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Decision 98—Québec Votes: The Issues (Public Lecture: 13 November 1998)

IN QUÉBEC, 1998 HAS BEEN AN exciting political year, and it is not over yet. Last February, after the ice storm and the collapse of the public relations strategy of the federal government with regards to the reference to the Supreme Court, Premier Bouchard had every hope of being triumphantly re-elected. Barely two months later, the Liberals under their new leader seemed to be in an excellent position to win the next election, and to win it big. Jean Charest was more popular than Premier Bouchard, the people were dissatisfied with the incumbent government, especially with their health system, which was seemingly collapsing. Above all, Quebeckers seemed sick and tired of the never-ending referendum debate and wanted to be spared another one for at least the next term. In the PQ camp, senior ministers were all running around in search of the magic formula—another smart “virage”—that would spare Lucien Bouchard the unthinkable: passing into history as one of Québec’s most revered and charismatic premiers, but never having been elected to that position in his own right.

Now, the tide has turned again, and Bouchard appears poised to win a second term with about the same number of seats. Why? Michel Vastel will tell you next week about the dynamics of this campaign. In this presentation, I will focus on the issues of the campaign and tell you about the stances taken by parties regarding the issues that are foremost in the campaign, as well as others that have not been identified, but should be. I will not be in a position to deal with all possible issues, so I will select the main ones, which are: the economy, public finance, health, education, and the future of Québec.

The Economy

This is usually the voters' first priority: so said 39 per cent of those polled in early September, and 24 per cent of those polled in late October.¹ Here we have a most interesting contrast between both parties, in terms of their analysis of the situation, their explanation and prescriptions.

The Liberal perception of the state of Québec's economy is gloomy. Their discourse is essentially comparative. In a nutshell, Québec is lagging behind neighbouring provinces, and badly so. They portray a picture of relative economic decline over a thirty-year period. Québec's share of the Canadian population, of job creation, and of private investments has been diminishing. Why? Here, Liberal discourse has changed over a few months. In his famous Sherbrooke speech last March, Charest insisted on the constitutional debate as the key to our economic problems.² However, the new Liberal economic platform³ barely mentions this factor, and insists rather on high taxes and excessive government regulation as the main problem. The solution that naturally follows has been described—not to Charest's liking—as a Harris-like cure: let's reduce the size of government (except in health and education), trust the private sector, cut taxes. This confronts the fact that an interventionist state has been more or less the credo of every Québec government since 1960, not least the Liberal ones, and has been interpreted as a break with the basic orientations of the Quiet Revolution, an impression Charest has been trying to correct ever since.

In contrast, the PQ portrays a rosy and optimistic picture of the Québec economy. Unemployment has been declining since 1994. Indeed, with interesting timing, it was just below 10 per cent a few days ago. We are doing great, better indeed than under the Liberals (in their second term). Of all media, *The Globe and Mail* rates Québec's performance as the highest among Canadian provinces. Our economy is strong, a world-class model. Why? Because

¹SOM poll conducted 28 Aug.–2 Sept. 1998, as reported in *The Gazette* (5 Sept. 1998): A10; SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A5. The difference between both surveys may reflect the emphasis the Liberals put on health in their campaign.

²"Discours de Jean Charest à Sherbrooke," *La Presse* (27 March 1998): B3.

³Parti Libéral du Québec, *Agir pour la croissance: Rapport du Groupe de travail sur l'économie et l'emploi* (Oct. 1998).

we have adopted a different approach—“*le modèle québécois*”—a powerful state with a hands-on approach to the economy working in partnership with the business community, labour unions, municipal governments, and popular groups. This approach is appropriate to a tightly-knit distinct society like ours; it minimizes social conflicts. The promise for the future is, predictably, more of the same. In Nova Scotia political parlance of older days, this would translate into something like “All is well, with Angus L.”

The PQ is right in claiming that the economy has been improving since 1994. Yet the Liberal point, that this is simply a reflection of a broader Canadian and North American recovery, of which Québec has not benefited as much as it should, and that this is merely a continuation of a thirty-year pattern of relative decline, is also basically sound. Independent observers have made the same point.⁴ However, it is difficult for the average voters, most of whom rarely if ever travel in Ontario, but hear plenty about the upheavals generated by the Harris regime, to gauge the relative decline of their economy. This may explain why when it comes to economic development, usually a strong issue for the Liberals, voters trust a government led by Lucien Bouchard slightly more (42.5 per cent) than a government led by Jean Charest (39.8 per cent).

