

\* -INFORMAL COPY- \*

**SPEECH BY:  
THE HONOURABLE JEAN J. CHAREST, P.C., M.P.**

**TO  
THE EMPIRE CLUB**

**AND**

**CANADIAN CLUB**

*Toronto/Oakville, Ontario*

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**(CHECK AGAINST DELIVERY)**

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IT WAS FIFTEEN YEARS AGO THAT THE LAST REFERENDUM WAS HELD. I WAS 21 YEARS OLD. I SPENT THE WHOLE REFERENDUM CAMPAIGN ON A SHIP, HERE, IN THE PROVINCE OF ONTARIO.

I WAS TRYING TO EARN ENOUGH MONEY SO THAT I COULD RETURN TO MY HOMETOWN OF SHERBROOKE FOR A TOTAL OF THREE DAYS AND GET MARRIED.

HERE WE ARE FIFTEEN YEARS LATER IN THE MIDDLE OF YET ANOTHER REFERENDUM CAMPAIGN. I AM IN ONTARIO FOR ONLY A DAY - I AM NONETHELESS PROUD TO REPORT THAT FIFTEEN YEARS LATER, THE COUNTRY IS STILL TOGETHER AND MY WIFE MICHÈLE AND I ARE STILL MARRIED.

IN THE LAST MONTH I HAVE TRAVELLED TO EVERY CORNER OF THE PROVINCE OF QUÉBEC. EVERYWHERE I HAVE BEEN, I HAVE REMINDED THOSE WHO WILL BE VOTING ON OCTOBER 30<sup>th</sup>, THAT THE CHOICE THEY WILL BE MAKING AFFECTS NOT ONLY THE FUTURE OF QUÉBEC, BUT ALSO THE FUTURE OF CANADA.

IN THIS RESPECT, I CERTAINLY UNDERSTAND THE FRUSTRATIONS OF CANADIANS WHO RESIDE OUTSIDE OF QUÉBEC AND WHO FEEL POWERLESS AS THEY WATCH THE DEBATE UNFOLD.

FOR THAT REASON ALONE, IT IS WELL WORTH OUR TIME TO SHARE SOME THOUGHTS ABOUT THE IMPACT THIS REFERENDUM WILL HAVE ON THE LIVES OF ALL CANADIANS.

I WANT TO BE AS DIRECT AS I CAN BE IN MY COMMENTS. I KNOW THAT THE MORE CANADIANS UNDERSTAND ABOUT THIS REFERENDUM, THE MORE CHANCES WE HAVE AS A COUNTRY TO DEAL EFFECTIVELY WITH THE AFTERMATH OF A DIVISIVE CAMPAIGN.

THE FIRST MATTER I WANT TO ADDRESS IS THE ISSUE THAT QUÉBECKERS WILL BE DECIDING UPON ON OCTOBER 30th.

THE ISSUE IS PURE AND SIMPLE: SEPARATION! AND ITS' CONSEQUENCES!! IT BOTHERS MR. PARIZEAU AND MR. BOUCHARD TO BE CONSTANTLY REMINDED OF THIS.

BUT IT CANNOT BE OTHERWISE. OVER A YEAR AGO, MR. PARIZEAU CAMPAIGNED IN QUÉBEC ASKING FOR A MANDATE TO HOLD A REFERENDUM TO CREATE WHAT HE CALLS A "SOVEREIGN" QUÉBEC.

THIS IS A FUNDAMENTAL ELEMENT OF THE CAMPAIGN AND IT IS CRITICALLY IMPORTANT THAT THE PEOPLE OF QUÉBEC CLEARLY UNDERSTAND HOW A "YES" VOTE WILL BE USED BY THE SEPARATISTS.

LET ME BE MORE SPECIFIC ABOUT WHAT THIS CAMPAIGN IS NOT ABOUT.

THIS REFERENDUM IS NOT ABOUT PREVIOUS CONSTITUTIONAL CHANGES, IT IS NOT ABOUT THE MEECH LAKE ACCORD AND IT IS NOT ABOUT THE CHARLOTTETOWN ACCORD.

