

Territorial Implications of Quebec's Referendum

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Introduction

Defining it wasn't. Quebec's 30 October referendum, for separatists the pivotal moment in the province's long flirtation with independence, yielded neither a solution to Quebec's civil divisions nor an easily cipherable vision of the future. With voters rejecting separation by the slightest of margins – 49.4% opting for separation and 50.6% against – Quebec's future and Canada's remains uncertain and a troubling conundrum for domestic and foreign observers alike.

With Canadians of all stripes fixed on the prospect of resolving the uncertainties of Quebec's status within the federation, it is hardly surprising that Canadian commentators generally interpreted the referendum as a failure, as much for the federation as for the separatists. The results unquestionably leave the essential tensions related to the sovereigntists' movement intact. Territorially, both as an event and in its results, the referendum did little to check Canada's political splintering and may, in fact, accelerate it.

The Referendum as an Event

As an event, the referendum aggravated existing tensions, forcing various actors, particularly federalists and the representatives of indigenous tribes to refine their respective positions on the prospect of a sovereign Quebec. The process of polarisation, of course, is at one level a secular trend certainly in play since Rene Levesque's Parti Quebecois (PQ) captured the provincial helm in the mid-1970s. Despite a reversal on the 'sovereignty-association' question in 1980, successive failures at constitutional reform that would have recognised Quebec's 'distinct society' strengthened the PQ's separatist appeal, enabling it to consolidate provincial support among francophones and capture a place as the leading opposition in the federal parliament. With the PQ regaining provincial control in September 1994, the general process of polarisation among francophone and anglophone

communities within Quebec accelerated, fired by Premier Jacques Parizeau's referendum campaign.

In the leadup to the referendum the PQ clearly had the federalists on the defensive. Canada's Prime Minister, Quebecer Jean Chretien, buoyed by early polls favouring the 'No' and wary of offending other provinces, largely stressed Quebec's union advantages and otherwise kept a conspicuous silence, delegating the torch to spokeswoman Lucienne Robillard. With Robillard characterising the referendum's wording as "*long and ambiguous*," the general tenor of the federalists' 'No' campaign was soft on the issues, focused more on avoiding rhetorical errors than on scoring points with Quebecois.¹ Uppermost, federalists sought to avoid the appearance of supporting further constitutional concessions.

After a halting start, the 'Yes' campaign lunged forward in mid-October, particularly after Lucien Bouchard, charismatic leader of the Bloc Quebecois in the federal parliament, took the PQ's baton. Chretien's federalists were forced to address the ever pregnant 'what if' question on possible separation. Confronted by the Reform Party's Preston Manning, Chretien asserted a narrow 'Yes' vote would not be sufficient to justify Quebec's separation. Others, notably Foreign Minister Andre Ouellet, argued Quebec's territories would be in question following a separatist vote. Corporate federalists similarly weighed in with the Canadian Chamber of Commerce predicting diminished trade and a net decline in prosperity if separatists prevailed.² In the campaign's waning hours, however, government leaders conceded the prospect of some further devolution of authority within the federal union.³

As 'Yes' polls rose, Quebec's indigenous peoples became increasingly vocal in their apprehension. Aboriginal groups consider secession a major threat to their semi-autonomous status and rights within the federation.⁴ The Cree, Inuit, and Montagnais nations lay claim to much of the northern two-thirds of the province-territory rich in such natural resources as nickel, copper, and hydroelectric

power. To woo their support, sovereigntists have offered the indigenous nations a measure of self-government and a share in the proceeds of developing these resources. Thus far, however, the indigenous aren't buying. Staging their own referenda in late October the Crees, Inuit, and Montagnais overwhelmingly rejected a proposal to affiliate with an independent Quebec by 96.3%, 95%, and 99% respectively.⁵

Other provinces similarly watched the referendum's building momentum with keen interest. British Columbia (BC) and Alberta have historically taken a hard line towards Quebec: it is here that opposition to reforms extending Quebec special constitutional status and other privileges runs highest. As Canadian politicians braced themselves for a 'Yes' vote by framing it as a catalyst for renegotiation of a new partnership, the dominant feeling in the two westernmost provinces was that 'Yes' would mean full-fledged separation. BC Premier Michael Harcourt, Alberta Premier Ralph Kellin, and leaders of the opposition parties within these provinces agreed that in the wake of a 'Yes' there could be no concessions and no new deals.⁶

There is a marked difference, however, in the West's collective mentality since 1980. Then, the issue prompted anti-Quebec protests, condemnations, and the rise of separatist parties. This time, the reaction is "*more mature and muted.*" With economies increasingly tied more to the US and the Pacific Rim than to central Canada, Alberta and British Columbia can afford to be blasé about Quebecois independence.⁷

Sovereigntists, for their part, sensing public reservations on the issue of independence, toned their rhetoric to capitalise on the referendum's vague invitation to a "*formal offer to Canada for a new economic and political partnership*" as a prelude to declaring sovereignty. A 'Yes' vote would be needed, they argued, to strengthen their clout in any future negotiations on a new association with the federation.⁸ On the other hand, PQ activists increasingly raised the spectre of federalist reprisals should the 'No' prevail, to include recission of transfer payments, and further erosion of Quebec's existing entitlements within Canada.

