

For a proud, responsible and autonomous Quebec

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(...)

I would like today to discuss with you the future of our society, the future of Quebec, which worries me very much.

Political debates in Quebec have been dominated for several decades by the “national question.” It’s a legitimate debate, but a debate that’s not going anywhere and will probably not go anywhere for a long time to come. Lucien Bouchard said it recently, and polls also show it: most Quebecers do not believe that Quebec will separate from Canada in the foreseeable future.

Despite this, since the 1970s, we’ve talked a lot about political *independence*, about the constitution, we’ve held referendums. And meanwhile, we’ve built a system of economic *dependence* that’s become more and more elaborate.

Quebec has one of the biggest and most interventionist governments in North America, and one of the heaviest fiscal burdens. Quebec has the most far-reaching social programs. Quebec is the province that gives the most subsidies to businesses, artists, parents, and to a host of other groups. And let’s not forget the other problems, such as the fact that Quebec is among the most rapidly aging societies in the world. This will increase the cost of social programs, and there will be fewer young people to pay for them.

Some weeks ago, we learned in a study of the Quebec department of Finance that we rank fifth among the most indebted societies in the industrialized world, not far behind Greece which is currently going through a difficult financial crisis. While we were debating independence, we accumulated an enormous debt and we became dependent on borrowed money to fund an unsustainable level of public services.

We certainly have many reasons to be proud of our culture, our language, of the evolution of our society during the past four centuries. But the political choices that were made in Quebec in the past four decades have led us in a dead end. If we do not change direction soon, we’re going to hit a brick wall.

As it happens, the Bloc Québécois was recently celebrating its 20th anniversary. Instead of discussing the real problems of Quebec, the bloquistes prefer to continue debating a hypothetical project and try to prove that our federal system is not working.

Gilles Duceppe made a fool of himself by comparing the separatist movement to the resistance against the Nazis in his anniversary speech. If the bloquistes spent more of their energy trying to find solutions to the

concrete challenges that we face instead of uttering such nonsense, perhaps we'd be in better shape as a society.

Mr Duceppe also complained, as he has been doing for 20 years, that Quebec did not get enough money from the federal government. He said that our last budget did not redistribute enough funds to Quebec, and that is the proof that federalism is not profitable for us. So in short, Mr Duceppe, who is fighting for Quebec independence, laments the fact that Quebec is not enough economically dependent on the rest of Canada. He wants Quebec to get more money, he wants us to be even more dependent!

Quebec will get this year \$8.5 billion in equalization payments, an increase of \$200 million compared with last year. That's more than half of the \$14 billion in the program. That's money that comes from the richer provinces, such as Alberta, British Columbia and Saskatchewan.

It's true that other provinces, such as Manitoba and the three Maritime Provinces, get even more equalization money per capita than Quebec, and so are even more dependent on Ottawa. But that's not an excuse. As a Quebecer, I am not really proud of the fact that we are a poor province that gets equalization money.

And if we are poorer, it's not the rest of Canada's fault. It should be obvious enough that unbridled state interventionism does not lead to prosperity. If that were the case, Quebec would be the richest place in North America instead of being one of the poorest.

Many studies have shown that the less its government intervenes in the economy, the more prosperous a society becomes. The Fraser Institute regularly compares the economic situation in the provinces and states of North America and has found a direct correlation between the level of economic freedom and prosperity. An analysis of 23 OECD countries over a period of 36 years has also shown that economic growth is inversely proportional with government spending. For every additional ten percentage points of government spending as a proportion of GDP, economic growth is permanently reduced by one percent a year.

So, to repeat, the rest of Canada has nothing to do with the fact that we are poorer, as the bloquistes claim. We are poorer because of bad economic policies that made Quebec's economy less productive; we are poorer because we live beyond our means instead of having responsible policies; we are poorer because the first reflex of much of our political class is to constantly beg for more money in Ottawa instead of taking the necessary decisions that would solve our problems and put our house in order.