THE REFERENDUM IS NOT ABOUT SOME OTHER COMPETING VISION OF CANADA.

THE REFERENDUM CAMPAIGN IS NOT ABOUT JEAN CHRETIEN, DANIEL JOHNSON OR JEAN CHAREST.

TO PARAPHRASE ANOTHER CAMPAIGN, "THE ISSUE IS SEPARATION..."

THEN YOU WOULD ASK, WHAT IS THE ALTERNATIVE TO SEPARATION?

THE ONLY ALTERNATIVE TO SEPARATION: CANADA.

IT IS ABOUT 128 YEARS OF COLLECTIVE EXPERIENCE UNDER CONFEDERATION, 155 YEARS OF POLITICAL UNION BETWEEN QUÉBEC AND ONTARIO AND NEARLY 400 YEARS OF EXPLORING AND DEVELOPING THE NORTHERN HALF OF THIS CONTINENT.

IT IS ABOUT THE HERITAGE THAT YOU AND I RECEIVED FROM OUR PARENTS AND ANCESTORS. IT IS ALSO ABOUT THE LEGACY WE WILL BE LEAVING TO OUR CHILDREN AND DESCENDANTS.

THIS IS A KEY FACTOR IN THE REFERENDUM CAMPAIGN BECAUSE ANY OTHER APPROACH RELIEVES MR. PARIZEAU AND MR. BOUCHARD OF THE ONUS THEY IMPOSED UPON THEMSELVES TO EXPLAIN SEPARATION.

TODAY, I AM ABLE TO REPORT THAT THE FEDERALISTS HAVE A LEAD IN THE REFERENDUM CAMPAIGN BECAUSE POLITICAL LEADERS INCLUDING MIKE HARCOURT, RALPH KLEIN, ROY ROMANOV, GARY FILMON, MIKE HARRIS, FRANK McKENNA, CATHERINE CALBECK, JOHN SAVAGE, CLYDE WELLS, AUDREY McLAUGHLIN AND JEAN CHRETIEN HAVE ALL SUPPORTED THE NO COALITION AND ITS' LEADER DANIEL JOHNSON.

THIS BY THE WAY IS A SOURCE OF DISAPPOINTMENT FOR THE SEPARATISTS WHO DESPERATELY NEEDED A SPLIT ON THE FEDERALIST SIDE OF THE CAMPAIGN.

THEY CAN ONLY HOPE IN VAIN. LAST FRIDAY, I STOOD ON THE SAME STAGE AS DANIEL JOHNSON AND JEAN CHRETIEN AND SUPPORTERS OF OUR RESPECTIVE PARTIES WORKING TOGETHER.

THERE ARE MOMENTS IN THE HISTORY OF A COUNTRY WHEN LEADERSHIP MUST BE ABLE TO PUT ASIDE PARTISAN DIFFERENCES AND MAKE COMMON CAUSE FOR CANADA. ON THIS QUESTION OF COUNTRY, ALL CANADIANS SHOULD STAND WITH THE PRIME MINISTER.

ON THE 31<sup>st</sup> OF OCTOBER, MR. CHRETIEN AND I WILL BECOME ADVERSARIES AGAIN. THERE WILL BE PLENTY OF TIME THEN TO DEBATE OUR VISIONS OF CANADA IN A NEW CENTURY.

NOT SURPRISINGLY, THE ONLY LEADER OF A POLITICAL PARTY WHO IS NOT SUPPORTING THE NO COALITION IS PRESTON MANNING.

I NOW KNOW WHAT LUCIEN BOUCHARD MEANT WHEN HE SAID THAT THE REFORM PARTY AND THE BLOC WERE "OBJECTIVE ALLIES". THEY HAVE SOMETHING ELSE IN COMMON: FOR BOTH OF THEM, THEIR IDEAS OF OUR COUNTRY ENDS AT THE OTTAWA RIVER.

FOR PRESTON MANNING, THE FUTURE OF CANADA ITSELF IS JUST ANOTHER "HOT BUTTON" ISSUE.

