



C.D. Howe Institute
Institut C.D. Howe

Speech

**THE
NUTS AND BOLTS
OF
FEDERALISM**

-or-

**ALL ROADS LEAD BACK
TO
THE MONTREAL/OTTAWA
FEDERALIST CORRIDOR**

**An Address To:
The Canadian Club of Montreal,
January 27, 1997**

**Thomas E. Kierans
President and Chief Executive Officer
C.D. Howe Institute**

INTRODUCTION

Thank you Mr. President, friends, supporters of the Institute here, today and members of the Canadian Club. It is indeed an honour for me to be invited to what has been an institution in Montreal since 1905.

This is my first foray, but my father was something of a staple here as a speaker, between the late 50's and the early 60's; so much so that Laird Watt, then the Vice-President and Program Convener, looking forward to his forthcoming series of 13 speakers, asked Eric Kierans whether he would be good enough to back-stop him on every one of the speakers. (Sometimes people get sick and it is embarrassing when they can't show up.) And so my father, then even younger than I am now, responded, "Of course, no problem." The following Monday morning he got a call in his offices at the Montreal and Canadian Stock Exchanges and Laird said, "Eric no problem, the speaker is coming today." So, finally, it dawned on my father that he had committed himself for all of 13 consecutive weeks. As he told me the other day, those were the 13 toughest speeches that he never gave.

A quick comment about today's title, which is certainly provocative enough. Originally, I had intended to lash my friend, Paul Martin, for his languid approach to the debt and deficit issue. I would have done this, of course, being deliberately obtuse as to the political considerations constraining the Minister. But, between the invitation and today, a number of developments intruded.

The first was Mr. Parizeau's open letter, in which he talked about "the nuts and bolts of sovereignty," and it is from there that I have taken my preliminary title today. The second was that one of my colleagues, John Richards, through us, published a piece late last year, titled "Language Matters," wherein he argued that the resolution of our unity problems was to devolve language and cultural issues to the provinces. (This is not an issue on which I agreed with him, but that was neither here nor there. The

piece was well reasoned, peer reviewed, timely and of academic quality; so - I published it.) The reaction - from the C.D. Howe's Montreal constituency - impressed upon me the extent of the incredible backlash here, against October 30, 1995. This is the point that I would like to develop specifically today.

Finally, in conjunction with reading columnists from Quebec, who are Quebecers, such as William Johnson, (and I, for one, miss Joan Fraser's more flexible approach) I am reading columnists from outside of Quebec who, in my judgement, are becoming part of the problem and not part of the solution. So, I concluded that I - as an outsider - would try and provide an outsider's perspective as to what, in my judgement, are becoming increasingly surreal, sterile, corrosive and economically costly divisions among Montrealers. I stress my position as an outsider because I wish it to be juxtapositioned with that of other outsiders. That is a very important point.

We have those from the outside who are cheering on, in this province and in this great city, a process of polarization; and who are offering a misleading impression of support from the rest of Canada's; thereby expanding misleadingly the potential, or apparent options for federalists who live within the Province of Quebec. Montrealers can, and will, either polarize within their community, or seek to resolve their differences about the next referendum, through civil processes. But, in making that choice, they should not be misled by some outside of Quebec - who are willing to hold your coat, but who will not be here, or representative of anybody else outside of Quebec - in the event of a hypothetical decision by Quebecers to separate.

So, this brings me to the three subtexts of my remarks, today. The first, is the "Nuts and Bolts of Federalism," as I see it; "Clashing Visions"- as I view it. The second, is that "All Roads Lead Back to the Montreal/Ottawa Political Federalist Corridor." And the third, is about "The Rest of Canada in the Event of a Hypothetical 'Yes' Vote."

THE NUTS AND BOLTS OF FEDERALISM: CLASHING VISIONS

The political equivalent of the sectarian slaughters most recently witnessed in ex-Yugoslavia is: clashing visions within a federation. Each side is principled; each is politically determined and ruthless; and each forgets the purpose of federalizing (as opposed to creating a unitary state in the first place), which is to achieve the flexibility to accommodate differences, differences of identity and the selection of varying instruments to achieve regionally, differently ranked goals.

