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THE CANADIAN EMBASSY

Washington, D.C.

TRANSCRIPT FROM THE VIDEO-TAPED INTERVIEW

- of -

PAUL DUKE, JOHN ANDERSON AND MICHEL TATU

- with -

THE HONORABLE MARC LALONDE

MINISTER OF STATE

FOR FEDERAL PROVINCIAL RELATIONS

February 10, 1978

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ROBERT J. MC GAVIN  
Press Secretary



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MR. DUKE: I am Paul Duke of American Public Television.

Canada's future is a subject of wide discussion these days. There is, now, a basic question: Will Canada remain the Confederation which it has always been; or will its biggest Province, Quebec, break away and form its own independent Government?

Clearly, this is a topic of great interest to Canadians--as well as other nations around the world.

One man who is well versed in all of the ramifications of this issue is Marc Lalonde, the Minister of State for Federal Provincial Relations.

During his recent to Washington, Monsieur Lalonde discussed the Quebec matter with myself and two other journalists: John Anderson, an Editorial writer for the Washington Post, and Michel Tatu of the French newspaper, La Monde.

Mr. Minister, you were named to this new position in September of 1977. Why was it created?

MINISTER LALONDE: I thought, at first, that I was the first one to have ever been appointed to this position, until I checked the history books and found that I had three predecessors, all between 1867 and 1870, when the new Confederation started in Canada.

I think this is probably a sign of the times



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1 and similarity, in that respect: that the job was created--  
 2 when the Confederation started-to see to it that the new  
 3 regime would be implemented in a reasonably smooth way.  
 4 And things went so smoothly that, after two years, they  
 5 could dispense with the Minister of Federal Provincial  
 6 Relations!

7 I think my appointment, at the present time, relates  
 8 to the fact that not only the whole area of Federal  
 9 Provincial Relations has increased tremendously in the  
 10 last fifteen years--in terms of day-to-day relationships  
 11 between the Governments--but, also, to the fact, really, of the  
 12 crisis that Canada is going through at the present time--in  
 13 terms of its unity and the necessity to review, fundamentally,  
 14 our Constitutional arrangements.

15 We have, probably, one of the oldest Federal  
 16 Constitutions in the world; at the present time in Canada.  
 17 It has not been touched very substantially over the last  
 18 110 years and I think, after that length of time, it could  
 19 be quite understandable that / <sup>that</sup> would be time to have a  
 20 very good look at it and, maybe, have a new one;

21 "Try something new"!

22 MR. DUKE: But you do refer to the "crisis" which  
 23 Canada is going through and, in that connection; what do you  
 24 see as your principal goal?

25 MINISTER LALONDE: Well, the first goal is to



1 keep Canada united, obviously and, as a Federal Country.  
2 I don't think anybody is seriously considering changing  
3 Canada into a unitary State.

4 The most serious threat, at the present time,  
5 obviously, is coming from the Separatist movement in  
6 Quebec. The present Government in Quebec has been  
7 elected, not on a Separatist platform, but a platform of  
8 good Government. But, nonetheless, that particular party  
9 has separation as its goal. They have now watered it  
10 down to have a "Sovereignty Association"--as they call it--  
11 which appears to be a mixture of political independence  
12 with economic association with the rest of Canada.

13 Separation has no large support amongst the people  
14 of Quebec. The highest poll I have/seen in the last 15 years  
15 was 20%; and it has fluctuated between 10% and 20%, almost,  
16 pretty consistently over the last 10 years.

17 But, quite clearly, there is a desire for  
18 changes, and the renewing of our Federal System. I think that  
19 is quite clearly the case.

20 MR. ANDERSON: Mr. LaLonde, in the dialogue that  
21 is going on now between the Federal Government in Ottawa  
22 and the people of Quebec, we have the impression down here  
23 -- watching it from a distance -- that the Federal Government  
24 is doing a fairly successful job of defending the status quo  
25 and trying to persuade people -- voters -- in Quebec that





1 they are better off under the status quo than they would  
2 be under any variation of sovereignty.

3 But we don't have the impression that the Federal  
4 Government is doing very much to respond to the complaints--  
5 to the grievances--of the Quebecois.

6 Is that impression correct?

7 MINISTER LALONDE: I think it is not correct.

8 First of all, when you say "we are doing a successful  
9 job of defending the status quo", if you mean by this that  
10 we are defending the Federal System versus independence, or  
11 separation, I hope we are doing a successful job! But  
12 we are not for the status quo in the sense that we believe  
13 that the Federal arrangement in Canada is the end-all and  
14 be-all; and that what was decided was needed in 1867  
15 is more permanent than the Bible, itself.

