Patrick Grady
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ADIEU? / *Dismantling Canada would be expensive in many ways - economies would be disrupted, people would be uprooted, nervous money would flee. Yet as costly as Quebec's separation would be, there may be no choice but to accept it, unless...*

Putting a price tag on a sovereign Quebec

THERE is no painless way to rip a country apart. If Quebec decides to bid Canada adieu, it will be very costly for bbth. But since there are Quebeckers bent on doing so, it is important that everyone fully understands the economic consequences.

Quebec is an integral part of Canada. If it broke away, the flow of goods and services, capital and labor would have to be maintained. This would require some accommodation on both sides, but Quebec would be wrong to assume that Canada would have to accept the customs union proposed under sovereignty-association.

A free-trade agreement would probably be about as far as Canada would go. Under a customs union, Canada would have to give up control over our external tariffs. It is highly improbable that we would want duties as high on clothing, textiles and footwear as Quebec, where the industry is concentrated.

In a Canada without Quebec, the traditional western support for freer trade and grievances over the treatment of the resource industries would be more influential in determining national trade policy. The Ontario-Quebec axis in support of manufacturing would be broken with the departure of Quebec.

Under a free-trade agreement, there would probably have to be border control points between Canada and Quebec. Even in the European Community there are border controls on goods to enforce rules of origin and commodity taxes.

The Canada-United States Free Trade Agreement would not automatically apply to an independent Quebec. Quebec would have to negotiate its own agreement, although the United States would surely be receptive. There is no guarantee the deal would be as favorable as the Canada-U.S. pact. Negotiations could be time-consuming and would contribute to a climate of uncertainly.

More sensitive than the movement of goods is the free movement of people. It is one thing for Premier Robert Bourassa to say, as he recently has, that Quebeckers do not want Quebec passports, but citizens of one state do not have automatic access to another.

To protect its French culture, Quebec may wish to restrict immigration by Canadian anglophones. It this were to occur, how could Canada allow unrestricted access for Quebeckers?

If Quebec separates, Quebeckers would be presumptuous to count on the right to free movement within Canada.

A monetary union would probably not be in the cards. Why should Canada, which is three times as large, share authority over monetary policy with Quebec? It is difficult enough already to run, a responsible anti-inflationary 'monetary, policy in Canada. Why complicate matters by subjecting a central bank to control by two political masters?

The lack of a common currency would be more troublesome for Quebec than Canada. The Bank of Canada has gained international confidence in the stability ,of the Canadian dollar. Quebec would have to earn such confidence for its own currency. The only shortcut would be to peg a Quebec dollar to either the Canadian or U.S. dollar - thus relinquishing any independent monetary policy.

ONE issue where Quebec would have the upper hand and Canada would have to make sure it did not get short-changed would be the division of the national debt, more than $380-billion. Quebec would have to be persuaded to assume its proportional share of one-quarter, based on population. If Quebec were to drag its feet on this, Ottawa could be forced to play a trump card by threatening to renege on its debts to individuals and institutions in Quebec. This would disrupt financial markets and the economy.

A related issue would be dividing national assets. Presumably, the transfer of such federal assets as buildings and land would depend on their location. Mobile assets would be subject to more disagreement. Breaking up commercially viable Crown corporations would be controversial; if not done carefully, this could reduce output and employment.

The federal public service would have to be cut back sharply. Some public servants in Quebec would be hired by the Quebec government but many would find themselves on the street. Quebec should not forget that it benefits from federal largesse. According to a recent study for the Conseil du Patronat du Québec, the federal government spent $27 billion more in Quebec than it received in taxes between 1981 and 1988, after correcting for the deficit and public-debt charges. It wouldn't get this in foreign aid from Ottawa.

Separation would be painful. Economic disruptions and hardship would be great. Many people would move to Canada from Quebec; some would move the other way. Confidence in both economies would be shaken. Nervous money would flee the country until reined in by excruciatingly high interest rates. The stock market would crash. Investment plans would be postponed. Assuming that the economy would have had a chance to recover from the current recession, another mild recession would likely follow in Canada and worse in Quebec.

As costly as Quebec's separation would be, there may be no choice but to accept it to hold the rest of the country together against the strong forces of regionalism that are trying to pull it apart.

But perhaps it is not too late to focus constitutional negotiations with Quebec on renewed federalism along the lines of the relatively moderate proposals agreed to in the Meech Lake accord. Canada must make clear to Quebec, however, that while there is room for compromise, everything is not up for grabs. Quebec must recognize that its only choice is to stay or to go, not to remold Confederation to suit itself.