When you have clashing visions within a federation, combined with a winner-take-all mentality, you have a recipe for break-up and break-down.

Classical federalism is about flexibility, about a clear division of powers and about a respectful approach to amending that division. Quasi-unitary federalism is about (in our case) a centralized nanny-state, that knows what's best for all Canadians: about national rights and entitlements of citizenship; about individual rights subsuming collective rights - regardless of concerns for identity and regional preference. Quasi-unitary federalism requires deep, deep central pockets to bribe, cajole and goad, to paper over enduring fault-lines. And, it treats its partners in federalism as juniors.

(Now, let me stress that - as always - I am saying the same things in Montreal as I do from coast to coast; but I am also speaking as an individual. The C.D. Howe is a far more complex organism than the person who runs it and selects and publishes its contributions - as I made clear with the John Richards' "Language Matters" case.)

* * * * *

When Mr. Parizeau had his famous epiphany on the "road" to Banff, boarding the train a federalist and leaving it a separatist, he was probably right about the rest of Canada (TROC) - at that time! But, he was not right before, or after. He was merely right at

that moment in time.

So, let me take you to the nuts and bolts of federalism. From Mr. Parizeau's point of view and, indeed, of most Quebecers - French and English - TROC is a homogenous institution, in which everyone wants to march to Ottawa's drumbeat. For a long time, before his epiphany and progressively so after, this is not so!

Let me take you back to the Dominion Provincial Conference (1944), when the federal government was understandably flush with the successful management of an enormous wartime effort. Then, what it wanted to do was to keep the revenues rented from the provinces for the duration to create a quasi-unitary federation. [Officials were completely under the spell of two British (unitary state) peers: Beveridge and Keynes: Beveridge proposed a state-insured cradle-to-grave system, for U.K. citizens; and Keynes argued that you could manipulate macro-fiscal policies to eliminate recessions.] Of course, Canada then - as all countries - was fearful of another Great Depression. Thus, Ottawa was captivated by these notions. But, these were centralizing notions.

Now, it is sometimes thought, and I certainly thought when I grew up in this city, that it was M. Duplessis alone who threw his body in front of that train. But, the reality in 1944 - although M. Duplessis was certainly articulate and forceful - is that it was Ontario, Nova Scotia and British Columbia who were as violently opposed to this vision of our federation as Quebec. To that time our federation had been defined by the British Privy Council of the House of Lords (The Maritime Bank case, 1905). To that time, our federation was about a respected and meaningful division of powers, among sovereign entities, each within their own sphere.

So, the 1944 Conference ended in failure. But, not so much a failure that the Canadian federal public servants desisted; for they had concluded that they had

discovered a new "spending power". And, with that, they proceeded to fashion and mould, bribe and cajole; but, to be fair, also to implement some initiatives which were popular and well worthwhile, at the time. (This is why - in flexible federalism - the pendulum should be allowed to swing, that the division of powers should be amendable - but only in a way that respects the sovereignty of those contracting into the federation in the first instance!)

I was a very young man when M. Duplessis died and Premiers Sauvé, Lesage and Johnson took over, and the "Quiet" Revolution began. But the tension that arose from the choice, by a growing number of French Canadians in the Province of Quebec - to mark their transition from a pre-20th century society to a contemporary 20th century society - in a fashion that would be managed by a Quebec City government, not a federal government, was incredible "Maître Chez Nous" meant something! And here emerged the "clashing visions;" and here, of course, was the birthed Mr. Parizeau's epiphany.

Only slightly delayed was the evolution of Mr. Trudeau's vision of a bilingual and bicultural Canada, sustaining Francophones everywhere in Canada, not just in Quebec, based on his serious reservations about Quebec nationalism. (It is indeed ironic that many of the views dividing us today came from a federal government, with a dominant Quebec caucus and a Francophone Prime Minister.)

