

ASSEMBLÉE NATIONALE

Le chef de l'Opposition

**NOTES FOR A SPEECH  
BY MR. DANIEL JOHNSON  
LEADER OF THE OFFICIAL OPPOSITION**

**JOINT LUNCHEON  
EMPIRE CLUB/CANADIAN CLUB**

**ROYAL YORK HOTEL, TORONTO**

**JANUARY 18 1995**

**(PLEASE CHECK AGAIN DELIVERY)**

I'M HERE TO SPEAK TO YOU ABOUT THE DECISION QUEBECERS WILL BE TAKING THIS YEAR.

OUR DECISION IS ABOUT QUÉBEC'S PLACE IN CANADA. SO WE ARE ALL INTERESTED AND CONCERNED. I AM HERE TO SPEAK ABOUT MY HOPES FOR OUR LONG TERM FUTURE TOGETHER.

IN QUEBEC'S RECENT GENERAL ELECTION, THE PQ WON 77 SEATS TO THE LIBERAL PARTY'S 47. IN TERMS OF POPULAR SUPPORT, 14 000 BALLOTS OUT OF 3.9 MILLION SEPARATE OUR TWO PARTIES. THAT'S A ONE-HALF OF ONE PERCENT MAJORITY - A PRETTY CLOSE CALL.

NEVERTHELESS, THE PQ WAS ELECTED TO GOVERN. IT CAMPAIGNED ON A PLATFORM OF GOOD GOVERNMENT AND PROMISED TO HOLD A REFERENDUM ON QUEBEC'S SOVEREIGNTY SOME TIME THIS YEAR.

I'M STANDING HERE BOTH AS A QUEBECER AND A CANADIAN, PROUD OF BOTH AND NOT ABOUT TO RENOUNCE EITHER STATUS. THIS DOUBLE - OR MAYBE MORE TO THE POINT - THIS COMPLEX IDENTITY RESULTS BOTH FROM A SPECIAL AFFECTION FOR A CORNER OF NORTH AMERICA WHERE JACQUES CARTIER AND

SAMUEL DE CHAMPLAIN BEGAN AN ADVENTURE WHICH EVOLVED INTO A VIBRANT SOCIETY 400 YEARS LATER, AND FROM A SENSE OF BELONGING TO A SHARED ENTITY, THE CANADA ESTABLISHED IN 1867. I WOULD LIKE TO SPEND A FEW MOMENTS ON THESE TWO ASPECTS.

THIS IDENTIFICATION WITH QUÉBEC HAS GROWN STRONGER AS THE CHANGES AND ACHIEVEMENTS IN ALL AREAS OF HUMAN ACTIVITY WHICH HAVE OCCURRED IN THE LAST 30-35 YEARS, HAVE FOSTERED A DEEP SENSE OF PRIDE. AND THE MODERN MEDIA HAVE GIVEN QUEBECERS A SENSE OF BEING A COMMUNITY MORE THAN EVER AND HAVE CAUSED US TO ACT AND REACT AS SUCH. THE FRENCH-SPEAKING MAJORITY OF QUÉBEC, IN BECOMING, WITHIN A GENERATION, «MASTER IN ITS OWN HOUSE», HAS DEVELOPED A RENEWED AND EMOTIONALLY POSITIVE SENSE OF WHAT IT MEANS TO BE A QUEBECER.

THE DESTINY OF THIS COMMUNITY, OF WHICH I AM A PART, WAS NEVER RESTRICTED TO THE ST-LAWRENCE VALLEY. EARLY ON IT EXTENDED, TO THE VAST HINTERLAND OF THIS CONTINENT. NOT UNLIKE AMERICANS TO THE SOUTH, WE WANTED TO MAKE A NEW BEGINNING, TO REACH THE VASTNESS AND RICHNESS OF THIS CONTINENT, AND TO COOPERATE, COMPETE, OR FIGHT WITH ANYONE WHO STOOD IN THE WAY OF THAT DREAM. BELONGING TO CANADA IS HOW WE HAVE CHOSEN TO FULFILL THIS DESTINY.

