



*Québec : solid partner and fierce competitor*

Notes pour une allocution du  
Chef de l'Action démocratique du Québec

Monsieur Mario Dumont

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La version lue fait foi

Madam President, distinguished guests of honour, ladies and gentlemen,

Thank you for giving me this opportunity to present some of the ideas my party and I are now putting forth in Québec.

Ontario and Québec have, not only an interwoven history, but more importantly, a common future. Obviously, we shall always be neighbours — and to some extent competitors. The interesting question is — what kind of partners can we be?

My party and I are trying to chart a new course for Québec, to launch a new era in both our internal political life and in our dealings with our Canadian partners. I want to tell you why I am so optimistic about the emergence of a new Québec, one demonstrating tremendous vitality in many spheres of activity.

First, though, let me give you a feel of where I'm coming from. Home for me is a town in the Lower St. Lawrence, a region East of Québec City and West of the Gaspé peninsula. The villages along the river, around there, are those that the French colonists first settled in North America, almost four centuries ago. It's a place where you develop both strong roots and a keen sense of curiosity about what lies at each end of the great river that flows by your door.

I was born and raised on a farm, which is a place where what you own is what you work for, and also where, some years, you don't always get what you think you deserve. But nonetheless, a certain work ethic still sends farmers to work the next day.

As you may know, I represent the Rivière-du-Loup riding and, for eight years, I was the only member of the Action Démocratique in the Québec National Assembly.

I now have four fellow members who were elected in the by-elections last spring. One of them took what used to be known as a Parti Québécois fortress in a rural, 99% francophone riding. Another won a 905-type riding with large ethno cultural communities and elderly. Ours is a pluralistic party that draws from all quarters of Québec society.

We expect to have a bunch of others join us after the upcoming general election.

So, I'm here today to give you a glimpse of the ideas that would guide an eventual ADQ government.

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Around 40 years ago, Québec adopted a brand of government revolving around public provision of publicly financed services, and regulation of more than a few economic matters.

Many other states, in Canada and abroad, have travelled that route. And many who went farthest in that direction have since resorted to market-driven solutions in order to re-energize their economy and their public services.

Tony Blair, Britain's Labour Prime Minister, has perhaps best achieved the right mix of compassionate and free-market policies. He is far from alone. Sweden, Finland, the Netherlands — all countries of longstanding social democratic tradition — have already understood that they had gone too far down the road of "command and control" economics. Many of these nations have shown the world that:

- Compassion does not necessarily imply statism.
- You can redistribute wealth without killing the motivation to create it, and
- The state can ensure access to public services without necessarily producing them itself.

In a recent book, "The Ingenuity Gap", Professor Thomas Homer-Dixon, called on us all to foster public institutions that will be flexible enough to provide the sort of ingenuity that will be

desperately needed if we are to prosper in a globalized environment. Leaders, citizens and political communities alike will only thrive if they are united around what he calls a new kind of patriotism, in which everyone is proud to undertake a share of responsibility. It is this patriotism of responsibility that I am proposing to my fellow Québécois.

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There are basically four ideas that would guide an ADQ government.

**First, there must be empowerment, at all levels.**

Today, public services are decided on, managed, changed – or, increasingly, cut – by a handful of people, at the top, far away from taxpayers. Squads of managers then push the decisions down through the various layers of the bureaucracy all the way to the people in the field who actually teach, deliver care or produce services.

Conventional government wisdom says that a few decisions made at the top, in a well-ordained process, will produce superior results than a great number of decisions made by many, on the ground, without co-ordination from above.

I disagree. I believe that empowering local managers, individual public servants, people themselves, will bring better results for our regions, for our public institutions, and, most importantly, for our citizens.

Hundreds, thousands of teachers, nurses, hospital directors, school principals, have the drive and the talent we need to improve public services. At present, their local initiatives are officially applauded, then discussed, then reflected upon, then filtered, then ... You know the rest. We must free up the talent of our public servants, who want to deliver better services.

The same applies to citizens. You know — we all do — that what brings out the best in a person is the pursuit of his well being — his own, his family's, his community's. This includes, in my view, a sense of community with others that we may see suffering or in need. Our tax laws and social programs must better reward someone's effort to help himself or his community.