On the referendum's eve, then, the force of the separatist challenge shoved the territorial question further in the direction of devolution with all the ramifications and uncertainties that held. If that

were in doubt, the referendum's result drove home the increasing fragility of the present arrangement and the urgency of further decentralisation if Chretien's federalists are to succeed in countering Canada's centrifugal political forces.

The Referendum as a Result

If the referendum spelled temporary relief for the federalist cause, the victory of the 'No', cushioned by just 1% of Quebec's electorate, some 56,000 votes, did little to change the drift in the Canadian federation. Specifically, it has further polarised Quebec's body politic while simultaneously opening a wedge for further negotiations on the province's status within the federation.

The negatives are legion. The incendiary and increasingly chauvinist tenor of the PQ's separatist rhetoric has brought in the open many of the underlying contradictions within the francophone camp. Quebec Premier Jacques Parizeau's impolitic blaming of non-francophone ethnics for the failure of the 'Yes' is symptomatic of the tensions in the PQ's self-styled liberal nationalism and the problems of creating an inclusive agenda for Quebecois solidarity within the limits of francophone orthodoxy. The heightened politicisation of separatist sentiment translates into political intractability in relations with the federation. Lucien Bouchard, who inherits the leadership of the PQ with Parizeau's formal resignation in December, has made it abundantly clear that independence, and independence in the short term, is the only acceptable outcome. He has vowed to bring the referendum to a vote as soon as it may realistically be won.⁹

The precarious outcome in which a strong majority of the 82% French speaking public joined separatists ranks is of slight benefit to Chretien's government, which must now labour against greater odds to get Quebec to accept an alternative settlement of its historic differences with the federation. Chretien's leverage with Quebec and the remaining provinces is limited. Wary of revisiting the debacle of failed constitutional reform, his post-referendum tack has been to publicly offer up a combination of constitutional and statutory proposals that aim at satisfying core Quebecois concerns while generalising those benefits to the federation.¹⁰ Promising to "*quickly*" bring changes about, he has immediately set about seeking a consensus from Canada's provincial premiers that

would recognise Quebec's status as a distinct society.¹¹

It is apparent that most of these initiatives will be statutory rather than constitutional. On 27 November Chretien introduced a series of statutory proposals in the House of Commons. These include recognising Quebec's distinct language, culture, and civil law; reforms devolving unemployment insurance and labour market training responsibility to the provinces; and, most controversially, veto power for Quebec, Ontario and the two remaining 'regions' on the introduction of constitutional amendments in Parliament.¹² The premiers of British Columbia and Alberta are on record as opposing this last measure, mainly on the grounds that they object to being lumped with the West while Quebec and Ontario enjoy separate veto status. As for the PQ, it promptly trashed the proposal as failing to live up to previous offers.¹³ With recent polls showing Quebecois voters now favour separation by nearly 55%, Chretien's ability to satisfy the Quebecois appears to be losing ground.¹⁴

A new referendum looms as early as spring 1997 and it seems that, barring something just short of a miracle, Canadians must steel themselves for separation in one form or another. Should Quebec vote to separate, the mechanics of separation are still difficult. Even with a unilateral declaration of independence backed by a strong majority vote, Chretien has no mandate for separation. A federal election would be necessary to ratify Quebec's decision, and Canada's remaining nine provinces have given no signal they would support such a measure.¹⁵

Assuming these difficulties are overcome, the territorial implications of such an outcome are contingent, of course, on the particular form that separation may take. In its crudest form, they hinge on whether Quebec negotiates a new relationship with the federation along the lines anticipated by the 1980 'sovereignty-association' proposal or whether Quebec opts for complete independence.

A sovereignty-association relationship would certainly include a deepening of the autonomous powers that already obtain. Quebec, which already enjoys linguistic autonomy, control over immigration, and a substantial degree of functional authority in dealings with foreign governments in matters of culture and economic affairs, would doubtlessly insist on these and very likely hold out

for an independent, if cooperative, military defence, fiscal independence of Ottawa, and further degrees of freedom in the diplomatic arena. A scenario embracing complete independence would, of course, extend its autonomy to the full quotient of sovereign states retaining, perhaps, an apparatus of regional economic cooperation to include, in the calculus of some, a monetary union.

