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## CANADA QUARTERLY

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## WHY CANADA WILL REMAIN UNITED

Excerpts from an address by Stéphane Dion, President of the Privy Council and Minister of Intergovernmental Affairs, at the Center for Strategic and International Studies, Washington, D.C., on October 15.

I am speaking to you as both a Quebecer and a Canadian who is very attached to both his identities and never wants to have to choose between them. I know that the vast majority of Quebecers feel the same.... A poll conducted last February showed that 21 per cent of Quebecers appear to define themselves as Quebecers only, but that the rest, who represent the vast majority, identify themselves as Quebecers and Canadians, striking their own balance between those two identities....

Nevertheless, many Quebecers who are attached to their Canadian identity responded in the affirmative to the question put to them by the government of Quebec, on October 30, 1995, namely: "Do you agree that Quebec should become sovereign after having made a formal offer to Canada for a new economic and political partnership...?" Quebecers rejected, by a majority of 50.6 per cent, the option that the secessionist leaders had put forward for the second time in 15 years. Quebec and all of Canada came very close to being plunged into a crisis whose outcome would have been very uncertain.

Many Quebecers who are attached to Canada voted as the secessionist leaders wanted in the referendum because they didn't think that they were voting for secession. They wanted to affirm their Quebec identity, but did not think that they would have to give up their Canadian identity....

A poll conducted at the very end of the referendum campaign showed that close to 80 per cent of Quebecers who were planning to vote YES believed that, if the YES side won, Quebec would automatically continue its use of the Canadian dollar; 90 per cent felt that Quebec's economic ties with Canada would remain unchanged; and 50 per cent believed



Stéphane Dion, Canada's Minister for Intergovernmental Affairs, speaks at the Center for Strategic and International Studies in Washington.

they would continue to use a Canadian passport. More than 25 per cent believed that Quebec would continue to elect federal members of Parliament. Another poll showed that almost one in five YES voters thought that a sovereign Quebec could remain a province of Canada....

Those Quebecers who support secession must understand that this plan means they would lose their Canadian identity.... They must also realize that secession, once achieved, would likely be irreversible and therefore would affect not only their contemporaries, but future generations as well.

Secession is tempting only among francophone Quebec voters.... Non-francophone voters [approximately 15 per cent of the Quebec electorate] cast their ballots overwhelmingly for Canadian unity, seeing no reason to choose between Quebec and Canada. Francophones must be shown that Canada in no way threatens their

language and culture, but rather the contrary. The fact is that since the beginning of Confederation, in 1867, Quebec has never been as francophone as it is today. The proportion of Quebecers capable of expressing themselves in French has reached the unprecedented level of 94 per cent. In my Montreal constituency, while I must often speak in English to senior citizens of Greek, Italian or Jewish origin, their grandchildren automatically speak to me in French.

The advancement of French in Quebec is due in part to Canadian and Quebec language laws implemented in the 1960s and 1970s.... In 1977, Quebec legislation imposed French-only commercial signage. In 1988 the Supreme Court of Canada ruled that a policy of French predominance was completely justified in this area, but that other languages could not be banned. That is the policy that

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now prevails in Quebec, and on which there is a consensus, with the support of 85 per cent of Quebecers, according to polls.

Quebec's language laws are more liberal than those in such irreproachable multilingual democracies as Switzerland or Belgium. Radical elements sometimes try to reignite linguistic tensions in Quebec, but they always fail. The solidarity between Quebec's Francophones and non-Francophones is admirable. Indeed, there is only one issue that can divide them along linguistic and ethnic lines: the issue of secession.

The failure of constitutional reforms in recent years, which aimed, among other things, to have Quebec recognized as a distinct society within the federation, unfortunately created an utterly deplorable feeling of mutual rejection among too many Quebecers and other Canadians.

The truth is that the vast majority of Canadians want to recognize and celebrate as a fundamental characteristic of their country the fact that one of Canada's 10 provinces, the second largest, has a francophone majority, in an overwhelmingly anglophone North America.