BY 1960, THE CANADIAN DUALITY, THE STATUS OF THE FRENCH LANGUAGE, THE ROLE AND THE INFLUENCE OF FRANCOPHONES IN FEDERAL INSTITUTIONS ALL HAD DETERIORATED TO A POINT WHERE FRENCH-SPEAKING QUEBECERS FELT THAT THEIR SENSE OF BELONGING WAS BEING SERIOUSLY TESTED - TO SAY THE LEAST. THIS, COMBINED WITH AN EVER MORE POWERFUL FEDERAL GOVERNMENT AND THE LACK OF INFLUENCE OF FRANCOPHONES IN ECONOMIC MATTERS EVEN WITHIN QUÉBEC, CREATED A SITUATION THAT THREATENED THE VERY FABRIC OF THE COUNTRY.

YET THROUGH NATIONAL DEBATE AND POLITICAL ACTION IN THE 1960'S, THINGS DID START TO CHANGE, AND THEY CHANGED DRAMATICALLY. IT WAS NOT EASY FOR QUEBECERS TO CHALLENGE THE EXISTING ORDER AND TO BRING ABOUT REAL CHANGE - WHO SAID LIFE WAS EASY - BUT THE SIGNIFICANT FACT IS THAT CANADA AND ITS LEADERSHIP ACCEPTED AND INDEED PROMOTED A NEW AND DIFFERENT CANADA. CANADIANS WERE CONVINCED THAT THE NEW POLITICAL REALITIES CALLED FOR CHANGES, THAT QUEBEC'S CASE HAD BEEN WELL DEFINED AND THAT IT DEALT BOTH WITH QUEBEC'S PLACE WITHIN CANADA AND QUEBECERS' PLACE IN CANADIAN INSTITUTIONS. THE HOPE THEN WAS, I THINK, THAT QUEBECERS WERE LOOKING FOR AND WOULD FEEL A RENEWED SENSE OF BELONGING TO CANADA AS THE COUNTRY EVOLVED.

AND WE QUEBECERS HAVE INDEED RENEWED OUR COMMITMENT. THE RESULTS OF THE 1980 REFERENDUM DID SHOW IT. FOR BETTER OR FOR WORSE,

QUEBECERS ARE THE ONLY CANADIANS WHO AS A PEOPLE HAVE FORMALLY REAFFIRMED THEIR WILL TO BE CANADIANS. AND A MAJORITY OF QUEBECERS TODAY DO FEEL, AS I DO, A SENSE OF BELONGING TO CANADA. THINGS ARE NOT PERFECT - AND THE CONSTITUTIONAL SITUATION IS A STRIKING EXAMPLE -, BUT HOW CAN WE TURN OUR BACKS ON OUR LONG HISTORY, AND MORE IMPORTANTLY ON A COUNTRY WITHIN WHICH QUEBECERS HAVE DEVELOPED THE SOCIETY OF WHICH WE ARE SO PROUD TODAY.

AND YET, ANOTHER REFERENDUM WILL TAKE PLACE THIS YEAR IN QUÉBEC. IT COULD PERHAPS HAVE BEEN AVOIDED IF THE CONSTITUTIONAL EPISODE OF 1981 HAD NOT BEEN ALLOWED TO PROCEED. AND IT ALMOST CERTAINLY WOULD HAVE BEEN AVOIDED IF THE MEECH LAKE ACCORD HAD BEEN RATIFIED.

I WILL NOT TRY TODAY TO EXPAND ON WHAT AN IDEAL AMENDING FORMULA FOR THE CONSTITUTION OF THE COUNTRY SHOULD BE, BUT I CAN ASSURE YOU OF ONE THING: THE PATRIATION OF 1981 SHOULD BE THE FIRST AND LAST TIME THAT THE POWERS OF THE NATIONAL ASSEMBLY IN QUÉBEC ARE AFFECTED BY AN AMENDMENT TO THE CONSTITUTION WITHOUT ITS CONSENT, IF WE WANT TO PRESERVE OUR COUNTRY - AND A COUNTRY THAT WORKS. THIS SITUATION WILL REQUIRE OUR ATTENTION AS SOON AS IS PRACTICAL - AND IN ANY CASE BEFORE THE CONSTITUTIONAL EVOLUTION OF CANADA CAN RESUME.

