

NOTES FOR A SPEECH BY JEAN CHAREST

to the

CANADIAN CLUB

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CHECK AGAINST DELIVERY

Ladies and Gentleman:

I hesitated a great deal before accepting this invitation, when I learned that today was the day Paul Martin had chosen to bring down his federal budget. The last thing in the world I'd want to do would be to upstage Paul Martin on budget day! So, I'll try to do my best to avoid any kind of controversy.

Let me just say how happy I am to be in Toronto, a city I know well, and where I have many friends. This visit has also given me an opportunity to meet with Premier Harris and with Dalton McGuinty, the leader of the Opposition..

My friends, as I stand before you today, I can't help thinking how time flies. As most of you know, almost two years ago, I was faced with an unexpected decision: that of changing course, of going to Quebec to lead the Liberal Party of Quebec into the election campaign against the Parti Québécois. This unusual turn of events forced me to take a closer look at the reasons why I would choose to remain in politics. In the end, what made the difference, and what brought me to accept the challenge that was offered, was the belief and the commitment that have guided my choices throughout my career in politics.

J'ai toujours été persuadé que le Québec et le Canada partageaient un avenir commun, et que les destinées des Québécois et de tous les Canadiens étaient intimement liées. En effet, je crois profondément que l'un des ingrédients essentiels de la réussite de ce pays a été et doit demeurer l'influence déterminante que le Québec a exercée sur l'évolution de notre fédération. Malheureusement, depuis six ans, cette influence ne se fait pas sentir. Le gouvernement péquiste à Québec ne trouve pas intéressant d'exercer le leadership du Québec dans la fédération canadienne, pour la bonne raison que toute tentative de sa part d'assumer ce leadership serait contraire à l'article Un du programme du PQ. Ma décision d'entrer dans l'arène politique québécoise en tant que chef du Parti libéral du Québec est donc en grande partie motivée par mon désir, qui reflète celui des membres de mon parti ainsi que d'une majorité de Québécois, d'assurer la participation et la contribution du Québec à cet avenir commun que nous voulons construire.

Let me be frank. The transition from federal to Quebec politics was not an easy one, not least because I was taking on the leadership of my new party virtually on the eve of a general election. Going into an election campaign as a new leader, with a new team, new candidates, a new program, was an extraordinary challenge. We had very high hopes that we would be able to form the next government, but time, at that juncture, was not on our side. For any political party undergoing major changes, time is an essential ally in attaining the level of cohesiveness that allows you to succeed.

Certainly what was clear to all those who followed the 1998 campaign was that Quebecers are as tired and exasperated with the constitutional debate as are their fellow Canadians. One thing's for sure: they do not want another referendum. Clearly what Quebecers want is for their government to work constructively with the federal governments in this country, to defend their interests while focussing on the basic issues that affect their daily lives, such as health care, education and job creation.

What is also clear, and even more so since the referendum of 1995, is that Quebec's economy has paid a very high price for these constitutional debates. There is probably no single group of people in that knows this better than the audience I am speaking to right now. I suspect that a significant number of people in this room once lived in Quebec, and, plainly speaking -- though you've never said so, and this is no invitation to do so -- there is no doubt that the economy of Ontario and specifically Toronto has benefitted from the fact that a number of people have chosen to build their lives elsewhere.

In this respect I have very bad news for you. The day we form a Liberal government in Quebec, you will experience a reversal of this trend. I look forward to the day when the Premier of Ontario will come to speak at the Canadian Club in Montreal, to ask Ontarians to return to his province. But don't get your hopes up too high. Believe me, once we get 'em back, they're not going to want to leave again.

My friends, the series of speeches that the Canadian Club has organized for the year 2000 is an invitation to reflect on the Canadian experience. Let me start by restating my view of what our country is about. Canada is a country built on a partnership. To understand Canada's success, you first have to appreciate how this country came about in the first place. The partnership upon which Canada was founded was decided very early in our history. As is often the case, the historic compromise struck by the French and the British, and embodied in the Act of Quebec of 1774, was urged upon by our ancestors by necessity. For the British government, given the unsettled, pre-revolutionary conditions then prevailing in its American colonies to the south, the only way to hold on to the northern portion of British North America was to come to an agreement with the French-speaking population that inhabited the land. Conversely, for the French-speaking inhabitants of what was then Canada, the compromise negotiated with the British was their best guarantee against cultural and linguistic assimilation. The Act of Quebec of 1774 enshrined their right to be educated in their own language, the right to practise their religion and the right to maintain a separate legal system based on the French Civil Code.

