


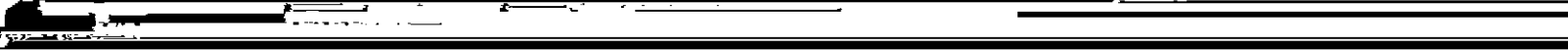




FOUR TO FOUR ECONOMIC ASSOCIATION AND THE

FOREWORD

In June, 1979, the Parti Québécois met in convention to

approve its blueprint for Sovereignty-Association. ~~Chart 1 - Summary~~



CONTENTS

	<u>Page</u>
THE PQ'S POLITICAL PROGRAM	1
No Compromise on Sovereignty	
Roadmap to Independence	
The Double Mandate	
CUSTOMS UNION	5
The Resolutions	
Exceptions to Customs Union: Agriculture	

[[Redacted]] That is the class under which the Dent:

1. The first of the two main points is that the

is

[REDACTED]

Roadmap to Independence

Notwithstanding the project for economic association the

The Double Mandate

Finance Minister Jacques Parizeau told the delegates that a second mandate might be secured by another referendum or by holding a general election. There were some complaints about this

- 5 -

CUSTOMS UNION

on the subject of the delegation to the DC convention

18

1. The free movement of goods (to be achieved) through the parties' renunciation of the right to impose customs duties of any magnitude, or any form of

of the powers already exercised by Quebec and by all the other provinces. To control the import of farm products would be a big exception. It would scarcely be acceptable to those provinces that now rely heavily on agricultural sales in other provinces.

commerce. So the province ended up nationalizing a large part of

comparable to Alberta's desire to control its energy supplies.

But if there is to be a customs union, could the same purpose be accomplished by a treaty which limited the legislative powers of the Quebec National Assembly? Would the rest of Canada want to do this? Would it be tolerable to an independent Quebec?

We don't know yet what the policy of the Clark government will be regarding barriers to inter-provincial trade. It has a strong base in Alberta, which has a lot to gain by expanding its

It is suggested that the Commission should consider the type

[The remainder of the page is obscured by heavy black redaction bars.]

The B.N.A. Act and the Canadian Common Market

One effect of these measures--possibly an incidental effect--

- tax relief programs for industry;
- public sector contracts (procurement policies of the provincial government and the agencies it controls; public corporations, municipalities, and school boards);
- the regulation of stock exchanges and insurance companies;
- investment policies of public pension plan agencies.

These are all instruments of provincial economic development.

This is not to suggest the negotiations would be easy. On the contrary, there are significant pressures for tightening up, not loosening, the conditions under which the provinces can restrict the outflow of investment funds and the inflow of labour.