Territorial Implications

The territorial implications of either of these scenarios fall into three dimensions: implications internal to Quebec, implications for Quebec's external relations with Canada, and its relations with other contiguous states, namely the United States. Internally, the most pressing problems loom in the nature of adjusting relations with domestic minorities to include the indigenous groups. Either the sovereignty-association scenario or an independent Quebec will require careful management if Quebec is to avoid some outmigration of anglophones and further mobilisation of dissenting minorities in the context of deepening francophone policies. The prospect of anglophone outmigration is speculative at best and no one really knows how this population will respond. Quebec's Liberal Party, which led the federalist campaign and received strong anglophone backing has urged its members to remain committed to Quebec no matter which direction the province should take. Even so, the nearly 900,000 anglophones comprise 9.7% of Quebec's population, with other minorities constituting nearly an equal portion.¹⁶ Any substantial exit by either group would stress the provincial economy.

Quebec's differences with native groups pose challenges of equal or greater magnitude. Having employed the rhetoric of self-determination in its own favour, Quebec's francophone majority will have considerable difficulty finding a legitimate argument for denying autonomy to its indigenous peoples and is likely to resort to some form of impositionism if a negotiated solution cannot be found.¹⁷ Quebec's sovereigntists – and for that matter federalists in Ottawa – argue Quebec's borders are inviolable.¹⁸ It is hard to conceive of an imposed solution that would not lead to violence, continued unrest, and external confrontation with the Canadian federation.¹⁹

On the external side, Quebec's relations with the rest of the federation are more complicated in either

independence scenario. Canadian sentiment weighs heavily against extending federal privileges to an independent Quebec, even under the sovereignty-association model. A recent Angus Reid poll disclosed 77% of Canadians outside Quebec against extending passport privileges to an independent Quebec.²⁰ For example, other entitlements benefitting Quebecers, federal pensions may also be jeopardised.

At the same time Quebecers and westerners share a common desire for a restructured federal state. Premiers Harcourt and Klein are vocal proponents of decentralisation. In the wake of the referendum western premiers have seized the opportunity to wrest further powers from Ottawa, extending Quebec much of the autonomy it has historically sought, while dodging the bullet of a special deal for Quebec.²¹

In the economic realm, Quebec's quotient of Canada's \$551 billion dollar external debt tops most analysts' list of problems.²² The independent Frazier Institute in May put the cost of secession at a conservative US\$106 billion, a figure that allocates Quebec roughly a quarter of the net national debt plus other costs issuing from separation. Added to Quebec's own massive provincial debt these inherited obligations would vault the province to the status of the world's 21st most indebted country.²³

Monetary policy will also be immediately affected by separation. Analysts expect, temporarily at least, that Quebec would continue to employ the Canadian dollar as its basic currency.²⁴ The province would almost certainly, however, lose its ability to influence Canada's monetary policy and thus could find itself hostage to significant shifts in the value of the looney. Creditors will perceive absent control of its monetary system as greater risk, negatively affecting Quebec's purchase on international financial markets. Indeed, some analysts see the complications of monetary union to be sufficiently great as to warrant a new currency from the start.²⁵

Commercial relations with the federation may also be jeopardised. Quebec's trade in goods and services with its sister provinces is respectively 20 and 50 times greater than its trade in these categories with US states south of the border. University of British Columbia economist, John Helliwell, notes that Quebec is more deeply integrated in trade with the other provinces relative

to its trade with the United States than are other anglophone provinces.²⁶ It is not clear whether Canada would be amenable to a new customs union with Quebec and, in any case, the erection of new regulatory, tax, and tariffs structures will inevitably increase transaction costs and other distortions in the short term that may have an adverse impact on Quebec's Canadian trade.

In the matter of its foreign relations, particularly those with the United States, a number of issues are evident. First, international recognition of Quebec's sovereign claim will likely hinge on Canada's assent, particularly in the case of leading international powers. That will take time and complex negotiations with the federation. Second, Quebec's status within existing diplomatic instruments needs renegotiation to accommodate sovereignty in whatever form it takes. The PQ's sovereignty bill agrees to "*assume the obligations and enjoy the rights set forth*" in all treaties to which Canada and Quebec are a party.²⁷ This good faith notwithstanding, much remains in doubt. Prominent among the core issues are its status with the Organisation for Economic Cooperation and Development, the World Trade Organisation, the North American Free Trade Agreement, the Commonwealth, and other leading international organisations to which Canada is party. Other bilateral issues, to include immigration, customs, transportation, boundary waters management, fisheries management, and a host of lesser items will need reworking.

Of the core issues, Quebec's NAFTA status drew a good deal of comment in the referendum campaign, with PQ leaders arguing Quebec's considerable stake in the agreement would be protected or, at least, negotiable after separation. The PQ's sovereignty bill explicitly promises Quebec's accession to NAFTA. The Chretien government and most specialists in international law believe otherwise and, in all likelihood, Quebec would be asked to queue up behind Chile as a potential NAFTA partner.²⁸ Accession to the OECD and the WTO should be less complicated.

