Historic Roots and Socio-economic Consequences of the Separatist Movement in Quebec

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1. Introduction

The objective of this work is to examine whether the continuing debate about the separation of Quebec from Canada has been impacting the social and economic development of the province. There is no doubt that Quebec’s economy differs from those of other Canadian provinces. The reasons for these differences, however, are hotly disputed by economists. One possible explanation for certain socio-economic developments is political uncertainty due to separatism. Its existence has often been denied by people favoring sovereignty, while those who believe in the Canadian federation have tended to blame political instability caused by their political opponents for all negative socio-economic developments. Due to its political nature, the topic has not yet been examined from an objective, economic point of view in Canada. That is the aim of this work.

The main point of interest revolves around the question of political instability which can be caused by uncertainty about the future. Since political instability per se is not measurable, the correlation between political events, which could cause uncertainty, and socio-economic developments, which could stem from political instability, is analyzed. If there is a high correlation, a relation of cause and effect is possible. In order to test such a correlation the developments will be compared to those in similar economies that have not experienced any political uncertainty. Additionally, other potential reasons for these developments are studied.

In the first part of the work, the roots of the separatist movement in Quebec are analyzed. This historic part starts with the conquest of 1760, because many scholars of economic history consider it as the origin of the economic backwardness of francophones, which was only overcome in the late 20th century. The differences between the French and the English colonial policies in North America are also outlined because they are the basis for the divergent development of the francophone society and the anglophone society in Quebec. The importance of religion and language as factors determining the socio-economic development of Quebec warrants closer examination. The historic part is structured chronologically but special attention is paid to events that had an impact on the separatist movement, such as the Métis conflict, the conscription crises and the constitutional debates. Since this study is based on a time-correlation between political events and changes in socio-economic indicators, the reception and interpretation of events by the media and by opinion leaders is of particular interest. For this reason opinion polls have been analyzed.
In the second part various economic indicators and their changes during the last forty years are studied. Basic economic indicators, such as gross domestic product (GDP), investment, consumption and employment are examined. The data for Quebec is compared to that of other provinces and to Canada as a whole in order to identify trends and deviations from these trends. Moreover, alternative explanations for these developments and statements made by politicians and economists are examined for their tenability.

Social developments are analyzed in Part Three. Demographic and demolinguistic developments are the focus of attention because they could either be consequences of separatism or reasons for certain economic developments. It is shown that natural growth and migration patterns vary considerably among the provinces and over time. The demolinguistic make-up of the province of Quebec was strongly influenced by the language policies of the 1970’s. The analysis of theories of the economics of language shows that these policies, which further reinforced the linguistic insularity of Quebec, are one reason for the economic differences between Quebec and Ontario.

In my concluding remarks I emphasize that a direct relation between separatism and Quebec’s economic performance cannot be demonstrated by examining macro-economic indicators. The referendum of 1995 was the only event that had a negative impact on investment and consequently on employment creation. The linguistic situation of Quebec and its migration and language policies have been much more important as determinants of the development of Quebec’s society and economy than political instability. Since the preservation of the French language is one of the goals of the separatist political forces, the economic consequences of language policies and the linguistic situation of Quebec are often attributed to separatism. In this analysis of the socio-economic consequences of the separatist movement in Quebec, a clear distinction is made between the various factors that have influenced Quebec’s economic and social development for the last 200 years.
2. The Historic Roots of the Separatist Movement in Quebec

The goal of this first part is to trace back the development of the separatist movement. For this reason the history of the French Canadians, *les canadiens*, as they call themselves, will be analyzed. Nationalist trends of the past and present and their historical roots are illustrated, taking into account social, economic, and political factors that led to their upsurge.

Even if almost every part of Canada’s history has to some extent impacted the French Canadians, and thus indirectly influenced the development of separatism, the following analysis focuses on the crucial events, their origins and consequences. For a chronology of important dates in recent Canadian history, please refer to Table 4.

2.1 The British Conquest – a Clash of Two Nations

There is no doubt that the cornerstone for French Canadian nationalism was laid by the British conquest of New France in 1760. This victory of the British over the French army set an end to almost 70 years of fighting for imperial supremacy in North America. At the same time it marks the beginning of the struggle for the preservation of the French Canadian culture.

200 years before the defeat, the first French settlers had set foot on the new continent. Originally, the newly discovered continent was a mere provider of food, namely fish, which was caught on the Grand Banks off Newfoundland and shipped to Europe. In terms of shipping volume the cod fishery by far exceeded any other transatlantic trade in gold or silver.\(^1\) Due to the necessity of preserving the fish before shipping it to Europe, coastal bases were established. These areas were, however, abandoned after the summer months, when the cod fishermen returned to Europe. Soon after the first contacts with the native population, the barter of European metal tools and utensils for food and fur developed. The high demand for beaver furs on European markets lured French adventurers into the Canadian hinterland. The first enduring French settlement was founded in Quebec in 1608.

\(^1\) Turgeon 1986 quoted in Dickinson and Young 1993, 13.
By 1663 the French colonies counted 3,500 settlers and already outnumbered the native population, which had been decimated by disease and war. At the same time the population of New England amounted to 70,000 people.\(^2\) Besides fur trading, the principal activity of the French settlers was agriculture. Subsistence farming prevailed, small surpluses were bartered within the local community and supported the elite, namely the seigneurs and the religious hierarchy. The society and the economy were structured according to the European feudal system, which had been transferred to all French colonies.\(^3\)

The Catholic church and the seigneurial system constituted the two pillars of the society. Members of the clergy were among the first settlers, and by 1660 six Catholic orders had been founded in New France. Apart from its responsibility for education and health care, the church played a significant role in the colonies’ politics. Being one of the most important land owners – the church held one-quarter of all seigneurial land by the end of the French regime – the church was present in all political institutions.\(^4\) The strong links between the state and the church in New France stood in stark contrast to the predominantly secular British system. Since the Catholic church rightly feared a loss of power in a society dominated by the Protestant British, it was one of the most ardent defenders of French nationalism.

The seigneurial system was the second factor determining social relations in the French colonies. The seigneur granted land to settlers, who paid seigneurial dues on the land concession, called tithes, because originally they constituted a tenth of their harvest. This system was introduced by the French crown in order to stimulate colonization. Besides administering the land, seigneurs were responsible for the infrastructure, including the provision of water, roads, mills, and seigneurial courts. Even if the seigneurial system *per se* lost its importance after the conquest, the seigneurs continued to play an important role in Canadian politics, especially in defending the French system which constituted the basis for their prosperity. It is important to note that from an economic point of view the feudal system of New France was less profitable for the society than the relatively free market economy that developed in the British colonies. This might have been one reason for the dominant position that the British reached in North America.

\(^2\) Trudel 1979, 400.

\(^3\) Müller-Armack 1944, 140f.

\(^4\) Dickinson and Young 1993, 41.
In contrast to New France, the thirteen colonies, which formed British North America, counted as one of the most profitable overseas territories of Great Britain. The British colonies relied economically on quasi-independent companies of merchants, such as the Hudson Bay Company. With a population of about 1.5 million people at the time of the conquest, British North America was a huge market for British exports and at the same time supplied the Empire with agricultural products, such as wheat, tobacco and cotton.\(^5\) New England and the Chesapeake colonies of Virginia and Maryland were heavily involved in trade. Family agriculture was soon substituted by more market-oriented, specialized agriculture, small-scale processing and natural resource manufacturing.\(^6\) The main settlements developed “popular forms of government with more or less limited power of taxation and legislation akin to the Westminster model.”\(^7\) In general it can be said that the British colonies were less dependent on the colonial power than the French ones. Nevertheless, the British colonies relied on military support from the home land. The support from Great Britain, in terms of military expenditure for its North American colony was considerably higher than that from France for New France. Consequently, the British colonies expanded not only in terms of population, but also in terms of territory.