MR. BOUCHARD PROCLAIMED HIMSELF A SEPARATIST LAST YEAR IN WASHINGTON, SO I KNOW HE WON'T BE OFFENDED WHEN I CALL HIM THAT IN TORONTO. MR. BOUCHARD AND MR. PARIZEAU HAVE ALREADY PLAYED THE LANGUAGE AND CULTURE CARD IN THE REFERENDUM CAMPAIGN, TELLING QUEBÉCKERS IT WILL WEAKEN THEM IF THEY VOTE NO. THE ONLY PEOPLE WHO WILL BE WEAKENED ARE MR. BOUCHARD AND MR. PARIZEAU.

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ANYONE WORRIED ABOUT A NO VOTE WEAKENING QUÉBEC CAN LOOK AT THE GROWTH OF QUÉBEC IN CANADA SINCE THE LAST NO TO SEPARATION IN 1980. IN 15 YEARS, THE QUÉBEC POPULATION HAS GROWN 15%, FROM SIX MILLION TO SEVEN MILLION PEOPLE. THE FRENCH LANGUAGE AND CULTURE ARE MORE SECURE NOW THAN AT ANY PREVIOUS TIME IN HISTORY.

A WHOLE NEW ENTREPRENEURIAL CLASS HAS TRANSFORMED THE QUÉBEC ECONOMY. QUÉBECKERS ARE AMONG THE MOST EXPORT-ORIENTED PRODUCERS IN CANADA. QUÉBEC'S INTERPROVINCIAL AND INTERNATIONAL TRADE NOW ACCOUNTS FOR OVER 40% OF THE PROVINCIAL OUTPUT OF \$160 BILLION.

ALL OF THIS HAS HAPPENED SINCE THE LAST NO! ALL OF THIS HAS HAPPENED IN CANADA, THE COUNTRY THE SEPARATISTS LEADERS INVITE QUÉBECKERS TO REJECT. SO I DON'T WORRY ABOUT THE NEGATIVE CONSEQUENCES OF A NO VOTE.

ON THE CONTRARY, I BELIEVE QUÉBEC WILL BE CULTURALLY SECURE AND PLAY A ROLE OF ECONOMIC LEADERSHIP AS CANADA MOVES INTO THE GLOBAL ECONOMY OF THE 21st CENTURY.

MR. PARIZEAU AND MR. BOUCHARD TELL QUÉBECKERS THAT THEY RISK ANOTHER HUMILIATION IF THEY VOTE NO. IN FACT, THE ONLY PEOPLE WHO RISK HUMILIATION ARE MR. PARIZEAU AND MR. BOUCHARD.

THE SEPARATIST LEADERS TELL QUÉBECKERS THEY WILL LOSE THEIR BARGAINING POWER BY VOTING NO, WHEN IT IS FAR FROM CERTAIN WHAT KIND OF BARGAINING POWER THEY WOULD HAVE WITH CANADA OR THEIR PROSPECTIVE PARTNERS IN THE NORTH AMERICAN FREE TRADE AGREEMENT.

THE SEPARATIST LEADERS HAVE OFFERED QUÉBECKERS WHAT THEY CALL A "NEW PARTNERSHIP" WITH CANADA, A PARTNERSHIP IN WHICH QUÉBEC, WITH ONE QUARTER OF THE PEOPLE, WOULD HAVE HALF OF THE POWER.

THERE'S ONLY ONE PROBLEM WITH THIS. THE SEPARATIST LEADERS ARE THE ONLY ONES AT THE TABLE. I DON'T SEE ANYONE RUSHING TO SIGN ON THE DOTTED LINE. AND I DON'T KNOW WHY ANYONE WOULD SIGN SUCH A BAD DEAL.

THE SEPARATIST LEADERS ASSURE QUÉBECKERS THAT THEY CAN KEEP THEIR CANADIAN DOLLAR, CANADIAN CITIZENSHIP AND THEIR CANADIAN PASSPORTS. THEY PROMISE THESE THINGS BECAUSE QUÉBECKERS WOULD NOT RENOUNCE ANY OF THEM.

