international institutions. Post-industrial evolution has totally overturned our traditional assumptions. The movement towards greater economic and political integration forces us to reconsider the very concept of "sovereignty".

This general trend and its concrete manifestations, notably in Europe, lead us to believe that federalism is the political system of the future, the system that best responds to the demands of our changing world.

Faced with increasing globalization, we ask ourselves, "What is the best way for Quebec to protect its interests?" The answer, we believe, is that Quebec's interests can be protected with far greater authority and effectiveness from within Canada, where they are represented by a larger and more powerful community. It is simply a question of economic strength in numbers. This has certainly been the case with the Free-Trade Agreement with the United States and with NAFTA, both of which have benefited Quebec, as well as the other provinces. Would an independent Quebec be able to stand alone against the greatest economic power in the world? Quebec's vulnerability would become even more evident in the coming years, when faced with all the Americas and their 800 million inhabitants.

While Quebec needs Canada as a lever to increase its balance of power in negotiations with the Americas and other commercial partners, it must also ensure its active participation in the set of processes surrounding these negotiations. Indeed, given the current and future significance of international agreements, it is essential for Quebec and the other provinces to be formally involved in negotiations relating to their jurisdictions. The Judicial Committee of the Privy Council ruled in the *Labour*

*Conventions Case*² that international treaties made by the federal government, to the extent that they deal with areas under provincial jurisdiction, have no application in domestic law without implementation by the provinces.

A number of Canadian provinces today want to play a more prominent role in international negotiations. Premier Ralph Klein, for example, stated recently: "I want to sit at the table when a future energy agreement for North and Central America is discussed. It is not up to the federal government to negotiate energy policies for resources owned by the provinces. We produce 80% of Canada's energy..."³ Former Saskatchewan Premier Roy Romanow meant no less when he suggested that the provinces be included in the Canadian negotiating team.⁴ These are not exceptional cases, but once again, examples of a tendency that can be observed in other federations.

For this reason, it is essential that Quebec's increasing involvement in globalization, and the agreements to which it gives rise, lead to greater recognition of Quebec's international personality, to the international extension of matters of provincial jurisdiction, and to Quebec's cultural and social presence throughout the world. The best way to realize and formalize this participation, recognition and presence would be for Quebec and the federal government to conclude an administrative agreement ensuring that Quebec participate in certain international negotiations; that it fully assert its point of view within Canadian

²*A. G. Canada v. A.G. Ontario (Labour Conventions Case)*, [1937] A.C. 326, p. 349.

³Michel Vastel, "Les Amériques? L'Ouest pensait qu'il n'y en avait qu'une!", *La Presse*, Saturday, April 7, 2001, p. B5. [Retranslated from the French]

⁴*Ibid.* [Retranslated from French]

delegations; and even that it have the right to autonomous representation in international organizations whose objectives are related to its constitutional jurisdictions, when such representation is feasible without diminishing the authority of the Government of Canada in foreign affairs. Any other province that so desired could also request this type of administrative agreement with Ottawa.

If Quebec wants to be fully involved on the international scene, it will need to display greater imagination and daring in its own policies. Actions have not always followed words in this respect. There is a vast field to be developed, particularly in the areas of economic promotion, education and culture. Here too, recognition calls for the committed affirmation of all the people of Quebec through innovative and productive initiatives.

3. Rediscovering the real meaning of federalism in Canada

We have seen the need to view Quebec's affirmation and recognition and its international role in a new context. This leads us to embark on a rediscovery of the true meaning of federalism in Canada.

In order to rediscover federalism, we must establish a new equilibrium between, on the one hand, provincial powers, rights and prerogatives (consolidated and reinforced as a result of internal transformations) together with the need for the provinces to play a more active role in negotiating international agreements, and, on the other hand, the need to strengthen the Canadian identity and the values that are common to all Canadians. Three of the means to achieving this balance are asymmetry, intergovernmental cooperation, and balance within the federation.

A) Asymmetry

One of the great virtues of a federal system is that it allows for harmonious relations between the central power and the entities in the

federation, while taking into account both the special characteristics of each of the components and the need for a coherent whole.