Map 1: Quebec, Acadia and the Thirteen Colonies\(^8\)

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\(^5\) Beauchemin 1995, 7.
\(^6\) Greene 1988, 26f., 79.
\(^7\) Williams 1945, 290.
In 1710, at the end of the second inter-colony war, they conquered Acadia, situated north of New England, which included Nova Scotia and Prince Edward Island, as is shown in Map1.9 When the local French population, the Acadians, refused to swear allegiance to the British crown at the outbreak of the war in 1754, they were deported to different southern colonies.10 The majority were assimilated to their anglophone environment. Only those who sought refuge in Louisiana were able to preserve their French culture and are today known as the Cajun community. After the conquest, some Acadians returned to the Maritimes and settled in New Brunswick, where a French minority has existed until today. Having seen what had happened to the Acadian people under British rule, the remaining French Canadians put up strong resistance to the British. They continued fighting against assimilation after British rule had been installed officially by the Treaty of Paris in 1763. The Treaty sealed the end of New France, but at the same time reserved fundamental rights for the French population. They were not to be expelled from their settlements as were the Acadians and they had the right to return to France within eighteen months following the signing of the treaty.11

2.2 The Consequences of the Conquest

The visible effects of the conquest on the socio-economic life of French Canada were minimal. Certainly, during the war Quebec farms had been razed and burned and about 80% of Quebec City had been destroyed.12 But most of the buildings were reconstructed and soon served exactly the same people for the same purpose as they did before the war. The class structure remained the same, the religious institutions functioned as they did before, even if the ‘new state’ no longer granted financial support. In the trading sector the competition became somewhat fiercer due to the advent of British merchants. But since only a few British settled in the French region right after the conquest, the consequences of the defeat seemed less devastating than they had been for the Acadians.

The British dealt relatively mildly with the conquered French. Following the philosophy of the Enlightenment, the British considered themselves as well as the French as civilized people and respected certain fundamental rights. For the first time in history, the defeated could keep their language and religion. Another crucial point was the recognition of existing

9 Couturier and Ouellette 1994, 77.
10 For detailed information please consult the historic atlas by Harris 1987, 30.
11 Couturier and Ouellette 1994, 87.
property rights. Furthermore, parts of the French legal system remained in force after the British Conquest.

Despite the relative mildness of the British conquerors, Quebec historians of the 20th century, such as Guy Frégault or Maurice Séguin, interpreted the Conquest as the “root of the social and economic inferiority of modern Quebec.” In their eyes, the British allowed the French to keep their language and their religion in order to relegate them to the margins of the society. The right to return to France which was granted by the Treaty of Paris was a means of ‘decapitating’ the francophone society: The merchants and the French bourgeoisie left the country and only the peasants stayed, which, in consequence, led to an idealization of rural life. In the words of Frégault:

“In 1760 Canada was completely crushed. The colony which passed to Britain three years later was an economic ruin. It was also a political ruin. Finally, in 1763 the country was ruined socially. During the years 1760-1763 Canada was not merely conquered and ceded to England; it was defeated. Defeat means disintegration... The Canadians eliminated from politics, from commerce and from industry, turned back to the soil. If they came to boast that they were ‘children of the soil’, it was because defeat had affected not only their material civilization but also their ideas. They had higher pretensions when their community was complete.”

This interpretation of history, which has its roots in the Quiet Revolution of the 1950s still prevails among Quebec nationalists today. For the Parti Québécois the subjection of New France by the British is at the roots of all inequities in the Canadian society and, thus, could only be undone by a separation of Quebec from Canada. Alternative explanations for the economic differences between Quebec and the rest of Canada are offered by two books published in 1999. Jean-Luc Migué attributes Quebec’s slower economic growth to governmental interference that, since the 1950s, has been much stronger in Quebec than in other provinces. Gilles Paquet blames the Quiet Revolution for the erosion of social cooperation, which in his eyes is the basis for the socio-economic well-being of a society.

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14 Dickinson and Young 1993, 51; for a detailed discussion of different interpretations of the consequences of the conquest refer also to Brunet 1967.
15 Frégeault 1964 quoted in Dickinson and Young 1993, 51.
16 Please compare Standen 1990, 246-255.
17 Migué 1999.
18 Paquet 1999.
Yet another explanation is based on the religious and cultural differences between the Catholic French and the Protestant British. In his book *Die protestantische Ethik und der 'Geist' des Kapitalismus* (translated as *The Protestant Ethic*), Max Weber points out that Protestant religions, namely Calvinism and Puritanism, had a positive impact on the development of capitalism because work and economic success are well-thought-of. In contrast to the Catholic church, Calvinism regards technical domination of nature as positive and thus promotes technical innovation. Furthermore, Calvinists oppose governmental interference because only God is accepted as an authority. Since work is a form of asceticism, Calvinism and the even stricter Puritanism indirectly support economic liberalism. The idealization of rural life and traditional craftsmanship does not exist in the Protestant environment. Even if agricultural methods and crafts were similar all across North America at the time of colonialization, only did the Protestant English environment promote the development of manufacturing industry and agro-business. The feudal system that France ‘bequeathed’ to all of its colonies inhibited any economic development due to its ‘parasitic character’. This is how Müller-Armack explains the economic backwardness of francophone Quebec until the early 20th century.

It is evident that neither historians, politicians nor economists unanimously agree about the effects of the British conquest. There are, however, some changes that are undisputed, because they have been laid down in the Treaty of Paris of 1763. The Royal Proclamation created the Province of Quebec, which included basically the area of the St. Laurent valley. Being much smaller than today’s province, the 1763 Quebec was limited in the North East by Rupert’s Land, which included today’s Northern Quebec, and by Newfoundland in the North. By prohibiting Catholics from holding office in the public sector of the British colonies, the Treaty of Paris strongly impacted the composition of the administrative elite. The French seigneurs, who had until then been strongly involved in the colony’s politics, had to give up their army commissions and thus concentrated their efforts on the seigneuries, in other words on agriculture.

The tendency of the French population to adopt an inward looking life style, focusing on the family and the parish, rather than the whole colony, is probably one of the few undisputed

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20 Müller-Armack 1944, 99.
21 Müller-Armack 1944, 93f.
22 Müller-Armack 1944, 141.
effects of the conquest. It parallels the diminishing importance of the French population in trade and politics and its increasing concentration on agriculture. On the one hand, this ‘cocooning’ of the French Canadian society induced a loss of economic and political power. On the other hand, it probably constituted the basis for the preservation of French culture.

2.3 Assimilation or Acceptance

The original objective of transforming Quebec into a British colony with British institutions and a British population, as formulated in the Royal Proclamation was already abandoned by the first British governor in light of the passive resistance against assimilation. His successor who was appointed to reinforce the British assimilation policies, which had been undermined by the Canadian population, soon realized the futility of his efforts. Fearing French support of the American independence movement, Britain made considerable concessions to the French population in Canada in order to ensure their loyalty.

Map 2: Boundaries after Quebec Act – 1774

The Quebec Act of 1774 restored the right of Catholics to hold office and permitted the collection of the tithe by the clergy. Consequently, the influential French upper class, namely the seigneurs and the clergy, were satisfied. Finally, the use of French law in civil cases was officially permitted. Last but not least, the Quebec Act changed the boundaries of the province to include today’s Quebec, Ontario, as well as Wisconsin, Illinois, Indiana, Michigan, and Ohio, as shown in Map 2.  

Even if the British viewed these concessions as merely temporary measures, they stimulated participation of the French population in the public life of the colony.

Despite Quebec’s neutrality in the War of American Independence, the province and especially the French population was strongly impacted by the outcome of the war. About 40,000 Loyalists – or Tories –, British who had been fighting for the Empire during the Independence War, settled in Canadian colonies. The British government promised agricultural land to Loyalists settling in Quebec, because the establishment of a strong English population seemed to finally resolve the ‘French problem’. Despite of the government incentives, only 10,000 Loyalists settled in Quebec, most of them on the Northern shores of Lake Ontario and Lake Erie.

The 1791 Constitutional Act, which was an indirect consequence of America’s Independence, divided Quebec in two separate provinces. As shown in Map 3, the traditional French area east of the Ottawa River was called Lower Canada because it was downstream or along the “lower” part of the St. Lawrence River. The western section was called Upper Canada because it was upstream in terms of the St. Lawrence waterway. This division can be attributed to the reluctance of the Loyalists to accept the seigneurial system and French Civil Law. Their demands for a British system were fulfilled, and the province of Upper Canada, which later became the Province of Ontario, chose English as official language, readopted English Common Law, abolished the seigneurial system and installed freehold system of land owning instead. Lower Canada retained the seigneurial system and French Civil Law. The only ‘anti-French’ clause in the Constitutional Act, was the establishment of the Church of England as the official Church in Upper and Lower Canada.

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25 Bilodeau et al. 1978, 276-278.
29 Francis, Jones and Smith 1996 (1), 174-177.
For the majority of French Canadians the advantages of the Constitution Act prevailed. For the first time in history the political systems granted the representation of the francophones in the government. The installation of the new government system, which is shown in Chart 1, represented a first step in the direction towards parliamentarianism. Even if the decisions of the elected assembly

“could be overturned by the governor and his appointed executive council, the assemblies had taxation abilities which did give them some real power. … The legislative branch consisted of a legislative council (appointed by the governor for life) and a legislative assembly which was elected.”