As you can see, the Act of Quebec was the quintessential Canadian Compromise., It is deeply rooted in our history, and that goes to the very heart of who we are as a country.

It's important to understand the choices that were made in 1774 , and to remember them, because from that day forward, the die was cast. If it were not for that defining moment in our history, there would not be a country called Canada. In all likelihood you and I would all be lining up to vote in the presidential primaries.

The Act of Quebec was a seminal event in the life of this country, whose consequences are embodied in subsequent developments such as the Constitution Act of 1791 that created Upper and Lower Canada along with our parliamentary institutions, the struggle for responsible government and the rebellions of 1837, the Act of Union of 1840, and the British North America Act that created Canada in 1867.

Le partenariat historique qui s'exprima dans l'Acte de Québec de 1774 est, en réalité, le fil conducteur de toute l'histoire canadienne. De quatre provinces en 1867, le Canada en l'an 2000 est devenu une fédération de dix provinces et trois territoires, liés par un partenariat économique et social basé sur des valeurs communes, des valeurs qui nous définissent, des valeurs chères à tous les Canadiens, où qu'ils habitent.

However, from the perspective of many Quebecers the events of the last few years have called into question the viability of the historic partnership first struck in 1774. The Patriation of the Constitution without the expressed consent of the Quebec National Assembly in 1981, the demise of the Meech Lake Accords in 1990, the failure of the Charlottetown agreement in 1992, two Quebec referendums on separation in 1980 and 1995, all represent flashpoints in the thirty-year debate that has been going on as to whether or not Quebec should remain a full partner in the Canadian Federation,

We all know that Canadians have experienced a great deal of frustration with this debate. The unsuccessful quest for a resolution to these questions has taxed our energies and often distracted us from issues that we felt were more urgent.

However those of us who are actively involved in shaping the future of this country know all too well that, sooner or later, this issue will have to be addressed. There is no doubt that in an environment where Canadians, Quebecers included, feel exhausted and exasperated, and have lost confidence in their ability to find suitable compromises, this issue represents an enormous challenge of leadership. It has been extremely difficult for Canadian leaders to persuade the people of Canada that this matter must be addressed. Of course the easy answer would be to say that people don't care about it, and so we shouldn't bother with it. But easy answers rarely give satisfactory results.

That being said, I have a great deal of hope that change will happen, if we are able to motivate our leaders to focus on the right issues. It is important not to confuse the exasperation and frustration of Canadians with an absence of common will. Time after time, Canadians, and especially Quebecers have expressed their desire to remain together and share a common destiny.

I can speak today on behalf of Quebecers, who twice were called upon to make a choice between creating an independent country or remaining within Canada, and who twice reaffirmed their willingness to continue building a common future. The result of the last election campaign was a renewed expression of that will and that hope that Quebec can continue to build its future within Canada.

Le défi pour moi et pour les autres leaders est de trouver des moyens de faire en sorte que cette volonté commune s'exprime dans les compromis que nous proposerons. À cet égard, j'ai décelé de nombreux signes encourageants qui indiquent que la fédération canadienne évolue dans un sens positif. Parmi les changements les plus constructifs qui se sont produits ces dernières années, je retiens l'émergence de gouvernements provinciaux qui agissent comme chefs de file du changement sur la scène canadienne.

On such matters as governance and the role of the state, it is provincial governments that in recent years have led the way. On the issue of taxation and the economy, once again, provincial governments have led by example. On the social union, it is the provinces who, in 1995 challenged the national government to change the present framework so as to redefine Canada's social union. Whereas successive governments in Québec have argued in favour of these changes for many years, we are now experiencing a new dynamic in Canada, where changes are being advocated by governments in other parts of Canada, that are similar in spirit and intent to those called for in Quebec.

What is important to emphasize here is that these new ideas that are being advocated by the provinces are all grounded in the basic common values we share as Canadians. In the case of the social union and health care in particular, no one questions the basic tenets of what we as a citizenry expect from our governments. The issue is how do we deliver these services in the most effective way possible to the people who pay for them?

The time has come to recognize that the federation has matured and is now ready to contemplate solutions that were not part of the national debate only a few years ago. We are living in an era of change without precedent in history.

For the country to meet the new challenges arising from its own and the world's changed circumstances will require that we take different approaches to problem-solving from those we have traditionally taken in the past. With this in mind, we in the Liberal Party of Quebec have embarked on a process of defining and proposing new approaches to the people of Quebec.