16 We are ready to consider changes in the Constitu-  
17 tion.

18 Now, answering the grievances of French Canadians:  
19 it is a problem that takes time and, you know, we have been  
20 actively pressing changes over the last 10 years at least--  
21 but changes that answer grievances that go back to 100 years.

22 And, if it were not a Democratic system, we  
23 might have been more successful; and it might have been  
24 relatively easier. But, as long as you live in a democracy  
25 and you have to carry the majority of people with yourself,



1 if you are the Government, then these things take time.

2 A lot of changes have taken place in the last  
3 10 years but, again, it takes time for people who are  
4 benefiting from those changes to realize them.

5 So you have a double time lag there, that you are  
6 facing, and I can only say that we have to keep pressing  
7 ahead in the hope that, on the one hand, the majority will  
8 support those changes -- as it has up to now -- and that  
9 the minority will realize that things are taking place.

10 MR. ANDERSON: Along these lines --

11 MINISTER LALONDE: Surely.

12 MR. ANDERSON: You speak of changes in the  
13 Constitutional structure.

14 What kind of changes do you have in mind?

15 What are the possibilities?

16 MINISTER LALONDE: Well, Canada at the present  
17 time is one of the most decentralized Federal Systems in  
18 the world. There is a lot of talk in Canada about the  
19 necessity of decentralizing; and further decentralization.

20 I think there is serious illusion as to how much  
21 more decentralization we can have in Canada. Like I said,  
22 if you compare the other Federal Systems in the world,  
23 ours is almost the most decentralized; I would say.

24 However, there is room for change--in several  
25 respects.



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First of all, I think there is possibility for what I would call "disentanglement" -- if I may use that expression -- of Federal Provincial Relations -- that we have been walking on each others' toes rather frequently over the last ten or twenty years--as both levels of Government grew in importance and significance.

Secondly, I think our effort should not be so much at turning out to the Provinces a whole bunch of additional powers, as -- first of all -- trying to work out a kind of trade-off: letting them do what they are best equipped to do-- to deal with--and work at probably a greater Regional and Provincial participation in Federal decision-making in Federal Institutions -- institutions like the Supreme Court, or the Senate, or the Administrative Institutions that exist.

I think we can work out mechanics whereby the Provincial Governments would have a feeling of greater involvement and participation.

[sic]

Germany has succeeded in doing that at the expense of their Provinces, or Landaus. As you know, in the end you have a Federal System which is very centralized, indeed. I don't think this is realistic for Canada. We have a different tradition; and I don't think it would work. But there are attempts -- we must work at this type of change.



1 MR. TATU: But you have different Provinces,  
2 with very small populations, or big populations, and the  
3 needs for autonomy are different. Even, I understand,  
4 Quebec would need, anyway, more autonomy than other  
5 Provinces.

6 How can you make a Constitution which will apply  
7 to all Provinces if you want to keep the general system?

8 MINISTER LALONDE: At the present time, all  
9 Provinces have roughly the same powers; and those powers  
10 are very big. Some Provinces are exercising their powers  
11 more than others; and it is true that there is a large  
12 difference between the various Provinces.

13 Again, I don't think the solution is in terms  
14 of having Provinces with very different powers -- one from  
15 the other. I don't think the Federal System can work on  
16 that basis.

17 What we could look at -- and this has been working  
18 in some areas -- there have been possibilities where some  
19 Provinces have decided, as I said, to exercise more of  
20 the powers than others, although they all have the same  
21 powers in principle.

22 I take the example of Securities regulation, for  
23 instance. In Canada, at the present time, you could  
24 say there are probably three Provinces that are really  
25 regulating the Securities Exchange. And one that is really  
the leader is the Province of Ontario, with the largest





1 industrial base and the largest population. The others  
2 are just following suit.

3 One certainly would argue whether this is the  
4 right development for Canada; whether this should not be  
5 Federal because, in the end, you give to one Province the  
6 power to regulate the others. That is one of the  
7 difficulties in the notion that you could have varying  
8 degrees of the exercise of power.

9 MR. DUKE: You mentioned --

10 MINISTER LALONDE: There are possibilities --  
11 I am sorry if I cut you off: Immigration, for instance,  
12 is a joint power, under the Canadian Constitution. We are  
13 going to sign with the Provinces--in the next few days--some  
14 agreements -- with Quebec, and the other Provinces --  
15 and the Agreements will vary from one Province to another:  
16 as to how much they want to do.

17 We signed an Agreement, in the area of Cable  
18 Communications, with one Province. We have not signed it  
19 with others. It depends. I think there is flexibility  
20 in terms of Administrative delegation, I would call it.