Then, there was the tragedy of the patriation of the Constitution and the implementation of the Charter of Rights, without the approval of the Quebec National Assembly. In a true federation, the participants to the transaction of Constitution amending are the federal and provincial governments and the respective legislative assemblies. Relying on the support of federally elected Quebec M.P.'s - in the face of opposition by the provincial government and the Quebec National Assembly - is de facto, if not de jure, a violation of the spirit of our federation.

Then followed, not too long thereafter, the failure of the Meech Lake Accord, which is possibly the worst tragedy that we have ever absorbed.

The question remains: what is federalism? And, does Ottawa realize, after 58 years of pushing on the Beveridge/Keynes points of view, that it is long overdue that the pendulum swing again in Canada toward Classical federalism; and that Ottawa is not part of the solution, it is part of the problem of disunity?

Classical federalism mandates that the (economic) surpluses accruing to federating, in the first place, will never be as great as the surpluses accruing to choosing a unitary state. But, the point is that you still get surpluses out of it; and those surpluses are more than you would have by not federating in the first place. And, it is not about (and cannot be driven by) economics, or economists' measures of efficiency for delivering of particular programs.

First, economists can't even measure the hypothetical efficiency of centralized, mandated and prioritized deliveries; and second, the differences that sustain us within a federation are more important by far than whatever efficiency measures or surpluses that might accrue to a unitary, or homogenized state.

The second point of classical federalism, is the division of powers, which should be clear and respected between equal (in their respective spheres) and sovereign entities.

The third is the notion of collectivities and individuals, and the recognition that the realities of Canada's dualism can best be achieved within a federal, not a unitary state.

It is essential that I expand on this third point. It goes to the heart of the irreconcilable conflict between Mr. Trudeau's conception of Canada, and mine. The equilibrium point between individual and collective rights differs among the great liberal, pluralistic

democracies of the world. That point may be driven by differing preferences among: identity; or, the perceived role of the state in the economy; or, libertarianism. Whatever! Within a federation formed with the specific and pragmatic considerations as was ours, there is no common equilibrium point! Therein lay the disaster of patriating and entrenching a common Charter of Rights and Freedoms without the concurrence of the Q.N.A. (I might draw to the attention of this audience, however, that this was hardly the will of a homogeneous group of federalists from the rest of Canada. It was driven - against the wishes of a number of the Premiers - by a Francophone, Quebec Prime Minister and his Quebec caucus.)

And the final point, to which I have already alluded, is the pendulum! Times change and needs change; but the respect and care with which you make changes to any division of powers within a federation, remains essential.

* * * * *

To this day, much of Ottawa still promulgates two canards.

The first, is that classical federalism is decentralization; that is a code word for libertarianism; that labels classical federalism with a kind of right wing ethos. The reality is none of these. The reality is that it is not as if Ottawa didn't have more than enough to do today: with guaranteeing an internal trade union; by the guarantee of the mobility rights, qualifications and the right to work - in any province, for each individual, for all Canadians; by the guarantee for those individuals of access both to the standards and accessibility, in their new locale, of all social services already afforded previous and permanent residents, although these may vary from locale to locale. In addition to which, Ottawa has huge macro-economic responsibilities. To say nothing of implied insults: that the provinces would engage in a lethal "race-to-the-bottom;" that Alberta voters could not be trusted to preserve intact a public health-

care system against the “depredations” of Premier Klein; that our history of initiation - through - experimentation (competitive federalism, at the provincial level) failed.

The second canard stresses that Ottawa now spends much less as a percentage of GDP than the provinces do: totally ignoring the difference between conditional administrative derogation and the respect for the constitutionalized divisions of power.

So, Mr. Parizeau's epiphany was wrong before he experienced it and, - I argue - is wrong today.

* * * * *

Mr. Trudeau's vision is that of a Canada that no longer exists. To wit: four examples.

Between 1974 and 1984 the Province of Alberta went through hell. More hell than the Province of Quebec could ever claim to have ever gone through, since 1867. Fighting the National Energy Program imposed a huge economic and financial burden on Alberta. Albertans, by struggling to establish for once and for all that: resources lie within the sovereign domain of the provinces; that the surpluses accruing to those resources belong to the citizens of the province - not to the country as a whole; established a fundamental precept of our federalism.