In Canada, one way to achieve these relations and to increase the flexibility of our political system is through the intermediary of administrative agreements. There already exist a certain number of federal-provincial agreements, by virtue of which Quebec has been able to participate actively in the multilateral Organisation internationale de la Francophonie, to have a significant say in immigration to the province, and to deal with manpower training.

In general, these agreements have proven their worth: they have allowed for joint program management by the federal government and Quebec, and made it possible to clarify the definition of the powers of each level of government and, in some instances, to broaden the sphere of Quebec's autonomy.

Quebec could greatly benefit from administrative agreements with Ottawa regarding international relations, as mentioned above, as well as several other sectors including communications and the environment. It is imperative for Quebec to assert itself more strongly in these areas of joint jurisdiction, and for its roles and responsibilities to be defined more clearly. An agreement on communications is certainly in order, given the growing importance of new information technologies, their central role in the new economy, and the identity issues related to their content. The environment is also a current area of concern that involves both local or provincial issues and others that go far beyond the borders of Quebec.

B) Intergovernmental cooperation

Over the last few decades, "interprovincialism" has developed by leaps and bounds. This movement is destined to grow and to be formalized in response to the transformations shaping Canada.

The Canadian federation is certainly ripe for new alliances between the provinces. This movement has already begun. More than ever, we find that the provinces need greater political room to manoeuvre within the federation. Once again, this evolution towards greater involvement of provincial or regional powers is occurring in many parts of the world.

It is with this perspective in mind that we must create a true Council of the Federation, i.e. a permanent body for federal-provincial cooperation in the areas of macro-economic planning (financial harmonization and coordination), budgeting and taxation. The Council of the Federation could also play a role in regard to the negotiation of international treaties involving provincial jurisdictions.

This body would comprise the Prime Minister, the provincial premiers, and various ministers and civil servants. It could start out as a consultative body, and assume decision-making powers once an effective means of functioning was decided upon. In the final report of this Committee, we will elaborate on the mandate, powers and composition of the Council.

At this point, we would like to mention that Canadians missed a golden opportunity to establish an effective mechanism for intergovernmental cooperation when their governments hastily negotiated and concluded the *Social Union Agreement* in February 1999. Only the government of Quebec did not sign this *Agreement* which contains a great number of deficiencies and inaccuracies. The QLP declared that it, too, would have refused to sign the *Agreement*, which is now being criticized and denounced by a number of provinces.

C) Balance within the Federation

Throughout its history, the Canadian federal system has had to evolve and adapt to change. The transformations that have shaped Canada over the last few decades have had a direct

effect on relations between the federal government and the provinces. There has been an evolution towards greater provincial involvement, which must be translated into changes to the federal system that reflect this new dynamic.

Apart from the affirmations discussed above, namely the constitutional recognition of Quebec's specificity, the enhancement of the international role of the provinces, and the establishment of a Council of the Federation, our preliminary report formulated several proposals relating to the following:

The Senate

We would like to see greater provincial involvement in the process of nominating senators and an eventual extension of the powers of the Senate in the areas of individual rights, minorities, language rights and regional issues. We would not reject out of hand the notion of an elected Senate, but are keeping all options open for the present.

The Supreme Court of Canada

We propose that Supreme Court justices continue to be appointed by the federal government, but from lists of candidates submitted by the provinces. A simple mechanism should be provided for dealing with any impasse. We believe that the current composition of the court should be retained.

Constitutional Right of Veto

We suggest that a constitutional right of veto be granted to Quebec, Ontario, British Columbia, the Prairies, and the Atlantic Region, more or less on the model of the current *Act respecting constitutional amendments*.⁵

⁵ *An Act respecting constitutional amendments (regional veto)*, S.C. 1996, ch. 1.

Federal Spending Power

We are in favour of limiting federal spending power, provisionally on the basis of an administrative agreement, and ultimately by means of a formal constitutional measure. The limitation of federal spending power should not, however, alter the principle of equalization within Canada.

Quebec's Powers re. Immigration

We propose constitutionalizing the *MacDougall-Gagnon-Tremblay Agreement*.⁶

Readjusting Roles and Responsibilities

We recommend the establishment of an improved federal-provincial partnership in several areas, including criminal law, fisheries, correctional services, electronic commerce, regional development and assistance to small and mid-size business. One of the key features of this partnership would be the conclusion of new administrative agreements.