In the 1970s, Robert Bourassa invented the term "profitable federalism" (*"fédéralisme rentable"*). That was a very unfortunate concept to put forward as a way to defend the merits of federalism. For many Quebecers, the more money we extract from the rest of Canada, the more profitable federalism is deemed to be.

Both federalist and separatist provincial governments have used the threat of separation to try to get more money. Can you remember the Bélanger-Campeau commission? The whole debate about the fiscal disequilibrium? It's always the same pattern, the same beggar-thy-neighbour approach. Even when the amounts being sent by Ottawa increase, the reaction in Quebec City is always that it's not enough, we need more, or else this is the proof that federalism is not profitable.

For my part, the type of federalism that I wish for is not a profitable one, it's responsible federalism. On the masthead of my blog, there are two words in large characters, two inseparable principles that I consider extremely important: liberty and responsibility. I favour as much individual freedom as possible. But when you are free, you must also be responsible for your actions. You can enjoy the fruits of your labour, but you must also bear the consequences of your bad decisions.

The same is true for governments. A responsible federalism is a federalism that rests on the principle of subsidiarity. This means that issues should be handled by the smallest or lowest competent authority, the one closest to the people. Each one should fund its own programs and decide for itself its own priorities as an autonomous entity.

This way, each province, each region, each community, develops according to its own personality. This allows local particularities to be expressed. And each is responsible for its own policies. If one has bad policies, others cannot be held responsible and should not be forced to help pay the bill.

In a large and diverse federation like Canada, the fastest way to breed resentment and disunity is to have a big central government intervening in local affairs. Separatism in Quebec, and discontent in the West, grew fastest during the Trudeau era, as a reaction against central government activism.

We, conservatives, offer a different vision: a smaller and less interventionist government in Ottawa. The intention of the fathers of Confederation was clear: it was to have autonomous provinces, each one responsible and completely independent in their own jurisdiction.

Even if the Bloc only cares about criticizing, we are solving real problems in Ottawa. For example, our government cut the GST by two percentage points, which allowed Quebec to take up this fiscal space. As a taxpayer, I would have preferred no increase in my tax burden and that the Quebec government find other solutions to its financial problems. But this is an illustration of the flexibility of our federation. Provinces are free to decide their own fiscal policies.

Our government is also going ahead with its plan to reduce corporate taxes so that our economy becomes more competitive. Our government also adopted prudent policies to deal with the economic crisis and Canada is one of the countries that suffered the least from it. All of this helps Quebec and Quebecers.

Let's be frank: many people in the rest of the country perceive Quebecers as a bunch of spoiled children who are never satisfied and always ask for more.

This perception has some basis in reality. It derives from 40 years of futile debates over independence; 40 years of irresponsible policies adopted by one provincial government after the other living beyond their means and getting us deeper into debt; 40 years of demands to extract yet more money from the pockets of our fellow citizens in the rest of Canada.

We have to get out of this false choice between independence and profitable federalism. We also need to put an end to policies that lead to our impoverishment and to stop expecting the rest of Canada to bail us out with more equalization money.

We are members of a political party at the federal level. As Canadian conservatives, there is obviously nothing we can do to solve the problems of the Quebec government. But we can contribute, in our own

way, to changing the terms of the debate. We can shift political debates in Quebec to another paradigm. We can point to other solutions.

Imagine if, instead of exerting ourselves to get more money from the rest of Canada, we aimed at something more positive: to become sufficiently rich that we're not on the receiving end of the equalization program anymore. Would we not be prouder as Quebecers if this happened?

Imagine if, instead of pointlessly debating the merits of political independence, we tried instead to live within our means and to get out of our economic dependence.

Imagine if, instead of having the bloquistes always trying to impede our progress within Canada, we had a group of conservative MPs teaming up with all those who, across this country, want a more decentralized federalism.

That's the alternative that we have to offer Quebecers. The vision of a proud, responsible and autonomous Quebec. Thank you.