One symptom of this mood is that the Task Force on Canadian

~~is of a view to~~ strengthen the Canadian

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

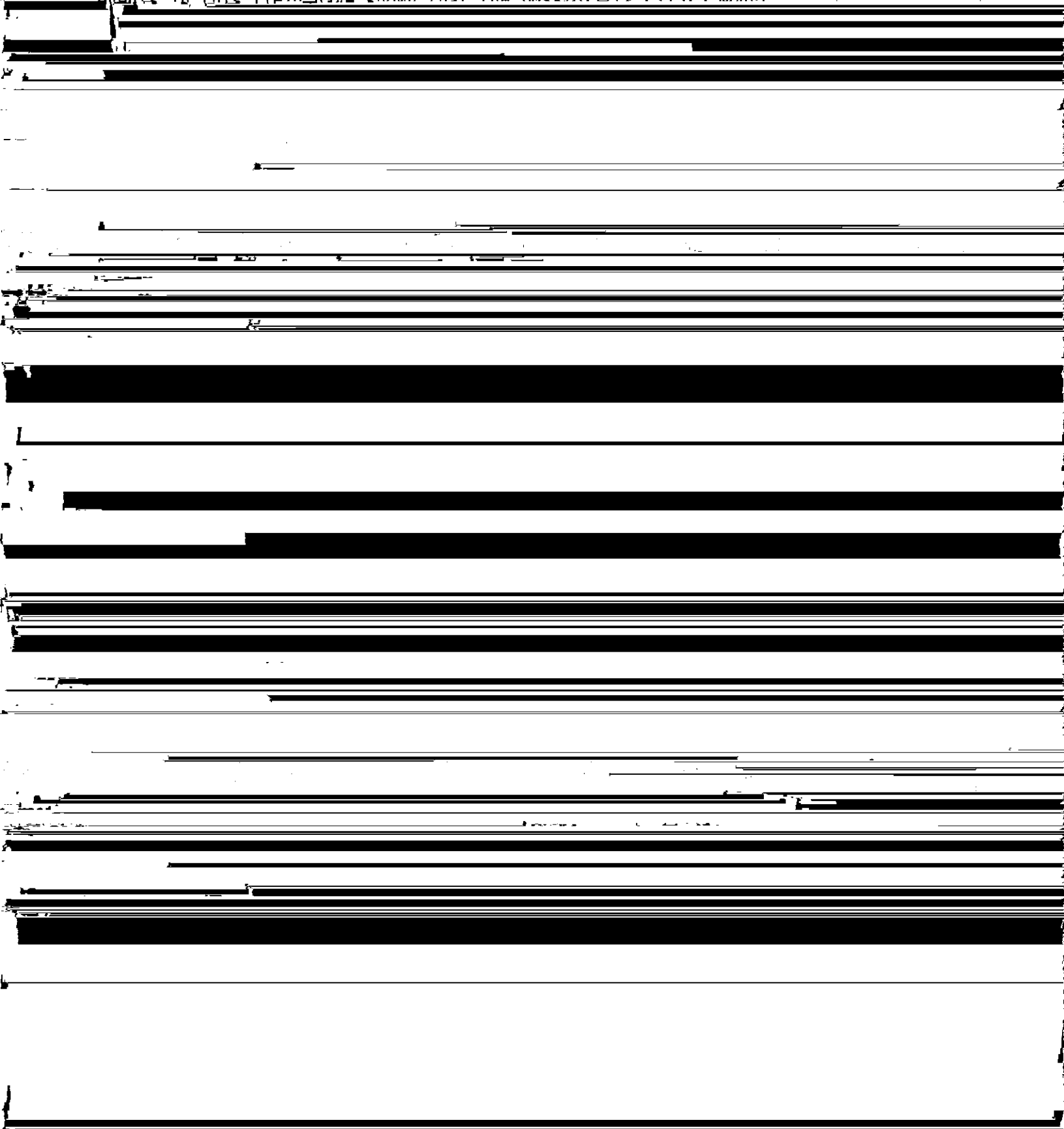
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

It acknowledged that "the reaction of provincial governments has so far on the whole not been encouraging," and it added: "Recent events in this field have shown that the possibility exists mean-



There were some powerful speeches against it, and they were well

When the committee reported on the 12th next resolution to

buys some products at a fixed, above-market price (milk for

regions in different ways.

12.3.14.11 11. Confidential adjustment to charging

[REDACTED]

closely, and that if any one of these regional banks stepped out of line, the whole system would fail.

... of ... freedom of movement under

... unilateral control of the

... ..

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

bluffing are obvious--not least because of its hoped-for effect on the referendum outcome, but also because a softer position is a clear vote-loser. But let us put aside these obvious political motives and ask the cold-blooded question: what economic reasons are there for refusing to talk turkey (or *touitière*)?

Suppose there comes a time when Quebec's sovereignty seems inevitable to the rest of Canada. It might then appear that at

that when the existence of one's country is at stake, emotion may overpower all calculations of self interest. Perhaps the loyal citizens of Ontario, not to mention provinces with a lesser economic stake in the outcome, would be willing to sustain a drop in their incomes if by doing so they could spite the secessionists.

It would be no less foolish, though, to disregard the stern

3. In order to set forth the institutions to be created in

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

more obviously so than at present. This much, Quebec's interlocutors should realize.