Conclusion

In sum, while the 'No' brought temporary relief to committed federalists and financial markets, it answered few of the critical questions associated with Quebec's quest for sovereignty. It accelerates the Canadian federation in the same direction it is

already headed, towards further devolution of central power and the relentless search for greater efficiencies in federal-provincial relations. Quebec stands to benefit, at least symbolically, from Chretien's recent initiatives. Whether such policies are sufficient to arrest Quebec's separatist momentum is doubtful at best given October's results. Quebec's political forces are polarised as never before and its relations with Ottawa more intractable. With Lucien Bouchard at the PQ's helm the primary architect of separatist revival is poised to take further advantage of federalist disarray and may very well pre-empt by referendum Canada's scheduled 1997 constitutional review, at least as it applies to Quebec.

That leaves most of the territorial questions dangling. For the moment the best prognosis is that some form of devolution whether driven by a new federal contract, sovereign-association, or a more schismatic form of independence, is in the offing. And that means further adjustments, aboriginal and provincial, provincial and federal, national and international. What the balance will be only time will tell. In the meantime diplomats, boundary managers, and publics on all sides of the 49th parallel should brace themselves for further change.

Notes

- ¹ *Maclean's*, 'The Struggle Begins,' 18 September 1995: 38.
- ² *Maclean's*, 'Quebec Inc. Stirs,' 2 October 1995: 40.
- ³ *Washington Post National Weekly Edition*, 'An Issue Left Unresolved,' 6-12 November 1995: 16.
- ⁴ *Maclean's*, 'Fighting for the Land,' 27 February 1995: 18.
- ⁵ *Globe and Mail*, 'Crees Vote 96.3% to Stay With Canada,' 26 October 1995: A1; *Globe and Mail*, 'Natives Claim Control of North,' 28 October 1995: A4; *Montreal Gazette*, 'The Future Will be Very Difficult,' Predicts Cree Deputy Grand Chief,' 31 October 1995: B4;
- ⁶ *Globe and Mail*, 'Quebec Cure-all a Bitter Pill in West,' 27 October 1995: A1.
- ⁷ *Globe and Mail*, 'PM Offers Quebec Distinct Status,' 28 November 1995: A6.
- ⁸ *Maclean's*, 'The Bouchard Factor,' 23 October 1995: 10-12.
- ⁹ *Economist*, 'Canada: Bouchard Says Yes,' 25 November 1995: 42-43.
- ¹⁰ *Globe and Mail*, 'Chretien Promises Rapid Steps on Distinct Society, Quebec Veto,' 1 November 1995: A1.

- ¹¹ *New York Times*, 'Ottawa Moves Quickly in Effort to Mollify Quebec,' 2 November 1995: A3.
- ¹² *New York Times*, 'Ottawa Unity Plan Draws Fire From Both Quebec and West,' 1 December 1995: A3.
- ¹³ *Globe and Mail*, 'PQ quick to dismiss Ottawa's proposals,' 28 November 1995: A1.
- ¹⁴ *Coloradoan*, 'Chretien Tries to Head Off New Quebec Vote,' 28 November 1995: A3.
- ¹⁵ *Maclean's*, 'The High Price of Yes,' 30 October 1995: 44.
- ¹⁶ *New York Times*, 'Canada Holds its Breath as Quebec Votes,' 31 October 1995: A7.
- ¹⁷ *Washington Post National Weekly Edition*, 'In Quebec, Separation From Separatists Is the Goal,' 13-19 February 1995: 19.
- ¹⁸ *Maclean's*, 'The Natives Say No,' 27 February 1995: 15.
- ¹⁹ *Maclean's*, 'The High Price of Yes,' 30 October 1995: 29.
- ²⁰ *Maclean's*, 'All or Nothing,' 30 October 1995: 33.
- ²¹ *Globe and Mail*, 'Decentralisation Needed, Premiers Say,' 1 November 1995: A4.
- ²² *Christian Science Monitor*, 'A Quebec Divorce Wouldn't Be Cheap,' 14 March 1995: 9.
- ²³ *Washington Post*, 'A Separate Quebec: Can the Province - Or Canada - Afford It?' 13 May 1995: A22.
- ²⁴ *Maclean's*, 'The High Price of Yes,' 30 October 1995: 29.
- ²⁵ *Ibid.*
- ²⁶ *Christian Science Monitor*, 'Quebec Mood Shift Relieves Wall Street,' 6 October 1995: 9.
- ²⁷ *Economist*, 'In NAFTA or Not,' 16 September 1995: 56.
- ²⁸ *Montreal Gazette*, 'Little Chance of Adding to NAFTA Until 1997: Envoy,' 6 October 1995: A11; *Globe and Mail*, 'New NAFTA Partners Must Wait,' 5 October 1995: B7.

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