BUT SINCE QUÉBECKERS WOULD NOT VOTE OR PAY TAXES IN CANADA, COULD THEY REALLY EXPECT TO RETAIN THEIR CANADIAN CITIZENSHIP? IN ALL LOGIC, NO.

AS FOR THE PROMISE OF COMMON CURRENCY, THERE IS NOTHING THAT WOULD STOP QUÉBEC FROM USING THE CANADIAN DOLLAR. THAT'S TRUE. IT IS EQUALLY TRUE THAT IT WOULD HAVE NO INFLUENCE OVER MONETARY POLICY, ONE OF THE MOST FUNDAMENTAL ATTRIBUTES OF SOVEREIGNTY.

THE BANK OF CANADA WOULD CONTROL THE MONEY SUPPLY AND DETERMINE INTEREST RATES WITHOUT QUÉBEC HAVING ANYTHING TO SAY ABOUT IT.

THEY TRIED IN THE CZECH AND SLOVAK REPUBLICS AS PART OF THEIR "VELVET SEPARATION". IT LASTED FOR JUST OVER ONE MONTH.

THE FACT IS THAT NO COUNTRY IS SOVEREIGN, OR IN CONTROL OF ITS' ECONOMIC DESTINY, UNLESS IT ALSO CONTROLS ITS' CURRENCY.

THE SEPARATIST LEADERS ASSURE QUÉBECKERS THAT THE CANADIAN ECONOMIC SPACE WOULD BE MAINTAINED, AND THAT THEY WOULD AUTOMATICALLY BECOME MEMBERS OF NAFTA.

THE ECONOMIC BENEFITS WE ALL ENJOY IN THIS COUNTRY FLOW FROM THE CANADIAN ECONOMIC UNION. CANADIANS DO \$150 BILLION OF TRADE WITH ONE ANOTHER, ACCOUNTING FOR ABOUT ONE CANADIAN JOB IN FIVE.

THE CANADIAN ECONOMIC UNION IS MUCH MORE INTEGRATED THAN ANY RELATIONSHIP UNDER A FREE TRADE AGREEMENT. AS ROYAL BANK OF CANADA CHIEF ECONOMIST JOHN McCALLUM HAS WRITTEN: "THE TRADE GENERATING POWERS OF THE CANADIAN ECONOMIC UNION ARE <sup>n</sup> ORDER OF MAGNITUDE GREATER THAN THE TRADE GENERATING POWERS OF BOTH NAFTA AND THE EUROPEAN UNION".

THE SEPARATIST LEADERS ASSURE QUÉBECKERS THEY WOULD HAVE AUTOMATIC MEMBERSHIP IN THE NORTH AMERICAN FREE TRADE AGREEMENT. BUT THERE'S AN ACCESSION CLAUSE IN NAFTA, REQUIRING AGREEMENT OF THE THREE FOUNDING MEMBERS. IT WAS AT THE EXPRESS INVITATION OF THE UNITED STATES, CANADA AND MEXICO THAT NEGOTIATIONS HAVE BEGUN WITH CHILE.

AND SPEAKING OF BARGAINING POWER, AS THE SEPARATIST LEADERS OFTEN DO, WHAT BARGAINING POWER WOULD QUÉBEC HAVE AT THE TABLE WITH THE UNITED STATES, AS 7 MILLION PEOPLE WITH AN ECONOMY OF \$160 BILLION VERSUS 260 MILLION PEOPLE WITH AN OUTPUT OF \$US 6 TRILLION?

CANADA AND QUÉBEC HAVE PROSPERED UNDER THE FREE TRADE AGREEMENT AND THE NAFTA, BOTH NEGOTIATED BY A PROGRESSIVE CONSERVATIVE GOVERNMENT OF WHICH I WAS HONOURED TO BE A MEMBER.