Another example is British Columbia. Take Vancouver, today. We know what the numbers are for Montreal, between French and English language speakers, in the home. But, how many of you know what the numbers are for Vancouver? In Greater Vancouver, 44% of the households have English as their first language; 32% have Chinese, in one dialect or another!

A third example is today's New Democratic Party and the awful lesson that Mr. Rae

learned in his few short years in power, when Ontario's deficit was running amok. For the first time, the N.D.P. was forced to look at the transfers that were being extracted from Ontario - on a per capita basis - to support Atlantic Canada. He realized that these transfers - extracted in numerous ways by Ottawa - had become so excessive that Ontario, in the aftermath of the Free Trade Agreement, couldn't afford them! More to the point, he came to terms, despite his N.D.P ideology, that there is a limit to transfers, a limit to generosity and a limit to egalitarianism. So, Ontario, too, has changed in a very great way.

Then - and finally - on the top of all of that, Ottawa is broke. So, some accommodations are not only necessary, but long, long overdue.

* * * * *

Mr. Parizeau's view today, as articulated and continually articulated by so many Quebecers, including federalist, that there is a homogenous "rest of Canada" out there, is completely out of date. It may have been right at a point in time but, it was mostly wrong before and it is totally wrong today. And, at long last, the pendulum is moving back to classical federalism!

Notwithstanding, of course, Ottawa is engaged in developing new spending powers: labour market training is an example. Indeed, now Ottawa is expropriating and finding imaginative new revenue sources to fund these new powers. Instead of setting premiums to keep "whole" U.I. (as some of us of our age would call it), or the employment insurance fund today, Ottawa is now cyclically adjusting premiums to constantly kick up surpluses, positive surpluses that Ottawa can then use to leverage the provinces (and, more to the point, their localities) to set Ottawa's standards for labour market training. (And, God knows what the next budget will bring in terms of a child care initiative.) All of which, notwithstanding, I think these are spastic reflexes,

reminiscent really of another time.

Premier Savage and Premier Tobin railed against the brilliant political economist, Tom Courchene, last August, when he published his views for dealing with the three crises of our Canadian federation today: (I) Ottawa doesn't have the gold; (ii) the provinces need flexibility; and (iii) transfers are excessive. So, Premier Tobin brags that "they" threw Courchene off the train on the way to Jasper. And Premier Savage argues before the Empire Club in Toronto (of all places), that Courchene was wrong because "fairness is the only way to deal with this family situation" (read the problems of federalism today) and that equalizing everything vis-a-vis each and every transfer to Atlantic Canada is the only answer!

(And Mr. Parizeau continues to believe TROC is homogeneous.)

But, the really interesting point is that Premier McKenna said very little. Mr. McKenna understands the very negative influence that is carried by these excessive transfers to Atlantic Canada. He understands very well that, from Ontario to British Columbia, the costs of these transfers are straining the federation's spirit of generosity; and he understands very well that his province must change not just to survive, but to restore its individuals' initiative to work and to prosper.

The bottom line is that Canada is too diverse for "one-size-fits-all" types of policies; and Ottawa is too broke to bribe acquiescence.

Mr. Parizeau was wrong before and he is wrong again. The time for a return to classical federalism is upon us.

* * * * *

Now, of course, I am well aware that Quebec's Anglo/Allophones prefer the Ottawa, versus Quebec City mantle to support "their" rights. And, I am well aware that committed separatists have long since given up on the restoration of classical federalism as a means of preserving identity; much less, Quebec City's authority. And I am well aware that the essence of Canada's duality, which is a fact, can now only be meaningfully recognized within the Province of Quebec, and at the diminishing federal government level.

Therefore, I am well aware that if there is to be a combination among all federalist moderates, painful adjustments in perceptions/expectations are in store for the Anglophone/Allophone communities, here in the Province of Quebec.