As of 1800 the French population of 200,000 by far outnumbered the 25,000 anglophones in Lower Canada, the francophones had a majority in the legislative assembly of the province. Almost all subjects of discussion divided the legislative assembly into two camps – the French and the British. At the 1792 opening session, the official language of the assembly was changed to French, a measure that was to be representative of the decisions of

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33 Bothwell 1998, 23.
the legislative assembly to come.\textsuperscript{34} Finally, French Canadian Nationalism had found a legal way to influence politics in the British colony.

\textbf{Chart 1: The Canadian Government Structure as Established by the Constitutional Act of 1779\textsuperscript{35}}

\begin{center}
\begin{tikzpicture}
  \node[rectangle, draw, minimum width=3cm, minimum height=2cm, fill=red!30] (gov) at (0,0) {British Government};
  \node[rectangle, draw, minimum width=2cm, minimum height=2cm, fill=yellow!30] (exec) at (-2,-4) {Executive Council};
  \node[rectangle, draw, minimum width=2cm, minimum height=2cm, fill=blue!30] (elec) at (2,-4) {Elected Assembly};
  \node[rectangle, draw, minimum width=2cm, minimum height=2cm, fill=pink!30] (leg) at (2,-2) {Legislative Council};
  \node[rectangle, draw, minimum width=2cm, minimum height=2cm, fill=green!30] (vote) at (0,-6) {Voters};
  \node[rectangle, draw, minimum width=2cm, minimum height=2cm, fill=green!30] (pub) at (0,-8) {The Public};\draw[->] (gov) -- (exec);
\end{tikzpicture}
\end{center}

\subsection*{2.4 The Mount of Political Unrest and Ethical Conflict}

The recently acquired right of representation very soon provoked ethnic conflicts between the francophone and the anglophone populations. The proposals to bring the Catholic Church under state control and to provide anglophone education were seen as attacks on the two pillars of the French Canadian culture: the Catholic religion and the French language. The following extracts from the English party newspapers \textit{The Quebec Mercury} and \textit{Le Canadien}

\textsuperscript{34} Cp. Francis and Smith 1990, 279.
\textsuperscript{35} \textit{A Country by Consent} 1996, 1791.pdf, 3.
by the francophone reformers – which was censored in 1810 – well illustrates the opposing standpoints of the different members of the legislative assembly:

“This province is already too much a French province for an English colony. To unfrenchify it, as much as possible ... should be a primary object, particularly in these times. ... A French system is an arbitrary system, because it is a military one, it becomes therefore, the interest, not of Englishmen only, but of the whole universe, to raise mounds against the progress of French power. To oppose it is a duty. To assist it ... is criminal. To a certain extent the French language is at present unavoidable in this province; but its cultivation, beyond what may be necessary, so as to perpetuate it, in an English colony, can admit of no defense, particularly in present times.”

“You say that the [French] Canadians use their privileges too freely for a conquered people, and you threaten them with the loss of those privileges. How dare you reproach them for enjoying the privileges the British parliament has granted them? ... You ask absurdly whether the [French] Canadians have the right to exercise these rights in their own language. In what other tongue could they exercise them? Did not the parliament of Great Britain know what their language was?”

The positions of francophone and anglophone deputies became completely irreconcilable as of the battles about taxation bills and the control of the civil list. The taxation issue very well illustrated the different interests of the French and British population: The necessity of the introduction of a tax in order to finance the construction of jails was undisputed. But the factor on which it should be levied was the reason for a never-ending dispute. The French suggested a tax on the imports of wine and tea, which was not acceptable for the anglophone merchants which constituted an important part of the English society. They, for their part, proposed to levy the tax on land, which was to a great extent in the hands of the French population.

The demands for an augmentation of power of the legislative assembly were triggered by the fight over the control of the civil list, which determined the annual expenditures for public servants. Following the example of Britain and Jamaica, the French deputies claimed an augmentation of the legislative assembly’s power to include spending power, which was up to then in the hands of the Executive Council appointed by the British governor. The

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36 Dickinson and Young 1993, 61.
37 Wittke 1941, 68.
38 Bilodeau et al. 1978, 301.
proposition was refused by the governor and the anglophone bureaucrats, as were 233 other law projects issued by the legislative assembly in the period of 1822-1836.39

The idea underlying the political system of Canada, namely that French Canadians could not be governed without the consent of the British, but the British could not govern without the consent of French Canadians, did not work. The solutions proposed by the francophone politicians reached from the installation of a responsible government, a political system comparable to today’s British parliamentarianism, to the founding of an independent Quebec republic. When the governor decided to keep the status quo, the constitutional lid blew off. The consequence were armed rebellions in Upper and Lower Canada, led by the Patriot movement under Louis-Joseph Papineau, which emerged from the Parti Canadien in response to a 1822 bill proposing the unification of Upper and Lower Canada and the abolition of French as an official language.40

The rebellions, however, should not be attributed to political or ethnic conflict only. Socio-economic developments, which led to a rising economic inequality between the mostly French rural population and the French and Irish urban working class on the one hand, and the English capitalists, which dominated the pre-industrial elite on the other hand, played an equally important role. The French bourgeoisie, predominantly working in the professions, as notaries, doctors, or lawyers found themselves far down in the colonial pecking order and joined the French nationalists, hoping to regain their former social status in a French-dominated Lower Canada.

After a series of upheavals in the years of 1837/38, the rebellion was defeated by the British military. The only consequence was a reassessment of the administration of the British colonies in North America. For this reason a royal commission under the leadership of Lord Durham was established. In his famous report, Lord Durham attributed the rebellion to the ethnic tensions between British and French Canadians, ‘two nations warring in the bosom of a single state.’41 He recommended the unification of Upper and Lower Canada. That would lead to a British majority in the elected assembly, which, in his eyes, should be given more power. Only a gradual assimilation of the French Canadians, and their consequent integration into the

39 Couturier and Ouellette 1994, 130.
40 Bilodeau et al. 1978, 327-331.
41 Bertrand and Desbiens 1969, 7.
political and economic life of the British colony could save the French Canadians from becoming the social and economic ‘under-class’.

2.5 Towards a New Constitution

Obviously, Durham’s propositions were anathema to French nationalists. The measures stimulating urban and industrial expansion were, however, welcomed by the French bourgeoisie. Fearing its total extinction, the Catholic church decided to collaborate with the Special Council, whose task was the installation of a new British regime. Since the Catholic church played an important role in the social life of the colony, the British accorded it property rights and certain corporate powers to ensure its ideological support. At this point the Catholic church gave up their French nationalist position.

With the passing of the Union Act in 1840, Upper and Lower Canada became one province, represented by one legislative assembly, but still divided into two administrative parts, namely Canada East (Lower Canada / Quebec) with about 650,000 inhabitants and Canada West (Upper Canada / Ontario) with a population of 450,000. An equal number of seats in the assembly were granted to the two parts of the new province, despite the superior number of people living in Canada East. That is how this political system assured the political superiority of the anglophone minority. Durham’s recommendation to concede more power to the colonial government was not implemented, because London feared the development of a party system, which would have shattered all hopes for an assimilation of the French Canadians.

Due to the equal numbers of votes of the deputies from Canada East and Canada West, even an alliance between all Francophone parties did not suffice to form a majority in the legislative assembly. Consequently, isolationist positions, such as that of the French nationalist parti patriotiste had no say in the politics of the colony. The bi-ethnic Reform Party, which fought for responsible government in order to provide the infrastructure for capitalist expansion, formed a majority government as of 1847. With the introduction of responsible government the way was smoothed for pro-francophone legislation: French was named second official language, the exiled rebels from 1837/38 were permitted to return

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43 Dickinson and Young 1993, 169.
home and indemnities were granted to the Patriots who had lost property during the rebellion in the Rebellion losses bill of 1849.\textsuperscript{45} That piece of legislation which was signed by the governor despite the protests of the opposition enraged the anglophone population of Montreal. A manifestation of the Tories against the passed legislation in the streets of Montreal ended with setting the parliament on fire. The fragile alliances between English and French Canadian parties broke up, laming the political process in the legislative assembly. At the end of the 1850s, several parties agreed that the political system was responsible for the instability that had prevailed since 1840, and that only a redesigning of the constitution could solve the political difficulties of the colony.