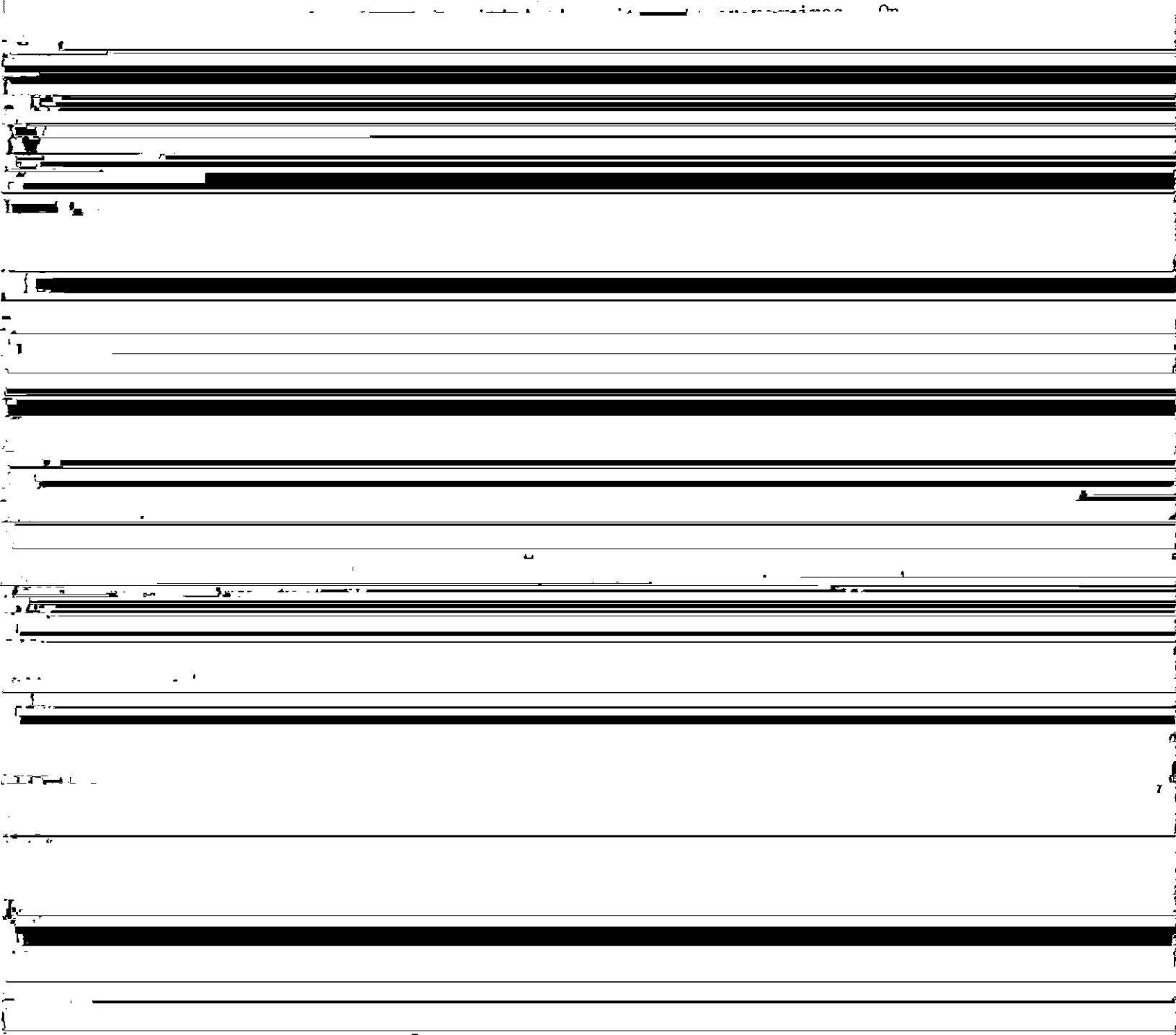
But there is another side--in fact several of them