ALL ROADS LEAD BACK TO THE MONTREAL/OTTAWA POLITICAL
FEDERALIST CORRIDOR

Which brings me to my second point, that "All Roads Lead Back to Montreal/Ottawa Federalist Political Corridor." I guess, before October 30, 1995, that I would have said, (although why even then, I don't know, given that Mr. Chrétien turned down Mr. Johnson - before the last Quebec election on labour market devolution - indicating Ottawa's stubborn, obdurate staying power), that TROC and Quebec were on parallel courses. As I saw it, the Quebec classical federalist train had left the station in, let's say, 1965, and TROC's classical federalist train hesitantly departed - let's say - in 1980, at the time of the first referendum and in the year of the National Energy Policy. And I saw TROC's train rapidly overtaking Quebec's train. Accommodation, at last!

In any event, I don't think that anymore. I think that what Allan Cairns, the Dean of Canadian political scientists, has said, is true. That post October 30, 1995, what happened post Meech Lake in the Province of Quebec, happened in the rest of Canada: "something snapped"! Well, what snapped?

Two things really: it was one thing to hear what Messrs. Bouchard, Parizeau and Landry were saying, making outrageous remarks about the rest of Canada during the referendum. It is one thing to hear that in the heat of political discourse; but, when you wake up the next morning and think that perhaps the majority of Francophone Quebecers believe it, it is entirely another. This is not to say that the move back to classical federalism in the rest of Canada will stop. It is merely to say that it makes it all that much harder to blend Quebec's agenda with that of the five Provinces, west of Quebec (perhaps six, including New Brunswick).

The second thing that snapped was, until then I guess, that "all" of us outside of Quebec and many of you inside of Quebec, believed that we could rely on Ottawa to manage this issue, in terms of holding the country together. I certainly thought this and I was prepared to pay the price, in terms of dollars and of Ottawa not prioritizing my issues. But, that snapped too! Obviously, we can no longer rely on Ottawa; so, now what?

Well, either we rely on the federalist, provincial governments to intervene, (although Ottawa is doing a marvellous job of excluding them) or, we begin to contemplate the possibility of a break-up.

* * * * *

Once TROC begins to contemplate the possibility of break-up, (presently, most Canadians are in a state of denial) things could begin to unravel - very quickly, for two reasons:

- because TROC believes (rightly, or wrongly) that it has displayed generosity of spirit in this energy sapping, economically debilitating dispute between Ottawa and Quebec - allowing for differing interpretations among the "have" and the

"have-not" provinces (essentially defined here as Ontario and the West; and Atlantic Canada); once the generosity evaporates, so will the federation; and

- because concern and intellectual fire-power would shift quickly from holding the country together to avoiding, or minimizing the transition costs associated with Quebec's separation. Once this process begins, the "unthinkable" will very rapidly become a self-reinforcing proposition to "get on with it".

And, the rest of Canada must now for the first time allow for the possibility (not the probability) that Quebec may not wait for us to catch-up to "their train," at least on a collegial basis.

* * * * *

But, what a pity! Because, few people in Quebec understand how much Canada has changed since the early 60's, since all of this really got started. I think most people know the extent to which economic, financial and commercial power has shifted from Montreal to Toronto. But I think few understand the extent to which economic power has shifted from Toronto to Calgary and to Vancouver. And how few recognize that political power still rests in the Montreal/Ottawa federalist political corridor. The West knows that it has been shortchanged, politically, but Ontario has yet to "tumble" to it! Most of you will know that in Ontario, the federal Liberal party elected all but one seat; yet, today, Ontario doesn't even have an Ontario "lieutenant"! But, B.C. sure knows.

The results, despite Team(s) Canada, are very straightforward in terms of policy responses to the globalization of trade and investment. Fundamental social policy and economic policy shifts cannot be properly accommodated by government policies at the national level; so, they are being missed. As Courchene points out, province-by-

province we are becoming either north/south economies or, parts of international, regional economies. Yet social policy and personal income tax policy issues - calibrated by Ottawa - are extended on an east/west "one size fits all" basis, without the concomitant national funding or a tariff-protected "breadbasket" to fund such policies (excepting the imposition of egalitarian principles and hidden transfers).