21 MR. DUKE: You talk about changes in the Government;  
22 changes in the Constitution.

23 Don't there have to be more basic changes affecting  
24 people? For example, there are the complaints of discrimina-  
25 tion by the French/Americans. Don't you have to deal more



1 forcefully in trying to rectify some things that will  
2 provide greater opportunities for them?

3 MINISTER LALONDE: I think it would be a very  
4 serious mistake to think that we will resolve the problem  
5 just by playing around with the Institutions, and with our  
6 Constitutional changes. I think you have socio-economic  
7 factors that have been there for decades, and centuries.

8 MR. DUKE: So, in a sense, this is the Canadian  
9 Civil Rights issue, isn't it?

10 MINISTER LALONDE: Yes. Civil Rights in a broad  
11 term -- in the broad sense. That is, equality of oppor-  
12 tunities: The French Canadians want to be able to play a  
13 full role, which they felt they have not been able to play  
14 or have not been called upon to play in the Business Sector,  
15 for instance, and, particularly, in the Institutions at large.

16 I think we have come a long way to insure fair  
17 representation of the Francophones, or the French Canadians,  
18 inside of the Federal Institutions. I think there has been  
19 tremendous progress in the last fifteen years! At the  
20 present time, for instance, the number of French Canadians  
21 inside the Federal Public Service corresponds exactly  
22 to the population -- about 25%. Still, there is a lack of  
23 representation of the French Canadians in the top echelons--  
24 but, you know, the movement is there. Things are taking  
25 place. It will take care of itself.



1 But, in the Private Sector, there is still that  
2 serious lag by the French speaking Canadians inside of the  
3 Canadian economy.

4 MR. DUKE: I was wondering if you feel that you  
5 need any new laws to deal with problems of discrimination.

6 MINISTER LALONDE: I don't think so. In terms  
7 of active discrimination, I don't think you will be able to  
8 achieve it just in terms of laws. We have, on our Statutes,  
9 all of the laws that are necessary in terms of eliminating  
10 or banning discrimination on the basis of language, sex ,  
11 religion, or whatever way you want to look at it.

12 And I don't think we will want to go in the line  
13 of Affirmative Action in terms of quotas and what-not.

14 I don't think we will go for that at all in, Canada!

15 You have to work it out in terms of the political pressure  
16 coming out of the people themselves, for changes and  
17 adaptations. That has taken place.

18 MR. ANDERSON: You say that you don't see Canada  
19 moving towards the kind of Affirmative Action and quota-and-  
20 goal-setting that we have come to in this Country, in the  
21 United States.

22 Under the looser Federal relationship that you have  
23 sketched out here, would a Province like Quebec have the  
24 power to develop and pursue the kind of Language Legisla-  
25 tion that it has embarked on over the last year -- setting



1 requirements for language competence; requiring that French  
2 be a language of business, and the Courts, and so forth?

3 What do you foresee there, under this Federal  
4 relationship?

5 MINISTER LALONDE: Well, what we want to have in  
6 the Canadian Constitution -- something that we don't have  
7 at the present time -- is a Charter of Human Rights  
8 which is entrenched in the Constitution, like it is in the  
9 American Constitution. And under that Constitution, we  
10 would like to see, entrenched, a certain number of linguistic  
11 rights -- linguistic rights which would obviously protect  
12 the French minorities outside of Quebec but, also, protect  
13 the English speaking minority inside of Quebec. And we  
14 would like those rights to be equal. They correspond,  
15 essentially, to the right to be served by your Government  
16 -- Federal or Provincial -- in one or the other of the  
17 official languages; if there are enough people in the  
18 community to support the minority language to support that  
19 kind of service.

20 MR. ANDERSON: Would that include the right to  
21 choose the language in which your child was instructed in  
22 school?

23 MINISTER LALONDE: We are looking at this situa-  
24 tion. What it would surely include, I think as a basic-  
25 minimum proposition, would be that, if you speak one or the





1 other of the official languages, you should be entitled,  
2 wherever you are in Canada -- if there are enough people to  
3 warrant it -- to education in your own official language.

4 The more difficult question is the one relating  
5 to people of third languages.

6 Would you have, in the Constitution itself, the  
7 right to full freedom of choice?

8 In practice--in all of the other Provinces  
9 except Quebec--this means choosing the English language  
10 school. It has always meant that--in a way.

11 For the French Canadians, and for the people in  
12 Quebec in particular, what it has meant, in effect, has  
13 been that the immigrants have tended to integrate over-  
14 whelmingly with the English-speaking system -- school  
15 system.