While Canada exists such diversity provides controversy

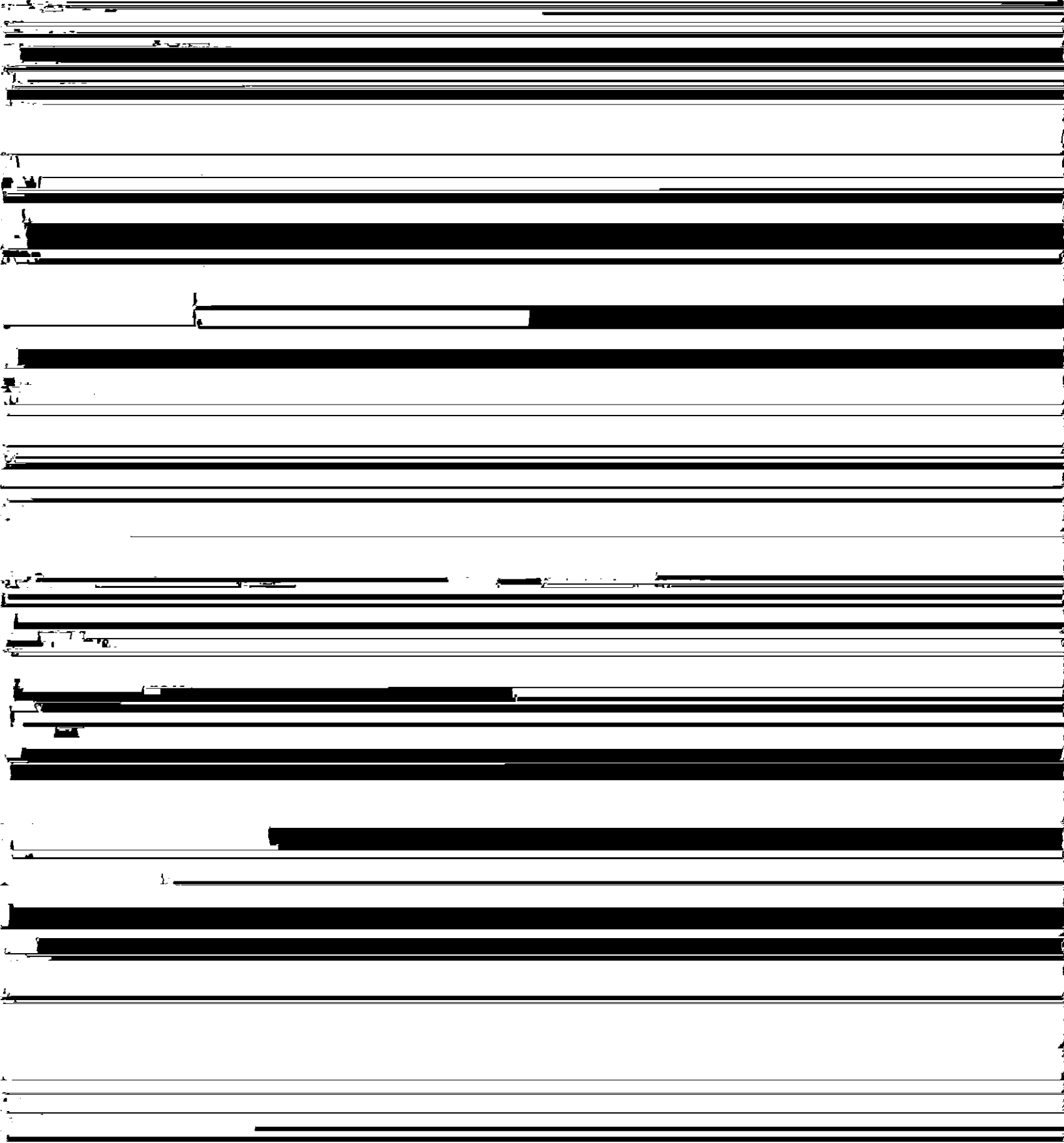
That's why, in my opinion, Quebec will eventually have to choose between full independence, without association, and some kind of linkage with other regions in a multi-member grouping. The

~~independence of Canada, whether as association or federation will~~

would involve a form of bargaining in which Quebec would find



treaty obligations by initiating litigation before an Association-



provinces as Canada is forced by the threat of Quebec secession to evolve a new set of constitutional arrangements."

The international arena is not the only one where naked power determines events. Realpolitik may also be the ruling principle in the domestic affairs of states, especially (perhaps) in federal ones. To be sure about it: Quebec threatens to break up the country, and

to garner new authority for the provincial governments, while at others they apparently wish mainly to weaken Ottawa's capacity to adopt policies inimical to regional interests. In this mood, the premiers -
... .. sing out loudly against discriminatory

Among the provincial premiers, Saskatchewan's Allan Blakeney offers the most cogent defence of federal power. He is a strong defender of provincial rights in the management of resources, but he is also conscious that resource-based economies are vulnerable to fluctuations caused by unpredictable changes in world markets. He wants to make sure that there is someone around with the regulatory

Although there is strong support even outside Quebec for reducing Ottawa's powers, the arguments for strong government at the centre are telling. There are at least three of them. One is based on democratic principles: that central institutions need to