And, for transfer payments, as I indicated with Ontario and Atlantic Canada, there are limits to generosity. But, as Mr. McKenna has come to understand, there are limits to this initiative. It is one that is good for federal and Atlantic politicians; but, it is not - in the end - good for!. These issues are not really being dealt with, either.

Finally, I must observe that generosity - in terms of Constitution making - has almost evaporated in Canada. You know, there is little wonder! I'll tell you an anecdote, which I was told - publicly - by the participant, himself.

It is generally assumed in Quebec that Canadians outside of Quebec know nothing about Quebec. This, in fact, is not true. In fact, it is my experience that sophisticated Canadians outside of the Province of Quebec know much more about Quebec, than sophisticated Quebecers know about TROC. And this was never shown more, in my experience, than after October 30, 1995, when Mr. Chrétien appointed M. Dion Minister. He went rushing off, among other things, to talk about partition; but more specifically, to talk about generosity and the distinct society.

Generosity has never been lacking regarding Quebec's "demands," up until after October 30, 1995. (The failure of the Meech Lake Accord was not a function of any lack of generosity. It was a function of bungled politics, pure and simple.) But, M. Dion spoke about generosity and the distinct society in Calgary, on a particular day. And he pleaded with his audience to find within themselves the generosity to recognize Quebec as a distinct society. A very prominent Calgarian stood up and said, "Mr.

Minister, you speak of generosity and this I understand, but, (and this man has proved on many occasions that he does understand) Mr. Minister we are still reeling from the National Energy Program, something that we don't think would have happened if we had a proper Senate and an elected Senate. Can I ask you where you come from on that subject, sir?" To which, Mr. Dion responded, "we are not interested in that."

Well, you know, the next time the Montreal/Ottawa political, federalist corridor sends someone out to the rest of Canada to "explain" Quebec, it should take care to send someone who also understands something about the rest of Canada. Generosity cuts both ways.

TROC IN THE AFTERMATH OF A HYPOTHETICAL "YES" VOTE

Which brings me to my final chapter, which is "The Rest of Canada and a Hypothetical "Yes" Vote."

Let us not be deceived by hysterical Rest of Canada's commentators about what will actually happen. The name of the game, in the event of a hypothetical "yes" vote, will be straight forward: avoiding/minimizing transition costs. They (TROC) have no interest in partition. The economy will be in turmoil, the capital markets will be crashing, unemployment will be sky-rocketing, Atlantic Canada will be panic stricken and the United States will be dealing with a crisis on its borders that would make the last Mexican crisis pale by comparison.

I am not saying there is going to be a "yes" vote in the next referendum, but I am saying, all of which notwithstanding, that the rest of Canada must now begin to think about it. Now, rationally, to avoid, or minimize transition costs, the rest of Canada should lay out its deal beforehand, so that Quebecers could know what they are voting for; in return, Quebec would commit to a clear question beforehand, a supervised vote and a second ratifying referendum (to preclude bluffing, on either side). This would

only be rational for Quebec politicians, if they think they will win. And, frankly, I think, Ottawa owes it (after the last mess) to the rest of Canada.

But, given: the distrust between Ottawa and Quebec City; Ottawa's commitment to its Ottawa, Montreal federalist, political corridor; and, perhaps, a legitimate concern (but not to me) that this approach would create a self-fulfilling prophecy, this will not happen.

On the other hand, I don't believe for a second there is going to be a UDI, for two reasons: I regard this ridiculous debate about the separation of the rule of law and democracy as a chimera. These are two sides of the same coin; they are inseparable. And, Quebecers are law abiding people. I also believe, given a clear question and an unambiguous response from Quebecers, that the rest of Canada would move immediately to put a deal, subject to a second referendum to Quebecers, and perhaps to all Canadians. After which, I think, separatism would be dead!

As Mr. Parizeau wrote recently, the principal issue in the rest of Canada would be the division of the debt. It would not be partition!

What might a hypothetical deal look like?