WHAT I AM SAYING HERE TODAY IS THAT THERE IS AN IMPORTANT PIECE OF UNFINISHED BUSINESS, AND IT WILL HAVE TO BE ADDRESSED WITH ALL THE CARE, TIME, AND IMPORTANCE THAT IT REQUIRES FROM ALL CONCERNED, WITHOUT RUSH AND IN FULL AWARENESS OF THE ISSUES. INDEED, I CAN'T IMAGINE THAT ONE COULD CONSIDER A POLITICAL SITUATION WHERE QUÉBEC REMAINS AN UNWILLING PARTNER TO THE CONSTITUTION, AS A NORMAL OR VIABLE LONG TERM STATE OF AFFAIRS.

QUEBECERS WHO DO NOT WISH TO SEPARATE ARE TRULY COMMITTED TO THE VISION OF THE COUNTRY HELD BY CANADA'S FOUNDING FATHERS AT THE TIME OF CONFEDERATION. THAT VISION RECOGNIZED THE NEED OF CANADA'S TWO MAJOR LINGUISTIC COMMUNITIES, TO LIVE WITHIN INSTITUTIONS WHICH FULLY REFLECT THAT REALITY. FEDERALISM WAS SEEN AS A WAY OF UNITING SOCIETIES FAR TOO DIFFERENT TO BLEND INTO A UNITARY STATE.

THAT ORIGINAL VISION IS JUST AS APPROPRIATE IN OUR ERA OF WORLD ECONOMIC INTEGRATION. INDEED, THAT RECENT TREND IS EXERTING A UNIFORMING PRESSURE ON CULTURE THAT PEOPLE SEEK TO COUNTER-BALANCE. QUEBECERS NEED STRONG INSTITUTIONS OF THEIR OWN TO SUPPORT THEIR SENSE OF IDENTITY. THE STRENGTH AND CONFIDENCE WE DERIVE FROM THESE INSTITUTIONS ENABLE US TO REGARD WORLD ECONOMIC INTEGRATION AS AN

OPPORTUNITY RATHER THAN A THREAT.

SOVEREIGNISTS IN QUÉBEC CARRY THIS ARGUMENT TO THE HILT WHEN THEY ASSERT THAT A SEPARATE COUNTRY IS A NECESSARY CONDITION FOR QUEBECERS TO FEEL SECURE IN THE CONTEXT OF GLOBALIZATION. QUEBECERS FOR THE «NO» ON THE OTHER HAND, FEEL SUFFICIENTLY CONFIDENT INSIDE THE CANADIAN POLITICAL AND ECONOMIC UNION, SO AS NOT TO REQUIRE A SEPARATE COUNTRY. HOWEVER, THEY WOULD NOT WANT THEIR REJECTION OF SEPARATION TO BE TAKEN AS A SUPPORT FOR CONSTITUTIONAL STATUS QUO. IT IS A STATEMENT FOR CANADA, AND IN FAVOR OF THE CANADIAN UNION, IT IS ALSO A STATEMENT IN FAVOR OF EVOLUTION.

LET ME BROADEN THIS PERSPECTIVE OF CHANGE FOR CANADA. I KNOW ALL PARTS OF CANADA HAVE REASONS TO WANT CHANGE. CANADIAN FEDERALISM MUST CONTINUE TO ADAPT, AS IT HAS DONE IN THE PAST. FIRST, GLOBALIZATION HIGHLIGHTS THE NEED FOR STRONGER INSTITUTIONS WITH WHICH CITIZENS CAN MORE READILY IDENTIFY. ALSO, CANADA'S FISCAL CRISIS IS INCREASING THE PRESSURE ON GOVERNMENTS TO DELIVER SERVICES MORE EFFICIENTLY. THESE FACTORS AND OTHERS ULTIMATELY SPELL A MORE FLEXIBLE FEDERAL SYSTEM, IN WHICH PROVINCIAL AND FEDERAL GOVERNMENTS TAKE CHARGE OF THE POLICY AREAS THEY ARE BEST SUITED TO MANAGE.

OF COURSE, THIS MAY NOT NECESSARILY CORRESPOND EXACTLY TO THE PRESENT-DAY CONSTITUTIONAL DIVISION OF POWERS, HENCE THE LIKELIHOOD OF CHANGES OVER TIME.