Redistributing the Tax Base and Recovering Tax Points

We would stress the redistribution of the tax base between Ottawa and the provinces and the recovery of tax points in order to correct Canada's fiscal imbalance.

Strengthening the Canadian Economic Union

We would be in favour of expanding the *Agreement on Internal Trade* signed in 1994. This would mean, for the most part, the elimination of barriers and restrictions based on provincial boundaries.

Improving the Social Union Agreement

⁶*Canada-Quebec Accord Relating to Immigration and Temporary Admission of Aliens (MacDougall-Gagnon-Tremblay Agreement)*, signed on February 5, 1991.

We believe there is a need to work on improving the *Social Union Agreement* of February 1999, particularly as concerns advance notice and consultation with the provinces regarding new pan-Canadian federal programs; the limitation of federal spending power in regard both to direct, unilateral payments to individuals or organizations and transfer payments to the provinces; the free movement of Canadians; the mechanism for dealing with complaints; the respective roles and responsibilities of the federal government and the provinces in the sectors covered by the *Agreement*; and the method for preventing and settling disputes.

4. A modern and inclusive plan for Quebecers

Quebec's specificity must be defined within the context of the evolution of Quebec and Canada, particularly during the last decade. The first step in creating a new collective plan for Quebecers is to take stock of the economic, social and political changes that have transformed Quebec and Canada, and of the impact of globalization and its North American ramifications within NAFTA. The following observations are pertinent in this regard:

- Quebec has now achieved an exemplary level of harmony on the language issue, particularly as regards relations between francophones, anglophones and allophones. Internal squabbles are nearly a thing of the past, and those that persist have lost much of their impact and relevance. The confrontation between anglophones and francophones, which for years fuelled the debate over Quebec's future, has now lost most of its force. All the same, the development of the French language, as a meeting ground for all Quebecers, and the encouragement of French culture should continue to be fundamental and essential objectives for Quebec society.
- Canada has also changed. The demographic weight of Ontario, the phenomenal

economic growth of Alberta, the emergence of British Columbia, and the balkanization of political factions (the formation of regional political parties – the Bloc québécois and the Canadian Alliance) have reshaped the relationship of the provinces and the federal government. It is no longer possible for Canada to define itself without taking its regional diversity into account.

- Canada's participation in NAFTA, and imminent participation in the FTAA, raises the issue of reconciling different national entities on a North-American scale. This development takes Canada right back to its roots. Canada emerged out of the desire to create a separate country north of the forty-ninth parallel. This dream has been realized, for the most part, and reconfirmed by Canadians at various stages in their history. Once more, the pressure of the current economic integration of the Americas demands a response from Canadians and their governments.

The creation of the FTAA may again change our views, modify the Canadian dynamic, and force us to reform our institutions. It may even lead one day to the political integration of the Americas. Given this perspective, there is a need perceived in a number of sectors to strengthen our Canadian identity.

This new context also has major consequences for Quebec: the Americas – and particularly the U.S., which accounts for 85% of the province's exports – have become a more important area of reference than ever before, i.e. a major factor in the definition of Quebec's economic, cultural and linguistic future. In other words, the future identity of Quebec will depend increasingly on how it defines itself vis-à-vis the Americas, especially the United States. And this development has very little

to do with the political status of Quebec within Canada.

For years, the American influence on Quebec has been masked by tensions between francophones and anglophones and between Quebec and the federal government. But the situation has changed. The greatest threat to Quebec is not from Ottawa or the rest of Canada but from the American presence at our gates. Of course, this is not a new phenomenon; but it has become more apparent and more restrictive now that Quebec has put into perspective what was previously perceived – rightly or wrongly – as an internal or a Canadian threat.

Finally, as Canada's economic ties with the U.S., Mexico and the rest of the Americas continue to expand, it is possible that the economic advantages of belonging to the Canadian federation will become less and less evident. It is therefore important to strengthen the East-West economic axis and to reduce barriers to interprovincial trade and the free movement of people, goods, capital and services, as suggested above.