2.6 The Foundation of the Canadian Confederation

Even if there was a broad consensus about forming a confederation, the degree of centralization was a reason for constant disputes, not only among different parties within one province, but also among the various provinces. The Quebec Conservatives, who formed the majority, strongly supported the formation of a central federal government. The Conservative Georges-Etienne Cartier

\begin{quote}
“described the new federation as a new ‘political nationality’ in which ‘British an French Canadian alike could appreciate and understand their position relative to each other. They were placed like families beside each other, and their contact produced a healthy spirit of emulation.”\textsuperscript{46}
\end{quote}

The Liberal opposition and the majority of French Canadians, however, favored a decentralized system, leaving only interprovincial and international affairs to the federal government in Ottawa. This opinion prevailed also in Ontario. In such a loose confederation, the provinces would have preserved their autonomy including the rights, powers and prerogatives of their internal government.

The economic developments triggered by industrialization required a close co-operation between the colonies in order to ensure the construction and maintenance of an adequate infrastructure. The Canadian railway and canal systems were the basis for the industrial society, linking markets nation-wide. Many colonies were highly indebted due the costs of railway construction and, thus, did not have sufficient funds to complete the envisioned Grand

\textsuperscript{44} Couturier and Ouellette 1994, 142f.
\textsuperscript{45} Wittke 1941, 128-130.
Trunk line, which should connect all British colonies from the Maritimes to British Columbia. At the same time the West has become attractive to the Eastern provinces which were looking for new markets in view of the decreasing European demand for their products. Additionally, the termination of the Reciprocity-Agreement with the United States, which had granted free movement of primary goods from 1854 to 1864, rendered exportation to the South more difficult.

For Quebec, the advantages of a federation lay in increased independence from Great Britain, the reduction of the provincial debt incurred for the railway construction, and protection against the menacing American invasion. The Conservatives, forming the majority in the Canadian legislative assembly, were mainly concerned with the economic progress of the colony, and consequently, supported the formation of a strong federal government ruling all British North American colonies. Since once again the issues at stake differed for the anglophones and for the francophones, the constitution debate deepened the ethnic division of Quebec’s population.

Finally, on July 1st of 1867 the Dominion of Canada including New Brunswick, Nova Scotia and the two new provinces of Quebec and Ontario was created. The break-up of the former Canada into two separate provinces, namely Ontario and Quebec, was welcomed by French Canadians, because they formed a majority in the province of Quebec. According to Silver, professor of history at the University of Toronto, this was the selling point of the Confederation in Quebec. The creation of ‘their’ own state, which gave them control over ‘their’ jurisdiction was presented as a major advantage for French Canadians. It is important to note that initially the anglophone minority in Quebec did lose some rights, like for example the guarantee of English education. But due to the economic and political power of the Protestants, the right to education in English and a minimal support of the Protestant church were soon guaranteed to the English minority in Quebec.

Overall, the confederation was not able to solve the conflict between French and English Canadians, but only moved it from an intra-governmental to an inter-governmental level. The division of power between the federal and the provincial governments was to become a

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46 Dickinson and Young 1993, 187.
47 Bilodeau et al. 1978, 402.
constant source of conflict in the newly created country. Originally the power was divided as illustrated in the following table.

Table 1: Distribution of Competencies according to the North America Act from 1867

<table>
<thead>
<tr>
<th>Federal Competencies</th>
<th>Provincial Competencies</th>
<th>‘Divided’ Competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• traffic and trade</td>
<td>• Public land and forests</td>
<td>• Agriculture</td>
</tr>
<tr>
<td>• taxation</td>
<td>• Hospitals</td>
<td>• Companies</td>
</tr>
<tr>
<td>• mail services</td>
<td>• Municipal institutions</td>
<td>• Economic development</td>
</tr>
<tr>
<td>• military and defense</td>
<td>• Marriages</td>
<td>• Imprisoning</td>
</tr>
<tr>
<td>• money issues</td>
<td>• Property rights and civil law</td>
<td>• Justice</td>
</tr>
<tr>
<td>• banking</td>
<td>• Education</td>
<td>• Fishery</td>
</tr>
<tr>
<td>• Indian affairs and reservations</td>
<td>• Commercial licenses</td>
<td>• Public works</td>
</tr>
<tr>
<td>• Criminal law</td>
<td>• Provincial Constitution</td>
<td>• Transportation and communication</td>
</tr>
<tr>
<td>• Residual areas not determined in the BNAA*</td>
<td></td>
<td>• Immigration</td>
</tr>
<tr>
<td>• Right to revoke provincial laws</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* British North America Act.

2.7 The Métis Conflict

The next crucial event in the history of French Canadians is linked to the treatment of a French-speaking minority, the Métis, in the Western Province of Manitoba, which had been acquired by the federal government in 1869. Already before Manitoba has become a part of Canada, the federal government had started distributing land to Canadian settlers without considering the demands of the 40,000 Indians and Métis who already had populated these areas. The French Canadian were concerned by this issue, because the majority of Métis were descendants of French fur traders who had married Indian women, and were thus Catholic and francophone. Led by Louis Riel, the Métis created a provisional government and demanded that their property rights, their right to French education and their religious rights be recognized by the federal government. Recently arrived Protestant settlers protested against
these claims and provoked clashes with the Métis. In the course of events a radical Protestant was sentenced to death by the Métis’ military judges. His execution in 1870 lead to strong ethnic tensions in Quebec and Ontario. Protestants demanded the condemnation of the Métis’ leader Louis Riel, while French Canadians interpreted the events in Manitoba as an infringement of the rights granted to French Canadians in the Constitution.50

The federal government, trying to satisfy both sides, enacted the ‘Law of Manitoba’, which established English and French as official languages and guaranteed the rights to Protestant and Catholic education. However, the law did not provide for the right to instruction in French. Additionally, it gave the federal government control over natural resources and public land. Since the territory claims of the Métis were not respected, many of them moved further West. Overall, the upheaval of the Métis had worsened the relations between French and English Canadians and confidence in the federal government had diminished on both sides.

The ‘school question’ was to remain at center stage for a long time. Despite of the constitutional provision guaranteeing instruction in the language and religion of minorities, many Protestant-dominated provinces had started to secularize the school system responding to the demands of the predominantly Protestant electorate. For French Canadians, who considered religion and language as the basis of their culture, this move was a menace to their existence. The protection of minorities grounded in the British North America Act was not taken seriously enough by the federal government from the standpoint of the French Canadians.

Fifteen years after having been expelled from Manitoba, the Métis who had moved out West suffered the same fate. The federal government took away their land despite of several petitions for the recognition of their property rights. The Métis, once again led by Louis Riel who had escaped ‘justice’ by hiding in the United States, defended their land by force of arms. After several months of fighting they were defeated by the federal military and Riel was arrested. In Ottawa anglophones demanded the execution of Riel in revenge to the killing of the Protestant settler in 1870. The jury condemned Riel for high treason but recommended clemency. Nevertheless, Riel was hanged in 1885.51

50 Couturier and Ouellette 1994, 195-199.
51 Wittke 1941, 228f.
2.8 The Rise of Nationalism

Due to events in the second half of the 19th century, French Canadian nationalism rose in Quebec as well as in other provinces with French minorities. The Quebec government manifested solidarity with the Métis and Riel, and consequently attacked the federal government, in particular the French-speaking ministers, for not having prevented Riel’s execution. The anti-federal sentiments of the population enabled the Parti national, which defended Quebec’s rights vis-à-vis the federal government, to gain major support among the French Canadian population. The nationalists were elected in 1887 but soon lost ground against the Liberals. Due to the appointment of Wilfrid Laurier, a French Canadian, as head of the federal Liberal party, Quebec became a fortress of the Liberals.

Not only in Quebec but also in the Maritimes, French Canadian nationalism was at a rise. The Acadians formed a linguistic but not a religious minority because the Irish Catholic population by far outnumbered the British Protestants. Since the abolition of the right of instruction in French in 1871, the Acadians had concentrated their efforts on preserving their culture on less political fields. Several French newspapers were founded, which linked the dispersed Acadian communities. A national Acadian holiday was chosen at the First Acadian National Congress. Due to Acadian population growth, French secondary schools could be established. Even if the French language is the most important pillar of the Acadian culture, as it is for the French Quebeckers, there has never been strong co-operation between these two groups. Moreover, neither of the two communities had strong links with France. One of the reasons is the power of the French-Canadian clergy, to whom French secularism was an anathema.

After the ‘defeat’ of the French Canadians in the ‘school conflict’, French nationalists in Quebec decided to focus on making Quebec a French Canadian province, which could serve as a refuge for all French Canadians instead of trying to protect the rights of French Canadian minorities outside Quebec. The following quote from Tardivel’s book *For my Country: ‘Pour la Patrie’* illustrates the position of Quebec’s Catholic Conservatives:

“It should be obvious to anyone who thinks about it, that the French race in America will never have any real influence for good unless it is solidly based in the province of Quebec, as in a fortress. We must occupy the territory of this province,

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52 Robidoux 1907, 216f.
which belongs to us by every sort of title. We must develop and strengthen ourselves here, under the protection of the Church which watched over our beginnings and whose magnificent institutions are still our greatest strength.”