THAT BEING SAID, IT MUST BE CLEAR THAT DECENTRALIZATION OF RESPONSIBILITIES TOWARDS THE PROVINCES IS NOT AN END IN ITSELF. INDEED, CARE SHOULD BE TAKEN TO EVALUATE DECENTRALIZATION PROPOSALS IN THE LIGHT OF THE PRINCIPLE OF SUBSIDIARITY, UNDER WHICH WOULD BE CONFERRED TO CENTRAL GOVERNMENT ONLY MATTERS THAT CANNOT BE MANAGED IN A FAIR AND EFFICIENT

MANNER AT A LEVEL THAT KEEPS DECISION MAKING THE CLOSEST POSSIBLE TO THE CITIZEN.

THAT IS WHY I DO NOT FAVOUR WHOLESALE DECENTRALIZATION PER SE.

I SUPPORT DECENTRALIZATION WHEN THE TAXPAYING PUBLIC CAN BE BETTER SERVED BY THEIR PROVINCIAL GOVERNMENT OR WHEN NO GAIN CAN BE OBTAINED FROM EXERCISING ACTIVITIES AT THE CENTRAL GOVERNMENT LEVEL.

MOREOVER, IF OUR CANADIAN ECONOMIC SPACE IS TO HAVE ANY MEANING, INTERPROVINCIAL COORDINATION, SUBSTITUTING FOR FEDERAL LEGISLATION, MUST ENSURE A SUFFICIENT LEVEL OF COMPATIBILITY BETWEEN PROVINCIAL POLICIES.

IN APPROACHING CHANGE IN THIS FASHION, I KNOW QUEBECERS ARE NOT ALONE. THE CANADA I SEE TODAY IS NOT THAT MONOLITHIC CENTRALIST BLOC THAT PREMIER PARIZEAU AND SOME OTHER MYOPIC SEPARATISTS WOULD LIKE QUEBECERS TO BELIEVE. IT'S NOT A QUESTION OF US VERSUS THEM. CANADA IS A FAR MORE COMPLEX COUNTRY.

SO, AS YOU MUST HAVE NOTICED, IN THE REFERENDUM, I WILL BRING UP THE NEED TO CONSIDER ADJUSTMENTS, ADAPTATION, EVOLUTION AND CHANGES. OF COURSE QUEBECERS WON'T GET TO VOTE ON ANY OR ALL TYPES OF CHANGES TO FEDERALISM, BUT IT IS IMPERATIVE THAT SUPPORTERS OF THE «NO» GET A SENSE OF WHAT FOLLOWS A «NO» VOTE.

HOWEVER, RIGHT NOW IS NOT THE APPROPRIATE MOMENT FOR CONSTITUTIONAL TALKS, IF ONLY BECAUSE ONE CANNOT HOPE TO GET A GOVERNMENT COMMITTED TO SEPARATION TO AGREE TO EVEN THE MOST FAVOURABLE CONSTITUTIONAL REFORM.

AFTER QUEBECERS HAVE REJECTED SEPARATION, WE MUST RELEARN HOW TO

CONDUCT CONSTITUTIONAL REFORM IN A LESS SPECTACULAR AND MORE  
EVOLUTIONARY MANNER. THE PRACTICE OF CONSTITUTIONAL NEGOTIATION MUST  
NOT PERSIST AS A HIGH-STAKES GAME WHICH MONOPOLIZES THE PUBLIC AGENDA. IT  
MUST BE DE-DRAMATIZED AND BECOME A MORE PRAGMATIC PROCESS IN A FEDERAL  
STATE LIKE CANADA. IT WILL CERTAINLY CALL FOR LESS STOMPING AND MORE  
STATECRAFT: STATESMANSHIP WILL ALWAYS CARRY THE DAY OVER PARTISAN  
POSTURING.