16 Our position and our objective, as a Federal Govern-  
17 ment, is full freedom of choice. But we have to recognize  
18 that there was, and still is, a very serious feeling of being  
19 threatened, as a community inside Quebec, by the fact that  
20 the immigration would so overwhelmingly integrate with  
21 the English speaking minority and, due to the very serious  
22 decline in the birth rate in Quebec among French speaking  
23 Canadians, for instance, there has been a very great  
24 concern expressed that, over the decades, the French --  
25 even in Quebec -- would find themselves suddenly going from





1 dropped, more or less, and then the others -- the French  
2 speaking people in other Provinces -- will be more integrated  
3 inside the English community?

4 MINISTER LALONDE: Well, I don't believe that  
5 Quebec will ever want to be independent, or separate, from  
6 the rest of Canada. But, assuming that what you say is right:  
7 you would have, really, one English State and one French  
8 State, period!

9 You know, first of all, there would be no Federal  
10 Parliament left, as far as Quebec is concerned, so that if there  
11 is one left, it would be only for the other Provinces; and  
12 one could not expect the continuation of a Federal bi-lingual  
13 system for only the other Provinces. I think this would be  
14 completely unrealistic!

15 I would like to pick up what you said at the  
16 beginning, however.

17 Our policy has never been to provide Federal  
18 services in the two languages all over Canada--whether  
19 they are French speaking people or not. This policy has been  
20 misrepresented and misunderstood by a lot of people in  
21 English speaking Canada.

22 Our policy has always been to, in effect, preserve  
23 the right of Canadians -- either English or French --  
24 to remain uni-lingual if they wanted to, in the sense that  
25 they were entitled to get from their Federal Government,  
service in their own language from Ottawa, all the time;

1 85% to 60%, or even 50%, of the population of Quebec. And  
 2 then, they say, if that ever happened, that is the disappear-  
 3 ance of the French speaking community in North America--for  
 4 all practical purposes.

5 And that is why there has been that type of  
 6 Legislation by the Provincial Governments. One has to  
 7 understand this concern for their own survival; and what kind  
 8 of shape this would take, in terms of a new Constitution.

9 I think you have to bear that in mind -- this  
 10 particular problem -- but I think, as I said, as a basic  
 11 minimum, we have to recognize the right of the people of  
 12 both official languages to send their children to the  
 13 schools of their choice--wherever they are in Canada.

14 MR. TATU: I think the trend is not favorable  
 15 to what you explained now, because I understand -- maybe I  
 16 am wrong -- that Mr. Trudeau, in the beginning when he was  
 17 in Office, wanted to have a very official bi-lingual/<sup>political</sup>policy,  
 18 in trying to have nearly all of the Federal **Government**  
 19 being made in both languages. And there was some protest  
 20 from other Provinces; that they wanted to impose some  
 21 French when they did not need it, you know.

22 And, then, what would be the trend in the future--  
 23 if, now, Quebec is going to become independent, for example?

24 Will the result be that what remains of this  
 25 bi-lingual policy at the Federal level would have to be



1 and from their local Federal offices if there were enough  
2 people of the minority language to be entitled to get the  
3 service -- to be worth providing the service.

4 We have never had the intention of providing  
5 French services in a small community in Northern British  
6 Columbia, where you have no French people--any more than we  
7 want to provide service in English in every small Post Office  
8 in Quebec; in a village where 99% of the population is  
9 French!

10 That has never been our policy or our plan, but  
11 it has been misinterpreted in that way--very often.

12 MR. TATU: What do you think should be--or could  
13 be--the attitude of the United States towards these problems  
14 in Canada--since you are a neighbor?

15 Is there an attitude which you would like?

16 What is the most helpful attitude you would like  
17 from the United States?

18 MINISTER LALONDE: I think the most helpful  
19 attitude from the United States is the one they have followed  
20 up to now: that this was a matter for the Canadians to  
21 decide. But, clearly, there is no doubt in anybody's  
22 mind that the sympathy of the American Government--and of  
23 the American people--is in support of a United Canada, and a  
24 Federal system in Canada. The United States people are  
25 living under a Federal system. They know what it is. They





1 know it has a lot of defects. But the other alternative is  
 2 even worse. So I don't think we need direct interference, or  
 3 even indirect interference, of the United States into our  
 4 debate at the present time. I don't think it would be very  
 5 helpful anyway. I think that the type of attitude that has  
 6 been followed: "Business as usual and let the Canadians  
 7 decide for themselves" is probably the best one.