Public Finance

Deficit reduction was held to be the most important issue by eight per cent of respondents in late September, and by five per cent in late October.⁵ The debate on this issue is dominated by a major turnaround—a “*virage*”—engineered by the PQ government immediately following the referendum. After having promised that a sovereign Québec, among other blessings, would be spared the cold neo-conservative winds blowing from heartless places like

⁴See Georges Matthews, “Canada-Québec: un écart nettement plus élevé que ce que l’on croit. En termes relatifs, l’économie québécoise n’a pas progressé depuis 1989,” *La Presse* (23 Sept. 1998): B3. See also his article, “L’essoufflement de l’économie québécoise face à l’économie canadienne,” *Recherches sociographiques* (1998). Matthews was a speechwriter for Bouchard during 1991–1995.

⁵SOM poll conducted 28 Aug.–2 Sept. 1998, as reported in *The Gazette* (5 Sept. 1998): A10; SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A5. In the latter, 13 per cent held that tax reduction was the most important issue.

Ontario, Alberta and the United States, and having benefited from massive labour union support partly for that reason, the party turned on a dime and insisted, echoing Jacques Parizeau's famous comment in 1978, that the road to independence was paved with healthy public finances. The arguments for that policy change were massive: we then had the highest per capita debt among Canadian provinces, exceeded only by Newfoundland's and, you have guessed, Ottawa's. "Deficit zero" became the catchword. Now, eliminating a deficit can be done either by increasing taxes or by spending cuts. Right from the start, Bouchard clearly opted for the latter. Barring an immediate catastrophe, and with the help of an expanding economy, the goal will be reached in a few months. Public spending as a percentage of the economy has receded from 21.7 per cent in 1994 to about 18 per cent this year. Here again, the famous dictum, "I am in despair about myself, but looking at the others makes me feel better," has to be turned on its head: the deficit has been eliminated, but Québec's per capita debt this time is the highest among Canadian provinces.

Liberals were embarrassed. After all, they bore some responsibility for having let the deficit balloon throughout Bourassa's second term. It is only during the short-lived premiership of Daniel Johnson Jr., on the eve of an election, that they had started to tackle the problem. Their business friends warmly approved of the PQ's new policy, hoping discreetly that Bouchard, by emulating René Lévesque in the early 1980s and firing at his own troops, would scuttle his party.

It did not occur because Bouchard, like any good politician, is a learning animal, and maybe because union leaders are learning animals too. He avoided the brutal approach followed by Lévesque in 1982. His policy was sold to business people as evidence of his financial soundness, to party militants as a necessary precondition for independence (this one might prove damning over the next days), and to labour union leaders as an opportunity for them to shape public policy. His approach involved many tough decisions being made at lower levels by those who were hit, and the whole operation was sold to voters as a wonderful example of what we can accomplish by holding together. Instead of junior people being cleared from the public sector, senior employees were offered sweet early-retirement deals. The post-referendum eupho-

ria which captured the minds of YES supporters, the natural opponents of such a policy, swept away most opposition.

So Bouchard was, on the whole, successful. Deficit control is one of the policy areas that receives the highest credit from the voters.⁶ True, his party ratings slowly decreased (from very high levels), and much grumbling was heard, not only among the hard Left, against decreasing services, but particularly in the health system, and the shoveling of the deficit to local governments. Much of the increased taxation that was avoided at the provincial level occurred in municipalities, with adverse results in the 1997 municipal election. The government is not popular among mayors. Yet his government is generally given credit for deficit reduction. He is now in a position to announce tax reductions and new investments in health and education, an approach which is popular with voters: Quebeckers are not in a hurry to reduce their fiscal effort, and wish that money be channelled first into those two areas.⁷

Charest was hesitant. He first hinted that deficit zero was not a sacred cow and could be postponed in order to make life less miserable. There is polling evidence to prove that such an approach was not unpopular among the electorate.⁸ Yet his business allies made it immediately clear that they were quite pleased with the approach followed and with the results reached. This left Charest little alternative but to opt for more of the same, with the proviso that personal income taxes would be cut by 10 per cent.

Health

This election is exceptional in one way. It is the first time in years the health system has been a major issue. Numbers vary, but health was selected as the most important issue by 38 per cent of re-

⁶ SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A5.