THE QUÉBEC LIBERAL PARTY INTENDS TO MAKE A POSITIVE CONTRIBUTION IN THIS  
AREA. LAST WEEK, IN PREPARATION FOR THE NEXT GENERAL ELECTION, WE CREATED A  
COMMITTEE WHOSE MANDATE IS TO REVIEW OUR PLATFORM ON THE PLACE OF QUÉBEC  
IN CANADA, ON THE EVOLUTION OF CANADIAN FEDERALISM AND ON THE CONSTITUTION  
AS WELL AS SUGGEST A NEW PROCESS FOR REFORM. AFTER A «NO» WIN IN THE  
REFERENDUM, WITHOUT IMPOSING A TIMETABLE OR PRESENTING AN ULTIMATUM, I  
HOPE OTHER POLITICAL ORGANIZATIONS IN CANADA WILL JOIN US IN THIS ENDEAVOUR,  
AND WILL SEE THE BENEFITS OF EXAMINING, DISCUSSING AND DEBATING ISSUES OF  
CHANGE AND ADAPTATION.

LET ME NOW SHARE SOME VIEWS ON THE REFERENDUM ITSELF, ON THE PARTI  
QUÉBÉCOIS' PROPOSAL, AND ON HOW I BELIEVE QUEBECERS SHOULD DEAL WITH IT.

A LITTLE OVER A MONTH AGO, PREMIER PARIZEAU TABLED A DRAFT BILL ON THE

SOVEREIGNTY OF QUÉBEC IN THE NATIONAL ASSEMBLY. AT THE SAME TIME, HE EXPLAINED WHAT HE CALLS, VERY LOOSELY I MIGHT ADD, A CONSULTATION PROCESS TO BE HELD OVER THE NEXT TWO MONTHS. LET ME SAY A FEW WORDS ABOUT THE PREREFERENDUM PROCESS. THE QUÉBEC LIBERAL PARTY, AS WELL AS THE LIBERAL PARTY OF CANADA AND THE PROGRESSIVE CONSERVATIVES IN QUÉBEC, HAVE DECIDED NOT TO SIT AS MEMBERS ON THE TRAVELING REGIONAL COMMISSIONS THE GOVERNMENT HAS CREATED. THE FIRST REASON IS VERY SIMPLE: THEIR MANDATE IS TO DRAFT THE DECLARATION OF INDEPENDENCE THAT HAS BEEN LEFT BLANK IN THE PREAMBLE OF THE DRAFT BILL, AND TO IMPROVE ON THE SECTIONS OF THE BILL. HOW COULD A FEDERALIST PARTY HELP IN THUS RESTRICTING THE DEBATE? DOING SO WOULD BRING LEGITIMACY TO THE CONCLUSIONS THAT HAD ALREADY BEEN DRAWN. ALSO, WE REALLY QUESTION THE DEMOCRATIC VALUE OF THE WHOLE EXERCISE, TO THE EXTENT THAT THE PROVISIONS OF THE REFERENDUM ACT IN QUÉBEC DO NOT APPLY TO THIS PREREFERENDUM PROCESS. OUR LAW PROVIDES FOR EQUAL REPRESENTATION AND EQUAL RESOURCES FOR THE «YES» AND «NO» SIDES THROUGHOUT THE REFERENDUM PROCESS. IN THE CURRENT PREREFERENDUM PROCESS, WE WERE OFFERED ONE SEAT OUT OF 15 ON EVERY COMMISSION. FURTHERMORE, THE PQ ANNOUNCED THEIR INTENTION, CARRIED OUT SINCE, TO HOME DELIVER A COPY OF THE SOVEREIGNTY DRAFT BILL, WHICH IS DRAFTED IN A WAY TO SUBTLY ADVOCATE SOVEREIGNTY AND COUNTER FEDERALIST ARGUMENTS. WE FELT THEN, AND STILL FEEL TODAY, THAT THIS WHOLE EXERCISE IS A PROPAGANDA SCHEME TO GIVE THE «YES» SIDE A HEADSTART IN THE CAMPAIGN.

SO WE HAVE DECIDED NOT TO BE MEMBERS OF THE COMMISSIONS, BUT WE DID NOT CALL FOR A BOYCOTT BY THE «NO» SUPPORTERS. IT IS NOW CLEAR THAT OPPONENTS OF SEPARATION WILL ATTEND TO MAKE THEIR VIEWS KNOWN OR ASK POINTED QUESTIONS.

AS FOR THE DRAFT BILL ITSELF, I MENTIONED THAT IT WAS DEVELOPED MORE TO SUPPORT SEPARATIST ARGUMENTS THAN TO PRESENT FACTUAL ASPECTS OF QUÉBEC SEPARATION.