We believe that achieving change in this country requires that we first begin by defining a common agenda. We in the Liberal Party of Quebec want to reach out to other Canadians, who also believe that the time has come for this federation to improve the way it works. To define a common agenda requires that we develop a common perspective with regard to redefining the role of the state, better governance, designing a fairer and more equitable tax system, and a more effective delivery system for social services.

At the end of the day what we want is a Canada that is more inclusive and better able to respond to the specificity of Québec, to Western alienation, and to the affirmation of the native peoples of this country.

With regard to the federation itself, we believe that Canada is ready to move toward a federal system based on co-decision and co-management. The extraordinary new world we are entering is one where jurisdictions, as defined in Constitutions, will become increasingly blurred. This will require that governments make an extraordinary effort to set out their respective areas of responsibility.

This approach acknowledges that other levels of government may have a role to play, but this can only be done harmoniously if there is a very clear understanding of who ultimately makes the decisions and is held accountable for them.

Let's take health care as an example. Health care is clearly a provincial jurisdiction. The federal government has historically played a role, mainly by transferring money, either through tax points or cash transfers. The federal government has also played a very useful role in the area of research. Initially, when the federal government chose to get involved in health care, it was at the outset the major funder of the system, and could legitimately claim to set the rules. Over time, however, provincial governments have taken on an ever-increasing share of responsibility, to the point where today the federal government only funds 12 to 13 per cent of the total cost of health care.

The federal government claims for itself the role of guardian of our health care system, of its values, of its very survival as we know it. It presents itself as the protector of the system. Yet no one questions the basic tenets of what our health care system should be. The same citizens who vote in federal elections also vote in provincial elections. Their values don't change depending on which level of government they are voting for. Provincial leaders understand this and those who don't pay the price. However, the fact remains that the present system is not conducive to delivering to the citizens of Canada the level of services they are entitled to expect.

Let's just take the experience of the last few years. When the federal government found itself in a situation where it was running large deficits, it resorted to changing the funding formula for the Canadian Social Transfer. The federal government of the day argued that block-funding, as the new formula was called, as opposed to specifically targeted transfers for health, or education, or social services, was more respectful of our federal framework. Of course the fact that the new formula also included a 40 % reduction of cash transfers to the provinces had nothing to do with it! In fact the federal government at the time conveniently argued that of course, they were reducing the funding, since the whole matter wasn't their primary jurisdiction anyway. However, since then, the federal government, having put its fiscal house in order, balanced its books, and put itself in the position of raking in huge surpluses, has suddenly rediscovered the virtues of a strong central government.

The federal minister of health who, a few short years ago, claimed that emergency rooms were none of his business, has all of a sudden decided that emergency rooms are on his agenda.

Il importe que nous tirions certaines leçons de ce récent chapitre de l'histoire de nos relations fédérales-provinciales. Est-il dans l'intérêt des citoyens canadiens que leurs gouvernements réduisent le financement de leur système de soins de santé de façon draconienne, créant ainsi une pénurie de ressources et de services, pour s'apercevoir, cinq ans plus tard, que la population vieillit, que la pression sur le système augmente, et que par conséquent il aurait fallu prévoir plus de ressources, plus de services?

Ne serait-il pas plus logique que nos gouvernements s'entendent sur les principes qui soutiennent le système de santé, et ensuite que les gouvernements provinciaux puissent obtenir les ressources nécessaires directement de leurs propres contribuables, afin de leur procurer les services dont ils ont besoin? Enfin, n'est-il pas plus logique que ce soit eux qui soient tenus responsables de leurs décisions auprès de leur électorat?

The federal government funds the provincial health care systems in two ways: through the transfer of tax points and through cash transfers, which are dependent on the availability of federal funds and on the mood of the electorate at any given time. Would it not make more sense to move toward a redesigned tax-point system, so that provincial governments could draw directly from their own tax base the resources needed to fund their health care systems, without going through Ottawa? Of course, provinces would then be fully accountable for the decisions they made with regard to health care, and that the way it should be.

How do we then ensure that the poorer regions of Canada are able to deliver the same level of services as the more prosperous regions? The answer is simple. We have committed ourselves to an equalization system that is enshrined in our Constitution for the expressed purpose of redistributing the needed resources.

In a redesigned system based on co-decision and co-management both governments would carry the full responsibility of the decisions that they make, and citizens would know who should be held accountable for the management of their health care system.