⁷ CROP poll conducted 30 Oct.–4 Nov. 1998, as reported in *La Presse* (7 Nov. 1998). Thirty per cent wanted taxes to be decreased at the next budget, 17 per cent that they be decreased only after the deficit had been eliminated, and 44 per cent preferred that they be decreased only after money had been reinvested in health and education.

⁸ "Les Québécois sont d'accord pour reporter d'un an le déficit zéro," *La Presse* (1 May 1998): B1, reporting a CROP poll conducted 21–27 April 1998.

spondents in early September,⁹ and by 50 per cent in late October. The reason is simple. Under Minister Jean Rochon, Québec embarked on an ambitious reform known as the “*virage ambulatoire*.” This is not an improvised strategy born out of the crisis of public finance, though the latter certainly had to do with the timing: Rochon had devised that plan many years before, as head of a royal commission. It involved closing hospitals (their numbers have been reduced from about 800 to about 500) and obliging patients to leave hospitals as soon as possible, and recuperate at home, supported by less costly organizations like the CLSC (Centres locaux de services communautaires¹⁰). The number of beds in hospitals was accordingly reduced (from 23,000 to 18,000) and senior medical staff were encouraged to take early retirement. This meant more work for those who remained. The total cuts were equivalent to 2.3 billion dollars.

The reform has been controversial almost from the start. So much so that twice since it was launched, new money had to be thrown into the system in order to remedy urgent problems. Many media reports earlier this year have dramatized the issue, and the Liberal opposition in the Assembly has been harassing the government on the issue. Bouchard has held firm. He refused to dump Rochon in his latest Cabinet shuffle, and asserted that unlike the Liberals, his government had the courage to tackle the issue—though not before the referendum! He also cites statistics to prove that on a comparative basis, Québec’s system fares as well, indeed better on some counts, than that of other provinces. Liberals propose to put new money in the system. Health care is the single issue on which voters trust Charest more than Bouchard (47 to 35 per cent).¹¹

⁹SOM poll conducted 28 Aug.–2 Sept. 1998, as reported in *The Gazette* (5 Sept. 1998): A10; SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A5.

¹⁰These centres are part of Québec’s health and social services network and are conceived to provide first-line services in health, psychology, social work, etc., as well as being the prime health care unit in smaller municipalities where there are no hospitals.

¹¹SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A5.

Education

Education is not a major issue in this campaign. However, the education system has been harshly affected by budgetary cuts of about 1.9 billion dollars. Here again, teachers have been driven out by early-retirement packages. Many are angry with the result, though they admit that the impact will be felt only in the long term, unlike the cuts in the health sector. Some 80,000 teachers are scheduled to go on an illegal strike on 18 November.

The universities have also been hurt. A crucial issue is student fees. Bouchard promises that they will be frozen, and will remain by far Canada's lowest. Liberals admit they would increase them by the rate of inflation, not more, while promising that more money will be put into the system, as university principals loudly demand. On the other hand, even if universities are grumbling over the cuts they have been subjected to, Bouchard has announced that new efforts will be needed, chiefly by combining some programs. So Bouchard strikes the most prosperous—the professors—and kindly spares the poorest—the students—although some might conclude more cynically that there are more voters among students than among professors!

The Future of Québec

This has been the missing—maybe just dormant—issue for the first ten days of the campaign, a puzzling phenomenon. As many people have expressed their interest in this issue, I will expand on it.

I will start with a simple proposition. Public debate in Québec largely boils down to a single issue: whether Québec should secede from Canada or not.

This could sound unorthodox and provocative. Parties, after all, debate many other issues. Many polls suggest that Quebeckers are like all voters on this continent. They care first about the economy, and then the quality of government services, particularly health and education. It has been a routine poll finding for years that “the relations between Québec and Canada,” or “the Constitution,” even in referendum years, do not rank high among voters' priorities.

Yet I think we should scratch the surface. I am not inclined to dispute polling evidence, but I still need a satisfactory explana-

tion as to why, after having told pollsters the referendum was at the bottom of their priorities,¹² voters turn out in record numbers whenever a referendum on sovereignty is called. In 1995, voter turnout was 93.5 per cent, about the figure you obtain in countries with compulsory voting. It was the highest in Québec's history, maybe in Canadian history. Also, why was the second highest turnout recorded at another referendum held on the same issue—in 1980?