The French majority in Quebec became stronger during the second half of the 19th century due to an extremely high birth rate among French Canadians. By 1875 the francophone population outnumbered the English-speakers, even in Montreal. It should be noted, however, that Montreal is anything but representative for Quebec. According to Higgins, 37% of the city’s population was British in 1820, in 1825 the part of the English-speaking population amounted to 43%. This rapid growth of the Anglophone population was due to the immigration of British people. Between 1815 and 1840 more than 500,000 British immigrated to North-America. In order to reinforce the British influence on Upper Canada, the British government encourages emigration to Canada. In 1831 the majority was already anglophone, but by the late ’60s French dominated in Montreal, as is evident from the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>French</th>
<th>British</th>
<th>Percent French</th>
<th>Percent British</th>
</tr>
</thead>
<tbody>
<tr>
<td>1844</td>
<td>19,041</td>
<td>25,232</td>
<td>42.8</td>
<td>56.7</td>
</tr>
<tr>
<td>1851</td>
<td>26,153</td>
<td>31,157</td>
<td>45.0</td>
<td>54.0</td>
</tr>
<tr>
<td>1861</td>
<td>43,679</td>
<td>45,941</td>
<td>48.4</td>
<td>51.0</td>
</tr>
<tr>
<td>1871</td>
<td>56,856</td>
<td>48,221</td>
<td>53.0</td>
<td>45.0</td>
</tr>
</tbody>
</table>

At the time of confederation the linguistic division was about equal. Industrialization lured big parts of the French population into the cities, where they formed, together with the Irish, the proletarian class. The entrepreneurs and the managers were almost all anglophones. According to Granatstein the division between management and labor was more evident in Quebec than in other industrialized societies, because it was not only based on status but also on language. In consequence, the class struggle between French proletarians and English capitalists aggravated the division between Canadiens and anglophone Quebeckers. This is proven by the rising support for Quebec nationalist parties.

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53 Tardivel 1975, xxx.
54 Higgins 1986, 30.
55 Cowen 1961, 288.
56 Couturier and Ouellette 1994, 115.
57 Higgins 1986, 30.
58 Higgins 1986, 30.
59 Granatstein et al. 1990, 519.
At the beginning of industrialization, the role of the church as provider of social services and education in urban clusters became more important. Since the social doctrine of Pope Leo XIII (*Rerum Novarum* 1891), which attributed high value to manual labor, the Canadian Catholic church took on the responsibility for the proletarian class. Nevertheless, it opposed international unions and any form of class struggle. In Quebec, though,

“Catholic social activists argued that French Canada’s language, culture, and religion needed defending against the forces of materialism and foreign communist and labor-union threats. They focussed their reform efforts on labor peace, temperance, improved education for the working class and restricting Sunday work in the mills and factories.”

Up until the mid of the 20th century, the Catholic church was walking on a tightrope, on the one hand supporting the proletarians, and, on the other hand, cooperating with the conservative capitalists in politics.

The church’s position was reinforced in the early 20th century, when the first universities were founded. The clerical influence on these institutions was ensured by the fact that the majority of professors were highly educated priests. Laval University, the Ecole des Hautes Etudes Commerciales (HEC Montreal) and the Université de Montreal were established in cooperation with clerical institutions and presided over by bishops. Consequently, Quebec’s intellectual elite went through a clerical school system, which valued religious ideals and the traditional rural values questioned capitalism and industrialization. Abbot Lionel Groulx, the probably most influential clerical intellectual of his times, had a strong impact on French nationalist conservative politics. As founder of the conservative monthly magazine *L’Action française* and chairman of the Department of History at University of Montreal, he ardently defended French Canadian culture by attacking Confederation and characterizing the British conquest as the beginning of the betrayal of traditional values. Abbot Lionel Groulx promoted the ‘back to the roots’ movement and idealized the self-sufficient family as the backbone of the society.

Some claim that the church impeded the economic progress of the French Canadian society and is thus responsible for the French Canadians’ bad economic position in modern Quebec. Others believe that without the Catholic church, the French Canadians would already have been assimilated. It is clear that Catholicism did not promote economic activities

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60 Dickinson and Young 1993, 221.
exceeding those necessary to meet basic personal needs. Riches and money are regarded as bad and thus economic activities are left to pagans. This stands in stark contrast to the Calvinist and Puritan interpretation of the Holy Bible, as Weber pointed out.62 Work is accepted as a means in majorem gloriam Dei, and consequently Puritans and Calvinists are obliged to work.63 This is clearly stated in Baxter's Christian Directory:

"It is for action that God maintaineth us and our activities: work is the moral as well as the natural end of power … It is action that God is most served and honoured by….And God hath commandeth you in some way or other to labour for your daily bread and not to live as drones of the sweat of others only. … Though they [the rich] have no outward want to urge them, they have as great a necessity to obey God … God had strictly commandeth it [work] to all."64

Weber's socio-cultural explanations for the rise of capitalism in regions where the Puritan and Calvinist ethic prevailed are plausible. Applied to Quebec, Weber's theory can explain the differences between the economic development of francophones and anglophones. It needs be pointed out that Weber did not argue that the Catholic church, as an institution, impacted the economy, but that religious beliefs, promulgated by the different churches, were the basis for diverging cultural and economic developments.

2.9 The Conscription Crises

Being a member of the British Empire, Canada had strong political links to Great Britain. At the beginning of the 20th century these ties were the reason for the deepening ethnic division of Canada. For the first time Canada supported the British Empire by sending Canadian troops to subdue the South African Dutch during the second Boer War (1899-1902). French Canadians who identified with the Dutch as a European minority refused to support the British forces with Canadian troops.65

The same issue arose during the first world war. The federal government decided to recruit volunteers for the formation of an army being sent to support Britain on the European battlefields. Very few French Canadians joined the army, because firstly, they were not too enthusiastic about fighting for Britain, even if it was in a coalition with France, and secondly,

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63 Bunyan: 'It will not be said: did you believe? – but: were you Doers, or Talkers only?' in Weber 1992, 23.
64 Baxter quoted in Weber 1992, 76, 78, 82.
65 Wittke 1941, 260.
they encountered major problems integrating into the Canadian military service, where English was the ‘language of business’. In 1916, the number of volunteers decreased drastically and the only possibility to keep up the military support of Great Britain was the introduction of obligatory conscription. When the Liberal opposition leader Wilfrid Laurier refused to support the passing of the conscription law, many anglophone Liberals joined the Conservative party under Borden. When the law was put to a vote in parliament all anglophones voted in favor of obligatory conscription, while almost all francophone deputies rejected obligatory conscription. The division of parliament into an anglophone and a francophone camp was exacerbated by the elections of 1917, which were won by the Conservatives with the support of the English electorate.

The conscription crisis proved that the decision taken by the federal government were dictated by the English majority. Unwilling to accept the majority decision, most French Canadians refused to join the army. After demonstrations in Montreal in 1917, the 1918 riots in Quebec were quelled by the military. The final toll: five persons killed, more than a dozen injured, and a country deeply divided along ethnic lines.

In 1918, for the first time, the Quebec parliament discussed the possibility of Quebec’s leaving the Canadian Confederation. According to John English, professor of history and Liberal Member of Parliament, this debate strongly differed from today’s discussion about separation.

“It was almost in the way of an apology: If the rest of the country does not want Quebec to be part of Canada, because it does not regard Quebec as having worked effectively within a federation agreement, then Quebec should leave. The debate ... had a sense of sadness, a sense of trying to make things work out better than they had for the previous three or four years.”