**The second idea is to let people choose how they benefit from publicly funded services.**

In order to ensure everyone had access to health, education and other public services, our government over the years has turned into a massive service provider. Slowly but surely, we ended up with a number of quasi-monopolies. Service delivery models were standardized. Citizens' choices have been curtailed.

For instance, the current Parti Québécois government decided just a few years ago to shift funding for childcare, from parents, to provincially accredited day-care centres. The government simply had its own idea of how a day-care centre should be run. As a result, parents now have less choice as to where, when and how their children are cared for.

I believe, as users of public services, citizens should have greater freedom of choice. Specifically, the right to choose which institution will provide them with the public services their tax dollars entitle them to.

The key is to separate the financing from the delivery of services. Government should fund someone's access to a service, not necessarily the service itself. It's the financing, not the delivery, that makes a service public. The service itself can be provided by a variety of entities: current public sector units, private enterprise, community groups, and so on.

In the health sector, more choices also means giving people the right to spend what they like on their own health.

It's a strange value system – whereby the government lets us spend all the money we want to purchase unessential medical services, but we are not allowed to pay extra to help our mother get a faster hip replacement —that is without renouncing the public contribution our taxpayer dollars have already paid for!

I beg to differ. With the aging of the population, and the exploding costs of medical technology, the healthcare sector is in dire need of a massive cash injection. I don't think I'll get much opposition when I say that taxes in Québec cannot go any higher, unless of course we want to send even more of our doctors, managers and highly skilled workers your way up the 401. We must find a way to channel the money citizens are willing to spend on their own health care in a way that creates alternative choices and also — by the way — helps unclog the public system.

**A third idea is that government should ensure that the general interest prevails over those of special interest groups.**

That may sound like the basics of policy-making. But the bottom line of traditional politics is rather to the contrary. In politics, one usually tries to add votes. Not individual votes. Votes from groups: business people, unions, students, the financial services industry, agro-business, and so on.

All these groups have precise and varied interests. Political parties try to seduce enough groups to build a winning coalition. Once in power, all these groups naturally expect a payoff.

This approach to politics leads to favours, compromises, exceptions, grants, etcetera, etcetera. They pile up over time. Each new favour, every new regulation that bestows an advantage to an industry or a professional group adds yet another drop to the bucket of costs we all bear, to the burden of debt we all carry. No wonder, then, that so many citizens express alienation vis-à-vis the political process.

Les Québécois sont en avance sur leur gouvernement. Le gouvernement doit cesser d'encourager une culture politique qui incite les citoyens à tout attendre de l'État. Encourageons plutôt les gens, lesquels en sont éminemment capables, à agir et à entreprendre davantage pour eux-mêmes, pour leurs familles et pour leur communautés.

We are convinced that a sea change is required in our approach to government.

We need to cultivate greater self-reliance. We should not perpetuate the illusion that the state can fix just about any problem. One word sums it up: responsibility.

**Our fourth idea on government is that it should increasingly take the long-term view.**

I find society in general, and government in particular, way too focused on short-term issues — and not enough on the daunting longer-term challenges we face in several fields of public policy.

For example, the aging of our population is putting greater strain on our health and social services. Costs are rising, and the system is competing for scarce resources with other functions, like education, that target different segments of the population. We need to find ways to meet these competing demands on the public purse without skewing the balance between generations.

In achieving a balanced budget, we've certainly made some progress, as Ottawa has too. But we must also recognize that the job is far from done. Last year, our government paid out almost 8 billion in interest on its core public debt, an extremely heavy burden. We want to persuade current taxpayers that we must act decisively to reduce the debt now, in order to make budgetary room for the predictable rise in the cost of healthcare a few years down the road.

I think we must build a legacy for future generations. I reject the "buy now, pay later" approach to government. I'm proposing to my fellow Québécois that we all act responsibly now, and reap the rewards way into the future.

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So I will now turn to that enduring topic that, I guess, you've become accustomed to hearing politicians from Québec speak about at length: I mean the economy. What else?!

If you look back over the past twenty or thirty years of our economic history, anybody can see that our economic performance has constantly lagged behind most of North America's. Plainly, there remains a lot of room for improvement.