Look now at the parties. Both are coalitions of otherwise varied interests gathered around a single cleavage: the PQ is for sovereignty, Liberals are against. However diverse they may be in terms of ethnic background, class position and ideological outlook, Québec anglophones vote massively for the party that fights secession. All other cleavages in Québec politics are secondary, to the point that in detailed breakdowns of party voting, never do we fail to be informed of the figures for each linguistic group. The Action démocratique du Québec (ADQ) itself was born out of a scission from the Liberal party, on constitutional grounds. The secession issue, which was formerly absent from the federal scene, now largely determines political alignments even there.

With this kind of background, it is difficult to understand why so little has been said about sovereignty during the campaign so far.

Following the 1995 referendum, Bouchard decided to respect the legal stipulation (which could have been easily removed) that no further referendum on sovereignty would be held before the next election, and that there would be no constitutional negotiations meanwhile. The priority was to clean up Québec's public finances and let the federal regime prove beyond contention that it could not be reformed. Relations between Ottawa and Québec were tense throughout, with brief interludes of fraternization either with Ottawa or with the other provinces. Bouchard firmly fought against Ottawa's plan B approach and particularly against the ref-

¹²See, among many others, "Job Concerns Top Sovereignty: Poll," *The Gazette* (17 Aug. 1995): A1, reporting a SOM poll conducted 11–15 Aug. 1995, barely 2 1/2 months before the referendum was held: 52 per cent of respondents chose the economy and employment as what should be the government's top priority, 30 per cent said the maintenance of health services, 14 per cent the deficit, 7 per cent quality of schooling, 6 per cent sovereignty, and 1 per cent road maintenance.

erence to the Supreme Court. His approach was to deny any legitimacy to this move and to the Court, and to vilify its main proponent, Minister Stéphane Dion. A similar hardline approach was taken vis-à-vis the partition movement: in this field at least, the constitution was read and invoked very seriously by the Québec government, and even explicit threats of police intervention in dissident municipalities and aboriginal areas were made.

At the same time, agreement was reached with Ottawa on two crucial issues: manpower training, as promised by Chrétien near the end of the referendum campaign, was transferred in 1997 to Québec (as to other provinces), and a constitutional amendment was agreed to shortly after, which paved the way to replacing denominational school boards by language-based ones in 1998.

Throughout Bouchard's term, Liberals felt squeezed between their opponents and their aggressive federal cousins. They publicly criticized Ottawa's plan B approach and were repeatedly invited by the PQ to side with them in the Assembly. However, after Bouchard's honeymoon with the voters had receded, they soon found two rays of hope. First, support for sovereignty-partnership, after a brief post-referendum surge, began to fall steadily to the low forties. Second, hostility to another referendum grew rapidly. A few weeks after the 1995 referendum, about two-thirds agreed with calling another one.¹³ Since the fall of 1996, however, public sentiment has turned dramatically, about two-to-one, against holding another referendum even if the PQ is re-elected. In the dying days of Daniel Johnson Jr.'s leadership, most observers agreed that this remained the Liberals' single asset. A revealing consequence of this "referendum fatigue" in the public is the change of heart of Mario Dumont and his Action Démocratique. While his earlier record suggested Dumont was a keen supporter of the "knife at the throat strategy," he proposed in the fall of 1996 a moratorium on referendums, and his party's platform now holds that referendums on secession should be banned for the *next two* terms.

Poll findings at this stage (early 1998) had no effect on Bouchard's resolution to hold another referendum. After all, he seemed unbeatable, and once the referendum would have been

¹³ A SOM poll, conducted 2–6 Nov. 1995, found that 67 per cent wished a new referendum to be held either during this term or the next one.

called, federalists could likely do nothing but take part in the campaign. As to the YES lag in the polls, the 1995 campaign suggested Lucien's magic could overcome the odds easily. The story is out in Québec that early this year, top businessmen vainly tried to convince Bouchard to postpone any referendum should he be re-elected.

Then Charest came—with a platform promising unequivocally that no referendum would be held. Suddenly, all indicators turned red for Bouchard—literally. The Liberals were leading in polls, the YES support receded to 40 per cent, voters were dissatisfied with his government. Worse, polls were suggesting that even if the referendum were jettisoned, voters would still defeat his administration by the same margin,¹⁴ while his party's radical supporters would be demobilized if he did so.

After much hesitation, Bouchard announced that only a "winning" referendum would be held, and that his party, if re-elected, would work hard to foster the conditions for a YES victory. These are the famous "conditions gagnantes." So far, precious little has been said about what those winning conditions are. This new turnaround worked with party radicals. Though with some difficulty, Bouchard won endorsement from his party's Conseil national in September, Jacques Parizeau was polled into submission (a poll opportunely showed voters being fed up with his pronouncements, which had grown embarrassing for Bouchard), and radicals like José Legault were defeated in nomination meetings in key ridings. It still remains to be seen whether the approach will work with the electorate.