CONSIDER THE FOLLOWING: IN 1988, THE LAST YEAR BEFORE THE FTA IMPLEMENTATION, CANADA'S MERCHANDISE EXPORTS TO THE U.S. WERE \$101 BILLION. IN 1995, CANADA'S EXPORTS TO THE U.S. ARE EXPECTED TO SURPASS \$200 BILLION. IN THE FIRST HALF OF 1995 ALONE,

THE GROWTH OF CANADA'S TRADE WITH THE U.S. EXCEEDED OUR TOTAL TRADE WITH THE REST OF THE WORLD.

QUÉBECKERS ARE AMONG THE MOST ENTHUSIASTIC FREE TRADERS IN CANADA, AND QUÉBEC IS AMONG THE PRIME BENEFICIARIES OF THAT SECURE TRADING RELATIONSHIP WITH THE UNITED STATES. I DON'T BELIEVE QUÉBECKERS WANT TO PUT THAT RELATIONSHIP AT RISK ANY MORE THAN THEY WANT TO PUT THEIR RELATIONSHIP WITH CANADA AT RISK. AND THE UNCERTAINTY THAT WOULD FOLLOW A YES CARRIES WITH IT UNACCEPTABLE RISKS.

BUT THIS DEBATE DOES NOT TURN ONLY ON ECONOMIC ISSUES. THERE IS FUNDAMENTALLY THE QUESTION OF COUNTRY, THE COUNTRY THAT QUÉBECKERS, ONTARIANS AND ALL CANADIANS HAVE BUILT TOGETHER.

QUÉBECKERS ARE PROFOUNDLY ATTACHED TO QUÉBEC, THEIR HOME, AND TO CANADA, THEIR COUNTRY, WHICH IS THEIR PASSPORT TO THE NEW WORLD ECONOMY.

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SO ON ONE SIDE IN THIS DEBATE OFFERS QUÉBEC, WHILE THE OTHER OFFERS QUÉBEC PLUS CANADA. FOR THE MAJORITY OF QUÉBECKERS, I BELIEVE THIS IS NOT A DIFFICULT CHOICE, AND I'M CONFIDENT THAT QUÉBECKERS WILL CHOOSE THE CANADIAN OPTION IN 19 DAYS.

AND ON THE 20<sup>th</sup> DAY, WE CAN ALL GET ON WITH THE BUSINESS OF BUILDING A BETTER CANADA. IT WILL BE IMPORTANT ON THAT DAY TO REACH OUT IN A SPIRIT OF GENEROSITY TO EVERYONE IN QUÉBEC. BUT I BELIEVE THE HEALING WILL BEGIN SOON ENOUGH.

AGAIN, I'VE BEEN IN EVERY CORNER OF QUÉBEC IN THE LAST MONTH: TO SEPT-ILES, BAIE COMEAU, LA MALBAIE, DRUMMONDVILLE, AMQUI, RIMOUSKI, RIVIERE du LOUP, TROIS RIVIERES, ST. JOSEPH de BEAUCE. ST. GEORGES de BEAUCE, CHICOUTIMI, SHAWINIGAN, QUEBEC CITY, MONTREAL AND MY OWN CITY OF SHERBROOKE.

I HAVE QUITE A STRONG SENSE THAT QUÉBECKERS UNDERSTAND WHAT'S AT STAKE ON OCTOBER 30<sup>th</sup>. BUT I HAVE NO SENSE THAT THIS DEBATE IS DIVIDING FAMILIES, AS THE LAST REFERENDUM DID IN 1980.

NOR DO I HAVE ANY SENSE THAT IT WILL LEAVE ANY LASTING DIVISIONS. THE ONLY LOSERS FROM A STRONG NO VOTE WILL BE THE SEPARATIST LEADERS.

BUT NEITHER SHOULD THE REST OF CANADA INTERPRET A NO VOTE AS AN ENDORSEMENT OF THE STATUS QUO. THE MANAGEMENT OF THE CANADIAN FEDERATION WILL BE ONE OF THE MOST DAUNTING CHALLENGES OF THE NEW CENTURY.