Think about: access to NAFTA and minimizing the costs of transition. Access to NAFTA is TROC's call, not Quebec's. In the event of a clear "yes" vote, Quebec will become the "demandeur", just as Canada was in the F.T.A. negotiations. But, TROC will want to minimize its transition costs and the United States will insist on a stabilization of its capital markets and economic interrelationship(s). Thus, the "deal" will contain a U.S. brokered, guaranteed appropriate division and amortization of the debt. This deal, for both democratic and economic

reasons, will ignore the partition issue.

Think about: use of currency:

- ▶ that would be Quebec's decision; but not control over monetary policy, which would remain with Canada;

Think about: a free trade agreement with Canada:

- ▶ within NAFTA, yes; but not a customs union; and no subsidies, no transfers;

Think about: minority rights:

- ▶ these would be set out in the second referendum, within Quebec, and these would be a Quebec issue. The rest of Canada would not be there.

Think about: aboriginals:

- ▶ The rest of Canada cannot waive its obligations to the aboriginals. So I would envisage an internationalized treaty, with the rest of Canada having paramountcy, Quebec having concurrency and arrangements about costs being negotiated on an ongoing basis.

And, finally, after one year, dual citizenship would lapse and residency requirements would determine citizenship.

CONCLUSION

So, to conclude, why would an outsider come to Montreal and make such provocative assertions?

First, for sure, I will be nailed for creating a self-fulfilling prophecy; and second, I will be nailed for selling out minority rights: at least as these were seen by Mr. Trudeau in 1982.

Why then? First, I don't think Quebec will separate, either in a hypothetical referendum No. 1 or No. 2. Second, those who are not part of the Montreal/Ottawa political federal corridor are frustrated with this stand-off, and Ottawa's domination of it. They feel correctly that there should be contingency planning. And, finally, why not just try and tell the truth, or the reality - at least as I see it.

This polarization of the debate within Quebec is a sadness, but it is not the rest of Canada's issue. What is the rest of Canada's issue is the support given by rest of Canada's commentators to that polarization. Therefore, in the event of a crunch do not be deceived: the rest of Canada will be indifferent to the partition issue; it will be interested only in minimizing the cost of separation. And, Keith Henderson notwithstanding, Quebecers unhappy about the outcome of this hypothetical vote would only be able, in the aftermath, either to rely on the majority to preserve democracy, the rule of law and minority rights; or to vote with their feet. Personally, I would trust the majority in a separating, but law abiding and sophisticated democracy - not operating in a vacuum, but under the scrutiny of the entire, civil, international community. But, either way, the rest of Canada should come clean, up front, about this outcome. We won't be there for partition.

Constitutional generosity is evaporating rapidly, if it is not already gone in the rest of

Canada since October 30, 1995. "Something snapped! "

Priorities are shifting; examples of that are: Ontario and per capita transfers to Atlantic Canada. British Columbia! When Mike Harcourt was Premier I remember him telling me that British Columbia's concerns were: Cascadia; the Pacific Rim; and the teaching Sanskrit, Mandarin, Japanese, and English as a second language; not bilingualism and biculturalism.

Example: generosity is a two-way street, and I have already talked about that. It is not a Montreal/Ottawa federal political corridor issue. Does anybody care about what Alberta wants out of this federation? They should.

So, by way of a wrap-up, let me say this. The Ottawa/Montreal federalist political corridor just doesn't get it. The argument about Mr. Trudeau's vision of Canada is an argument about a Canada that no longer exists. Quebecers/Montrealers must not permit themselves to be misled, either by an Ottawa living in a time warp, or shrill commentators in the rest of Canada, who will not be there when you need them. It is your community, and it is your choice. And, you will act accordingly. But give moderation and rapprochement a chance! If not today, at least for when opportunity presents itself!! Don't burn your bridges!

You will remember President Bush speaking, in his last campaign, of "the vision thing"; and in the last referendum of federalists being unable to articulate one. Well, here is one; flexible federalism restored, with due respect accorded to the sovereign participants to the transaction.

Thank you very much.