Thus, a poll in March 1996 showed that 85 per cent of Quebecers and 68 per cent of other Canadians believed that "the Canadian Constitution should recognize that Quebec, while equal to the other provinces, is different, particularly due to its French language and culture." As well, 82 per cent of Quebecers and 84 per cent of other Canadians felt that "Quebec is an essential component of the Canadian identity...."

The terrible misunderstanding surrounding recognition of Quebec's distinctiveness has convinced too many Quebecers and other Canadians that their values are incompatible.... In fact, the very opposite is true....

Those universal values of tolerance and solidarity in diversity have taken root in Canada in large part because French and English people have had to learn to live together, which has prepared them to welcome new fellow citizens from all corners of the globe....

Canadians' spirit of tolerance has led them to understand, perhaps better than any other people, that equality is not synonymous with uniformity. It is that understanding that has guided them in putting in place a decentralized federa-

tion that is always striving for a balance between solidarity among all and respect for the differences of each....

The secessionist leaders claim that Canada is a centralized federation that leaves Quebec too little autonomy. They say our federation is rigid and incapable of evolving, and describe the federal government as a sort of foreign power in relation to Quebecers.

The truth is that one of our greatest strengths is precisely that our federation is based on decentralization. Experts in comparative federalism rank it among the most decentralized, alongside Switzerland. As a Canadian province, Quebec enjoys an enviable level of autonomy compared with the components of other federations. The flexibility of Canadian federalism has also meant that Quebec is differentiated from the other provinces through specific provisions in a variety of areas, including civil law, taxation, international relations, the pension plan, social policy, postsecondary education and immigration....

Our country deserves to survive, and its chances of succeeding are excellent. Quebecers and other Canadians will stay together because we have achieved something irreplaceable in the world. We can be proud of our linguistic and cultural harmony, our economic success and the uniqueness of our institutions. We can recognize, in complete confidence, Quebec's distinctiveness as a fundamental characteristic of our country....

I would like to conclude with a quotation from President Clinton, which I feel sums up the essence of what I wanted to say to you today: "In a world darkened by ethnic conflicts that literally tear nations apart, Canada has stood for all of us as a model of how people of different cultures can live and work together in peace, prosperity and understanding."

## HOCKEY TRIBUTE IN WASHINGTON

The Canadian Embassy is celebrating Canada's national sport this fall with an exhibition of artifacts and memorabilia from the Hockey Hall of Fame in Toronto and a fine arts collection of paintings and prints.

The exhibition, *They shoot...they score! Ils lancent...et comptent!*, opened on October 3 and runs through January 31, 1997. Featured attractions include trophies; vintage and recent photographs; a display of jerseys, masks, pads and gloves worn by hockey greats since 1928; and a film, *Hockey Dreams*, that intersperses historical footage with scenes of a young boy and his grandfather at the Montreal Forum.

The fine arts exhibit, curated by Marie Devaney Mahovlich, includes a 1984 silkscreen of Wayne Gretsky by Andy Warhol, paintings by Ken Danby and Charles Pachter, and a sculpture of Henri Richard by Joe Fafard.

The Hockey Hall of Fame, formed in 1961, elects up to three players, builders or referees a year on the basis of ability, integrity, character and contributions to the team and the game. It now has 304 members. The organization maintains a permanent exhibit at its Toronto headquarters.

It is unclear precisely when the first stick game was played on ice, perhaps in the mid-1800s by British soldiers garrisoned in Halifax, but Canada quickly embraced the sport and has developed and refined it. The first public game in an indoor rink was played in Montreal in 1875, with rules compiled by a McGill University student. Governor General

## Ambassador to Help Defuse Crisis in Zaire

Canada's Ambassador to the U.S., Raymond Chrétien, has been appointed by U.N. Secretary General Boutros Boutros-Ghali as Special Envoy to the Great Lakes region of Africa. Fighting between the Zairian military and ethnic Tutsis has driven half a million refugees from camps in eastern Zaire, and it is feared that Rwanda and Burundi could be drawn into the conflict. Ambassador Chrétien will travel to the region in November to assess the crisis and will make recommendations by December 15 for a U.N. response. He served as Ambassador to Zaire from 1978 to 1981, with joint accreditation to Rwanda, Burundi and the Congo Republic.