WE DON'T NEED A CONSTITUTIONAL CONFERENCE EVERY TIME WE NEED TO CHANGE THE WAY WE DO THINGS IN THIS COUNTRY. ALL WE NEED IS A STRONG DOSE OF WHAT MIKE HARRIS CALLS "COMMON SENSE".

I HAVE A SENSE THAT THERE'S A CONVERGENCE OF VIEW, A CONSENSUS AMONG THE PROVINCES ON MANY THINGS THAT QUÉBEC HAS BEEN ASKING FOR OVER THE LAST 30 YEARS.

THE FACT IS THAT THE PROVINCES ARE BETTER PLACED TO DELIVER MANY SERVICES TO THE PUBLIC. THE FACT IS THAT WE NEED TO ELIMINATE OVERLAP, DUPLICATION AND WASTE BETWEEN THE TWO LEVELS OF GOVERNMENT. THE FACT IS THAT OTTAWA, GIVEN ITS' DEFICIT AND DEBIT, IS UNLIKELY TO USE THE FEDERAL SPENDING TO

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BEGIN ANY NEW PROGRAMS, ANY TIME SOON, IN ANY AREA OF EXCLUSIVE PROVINCIAL JURISDICTION.

THIS GIVES US TIME, AND THE OPPORTUNITY, TO RE-ENGINEER THE FEDERAL SYSTEM IN A MANNER THAT WORKS MORE EFFICIENTLY AND MORE FUNCTIONALLY FOR ALL CANADIANS. THE ONLY TEST OF THE NATIONAL INTEREST SHOULD BE WHAT WORKS IN THE INTEREST OF ALL CANADIANS.

AND 20 DAYS FROM NOW, WE ALSO NEED TO BEGIN A SERIOUS DISCUSSION OF THE FISCAL AND ECONOMIC CHALLENGES CONFRONTING OUR COUNTRY. I BELIEVE THAT MR. MARTIN MADE A SERIOUS START AT BRINGING THE DEFICIT UNDER CONTROL IN THE LAST BUDGET. THE QUESTION IS WHETHER THE GOVERNMENT WILL STAY THE COURSE. WE NEED FURTHER REVIEWS OF PROGRAM SPENDING TO BALANCE THIS COUNTRY'S BOOKS.

AND WE NEED TO AGREE THAT CANADIANS HAVE REACHED THE OUTER LIMITS OF THEIR TOLERANCE FOR TAXATION. WE NEED TO LOOK AT THE TAX REFORM THAT WILL ENCOURAGE GROWTH WHILE MAINTAINING REVENUE STREAMS.

AND WE NEED TO DO A BETTER JOB, A MUCH BETTER JOB, OF CREATING REAL JOBS FOR CANADIANS.

THAT'S MY FOCUS FOR THE FUTURE. THOSE ARE SOME OF THE THINGS WE'LL BE TURNING TO IN 20 DAYS. AND THAT'S WHEN I'LL GET ON WITH THE JOB OF RE-BUILDING MY PARTY, A PARTY THAT WAS PRESENT AT THE CREATION OF THIS COUNTRY.

IT'S A BIG JOB. BUT ONE OF THE THINGS I'VE DISCOVERED IN THE LAST TWO YEARS IS THAT MY PARTY HAS DEEP ROOTS, AND MANY SUPPORTERS, IN EVERY CORNER OF THIS COUNTRY. AND I TELL YOU THAT IN THE NEXT ELECTION, WE WILL PRESENT OURSELVES AS THE ONLY NATIONAL ALTERNATIVE TO THE PRESENT GOVERNMENT, WITH A FULLY DEVELOPED PROGRAM FOR CANADA IN THE 21<sup>st</sup> CENTURY.

BUT THAT IS FOR ANOTHER DAY. FOR THE NEXT 19 DAYS, THERE IS ONLY ONE PRIORITY - STANDING TOGETHER FOR A UNITED CANADA. THAT'S WHERE I'M COMING FROM AND THAT'S WHERE I'LL BE EVERY DAY FROM HERE ON IN - FIGHTING FOR ONE CANADA.

THANK YOU.