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67 Francis, Jones and Smith 1996 (2), 218-222.
68 Bilodeau 1978, 520.
69 English in Bothwell 1998, 58.
2.10 Provincial Autonomy versus Preservation of National Unity

The feeling of not being welcome in the Canadian Confederation incited Quebec politics to focus increasingly on building a ‘French fortress’. The success of the Quebec government in defending the French language and religion against federal ‘attacks’ has become the factor deciding about a party’s popularity in Quebec. Since the conscription crisis the French population has voted for the Liberals, who, consequently, were able to establish a majority government on the federal level. From 1919 until 1948 Canada was ruled by a Liberal government under the prime minister William Lyon Mackenzie King. Despite the failure of his predecessor Wilfrid Laurier, Mackenzie King basically continued the politics of compromise, in particular with Quebec. Up to that time, the ‘Riel case’, the school question, and conscription were the issues where no compromise had been found and where national unity was jeopardized in consequence. King knew about the political sensitivity of French Canadians. Since he himself did not intuitively know what would insult the French Canadians, he basically followed the advice of his French lieutenant Ernest Lapointe, who acted as sensor and defender of Quebec’s opinion and thus was in charge of patronage for the province.70

On the provincial level, two nationalists, Henri Bourassa, who sat in the provincial and the federal government as Liberal, independent and Conservative deputy, and Maurice Duplessis, chairman of the Conservative party and founder of the Union Nationale, dominated politics during the first half of the 20th century. Their principal goal, the preservation of the French Canadian culture, was endangered by the strong emigration of French Canadians to New England which peaked at the turn of the century, and the rising number of immigrants from non-French-speaking countries. *La Revanche des Berceaux*, referring to the high birthrate among French Canadians which exceeded that of all other nationalities, in combination with the active participation of the Quebec government in economic affairs was considered as basis for the protection of the French culture by the Conservatives. Abbot Groulx’s speech very well reflects the attitude of the nationalists at that time:

“To be French is to remain French. More than our right, it is our duty and our mission. The state has an obligation to remember that the national good, our cultural heritage, is an integral part of the common good for which it is particularly responsible. And since the economic and the national are not without relationship,

the state again has the obligation to remember that the national good imposes upon
it certain duties, even of economic character.”71

In order to better fulfill those ‘duties’, the province of Quebec demanded more
provincial rights, especially regarding the exploitation of primary resources. At a time when
pulp and paper mills, hydro-electric power plants and the mining industry were the motors of
industrialization, their control was of importance for the province.72 The Conservatives
already discussed active industrial policies promoting French entrepreneurship. The Liberal
leaders, who entertained good relations with their anglophone colleagues on the federal level,
also advocated provincial autonomy, but only in the field of social policy.

Quebec was the only province that resisted the Prohibition movement. While the sale of
alcohol was forbidden by law in all Protestant provinces, Quebec voters had refused the
adoption of such a law in a referendum. In the field of economics, however, Quebec could not
build up barriers along its frontiers. The necessity to attract ‘English’ capital from the United
States in order to build a strong Quebec economy was completely obvious, at least to the
Liberals. They tried to bridge the ideological gap between industrial capitalists and nationalist
Conservatives, by promoting economic progress as the basis for the survival of any nation.
Even the Catholic church, that had opposed the Liberals because of their secular ideals until
the late 19th century, was successfully embraced by Liberal policy. Its role was to teach
respect for law and authority and to suppress labor unrest. Once again the church succeeded in
siding with the politically and economically strong.

2.11 From Great Depression to Quiet Revolution

Quebec was trapped in the Great Depression and had to deal with its consequences until
1940. During this time a new political formation, the Union Nationale, was founded by
Maurice Duplessis and brought some color into the political scenery of Quebec, which had
lately had been dominated by Conservatives and Liberals. Only one year after its foundation,
the Union Nationale defeated the Liberals in provincial elections and formed Quebec’s
government. Duplessis had recruited Conservatives, who disapproved of the strengthening
links with their anglophone homologues on the federal level, and dissatisfied young Liberals
to unite them in a French-Canadian party.

71 Groulx quoted in Jones 1972, 50.
72 Bilodeau 1978, 531.
In view of the menacing outbreak of war in Europe, which meant conscription and the subordination of French-Canadian to English interests, Duplessis’ nationalist rhetoric was very successful in Quebec. At an unemployment rate of up to 60% in semi-industrialized regions such as Chicoutimi, Quebec’s economy highly depended on government projects, copying Roosevelt’s New Deal policy. About 12,000 workers reacted to government incentives for land-clearing and colonisation and moved to the Gaspé and the area of Abitibi in the North of Quebec. Especially rural areas profited from the Caisse Populaire movement, which in co-operation with the government provided long-term credits to farmers and artisans. From an economic perspective, Canada’s participation in WW II had positive effects, but at the same time it endangered Mackenzie King’s policy of national unity. Once again the issue of conscription threatened to divide the country. Though King, as well as his Conservative opponents, had promised that there would be no conscription, their credibility decreased as the war continued. The situation was further aggravated by the provincial elections that Duplessis had called in Quebec. Canada’s obligation towards the British Empire was an obvious campaign topic for the nationalists in light of the increasing numbers of Canadian troops being sent to European battlefields. Nevertheless, Duplessis was defeated and the Liberal majority in the provincial government backed the decisions of their colleagues in Ottawa.

King’s capacity for compromise was once more proven when obligatory conscription became inevitable. A Canada-wide referendum released him from his promise made to Quebec in 1939 not to introduce obligatory conscription. However, 90% of French Canadians had voted ‘no’ and, consequently Quebec felt betrayed by the federal government. Even King’s famous ‘not necessarily conscription, but conscription if necessary’ could not calm down the French Canadians. Only when King refused his defense minister’s demand to mobilize more troops and questioned the necessity of falling back upon conscription, were French Canadians at least partly appeased. In reality, it was not King’s diplomacy which reconciled Quebec with Ottawa but the termination of the war which made conscription unnecessary.

73 Couturier and Ouellette 1994, 314f.
The end of the second world war was the starting point for the implementation of social and economic policies in order to avoid a recession similar to the one after WW I. The social programs already introduced during the war were implemented in all provinces. Family allowances, unemployment insurance and the old age pension plan still constitute the basis for Canada’s welfare system. However, their introduction has already led to disputes between the different ethnic groups. The English-speaking majority accused the federal government of buying French votes with the family allowance, because French Canadians profited over-proportionally due to the higher number of children per family in French-speaking areas. Quebec, in particular the nationalists under Duplessis, who was Quebec’s prime minister from 1944 until 1959, criticized the measures as a means for the federal government to interfere in provincial affairs and further reduce the provinces’ autonomy.

Indeed, the federal government extended its state power to interfere with the provinces’ family, work and education policies based on the recommendations of the Rowell-Sirois Royal Commission Report. The number of federal bureaucrats tripled within less than thirty years to reach nearly 150,000 in 1959. Federal cost-sharing programs, intended to finance universities and the construction of highways, rekindled the flames of federal-provincial conflicts over jurisdiction. Already in 1939 the establishment of the National Canadian Film Board, which like its older sister the Canadian Broadcasting Corporation was intended to ‘foster national spirit’, had aroused Quebec nationalism.

During the second world war external affairs were much more important than during times of peace. Since international politics were a task of the federal government, it accumulated powers in Ottawa which were never given back to the provinces. According to Linteau, the federal government collected 83% of all taxes in Quebec at the end of the second world war, whereas 20 years earlier only 48% were paid directly to Ottawa. It is obvious, that this increase in federal revenue, even if partly transferred to provincial governments, has led to a stronger federal influence on all areas of politics, federal and provincial ones.

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74 Granatstein in Bothwell 1998, 75f.
75 Couturier and Ouellette 1994, 343.
76 Granatstein et al. 1990, 521.
77 Bilodeau 1978, 546f.
78 Urquhart and Buckley 1965, 621.
79 Dickinson and Young 1993, 280.
80 Linteau 1989, 152.
Duplessis and the Union Nationale adopted a conservative ideology. Their strongholds were predominantly rural areas, which profited most from the party’s infrastructure projects, such as the electrification, the construction of roads and the creation of schools. The nationalist leader maintained good contacts with the clergy and campaigned against communism. Anti-Communist legislation, such as the Padlock Act, which permitted police to lock any building used for Communist activities, were interpreted as legalizing action against labor unions. Nevertheless, strikes were frequent during ‘Duplessis’ reign’. The workers at Asbestos (1949), Louisville (1952), and Murdochville (1957) protested, despite the suppressive measures of the Quebec government.\footnote{Francis, Jones and Smith 1996 (2), 338f.}

In order to strengthen the province’s autonomy, the Duplessis government regained the right to provincial taxation, which had been overthrown by the federal government during the second world war. In 1947 a provincial tax was levied on the profits of private corporations, and in 1954 the Quebec income tax was introduced. The tax revenues were used to ensure autonomous decisions made by the Quebec government in the fields that fell into provincial jurisdiction according to the Constitution (please refer to Table 1).