- It is fully in the interest of Quebec to assert its judicial distinctiveness. In fact, subsection 92 (13) of the *Constitution Act, 1867* grants the provinces legislative power with respect to "Property and Civil Rights". This precise phrase was also used in section VIII of the *Quebec Act, 1774*, in order to ensure the preservation of the French legal system in Quebec. The British legislator who drafted this document was referring essentially to what we now call "private law".

The fact that it is the only province in Canada with its own codified private law, inspired by French law, is certainly one of the main elements of Quebec's specificity, together with language and culture. The Quebec system of private law has

maintained its originality over the centuries and effectively resisted assimilation. This has been possible because of provincial autonomy, which, as we have said, allows for the expression of Quebec's specificity in civil law. Section 94 of the *Constitution Act, 1867* confirms this specificity, by excluding Quebec from the list of provinces in regard to which Canada can adopt measures for unifying private law.

It is interesting to note that in the Western Hemisphere, there are more people under the regime of civil law than that of common law. Quebec, with its civil law and its mixed legal system⁷, could therefore expect to play a major role within the future FTAA, as a key player, for example, in the consolidation and the construction of pan-American institutions.

- Respect for the rights of the individual is a basic reality both in Quebec and in Canada as a whole. It is now 19 years since the *Canadian Charter of Rights and Freedoms* came into effect. This event is memorable because of the changes that it brought to the lives of Canadians and the important values that it has helped disseminate. One of the main legacies of the *Canadian Charter* is the continuing positive impetus it provides to the interpretation of individual rights and freedoms in general.

In this sense, we agree with former Supreme Court Chief Justice Antonio Lamer that the *Charter* promoted the establishment of a

culture of rights and freedoms in Canada. One of the most striking consequences of the *Canadian Charter* is the judicial dynamism it inspired, reflecting the introduction of new attitudes, new rights and new freedoms. In this sense, the *Canadian Charter* can also be said to have helped strengthen Canadian unity and the solidarity of all Canadians. The *Canadian Charter* has given Canadians a sense of shared values on a number of issues.

The basic values of the *Charter* have reverberated throughout our legal system. In particular, the *Canadian Charter* has influenced the interpretation of Quebec's *Charter of Human Rights and Freedoms*, adopted under a Liberal government and celebrating its 26th anniversary this year. In many respects, the *Quebec Charter* is given the same interpretation as the *Canadian Charter*.

We can see that the *Canadian Charter* is at the heart of the major questions being debated by Canadians. It is one of our main instruments for ruling on the basic principles of our country. Beyond a doubt, the *Charter* has contributed to the creation of a common judicial vision shared by all Canadians. Quebecers, like the citizens of other provinces, can recognize themselves, on the whole, in the *Canadian Charter*; they have appropriated it, as have all the people of Canada.

Despite all this, we must ask ourselves what impact the *Canadian Charter* has had on the specificity of Quebec, particularly in regard to civil law, culture and language.

In the area of private law, it is interesting to consider how the *Canadian Charter* manages to achieve a peaceful coexistence with Quebec civil law. This happy marriage can be explained, on the one hand, by the essentially public and penal character of the *Canadian Charter*, which is therefore not

⁷Private law in Quebec is based on the Civil Law tradition, despite some instances of the influence of Common Law. On the other hand, Quebec shares its system of public law with the rest of Canada, i.e. Common Law. This cohabitation of Civil Law and Common Law forms what we refer to as Quebec's mixed legal system.

much affected by private law, and on the other hand, by the fact that to this day, the *Charter* has not protected property rights, which reduces the risk of collision with Quebec civil law.

There are undoubtedly other factors contributing to the harmony between the *Canadian Charter* and Quebec civil law. Firstly, there is the existence of the *Charter of Human Rights and Freedoms*, mentioned above. The preliminary provision of the *Quebec Civil Code* states that "The Civil Code of Quebec, in harmony with the Charter of human rights and freedoms and the general principles of law, governs persons, relations between persons, and property."

Quebec's political and judicial tradition and culture have also undoubtedly played a role in reconciling the *Canadian Charter* and Quebec civil law. At the same time, we should remember that Quebec civil law can itself serve as an instrument for protecting rights and freedoms.