**THEY SHOOT...  
THEY SCORE!**



**ILS LANCENT...  
ET COMPTENT!**

Lord Stanley donated a trophy for a national tournament in 1893 (the oldest competitive sport trophy in the world), and the first Stanley Cup championship was played the next season, with Montreal taking the cup. The first recorded game in the U.S. took place at Yale University in 1894.

The National Hockey Association was formed in Canada in 1910 and reorganized as the National Hockey League (NHL) in 1917. In 1924 the Boston Bruins became the first American team in the league and they were quickly followed by others. After the Depression, the league was left with six teams—the Bruins, Montreal Canadiens, Toronto Maple Leafs, New York Rangers, Chicago Black Hawks and Detroit Red Wings—until a major expansion in 1967 doubled the number. The NHL now has teams in 26 Canadian and American cities.

Canada won the first four Olympic gold medals in the sport between 1920 and 1932, and dominated international amateur competition until the 1950s, when the Soviet Union emerged as a major hockey power. In the 1970s and '80s, Sweden, Finland and Czechoslovakia also became strong competitors.

Hockey didn't achieve national popularity in the U.S. until the American team upset the Soviets for the Olympic gold medal at Lake Placid in 1980. A hockey boomlet followed, culminating in the U.S. victory over Canada in September of this year in the World Cup finals (previously known as the Canada Cup), the premier international hockey event.

## CANADA URGES AP MINE BAN BY END OF 1997

Canada's Foreign Affairs Minister Lloyd Axworthy has challenged the world's nations to sign an international agreement banning anti-personnel (AP) land mines by the end of 1997, to be implemented by the year 2000, and he offered Ottawa as the site for the signing conference.

Mr. Axworthy's invitation came at the conclusion of a conference held in Ottawa in October to map strategy for securing a global ban on AP mines. Fifty countries, including the United States, participated with non-governmental institutions, multilateral agencies and mine victims. Russia sent observers to the conference, but others, notably China and Iraq, were not represented.

It is estimated that more than 100 million anti-personnel mines lie buried in some 70 countries and that they kill or maim about 500 people, mostly civilians, per week. New AP mines—several million a year—are laid faster than existing ones can be cleared.

Participants in the Ottawa conference committed themselves to work for "the earliest possible conclusion" of a legally binding agreement to ban the production, stockpiling, transfer and use of anti-personnel mines, but did not set a timetable for achieving it. Several

countries, including Canada, are working on draft language for a treaty.

The United States supports negotiation of a global ban on anti-personnel mines and will introduce a U.N. resolution to that effect during the current session of the General Assembly, but it has not committed itself to a deadline.

Mr. Axworthy said Canada decided to set a target date unilaterally in order "to put our rhetoric into action" and channel the momentum generated by the conference. "We cannot wait for a universal treaty," he said. "We can start now, even though we may have to proceed with a treaty that does not, in the first instance, include all of the states of the world."

Canada will launch a full-scale diplomatic effort during the next year to promote the signing of a global ban by December 1997.

The international movement to eliminate anti-personnel land mines has gained considerable impetus in the last year, partly through the efforts of such groups as the International Committee of the Red Cross, the Land Mines Survivors Network, and the 650-member coalition operating as the International Campaign to Ban Land Mines. When Canada announced a moratorium on the production, export and operational

use of AP mines in January, it was one of only a handful of countries with such restrictions. Since then, France, Italy, Brazil and other producing countries have stopped producing the mines, the United States and others have stopped exporting them, and seven countries—Germany, Sweden, Belgium, Norway, the Philippines, Switzerland and Austria—have banned AP mines entirely.

Canada's then Defence Minister, David Collenette, announced during the Ottawa conference that Canada would destroy its stockpile of 90,000 anti-personnel mines, two-thirds of them immediately and the remainder in the context of negotiations towards an international treaty.

Mr. Axworthy pledged that Canada would contribute \$2 million in additional assistance for the clearing of anti-personnel mines in various parts of the world and will sponsor a seminar on developing Canadian expertise in mine-clearing technology and victim assistance in Winnipeg in early February 1997.