Surprisingly, the Liberals have chosen not to initially insist on that issue, which is barely mentioned in their recent documents. In my view, this may have been a mistake. It allowed PQ media spinners to evacuate the referendum as a campaign issue, at least initially. Now that they are virtually tied with the PQ among voters, and lagging in electoral districts, they seem to have decided to play what is widely seen as their trump card. It was about time. Make no mistake about it: if this election ever deserves to be remem-

¹⁴"Charest creuse l'écart. Même en renonçant au référendum, le PQ reste loin derrière," *Le Soleil* (13 April 1998): A1–2. Reporting a SOM poll conducted 27 March–1 April 1998.

bered in history books, it will be because it either paved the way to the third referendum on sovereignty in about twenty years, or eliminated that possibility.

The main question now among observers is: will Charest win much by focusing on the referendum issue? Voters are opposed to another referendum; they would say NO if one were held.¹⁵ Yet, a few days ago, they appeared poised to re-elect a government they disagreed with on both those crucial counts.

There are many possible explanations. Some must be excluded at the outset. It is not because voters believe there will be no referendum if Bouchard is re-elected. Fully 63.5 per cent expect a referendum to be held in this case.¹⁶ Nor is it because they believe referendums have no adverse consequences on the state of the economy. Quite the opposite. In April 1997, as many as 73 per cent agreed with the statement that the debate on sovereignty hurt the Québec economy.¹⁷ A few days ago, 63.5 per cent said they believed that the assurance of not holding another referendum on sovereignty would have a positive impact on Québec's economy.¹⁸ Interestingly, both figures included a majority of supporters of the party committed to sovereignty.

Another explanation is that the Liberals have so far let the PQ get away with this issue by not raising it, and in doing so have accredited a perception that the issue is of minor importance. Voters do not care that much about it because those who should have warned them, have not. If this is true, Liberals might turn the tide by hammering it over the next weeks. Another possibility is that

¹⁵The latest, confirming earlier surveys, showed 64 per cent of respondents (including about half of Parti Québécois supporters, almost 80 per cent of Liberals, and 61 per cent of ADQ supporters) wanting Lucien Bouchard to drop the idea of holding another referendum on sovereignty if he were re-elected, and 56–57 per cent intending to vote NO at a referendum on sovereignty, coupled or not with a partnership. SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A1.

¹⁶Ibid.

¹⁷*Les préoccupations des Canadiens à la veille des élections fédérales: Sondage d'opinion auprès des Canadiens*. Annexe 1: "Tableaux-synthèses." Société Radio-Canada (25 April 1997): Table 57. The poll was conducted by CROP, 17–22 April 1997.

¹⁸SOM poll conducted 23–27 Oct. 1998, as reported in *The Gazette* (31 Oct. 1998): A5.

avoiding a referendum is the voters' preference, but (apart from Québec's anglophones) not an overriding concern: if this is the case, the Liberals would gain little by insisting on that issue. Only the next weeks will tell us how strongly this factor will influence voters.

Would federal-provincial relations be more smoothly conducted under a Charest government? On the surface, they should, because the sword of Damocles of another referendum would no longer be in the picture. Charest's record suggests he is not a "checkbook federalist" like Robert Bourassa. Indeed, he has shown rare ability for expressing in his speeches the love of Canada that many French Québécois feel, a rarity among Québec politicians, even federalists. On the other hand, maybe in order to woo the so-called soft nationalists, Charest has insisted that he would get more from Ottawa because he had allies among other premiers and that Ottawa would have no other option but to accept Québec's demands. In addition, there is seemingly much personal animosity between Chrétien and Charest. Indeed, Bouchard was pleased to point out that in addition to his successes on manpower and denominational schools, and his alliance with other premiers on the so-called social union, he had never gone as far as Charest has done by suggesting recently, after Chrétien's celebrated interview with *La Presse*, that the time had come for the Prime Minister to leave politics.

Conclusion

All this is written before a crucial event in the campaign: the leaders' debate, to be held next Tuesday, 17 November. The aftermath of the debate will tell us whether the landscape has frozen in favour of the PQ, as some observers contend, or whether the volatile Québec electorate will again swing decisively either way. For the moment the advice is: stay tuned!