

At conference on Quebec's separation

Financial stability questioned

By JIM DAW

Business students and a few lonely socialists joined in applauding a damning critique of the Parti Quebecois policy delivered at York Saturday — but for different reasons.

The PQ manifesto calling for Quebec independence will "sound the death knell of free enterprise in Quebec," concluded Charles Perrault, president of the Conseil du Patronat de Quebec (Employers Council of Quebec).

Perrault was speaking to a conference of business students from Ontario and Quebec sponsored by the faculty of administrative studies. He debated the topic Quebec economic growth under the political alternatives with Jacques Perizeau, the Parti Quebecois economic critic.

Perizeau defended Quebec independence as the best means to deal with Quebec's sluggish economy, high unemployment and poor rate of growth brought about by a drift of economic decision making and activity out of the province.

Perrault, on the other hand, argued that separation would result in great deterrents to private enterprise and therefore the ruination of the province.

He said that under the PQ version of independence, private enterprise would belong to Quebecers, would be controlled by the state, would employ many people and would make very little money.

"No matter how you look at it, the operating conditions which are provided for the business corporation would be both onerous and uncertain and hardly likely to stimulate growth and investment," he stated.

Perrault said 16 of the 20 largest corporations would be nationalized under the Parti Quebecois and other firms would see nationalization as a constant menace which would reflect in their operations, particularly with regard to financing.

He said it is unrealistic for the PQ to assume that the rest of Canada would not be seriously affected by the political independence of Quebec.

"Even if there is not a tariff barrier with the rest of Canada, or even an invisible barrier, certain emotional factors would surely contribute toward limiting Quebec exports and, as a result, would restrict the market for producers."

Perrault felt that Quebec industry would lose virtually all the leaders of firms whose head offices would be moved elsewhere and so that it would become extremely difficult to attract specialized English-speaking personnel to Quebec.

While Quebec is producing more and more people capable of filling key positions in industry, Perrault said "a certain amount of maturity and sorting out is necessary before these persons can fully assume their roles."

Control of business would continue from the outside, he said.

He also warned that foreign investment would be substantially reduced as result of massive nationalization and a climate generally unfavourable to the free expansion of business.

However Perizeau made the point that Quebec now has all the early disadvantages of independence without any of the advantages.

For the past 20 years Quebec has been noticing an evaporation of the relative advantages which resulted from its location: at the point where navigation stopped. As the main supply depot for the country, Montreal developed a major role in certain essential services but with the great take over by the U.S. there has been a shift of economic action and decisions to Toronto and the centre of the continent.

For 25 years investment in manufacturing has been half that of Ontario's and industry in Quebec has fallen behind in technological modernization, Perizeau explained.

The federal government, realizing the dangers of this, pumped money into Quebec, in the form of subsidies so that the whole province is on welfare, he said.

And the Quebec government is trying to "plug wholes in the economy" by reverting to the old standby of natural resources.

Perizeau argued that independence would allow the Quebec government to influence the economic decisions which affect investment.

Quebec would be able to control foreign investment; "Under independence the rules of the game would be changed. Companies would have to incorporate in the new country and abide by certain rules of the game," he said.

"In areas where there are too many firms to operate efficiently in our small market the government would have to take control, merge companies and make them better able to compete in world markets.

He argued that there would be enough tax revenue for the government to control the economy, and enough savings, if properly channeled to sponsor economic growth.

Perizeau and the PQ do not think Quebec can get enough growth or employment through the federal system because the government "has to balance off several areas" and there is a "lack of will" to change the economy to the advantage of Quebec.

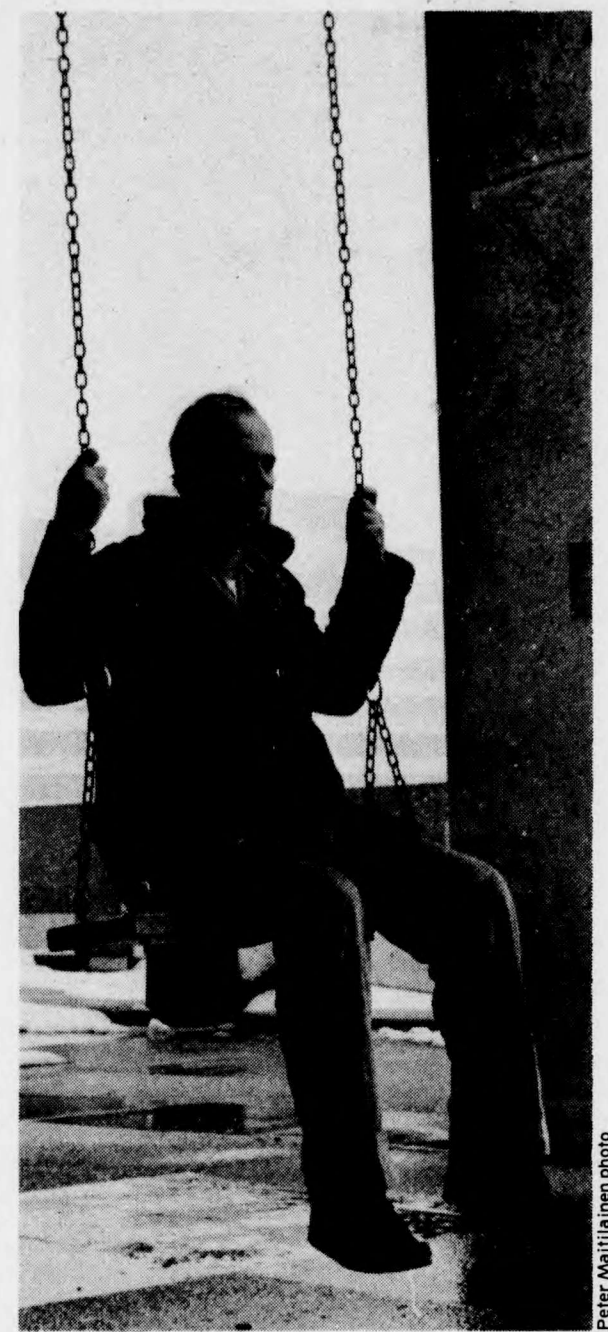
Perrault argued for a looser federation of five economic areas within Canada which would be more advantageous for all areas.

Because he thinks there are not enough private entrepreneurs in Quebec, Perizeau felt the government will have to assume a major role in economic development.

In answer to a question from the audience about socialism and free enterprise, Perizeau made the case that there is no such thing as free enterprise in this day and age.

"It's purely verbal gimmick," he said. "All governments are involved in the control of production but only some societies accept that reality. Government is not bad. In any case it's inevitable."

Laid off worker hanging around



Five workers were suspended last Thursday over a dispute with management regarding compulsory overtime. George Green, one of the five men suspended is sitting on an 18 foot swing put up by workmen. The swing is part of a Fine Arts' student project and is located at the south end of the Ross building.

Peter Maitilainen photo

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