Japan will play host to an international meeting on demining technology in March, and Belgium will sponsor a conference in June to assess progress on the campaign for a global ban.

## FEDERAL DEFICIT REDUCTIONS TO CONTINUE

Canada will reduce its budget deficit to one per cent of Gross Domestic Product (GDP) or C\$9 billion by 1998-99, Finance Minister Paul Martin announced on October 9. This represents an 80 per cent reduction in the shortfall since 1993-94, when it reached \$42 billion or almost 6 per cent of GDP.

In an economic and fiscal update presented to the House of Commons Standing Committee on Finance, Mr. Martin reported that the government had bettered its deficit target in 1995-96 for the second year in a row and was on track to meet its targets for the next two years.

The target figure for 1998-99 marks a major milestone in the government's efforts to eliminate the deficit and bring down the debt: that year Canada will no longer need to borrow new money from financial markets. Borrowing requirements are the measure the U.S. and many other countries use to assess fiscal health. (The difference between the deficit and borrowing requirements is due to non-budgetary transactions that provide funds to the government, such as surpluses in the government employees' pension fund, loans and accounts payable.) By 1997-98 Canada's federal government will have the lowest ratio

of borrowing requirements to GDP among the G-7 countries.

A deficit of one per cent will ensure that the debt-to-GDP ratio continues on a downward path, Mr. Martin said, so that the growth of the economy exceeds the growth of debt, reversing almost 20 years of uninterrupted increases in the ratio.

Deficit reduction has been achieved almost entirely through spending cuts. Program spending is projected to fall to 12 per cent of GDP in 1998-99, its lowest level in almost 50 years.

The provinces and territories have also greatly reduced their deficits: seven out of 12 balanced their budgets or had surpluses last year.

Controlling federal and provincial government finances has paid off in significantly lower interest rates, which will make debt reduction easier, the Finance Minister said. On October 28, the Bank of Canada reduced the rate at which it lends money to commercial banks a quarter point to 3.5 per cent. Commercial lenders followed suit, cutting the prime rate to 5 per cent, its lowest level since 1956. Since May 1995, the bank rate has dropped 4.75 percentage points to fall 1.75 points below the comparable U.S. rate.

Mr. Martin reviewed Canada's other economic fundamentals, finding evidence for a "dramatic turnaround in Canada's economic condition."

□ Inflation remains firmly under control: consumer prices rose only .1 per cent between August and September, for an annual inflation rate of 1.5 per cent. The annual rate in September a year ago was 2.3 per cent.

□ Foreign indebtedness has fallen: in the second quarter Canada ran its first current account surplus in 12 years.

□ Real GDP was up by 0.5 per cent in July over the previous month, largely due to a surge in manufacturing production, for an annualized growth rate of 1.9 per cent. In the first two quarters of 1996, the economy grew at annual rates of only 1.3 per cent. The International Monetary Fund predicted in its World Economic Outlook published in September that Canada would lead the G-7 in economic growth next year.

The one area of the economy that satisfies no one, the Finance Minister said, is the high unemployment rate, which rose to 9.9 per cent in September from 9.4 per cent in August. Employment fell by 47,000 jobs, all in the service sector. The net increase in jobs since January is 106,000. Mr. Martin attributed the persistently high unemployment rate in large part to job losses in the public sector, which represents about 15 per cent of total employment. However, he said, the economy is going through a period of transition. "Ultimately, public job losses will come to an end and it is the private sector job creation figures that will count."

Mr. Martin said the government would continue to focus on deficit reduction and economic growth. He specifically rejected two options that would alter the government's course: introducing a broad-based tax cut, which could cause the deficit to rise again, or accelerating the pace of spending cuts, which could bring unacceptable hardship for many Canadians.

All figures are in Canadian dollars. On October 28, the noon exchange rate was US\$1 = C\$1.3448.

### Update on Canada-U.S. Trade

Canada and the U.S. traded \$33.7 billion worth of goods in August, bringing the total merchandise exchange for the year to \$259.9 billion, an increase of 5.7 per cent over the first eight months of 1995.

## Canada

### CANADA QUARTERLY

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