Even if Duplessis tried to foster French Canadian culture, Quebec’s intellectual elite did not support the conservative Union Nationale. Many of them accused Duplessis of impeding the modernization of the Quebec society by maintaining the status quo. The idealization of rural Catholic life as the only way to preserve the French Canadian culture was questioned. Quebec writers who had been freed from the Catholic censorship in the 1930s attacked the church’s supremacy in education:


In contrary to the conservative nationalism of the Union Nationale, the Bloc Populaire, which was founded 1942, combined demands for secularization with an opposition to federal centralization. It formed one of several leftist opposition parties. The *Cité Libre*, a monthly journal “with an emphasis on individual rights and democratic procedures”, was the mouthpiece for an intellectual movement that also denounced clericalism and conservatism. One of its founding members Pierre Elliot Trudeau was to become Canada’s prime minister a
decade later. These intellectual movements laid the corner stone for the Quiet Revolution. Strangely enough, their dissatisfaction with the nationalist Duplessis government did not detract from its promoting strongly pro-French policies.

2.12 The Quiet Revolution

The concept ‘Quiet Revolution’ is understood very differently by historians. Some consider the developments of Quebec after the second world war as part of it. Others believe that the Quiet Revolution only started after Duplessis’ era. For the purposes of this paper a distinction is not essential, because it is the development of ‘leftist nationalism’ in reaction to the conservative Catholic nationalism of the Union Nationale that really matters. Obviously, the opposing ideologies of left and conservative nationalists merely were two side of the same coin.

The economic upswing after the second world war had profited the French Canadian elite as well as the anglophones. Having become conscious of the deficiencies of the Quebec school system, many French families sent their children to foreign universities:

“Pierre Elliot Trudeau left the University of Montreal for Harvard, and then the London School of Economics and the Sorbonne in Paris. Jacques Parizeau attended the London School of Economics.”

The international education of the French Canadian elite has contributed to the increasing self-confidence of this group.

Meanwhile, the French Canadian population had become urban. By 1960, the francophone part of the Quebec society had come to resemble the rest of the country in terms of demography and the urban/rural split. The fact that the majority of the francophone population had given up the conservative Catholic ideology idealizing rural life and condemning industrialization and capitalism, was a prerequisite for the Quiet Revolution. This development went hand in hand with a loss of power of the church. Under Duplessis the Catholic church was supported by the state, but already the fact that the church depended on government money was a sign of weakness.

83 Granatstein et al. 1990, 524.
84 Bothwell 1998, 84.
Despite the rising dissatisfaction expressed by the elite, the Union Nationale under Duplessis was reelected in 1956. The Liberal opposition that had counted on winning these elections even lost three of its 23 seats in the legislative assembly. This was partly due to the candidacy of other opposition parties, namely the provincial arm of the CCF (Co-operative Commonwealth Federation), the Labour Progressive Party, and several independent nationalists. The 1956 election had made obvious that the Duplessis regime could only be terminated by the unification of the opposition. This was a very difficult task in light of the disparate programs of the opposition groups.86

The Duplessis government itself provided the basis for the formation of a united opposition. In an article published by Catholic priests the election methods of the Union Nationale were criticized. Ballot fraud, vote-buying and intellectual blackmail were daily phenomena. But these things were not the most worrying to the authors. Their main concern was for the fact that “the consciences of the faithful ... no longer experience any feeling of scandal when confronted with such corruption.”87 Cook explains the reasons and the consequences of the uncritical attitude of French Canadians:

“The faithful French Canadian Catholic’s obedience to his Church had transferred his unquestioning loyalty to matters of politics. And politicians, traditionally, have found this a useful condition to encourage. It made their objective – holding office – much simpler. ... Skilful politicians [such as Duplessis] could play upon Quebecers’ fears that their culture and language would be threatened by the [anglophone] majority unless unquestioning support was given a party that represented the national needs.”88

The criticism of this unquestioning obedience of the government was the common ground for the opposition, at least as long as they were not forming a majority in parliament. Pierre Trudeau and the Citélibristes, whose principal concern was the lack of democracy in the Quebec society, took on the task of forming a coalition in order to put an end to Duplessis’ reign.89 The Liberals, though opposing the Union Nationale, were too traditional for Trudeau’s coalition. Consequently, the Citélibristes cooperated with other intellectual groups to form Le Rassemblement with the goal of ‘Democracy First!’90 91 Until 1958 Trudeau’s new

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86 Cook 1995, 110f.
87 Dion and O’Neïll 1956, 16.
88 Cook 1995, 111.
89 Behiels 1990, 524.
90 Slogan of the newly formed coalition of intellectual groups under Trudeau.
91 Cook 1995, 113-117.
movement was restricted to the intellectual elite. But because of growing dissatisfaction with the Quebec government, the readiness to form an opposition with parties that actually did stand for similar values grew. Even the Liberals called for the formation of a new party uniting all democratic forces of the province. At the very beginning of 1959, just in time for the legislative elections of 1960, the Union des Forces Démocratiques was born.

Things turned out unexpectedly. In September of 1959 Duplessis died, and within three months his successor suffered a fatal heart attack. The Union Nationale lacked a leader and consequently lost the elections, despite of the break-up of the Union des Forces Démocratiques. The Liberals profited from this unstable situation, enlarged their camp by recruiting politicians from the former Union des Forces Démocratiques and won the elections. The Citélibristes had left the political scene. However, they had woken up Quebec’s French Canadians.

2.13 The New Nationalism

Quebec has undergone important socio-economic changes since the end of the second world war. In 1951, 67% of French-speaking Quebeckers lived in cities, by 1971 this figure reached 78%. This concentration in a few urban centers, however, did not change the inferior position of French Canadians but, on the contrary, made it more visible. As predicted by Lord Durham, they were about to become the proletariat in an Anglo-Saxon capitalist world. The Rapport de la Commission royale d’enquête sur les problemes constitutionnels of 1965, Tremblay Report in short, of 1956 explicitly stated that industrialization was a threat to French Canadian culture: “If the Conquest put the French Canadians out of tune with the political institutions, the industrial revolution put them out of harmony with the social institutions.” This was the central idea of conservative nationalism à la Duplessis.

The new nationalism accepted industrialization as the one and only way to ensure the future existence of the French Canadian society. Since economic progress had been neglected by politics for nearly twenty years, the new nationalists considered its promotion by the state as extremely important.

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94 Bertrand and Desbiens, 1969, 121f.
95 Cook 1995, 123.
“In 1959 Filion wrote that ‘French Canadians will remain drawers of water and hewers of wood, small storekeepers and small investors, with a few millionaires here and there, as long as they will not make the only government they have under control serve in the elaboration and realization of a large-scale economic policy.’”\(^{96}\)

The Liberal government elected in 1960 took on the task of reforming the role of the state. Not only did they actively influence social and cultural life of French Canadians, but they also interfered in the Quebec economy.

The most crucial step in ‘frenchifying’ Quebec’s economy was the nationalization of the primary resource industry. All power plants became property of the provincial government and the minister of natural resources, René Lévesque was responsible for their administration and management. That way the government ensured French Canadian participation in Quebec’s economy. Management jobs in state-owned enterprises were basically restricted to francophones. Many of them later switched to private English-dominated sectors where they profited from their experiences and their government contacts. Consequently, the nationalization of Quebec’s hydroelectric plants is considered by French Canadians as the starting point of their economic emancipation. For many Anglophones in Quebec it was the beginning of an official policy of discrimination against anybody who was not French Canadian.

Besides the nationalization of existing companies, the Quebec government founded the Caisse de Dépot et de Placement (Quebec Deposit and Investment Fund), which administered the funds of the Quebec Pension Plan. Its role became increasingly important in the 70s because it invested its funds primarily in Quebec enterprises, thus promoting the development of public companies owned by French Canadians:

“With major investments in important Quebec companies like Noranda Mines, Gaz Métropolitain, Domtar, and Cascade Papers, the Caisse was the eighth largest financial institution in Canada, with assets of over C$ 38 billion in 1991, and the largest investor in the Canadian stock market.”\(^{97}\)

The Quebec Pension Plan itself also originates from that time. Trying to gain ultimate autonomy as regards social policy, the Liberals opted out of the Canadian Pension Plan and set up a Quebec equivalent, using transfer payments from the federal government. Finally, an

\(^{96}\) Filion quoted in Cook 1995, 125.
\(^{97}\) Dickinson and Young 1993, 307.
end was put to the jurisdictional dispute concerning the distribution of competencies for social policies between provincial and federal government. Additionally, Quebec pushed through an alteration in federal-provincial tax sharing agreements, leaving Quebec with higher tax revenues.