I HAVE BEGUN AND INTEND TO CONTINUE MAKING THE CASE IN QUÉBEC THAT THE DRAFT BILL IS A MIXTURE OF HYPOTHESES AND WISHFUL THINKING. IT TRIES TO CREATE THE IMPRESSION THAT MATTERS THAT ARE UNCERTAIN OR CANNOT BE GUARANTEED FOLLOWING SECESSION WILL, ON THE CONTRARY, BE EASILY SETTLED BY THE PQ GOVERNMENT. IT DESCRIBES A SITUATION WHERE QUÉBEC DECLARES DIVORCE AND UNILATERALLY REMARRIES THE REST OF CANADA UNDER A NEW, ALLEGEDLY «IMPROVED», AND LESS RESTRAINING ARRANGEMENT. MEMBERSHIP IN NAFTA AND NATO ARE PRESENTED AS AUTOMATIC, AND THE USE OF THE CANADIAN DOLLAR AND CANADIAN CITIZENSHIP BY QUEBECERS COULD SUPPSEDLY BE MAINTAINED UNDER THE SAME CONDITIONS.

JACQUES PARIZEAU'S ARGUMENT IS THAT THE REST OF CANADA WILL HAVE TO NEGOTIATE IN THE AFTERMATH OF A «YES» VOTE. HAVING SAID THAT, HE PROCEEDS

WITH THE CONCLUSION THAT QUÉBEC COULD GET EVERYTHING IT LIKES IN THE CANADIAN FEDERATION WHILE CHATTING OVER TEA IN A NEWLY ESTABLISHED WARM NEIGHBORLY DIALOGUE AND AT THE SAME TIME GET RID OF ALL THE NAGGING INCONVENIENCES. BY JOVE! HOW SIMPLE THINGS CAN BE WHEN YOU WRITE EVERY PART OF THE SCRIPT!

I WON'T GO SO FAR AS STATING THAT DISCUSSIONS WOULD NOT TAKE PLACE, SINCE THIS CONVEYS TO QUEBECERS THAT THE VOTES THEY WILL CAST DO NOT CONCERN CANADIANS IN ANY WAY. BUT JACQUES PARIZEAU'S OVERSIMPLIFICATION SHOULD NOT BE LEFT STANDING THERE, AS IF IT WERE TRUE OR EVEN REMOTELY REALISTIC.

FIRST OF ALL, AFTER A HYPOTHETICAL «YES» VOTE, WHO WOULD REPRESENT THE REST OF CANADA AT THE NEGOTIATING TABLE? THE PRIME MINISTER, THE MINISTER OF FINANCE, THE MINISTER FOR EXTERNAL AFFAIRS ARE ALL QUEBECERS. IS AN ELECTION CALLED? DO THE LIBERAL PARTY OF CANADA AND THE PROGRESSIVE CONSERVATIVES GO THROUGH LEADERSHIP CONVENTIONS? WHAT ABOUT THE SENATE? WHAT WOULD BE ITS ROLE? WHAT ABOUT THE PROVINCES? HOW DO THEY GET INVOLVED? DOES THE REST OF CANADA KEEP THE SAME STRUCTURE? EVEN ASSUMING PHENOMENAL AMOUNTS OF GOODWILL AND GOOD FAITH, WHICH MIGHT TAKE SOME TIME TO RECOVER AFTER A REFERENDUM, IT WOULD TAKE QUITE SOME TIME FOR THE REST OF CANADA TO SETTLE INTO A NEGOTIATING POSITION. WHEN YOU STOP AND THINK, ALL THIS SHOULD HAVE A SOBERING EFFECT ON OVEROPTIMISTIC