Given the number of factors contributing to the proximity and rapport between the *Canadian Charter* and Quebec civil law, we believe that the *Canadian Charter*, in its present form, can have only a negligible impact on the *Quebec Civil Code*, or on Quebec's specificity in regard to private law. Perhaps the impact of the *Canadian Charter* will be felt, finally, only in regard to the interpretation of several hazy concepts in our civil law and of general or abstract principles, such as fault and public order.

The *Canadian Charter* has not had any greater effect on Quebec's cultural specificity. On the other hand, as regards language, the *Canadian Charter* (as well as the *Quebec Charter*) has had the effect of limiting Quebec's jurisdiction, as

demonstrated by the *Ford*⁸ and *Devine*⁹ cases. In these decisions, however, the Supreme Court of Canada demonstrated sensitivity in regard to the legitimacy of the objectives of the *Charter of the French Language*¹⁰ and recognized, in an *obiter dictum*, the possibility of Quebec imposing the preponderance of French over any other language.

- One of our priorities is to strengthen relations between Quebec and francophones in other parts of Canada. Quebec should see itself as part of a "Canadian francophonie" – which is not really the case at present¹¹ – and make it a source of cohesion, exchange and partnership between francophones across the country.
- Quebec should make an effort to establish new ties with the aboriginal nations within its borders. Unlike the province's other minorities, these nations have the right to special status recognizing their need for autonomy and financial resources within Quebec.
- Quebec needs to define itself as a more inclusive society than it is at present. In this respect, it is clear that the constitutional and legislative rights and privileges of anglophones must be respected and realized. At the same time, new immigrants and

⁸ *Quebec (A.G.) v. Ford*, [1988] 2 S.C.R. 712.

⁹ *Devine v. Quebec (A.G.)*, [1988] 2 S.C.R. 790.

¹⁰ *Charter of the French Language*, R.S.Q., c. C-11.

¹¹ The current government of Quebec believes that there are two distinct francophonies, a Quebec francophonie and a Canadian francophonie.

members of the various cultural communities should be encouraged to integrate into Quebec society, while being allowed to preserve their own linguistic and cultural heritage.

- Quebec was weakened by the referendum of 1980, the events around the patriation of the Canadian Constitution in 1981-1982, and the referendum of 1995. A referendum is never a neutral event; it has often unforeseeable political consequences. Quebec is still living under the shadow of the last referendum, and suffering not only from post-referendum syndrome, but from pre-referendum syndrome as well. Many Quebecers expect that if Premier Landry were, hypothetically, returned to power in the next general election, he would hold another referendum on Quebec's sovereignty, proposing some sort of "European-style" partnership with Canada.
- Most Quebecers would like to see some improvement in the observance of the letter and the spirit of the Canadian Constitution by federal authorities, especially as concerns a clearer definition of federal spending power, the provision of adequate financial resources for Quebec to exercise its full constitutional powers, and respect for Quebec's priorities when its jurisdictions are at issue. Quebecers want Quebec to be respected as a specific entity within Canada. They want to be able to be Canadians... in their own way.

The preceding observations illustrate how important it is for Quebec to acquire, within the Canadian federation, tools for protecting and increasing its constitutional autonomy, assuming a position of leadership, affirming itself, facing the challenges of globalization, keeping up with the advances of modernity, maintaining its social cohesion, taking its proper place in the Americas, asserting its particularity, defining

itself as an even more inclusive society, renewing its relations with aboriginal nations, affirming its role as leader of the Canadian francophonie, playing a greater role on the international scene, promoting individual liberties and personal initiative, and encouraging the development of French language and culture.

Quebec's new social contract must be based on these principles. At the same time, it is imperative that Quebecers do their part by taking stock of their shared values and finding a way to breathe new life into their democratic institutions.