That being said, in recent years, provincial governments have taken it upon themselves to redefine the basic tenets of our social union. I was the first to applaud their initiative with regard to updating the Canadian social union. These negotiations were difficult, due to the complexity of the issues they covered, and they were made even more difficult by the absence of input, let alone leadership, from the government of Québec. We were therefore not surprised that what progress was made remains incomplete, and our view is that while the social union agreement signed by the other nine premiers in 1999 represents a step in the right direction, much work remains to be done, particularly with regard to clarifying the roles and responsibilities of both levels of government.

However, rather than seeing a half-empty glass, I prefer to see a glass half-full. The fact is the government of my province refused to participate in the talks that led to the social union agreement until the eleventh hour. Then, finally realizing the electorate expected them to be at the table, they suddenly announced, with great fanfare I might add, that they were joining the discussions. It was clear at the outset that the Bouchard government had no interest whatsoever in a successful outcome, and certainly every intention of discrediting whatever agreement their colleagues managed to deliver. Their denunciation of the agreement was a foregone conclusion. Once again what Quebecers saw, and what they deplored, coming from the PQ government, was a complete dereliction of duty with regard to Quebec's leadership role in the federation. And that, my friends, is one of the first things that is going to change when the party which I lead forms a government.

Let's talk about the future. I want to share with you some of the new ideas and the new approach that we in the Liberal Party of Quebec will be proposing for Quebec and Canada.

The new approach calls on Provincial leaders to continue to innovate and to go a step further. Provincial leaders, those in office and also in opposition should seize the agenda. We should neither wait or expect the federal government to take the initiative. The time has now come to embrace a new era of interprovincial co-operation. The agenda should be the following:

- A renewed economic union. This matter is clearly within provincial jurisdiction. It is urgent that we do away with absurd interprovincial trade barriers that unjustifiably cost money and time to the citizens of Quebec and Canada. It is unacceptable to have more trade barriers among the provinces than we do with other countries. On this issue the provinces should move now.
- The completion of the social union. We need to complete the work that has begun on a renewed social union. For the Liberal Party of Quebec, there are two conditions to a successful agreement. The first must be real co-operation. In other words, this agreement must not become an excuse for more centralization in Ottawa. The days of unilateral decision making are over. The second condition is a consequence of the above. There should be more clarity, a new and popular concept in Canadian politics on the role and responsibilities of each level of government. The outcome for me is clear: there should be more autonomy and more accountability for provincial governments.

In the area of social policy, this change will require the renegotiating of fiscal arrangements that could move us towards a tax points system, while acknowledging the need for equalization that will guarantee all our citizens a basic level of services. Of course, this will not happen soon so in the short term; the federal government should restore cash transfers to the levels of 1994-1995.

In regards to the more specific agenda of Quebec, we should acknowledge and recognize the basic values of a federal state. A federal system of government draws its strength from being able to acknowledge the particularities of its component members. In the case of Quebec, you are already well aware of the issues.

Some of the changes we will propose are non-constitutional. They are, for example administrative agreements in the areas of shared jurisdiction such as the environment, telecommunications and international affairs.

Other changes will require that we prepare the groundwork for issues that we are only familiar with. A constitutional veto, not exclusive to Quebec, remains on the agenda. The recognition of the specificity of Quebec, as we were able to do more than 200 years ago in the Act of Quebec is also on the agenda.

To those Canadians who still have difficulty dealing with this matter, its ok. Your country has been built around the recognition of the specificity of Quebec and in this new era of globalization, it is a good part of what makes Canada different and better than any other country in the world.

La reconnaissance de la spécificité du Québec, telle que nous l'avions inscrite dans l'Acte de Québec il y a plus de 200 ans, sera également discutée. Aux canadiens qui ont de la difficulté avec ce principe, j'ai un conseil direct, amical et respectueux: Le pays a été bâti sur la reconnaissance de la spécificité du Québec et, dans le contexte actuel de mondialisation, cet aspect fait du Canada un pays différent et meilleur que n'importe quel autre dans le monde.

The new approach that we will take will call on the leadership of provincial leaders, in office and in opposition. It must include aboriginal leaders and I fully expect each of them to bring their own issues to the table.

My message to them over the next few years will be straightforward. It is a message of hope. The people of Quebec have expressed their willingness to share their destiny with other Canadians. They will be more willing and even more enthusiastic to confide their future to me and my party, when other Canadians express their willingness to embrace the identity of Quebec as a part of their identity.

My job is to defend the interests of Quebec, to prepare for change and to work with other Canadian leaders so that Quebec can take its rightful place of leadership within Canada and so that Canada will keep its rightful place of leadership in the world.