**DREAMERS WHO BELIEVE IN THE PQ'S FAIRY TALE.**

**IN ANY CASE, EVEN DISREGARDING THE TRANSITION COSTS, I AM ASKING THE PQ WHAT WILL SECESSION ACCOMPLISH? WHAT WILL BE ITS IMPACT ON JOBS? THE MOST OPTIMISTIC FORECASTS BY ECONOMISTS FAVORABLE TO SOVEREIGNTY HAVE BEEN INDICATING THAT THE SECESSION IMPACT WOULD BE NEGATIVE ALBEIT RELATIVELY SMALL. THAT IS VERY SMALL COMFORT : AT 11 TO 12% UNEMPLOYMENT, WHY WOULD WE EMBARK IN A PROJECT WHICH IN THE BEST CASE SCENARIOS INVOLVES A LOSS OF JOBS! WHAT WILL BE THE IMPACT OF SECESSION ON TRADE, ON AGRICULTURAL QUOTAS, ON TEXTILE QUOTAS, AND SO ON?**

**SO I INTEND TO CONSTANTLY CHALLENGE THE PQ TO MAKE ITS CASE, TO PROVE ITS POINTS, TO DEMONSTRATE HOW EVERYTHING WILL CHANGE WITHOUT ANYTHING REALLY CHANGING.**

**OF COURSE, OUR FIGHT FOR QUÉBEC AND CANADA WILL ALSO INVOLVE PUTTING ACROSS A POSITIVE IMAGE OF CANADA, A STRONG ECONOMIC CASE AGAINST SEPARATION, A VISION OF CANADA AS IT EVOLVES TO BETTER MEET THE ASPIRATIONS AND NEEDS OF ITS CITIZENS AND OF THE VARIOUS PARTS OF THE COUNTRY.**

**I BELIEVE THAT A RENEWED COMMITMENT TO CANADA BY A MAJORITY OF QUEBECERS WILL PROVIDE BOTH QUÉBEC AND CANADA WITH NEW OPPORTUNITIES, WITH A NEW**

**SENSE OF CONFIDENCE, AND GENERATE A STRONG DOSE OF POSITIVE THINKING!**

**CANADA'S FUTURE AFTER QUÉBEC'S REJECTION OF SEPARATION WILL DEPEND ON THE ABILITY OF LEADERS ACROSS THE LAND TO SEIZE UPON THE NEW SPIRIT TO MOVE THINGS INTO NEW DIRECTIONS.**

**BUT FIRST WE HAVE TO GET OVER THE HURDLE OF THE REFERENDUM. AND AS THERE IS NO SUBSTITUTE FOR THE FREELY EXPRESSED WILL OF THE PEOPLE IN TRYING TO KEEP A COUNTRY SUCH AS CANADA TOGETHER, THIS MEANS THAT QUEBECERS FOR THE «NO» WILL CAMPAIGN HARD TO WIN OVER A LARGE MAJORITY OF OUR FELLOW QUEBECERS. THE MONTHS AHEAD WILL NOT BE EASY. THEY MAY BE FILLED WITH PITFALLS BUT THERE WILL BE OPPORTUNITIES. QUEBECERS COLLECTIVELY WILL BE MAKING AN IMPORTANT CHOICE. THE CHOICE THAT I WILL BE PRESENTING WILL BE ONE OF RESPONSIVE AND FLEXIBLE FEDERALISM.**

**THE EVENTS LEADING TO AND INCLUDING THE CAMPAIGN WILL REQUIRE PATIENCE, COURAGE AND UNDERSTANDING. QUEBECERS MUST BE MADE TO FEEL THAT THEIR CHOICE REPRESENTS PROGRESS AND CHANGE. BY REJECTING SEPARATION OR THE BREAKUP OF CANADA, QUEBECERS WOULD NOT BE SENDING A SIGNAL THAT ALL IS WELL. QUEBECERS MAY BE THE ONLY ONES LITERALLY EXPRESSING THEIR VOTE ON THE FUTURE OF THE COUNTRY BUT IT IS THE RESPONSIBILITY OF ALL CANADIANS TO MAKE THIS VOTE MEANINGFUL. IF IT IS OBVIOUS THAT PEOPLE WANT THEIR OPINIONS**

AND THEIR VOTES TO MAKE A DIFFERENCE, IT SHOULD BE EQUALLY OBVIOUS THAT A «NO» VOTE SHOULD SIGNAL THE START OF A RENEWED AND ACTIVE PARTNERSHIP BETWEEN ALL CANADIANS.