5. The recommended approach

In the short term, we would recommend a political approach based on the following:

- a) New alliances between Quebec and the other provinces, in order to:
 - Improve the *Social Union Agreement*
 - Consolidate the Canadian Economic Union
 - Limit federal spending power (without altering the principle of equalization)
 - Enable Quebec and the other provinces to participate in international treaty negotiations related to their constitutional jurisdictions
 - Overcome the fiscal imbalance between the two orders of government by transferring tax points to the provinces
 - Establish a Council of the Federation
 - Conclude more bilateral or multilateral agreements between Quebec and one or more of the other provinces
 - Ensure increased respect for provincial autonomy and the priorities of the provinces in their constitutional jurisdictions

- b) A process of affirmation on the part of Quebec, aimed at:
- Strengthening its position on the international scene
 - Enabling it to play a major role within the FTAA
 - Allowing it to assume its place as leader of a strengthened and unified Canadian francophonie
 - Reclaiming a degree of leadership within Canada
 - Promoting the conclusion of administrative agreements with Ottawa, notably in the areas of international relations, communications and the environment
- c) A formative plan for Quebecers, designed to:
- Make Quebec a more inclusive society
 - Further promote individual freedom and personal initiative
 - Take stock of the basic values common to all Quebecers
 - Revitalize Quebec's democratic institutions

The other recommendations in our preliminary report could be tackled over the long term, once the groundwork is laid and the time is right. We must reiterate, however, that Quebec requires firm constitutional protection within the Canadian federation, if only to enable Quebec to grow stronger and to offset the gradual decrease in its demographic weight relative to the rest of the country.

CONCLUSION

Federalism is the pillar of the Canadian identity. Our federal system is based on the autonomy of the provinces, the respect for distinctive identity, and the right to be different.

Canada has been shaped by its diversity. The differences between the provinces are an essential part of the Canadian political reality, as they are of the federal system. This diversity

has become more pronounced over the last few decades, as evidenced not only by the issue of Quebec but also that of the aboriginal peoples, and the demands of the Western provinces which have produced a new federal political party. The differentiation of the provinces is at the core of the history and the very existence of Canada and constitutes both the country's most attractive characteristic and its greatest challenge. Quebecers and all Canadians must be reminded continually of this differentiation.

A number of provinces have expressed a desire to expand their political arena within the Canadian federation. For Quebec, this development is part and parcel of the constant drive for the affirmation and recognition of its particularity. As a consequence, the great challenge for Canada is to reconcile the demands of sharing resources, wealth and values among all Canadians, with the need to affirm Quebec's specificity and ensure the conjunction of the Quebec and Canadian identities. The affirmation of Quebec's specific character depends largely on Quebecers themselves, both individually and collectively. In short, the Quebec of tomorrow will be what Quebecers want it to be.

While the affirmation of Quebec's particularity is important, its constitutional recognition is equally essential, if only as an integral part of what defines Canada as a country. Quebecers want to be assured that their identity will be viewed in future as a fundamental element of the Canadian identity, and respected as such. There is an increasing tendency for the goals of Quebec and those of Canada to converge: Quebec's interests can be protected with greater authority within the larger unit which is Canada, just as the recognition of Quebec's special character within Canada can help strengthen the Canadian identity vis-à-vis the United States.

While taking pride in its own identity, Quebec needs to be more open to dialogue with

the other Canadian provinces. Quebec must take their needs into account, adopt a conciliatory attitude and be open to compromise. It should be noted that any of the proposals in our preliminary report, other than that concerning Quebec's specificity, can be supported and claimed by all the provinces of Canada.

We would emphasize federal-provincial cooperation in those areas where the two orders of government are usually involved. This opening-up on the part of Quebec must not, however, become the pretext for federal interference in strictly provincial jurisdictions. We also stress that there should be greater fiscal decentralization within Canada, without calling into question the principle of equalization. All in all, we would like Canadian federalism to evolve in a way that is compatible with the historic and current interests of Quebecers. Moreover, we are convinced that the people of Quebec would prefer flexibility to rigidity in the daily administration of our federal system.

The Canadian federal system offers substantial advantages and challenges to Quebecers in their quest for excellence. Canada was founded on the grand plan of creating unity in diversity, and this vision is still alive today. The challenge that now faces us is to ensure that the Canadian federation retains its essential characteristics: adaptability, flexibility, the creative balance of relations within the federation, social solidarity and economic efficiency.