8 MR. TATU: What about the French government?

9 MINISTER LALONDE: I would like the same attitude  
 10 from the French government.

11 MR. DUKE: How do the Canadians react?

12 Do they fear an adverse reaction in the United  
 13 States? Will that affect the outcome in Quebec?

14 MINISTER LALONDE: I think they do; and people  
 15 in Quebec do; and the present Government of Quebec fears  
 16 that kind of adverse reaction; and this is why Mr. Levesque  
 17 was so concerned about maintaining open communication with  
 18 the Business community and with the Media in the United States.

19 I think one factor that the French Canadians,  
 20 or the Quebecois, are weighing quite clearly, is the  
 21 attitude of the Business community, and the American people,  
 22 generally. I think if they were to feel that the Business  
 23 community is very supportive of the wish of the current  
 24 Government, and that if the Business community were to  
 25 express the view that it just does not matter, then that

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1 would be the kind of support that would be used by the  
2 Government in selling its own solution.

3 At the present time, this kind of support has  
4 not been forthcoming; and I doubt that it will.

5 So I would say, all around, that the kind of  
6 reservation --- although not publicly expressed, but  
7 that, you know, everybody knows about -- has been the factor,  
8 at the present time, which has been creating road blocks  
9 into the realization of the views of the current government  
10 in Quebec. Yes.

11 MR. ANDERSON: Speaking of the Business community,  
12 let me come back to Language Rights for a minute.

13 In Quebec The Federal position on Language Rights has mainly  
14 been in terms of Federal Services--Public Services to the  
15 citizen. But, of course, a lot of the Quebecois complain  
16 that, as Business operates in Quebec at the top, it  
17 operates mainly in English -- almost exclusively in English --  
18 and, therefore, it is impossible for a Francophone on the  
19 way up to move beyond a certain point in his own language.

20 Under the Federal Provincial Relationship that  
21 you foresee: would a Province have the right, that Quebec  
22 now asserts, of saying that people who do business in Quebec  
23 must do business in French, in order to open those top jobs  
24 to people who speak French?

25 MINISTER LALONDE: I would say "Yes". I would



1 say "Yes". As our Federal System is decentralized, we have  
2 very different problems--according to the Regions.

3 Quebec is a Province where the large majority --  
4 85% of its population -- is French; and I think the  
5 Provincial Government should have that kind of freedom  
6 of action, and it is up to them to do it, realizing that  
7 it has a cost; and that you can go as far as you want --  
8 but the marginal costs of what you are doing start increas-  
9 ing past a certain stage. But that is the rule of Democracy--  
10 and I don't foresee the Federal Government being, in that  
11 sense, the "Big Brother" for everything.

12 There is a lot, in the current Language Legislation  
13 in Quebec, which should be the responsibility of the  
14 Provincial Government. Let the people of Quebec decide  
15 whether or not they want to pay that kind of a cost, and  
16 want to labor with those kinds of difficulties.

17 I don't foresee the Federal Government trying to  
18 eliminate the rights of Provinces to legislate in the area  
19 of private business operations.

20 MR. TATU: In the next Constitution -- if there  
21 is one -- would you accept an extension of the fact that  
22 Quebec, for example, has Foreign Relations--at a certain  
23 level--with foreign Countries. For example, France, and  
24 French-speaking Countries?

25 Could you extend that to other Provinces, if

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1 they would like it?

2 MINISTER LALONDE: The other Provinces have  
3 exactly the same rights as Quebec has, at the present time,  
4 under the Constitution. Quebec has no greater right than  
5 any other Province, in the area of external relations.  
6 It has decided to develop it in a certain way, compared to  
7 other ways.

8 MR. TATU: Would you like that to be used, really,  
9 more than it is now?

10 MINISTER LALONDE: If all of the Provinces were to  
11 press the limits of their activities in Foreign Relations  
12 as far as Quebec has been doing it, and with as little coop-  
13 eration of the Federal Government as it has, I think it would  
14 be very detrimental for the unity of the Country. It would  
15 be very difficult to run our Foreign Relations as a Country  
16 and to have a consistent Foreign Policy.

17 So it is not so much the question of the rights  
18 to do this, or that. It is the way in which it is being  
19 exercised.

20 So, in terms of Foreign Relations, we have always  
21 taken the view that the Provinces could do a lot in terms  
22 of contacts with Foreign Countries in the areas of their  
23 own jurisdiction, but it should be done in a certain way  
24 inside of the Federal System.

25 We have published a Statement of Policy in that  
respect several years ago; and it still holds.





1 I don't buy -- and I don't think we will ever buy --  
2 the theory of external extension of internal jurisdiction.  
3 That is: because they have Domestic jurisdiction in the area  
4 of Education that, automatically, they can do, in external  
5 relations, whatever they want in that area. This has to  
6 be put inside the context of a National Foreign Policy  
7 which has been the exclusive responsibility of the Federal  
8 Government.