IN THE COMING MONTHS, QUEBECERS AND ALL CANADIAN LEADERS WILL NEED TO BE LUCID, IMAGINATIVE AND STRONG. I AM NOT HERE TO TELL YOU THAT EVERYTHING WILL BE EASY. I AM HERE TO SHARE WITH YOU MY ENTHUSIASM FOR POST-REFERENDUM QUEBEC AND CANADA.

FOR CANADIANS OUTSIDE QUÉBEC, THE NEXT FEW MONTHS CALL FOR RESISTING THE TAKE-IT-OR-LEAVE-IT RHETORIC, THAT SO OFTEN PRECEDES BREAKUPS OF ALL SORTS. IT IMPLIES A WILLINGNESS TO CHANGE SOME ASPECTS OF OUR FEDERATION- MAINLY FOR OUR OWN GOOD, NOT ONLY TO ACCOMODATE QUÉBEC.

QUEBECERS, BY REJECTING THE OPTION OF SEPARATION, WILL CONTINUE TO PUT FORTH, WITH PATIENCE AND DETERMINATION, A VISION OF CANADIAN FEDERALISM IN WHICH WE BELIEVE. QUEBECERS WILL SHOW STRENGHT NOT BY SLAMMING DOORS BUT RATHER BY SITTING DOWN WITH OUR NEIGHBORS AND PARTNERS, WITH WHOM WE DON'T ALWAYS AGREE AT THE OUTSET, BUT WITH WHOM WE SHARE A DESIRE TO BUILD A LASTING AND PRODUCTIVE PARTNERSHIP IN THE INTEREST OF ALL OUR CITIZENS.

**INVESTMENT FORECAST TO THE CANADIAN CLUB,  
JANUARY 16, 1995**

**By panelist Patrick Bloomfield**

(Please note that, with markets as volatile as they are, this forecast will be modified right up to the time of delivery)

Thank you Doug for that forbearance. In the forecast I made a year ago I was fairly right on the market -- and very wrong on my stocks.

Yes, the Dow did go through that magic number of 4,000 -- very briefly. The TSE 300 did not make my call of 4800, but it did get as far as 4600. From those peaks, I called for a correction of 10% or more. In the event, the TSE 300 fell some 13% from top to bottom -- in a correction that continued throughout the year.

My mistake with individual stocks was to delude myself that the juniors would continue their great performance of the previous three years. In the real world of markets, junior and senior stocks take it in turns to lead the race. Last year senior stocks took their turn at the tiller and junior stocks had little alternative but to take a dive out of sight.

I am happy to reassure you that I personally swapped my juniors for seniors, largely utilities, in March.. So I have had a relatively comfortable ride. I can also take comfort in knowing that I shared my change of heart with my readers.

However, that may mitigate, but not excuse the bad news. Which is that, had I still been holding 100 shares each of the five stock names I talked about a year ago, I would now be 24% the poorer.

As that former U.S. president used to say, read my column.

Fortunately, there is always a silver lining. My discomfort also tells you what actually happened to the market last year, which is very different from the seemingly small decline of 7 3/4% by the TSE 300 index over the past 12 months.

Underneath that shallow decline lies a deep, deep pit, filled with losing stocks. Small-cap investors, in particular, had a dreadful year. A lot of market damage has already been done.

I believe that if you look underneath the major market indexes, we are looking at something that technical analysts call, somewhat indelicately I always think, a rolling bottom.

The cause of last year's decline was the interest-rate shock that has signaled the halfway point of just about every business recovery in the recent past. Just as investors in stocks were celebrating a return to corporate profitability, the nifty people in the bond markets took out their telescopes and screamed that inflation was looming on the horizon.

Since bond investors hate inflation even more than we Canadians hate higher taxes, they took the usual precaution and raised bond rates to factor in this perceived risk. That left the U.S. Federal Reserve with little choice but to raise short-term rates to show that it, too, knew what was sitting on the horizon. As a consequence, rising interest rates, long and short, knocked the stuffing out of stock prices.

Now don't get me wrong. I happen to be one of those naive souls who believe the U.S. Fed does know what it is doing. Moreover it will go on doing what any good central bank has to do in the circumstances. That is to crimp the supply of money and raise interest rates until the rest of us are screaming in agony that those pinstriped central bankers haven't a clue what they are about and are plunging us into the next recession.