Yet at the same time, the vitality of our society is also plain to the eye. In Montréal, Québec City, in the regions, everywhere I go, I see everything we have going for us. I see creativity. I see a large network of schools, colleges and universities. Factor in our natural resources and proximity to the US market and we should be a huge success. Not so, unfortunately. Québec remains way down the ladder in terms of wealth, in comparison to the 60 North American states and provinces.

We can and must do better. And to that end, we have to put Québec back in business.

I think it is wrong to believe that jobs should be created with public funds. . Our priority will be to get out of the way of the men, women and firms who create jobs with their own money.

**We want to reduce state regulation of the economy.**

**We will also simplify our tax code.**

In our income tax code alone, I counted 140 different exemptions, deductions, credits and loopholes of all kinds. We must stop and reverse this tide towards custom-tailored taxation.

Now, at the risk of offending any tax lawyers and accountants here, if we have our way, we are going to make things a whole lot more straightforward! The flat tax is a natural complement to closing the loopholes in the tax code. It is also a way to reboot the entrepreneurial drive in our economy.

In these and other fields of economic policy, we will act thoughtfully — but decisively .

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Now, you've heard nothing so far about referenda or the Constitution. Not an accident! Neither are on our radar screen. We already have a full plate in order to put Québec back on the way to prosperity.

In Québec, over the last 30 years, many things have been suspended in time. People of my generation have seen the public debate on crucial social and economic issues overshadowed by the constitutional debate. We are doing our best to change that. We are now asking Québécois to think outside the box.

There's a lot to be done for Québec to resume its proper place in terms of wealth and prosperity.

On a practical level, an ADQ government would not follow an "empty chair" policy at federally sponsored venues. I cannot see how this policy has helped us further any of our positions in the past. We won't be mute participants, nor vocal observers in the various forums of the Canadian political system. We will be active, dynamic, creative participants. We will express the point of view of our citizens in the search of common solutions to the challenges of our time. Québec will resume its historical role as a proactive player.

Up till September eleventh, I saw Canada and the US moving toward greater fluidity and integration. Following that fateful event, I saw the gates at the 49<sup>th</sup> parallel, usually wide open to

Canadians, narrow somewhat for all of us North of the border. As we all looked at our Southern border from the same viewpoint, perhaps a tragedy may have spawned some new sense of togetherness.

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What can Canada, and especially Ontario, expect from Québec under an ADQ government? In a phrase, you can expect that we will be both a solid partner and a fierce competitor.

We can further our partnership in internal trade because we believe there should not be more barriers between Québec and Ontario, than there are between Québec and New York State. We are ready to take a fresh look at regulations that hinder internal trade.

We can be partners in the realm of international trade too, when the time comes to negotiate, alongside Ottawa, with other countries on issues that affect our citizens, such as softwood lumber or farm subsidies.

We can be political partners with any like-minded government that wants to explore new ways of ensuring access to healthcare for all — without penalizing people who want to spend their own money to meet their own health needs.

On the other hand...

You will find in Québec a fierce competitor when it comes to firing up economic growth, may that be in fields such as life-sciences, IT or energy production.

You will find us a fierce competitor when it comes to attracting investment with a hospitable regulatory and fiscal environment, and with world-class infrastructures. We made it too easy for

Ontario for too long. Ontario will no longer be able to count on Québec's own tax structure, on our own bureaucracy, to win the race to prosperity. I'll stop there. You get the idea.

L'ADQ veut faire du Québec un participant sérieux et engagé pour faire valoir le point de vue de ses citoyens dans tous les forums, à toutes les tables de discussion du système politique canadien. Par l'implantation d'un modèle de gouvernement plus souple et d'une taxation moins écrasante, l'ADQ veut aussi faire du Québec un compétiteur plus solide pour attirer les investissements et développer son économie. Oui, nous croyons que le Québec peut devenir un partenaire sérieux et engagé autant qu'un compétiteur fier et dynamique.

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So there's a glimpse of what an ADQ government would do. Basically, we have to refocus our energy on building up our strength. That is what we will do.

We will draw on the energies of every community — Francophone, Anglophone, Allophone — every willing citizen who wants to help. Anglo-Québecers, in particular, have been de facto absent from government for too long.

So, one year from now, if we are elected, and if you ask yourself on what foot Québec will stand vis-à-vis Ontario, remember this from today: we will be turning into a fierce competitor, and a responsible and involved partner.

Thank you.! Merci beaucoup!