9 MR. TATU: So there will be no change in the new  
10 Constitution in this area?

11 MINISTER LALONDE: I would not favor changes in  
12 that respect, no. I think, you know, if you want to have  
13 one Country, I think you have to have one Foreign Policy--  
14 not eleven!

15 MR. ANDERSON: What, really, are the practical  
16 chances for revision of the Constitution?

17 The last time there was a serious effort to re-  
18 patriate the British North America Act, that stalemated over  
19 differences, essentially, between Quebec and the other  
20 Provinces. Has anything happened over the last several  
21 years that would evoke a different response from the  
22 English speaking Provinces?

23 MINISTER LALONDE: Well, our problem has not  
24 been mainly with the English speaking Provinces, but  
25 with Quebec--for the last few years--in this respect.



1 First of all, we can amend our Canadian Constitu-  
2 tion, substantially, in the areas which are under Federal  
3 responsibility. We cannot affect the distribution of powers,  
4 obviously. But in the areas coming under strictly the Federal  
5 authority, we can make a lot of changes; and we are working  
6 on this at the present time.

7 So that is one area where we can make changes.

8 The other area -- which is the whole question of  
9 the working of Federal Provincial Relations and the distri-  
10 bution of powers between the two levels of Government -- is one,  
11 obviously, that needs a lot of consultation with the Provinces --  
12 and a consensus with the Provinces.

13 The current Quebec Government has said that they  
14 are not interested in discussing a new Constitution except  
15 in the context of independence, or "Sovereignty Association".  
16 Well, there is no way we will buy that! Nor will we negotiate  
17 that! So, as long as the current Government is in Office in  
18 Quebec; and as long as it has not lost its forthcoming  
19 referendum, there is very little hope for a strictly new  
20 Constitution and a real serious discussion about the distri-  
21 bution of powers.

22 I don't think it will take place. There need to  
23 be at least two to discuss. So you have to vote for a  
24 [for]  
25 defeat of the referendum; and/a new Government, which will  
be a "Federalist" Government, in Quebec. And I hope that this



1 will take place.

2 MR. ANDERSON: It sounds as though there is going to  
3 be no very substantial Constitutional change until after  
4 the referendum.

5 What is your strategy between now and the  
6 referendum?

7 What are you going to be speaking to?

8 MINISTER LALONDE: Well, first of all: I am not  
9 saying that there will not be substantial changes between  
10 now and the referendum. I think we will put forward pro-  
11 posals during the course of the present year--to Parliament  
12 and the people of Canada--which will indicate that the Federal  
13 Government is not frozen in its status quo; that we have  
14 ideas for change; and that we are ready and willing to  
15 make changes in the areas where we can make changes, alone.  
16 And this will be an indication, quite clearly, to the people  
17 of Quebec, as well as to the people of the rest of Canada,  
18 that we, as a Federal Government, are ready to sit down  
19 and work out a new Constitutional arrangement.

20 That would be the first step.

21 Obviously, the second step requires the consensus  
22 and the support of the Provinces; and one of the large  
23 partners -- which is Quebec -- is not willing to do it now.  
24 We have to be at least ready -- short of people, and the  
25 people of Quebec in particular -- to show that we are not



1 the ones who are intransigent and inflexible, but it is the  
2 other people -- the Provincial Government in Quebec -- who  
3 really don't want to work out a deal except their own. And  
4 that is going to be the situation.

5 So our strategy is going to be to put forward  
6 some proposal which would indicate flexibility on our  
7 part, and to say that if and when there is a Government in  
8 Quebec that is ready to discuss a renewal of our Federal  
9 system, we are there to talk.

10 In the meantime, we can't do it at all!

11 MR. DUKE: Let's suppose it doesn't work out  
12 that way. Suppose there is, in fact, separation.

13 What happens then?

14 MINISTER LALONDE: There will be separation!

15 MR. DUKE: What is the effect on the rest of  
16 Canada?

17 What does this do?

18 MR. TATU: Mr. Trudeau has said that he could use  
19 force -- in certain circumstances -- to prevent that.

20 MINISTER LALONDE: What Mr. Trudeau said was that,  
21 if -- against the will of the majority of the people of  
22 Quebec -- the Government were to take illegal means to  
23 achieve its purposes: obviously, we would not tolerate the  
24 Government's taking illegal means against the will of the  
25 people!





1           That is what Mr. Trudeau has said, in answering  
2 a hypothetical question.

3           We have said quite clearly that, you know, we have  
4 enough confidence in the common sense and the good judgement  
5 and in the Democratic system, itself, that we are not worried  
6 about this.

7           Now, when you say, "What will happen, or what  
8 would happen" --

9           MR. DUKE: What would the effect be on Canada --  
10 should there be separation?

11           MINISTER LALONDE: Well, I think it would be  
12 pretty bad! Pretty bad!!

13           You would end up with the Atlantic provinces  
14 finding themselves a little bit like, I suppose, Alaska, or  
15 Bangladesh. I don't know what the solution would be: the  
16 one in Bangladesh -- or the one in Alaska; in the sense  
17 that they would stay tied with the rest of Canada.

18           I think we would be breaking a large economic  
19 unit. Economically, it would be worse for Quebec than for  
20 the rest of Canada. But it would not be good for the rest  
21 of Canada.

22           I don't see that the rest of Canada, you know,  
23 would just become part of the United States within ten  
24 years. I just don't see that!

25           MR. DUKE: But you would have to rely a lot more



1 on the United States, would you not?

2 MINISTER LALONDE: Well, we are relying quite a lot  
3 already. So it is a question of degree. We would be relying  
4 a little bit more, I suppose. But, you know, still, Canada  
5 -- even imagining Canada without Quebec -- which I cannot  
6 do--and I would say it would be a great pity for Canada  
7 and the rest of the word -- but imagine it. You would still  
8 have a big chunk of land with a lot of resources there, and  
9 it could still be a pretty wealthy Country!

10 To quote Mr. Trudeau: "It would be a defeat for  
11 humanity!"

12 MR. DUKE: To go back to what you were saying earlier:  
13 do you feel that this threat -- this danger -- has been  
14 greatly exaggerated?

15 MINISTER LALONDE: Yes. It is tough. I think  
16 we must take it seriously. You know, it is not a "joke," but  
17 to see this as some kind of an inevitable development;  
18 "that the trend was in that direction, and that you know it  
19 is just a question of time": I think that is a lot of hog wash!

20 There is no indication in the trends that I can  
21 see, that the theory of the inevitability of separation  
22 is valid. I just don't believe it is valid!

23 We have to have changes in Quebec. We have changes  
24 in Canada; in the Constitution; in our Institutions; and  
25 in the Private Sector, there have to be adjustments.



1 But, looking at our history; I don't see why  
2 that cannot be achieved within Canada through the exercise  
3 of the Democratic system without violence.

4 I don't see any reason why we would have to resort  
5 to that. But, you know, there are other Countries which are  
6 not facing the linguistic problem that we have in Canada,  
7 who have had to face violence for all kinds of reasons, and  
8 Canada has no particular reason to be the only one to be  
9 excluded in the world--in that respect.

10 But I am quite confident about the future--  
11 honestly!

12 MR. ANDERSON: The Canadian economy is going  
13 through a bad time at the moment. High unemployment --  
14 apparently still rising.

15 High inflation.

16 MINISTER LALONDE: It came down last month--in  
17 adjusted terms.

18 You know, people look at the gross figures but, in  
19 adjusted terms, it went down 2/10th's of a point last month.

20 MR. ANDERSON: To what?

21 MINISTER LALONDE: 8.3; which is very high!

22 MR. ANDERSON: And the Quebec rate is higher!

23 MINISTER LALONDE: I think it is 11.5!

24 MR. ANDERSON: Yes.

25 The **Provincial** Governments and the Federal  
Government are going to meet next week--if I understand it --



1 mainly on economic questions. And any kind of a solution,  
2 or remedy, is likely to be centralizing. The nature of  
3 modern economic management tends to bring power to central  
4 Governments.

5 Don't you get **into** a contradiction, here, between  
6 the need to improve economic performance with stronger  
7 Federal leadership and, at the same time, the loosening of  
8 the Provincial relationships that you feel, yourself, you  
9 are required to pursue for these political reasons.

10 MINISTER LALONDE: I would say "No" to that,  
11 because -- I think you are raising a very serious problem,  
12 indeed -- but I don't reach the conclusion as you  
13 formulated it in the first part of your statement.

14 I will agree with you on your second part--when  
15 you are talking about Federal leadership--but Federal leader-  
16 ship does not necessarily mean political powers--or legal  
17 powers.

18 I think one of our problems has been, too often,  
19 to confuse leadership with the exercise of legal powers,  
20 as such. I have seen that in my own previous areas--  
21 in the area of Health and Welfare-- where the Federal  
22 Government legislated very actively in the Sixties and in  
23 the Fifties; and we had a lot of programs where we were  
24 putting money in with "conditions" and all of that.

25 Well, we have been relaxing those "conditions."





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We have been transferring taxing resources to the Provinces, so they can do it, now, on their own. They have matured in terms of Administration and all that.

What we find is that once we are not loaded with a lot of technical problems of Administration, we get more time to provide political leadership, because then we can think in terms of broad planning; in terms of broad objectives; And we find that the Provinces are quite receptive to working on a cooperative basis, when you are not trying to do their job, but trying to work at resolving and putting forward the broad objectives for the Country.

It is the same thing that we are attempting to do in the Economic field at the present time. In the Provinces, there has been a very substantial shift of effective power to the Provinces of Canada for the last 15 years. About 15 years ago, the tax resources were 60% Federal and 40% Provincial: Provincial with Municipal. Now, it is the reverse: 60% of the tax resources are being administered by the Provinces and Municipalities, and 30% by the Federal Government. That is a net transfer-- in our economy--of about \$20 billion to the Provinces, in terms of total budget.

So that there is a very significant transfer of resources, and the Provinces have, under our Constitution, a large degree of economic power. About 80% of the



1 Labor Forces come under Provincial control, for instance.  
2 So I think it is completely illusory to think that we could,  
3 as a Central Government, try and take over through this type  
4 of consultation -- or because the Economy is going through  
5 a tough time -- take over the Provincial responsibilities.

6 We can do a lot through cooperation. We  
7 introduced Prices and Incomes Control in Canada. We are  
8 removing it next April with the assent and consent of all  
9 ten Provincial Governments. We did not take it away from  
10 them in the sense of a waiver against them. They,  
11 themselves, realized that the time was ready for a solution.  
12 So they cooperated. After a few years, they began to say,  
13 "Enough is enough. We want you to get out of it"; and  
14 we are getting out of it!

15 I think you may end up with the Federal Government  
16 being asked to do a few things, but the atmosphere is to  
17 get through these consultations; to get agreement and  
18 consensus between the Provinces and the Federal Government  
19 as to what kind of Federal action, or interference, should  
20 take place with the economy--rather than taking the attitude  
21 that, "There we go, and bang!"

22 And these three days of consultations are  
23 going to be very significant, I think, in terms of a  
24 general approach; and in terms of the process for Economic  
25 Policy Development in Canada.



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MR. DUKE:None-the-less, it is true that you do have Economic problems. I want to ask you about a statement you made in a recent speech in which you suggested that one of Canada's difficulties is that it is viewed too often as a 97-pound weakling.

What did you mean by that?

MINISTER LALONDE: Well, we have problems, economically, but one of our problems -- inside Canada even more than outside of Canada -- is that we tend to take a rather despondent view of ourselves. There has been a lack of confidence in the Canadian economy, inside, among the Canadians, themselves; and a lack of confidence about the future of our Country. Again, it is a self-fulfilling wish. If you think you are weak, you will be weak! If you think you are strong, you will be strong!

When I made that particular statement, I said, "Look at the basic strength of the Canadian economy-- and the immense wealth that we have-not only in terms of resources, but in terms of people, too."

There is no reason to be fearful about the future.

Gosh -- we are one of the most fortunate Countries in the World!

MR. ANDERSON: One of the things that strikes the eye down here is the Canadians sitting in their snow drift up north of the Boundary, constantly complaining about



1 the weakness of the economy; but Canada is the only Country  
2 in the World that is currently exporting both oil and wheat!  
3 So that is not a bad position to be in!

4 MINISTER LALONDE: As you look at what is still  
5 in the ground as a possibility, it is just tremendous!

6 Tremendous!

7 MR. DUKE: So you have to be optimistic!

8 Thank you very much, Mr. Minister, for an  
9 interesting and stimulating conversation about Canada and  
10 its problems.

11 Thanks to you, too, John Anderson of the Washington  
12 Post, and Michel Tatu of the Paris newspaper, La Monde.

13 I am Paul Duke, in Washington.

14 [Whereupon, the interview was concluded.]  
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the weakness of the economy; but Canada is the only country in the world that is currently exporting both oil and wheat.

So that is not a bad position to be in;

MINISTER LAPOINTE: As you look at what is still

in the ground as a possibility, it is just tremendous;

Tremendous;

MR. DUKE: So you have to be optimistic;

Thank you very much, Mr. Minister, for an

interesting and stimulating conversation about Canada and

its programs.

Thanks to you, too, John Anderson of the Washington

Post, and Michel Duch of the Paris newspaper, La Monde.

I am Paul Duke, in Washington.

(Whereupon, the interview was concluded.)





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