At the same time the government reformed Quebec’s education system. Education has always been considered as one of the most decisive forces defending the French Canadian culture. The emerging elite doubted the Church’s capability to educate a generation successful in all fields of modern society but at the same time attached to their French Canadian origins. Therefore, the decision power, that so far had been in the hands of the committee of public education dominated by religious institutions, was transferred to the state. The principal objective of the reform was to make primary and secondary education accessible to all members of the society. In 1964 the ministry of education was founded and at the same time the funds for education were augmented drastically. A new form of school, the CEGEP (Collèges d’Enseignement Générale et Professionelle), was introduced. Being a hybrid of the French ‘Classes preparatoires’ and the U.S. colleges, the CEGEP, which is attended before going to university, is a unique Quebec form of school. It very well illustrates Quebec’s conation to remain distinct, a province *pas comme les autres*.

All these reforms were implemented keeping in mind the campaign slogan, *Maîtres chez nous*, which had won many votes among French Canadians. They believed that French Canadian culture could only be saved by overcoming the inferior economic position of francophones – the basic idea of new nationalism. The construction of the world’s biggest dam, the Daniel Johnson Dam on the Manicouagan River in the north of the province, was a symbol of the new economic power of Quebec. At this point it is important to notice that new nationalism was focussing on Quebec only and basically ignored the position of francophones outside Quebec.

Rising nationalism in Quebec increased the awareness of the federal government concerning the position of the francophone minority in Canada. As a first reaction, the Royal Commission on Bilingualism and Biculturalism was established with the goal of examining the situation and to recommend actions to be taken in order to ensure the equality of the two founding peoples, the French and the English Canadians. The results presented in 1965 were rather worrying: Canada went through a serious crisis, because the two principal cultural
groups were becoming more and more estranged. French Canadians living in Quebec considered Quebec, and not Canada, as their home country. Anglophone Canadians did not regard French Canadians as equal partners in the Canadian Confederation. The Commission recommended that the federal government’s institution should offer services in both languages thereby setting an example to the provincial governments. Exactly that was the objective of the Official Language Act, which was passed in 1969 by the Liberal government under Pierre Elliot Trudeau, who had been elected prime minister in 1968. But at the same time, he did not dare to touch provincial autonomy regarding education. Consequently, the decision about the provision of education in French for francophone minorities remained in the hands of the provincial governments.

2.14 The Rise of Separatism

By the late 1960s the possibility of Quebec to separate from Canada became a crucial point of discussion in Quebec politics. The two constitutional scenarios already discussed in the Tremblay Report were thoroughly examined by politicians and academics. The first option was the recognition of Quebec’s special status in the confederation. The second, a further decentralization for all provinces, which would also have led to an increase in power of the Quebec government. The Parti Québécois, founded in 1968, proposed a third alternative: independence. The 1967 visit of the French president Charles de Gaulle reinforced the determination of separatists with his (in)famous ‘Vive le Québec libre!’ The RIN had adopted 'Québec libre!' as rallying cry and the walls of Montreal full of graffiti with this slogan. The international press blamed senility for de Gaulle's remarks:

"General de Gaulle's term as French President has another five years to run and although it is perfectly possible that his successor will take over before 1972 (he is now 76 years old), it is necessary For French and foreigner alike to prepare a general line of conduct to adopt during the long, sad process of the general's erratic decline. … He was a very great man but is not now a very sensible one.”

But as pointed out by Goldbloom, it is more likely, that Charles de Gaulle was perfectly aware of the consequences of his speech and that he actually intended to stir up separatist sentiments. This is proven by parts of other speeches he hold during his 1967 trip to Canada:

98 Couturier and Ouellette 1994, 397f.
"And now I see the present, the present of French Canada, that is to say a country living to the full, a country that is in the process of becoming master of itself, a country that is taking hold of its own destiny. Today this is indispensable to a people, and you are part of the French people. You French Canadians, Canadian French, need only depend on yourselves. … I shall confide in you a secret which you will keep to yourselves. This evening, and all along the road I traveled today, I have found myself in an atmosphere of the same kind as the Liberation."\(^{100}\)

De Gaulle's interference in Canadian internal affairs made strong mischief. It not only divided Canadians once again into two camps, but also caused ardent discussions within the Quebec Liberal party. Several members left the party, among them René Lévesque, who subsequently founded the Parti Québécois.

At the same time the Front de libération du Québec (FLQ) strongly increased its terrorist actions. Federal government agencies and rich anglophones became the target groups of the FLQ’s bombs. Many anglophones considered leaving the province, because they feared being disenfranchised by the extreme nationalists. Separatism was based on ethnic nationalism – ethnic origins and not the individual. Terrorism peaked in the October crises from 1970, when a British diplomat and the Liberal minister Pierre Laporte were kidnapped. Both, the federal and the provincial government refused to meet the terrorists’ demands for the liberation of imprisoned FLQ members. The Quebec prime minister Henri Bourassa even declared the state of emergency in the Loi sur les Mesures de Guerre, which empowered the police to arrest suspects without warrant. The situation escalated when the dead body of Pierre Laporte was found in a trunk. At this point, however, a large majority of Quebeckers, even those who favored independence, disowned the FLQ. Fortunately, physical force as a means to resolve political problems was not accepted by Canadians.

### 2.15 The Early Constitutional Debate

Nevertheless, this incident once more proved the necessity to take visible steps towards recognition of French Canadians’ demands for self determination. Canadian politicians decided to reshape the Constitution and thereby “satisfy deep grievances in the long term and postpone conflict until a better day in the short term.”\(^{101}\) The first effort to patriate the constitution, which would have abolished the necessity to have all amendments passed by the British parliament, failed in 1964 due to the refusal of Quebec. The redistribution of powers

\(^{100}\) Goldbloom 1997, C2.
had not met the expectations of Quebec’s government, which demanded a stronger decentralization than proposed by the federal government. But this was only the beginning of the constitutional debate, which still was to cause several governmental crises on the federal as well as on the provincial level.

Four years after the failure to patriate the constitution Pierre Elliot Trudeau gave it a second try. The task had become more difficult, because meanwhile the Quebec Liberals had been defeated by the Union Nationale under Daniel Johnson (senior), who had just published a book with the title *Egalité ou Indépendance.* Reassured by the French president, a Québec libre, a free Quebec, was a viable option for Johnson. Due to the tragic events that occurred in Quebec – above all the October crisis – the negotiation took a new turn quite frequently. Quebec’s Liberal prime minister Robert Bourassa agreed to the proposal, even if the redistribution of power was not discussed. Finally, at the Conference of Victoria of 1971 the constitution was to be patriated. However, Bourassa, faced with strong opposition by the nationalists and some of his own Liberal colleagues, renounced his agreement. From that point on, Trudeau did not trust his homologue Bourassa anymore: “He saw him as the kind of politician who preferred to govern by wheeling and dealing, rather than taking a stand and fighting for it strongly.” Today, the majority of constitutional experts and politicians agree, that the refusal of the Victoria charter was a big mistake, because neither Quebec nor any other province has since then obtained a better deal. Already Voltaire knew: ’Le mieux est l'ennemi du bien.’

### 2.16 Language and Nationalism

By the early 1970s the Catholic church had completely lost its role as preserver of the French culture. Consequently, the second pillar on which French Canadians based their cultural identity needed to be strengthened: the French language. The belief in the importance of language as a factor determining culture constitutes the basis of a series of linguistic policies that were implemented by the Quebec government. Before discussing the concrete policies and their consequences this basic assumption should be examined:

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102 Johnson 1967.
103 Lalonde in Bothwell 1998, 133.
“The importance of language is grounded in the essential role that language plays in human existence, development and dignity. ... Language bridges the gap between isolation and community, allowing humans to delineate the rights and duties they hold in respect to one another, and thus to live in society.”

“Language is not merely a means of expression; it colors the content and meaning of expression. It is ... a means by which a people may express its cultural identity.”

This was stated by the Supreme Court of Canada in the Reference re Manitoba Language Rights from 1985. Only recently has the importance of language for a people’s culture been acknowledged. Consequently, today’s language policies differ strongly from those designed 50 years ago. The example of the French language in Canada is one among many. Only a few years ago the French-speaking Jura broke away from the canton of Bern to become a separate Swiss canton. In Belgium the most evident of the differences between the Walloons and the Flemings is in their languages. Language policy is at the center of discussion in Barcelona as well as in Corsica. The case of Quebec illustrates very well the development of language policies protecting linguistic minorities.

The policies implemented by the Bourassa administration in Quebec were a response to continuous attempts to assimilate the French speaking minority. Consequently, they are only understandable when taking into consideration the historic development of the language legislation. For this reason the key events will be pointed out shortly.

After the Conquest it was assumed that the francophone population could be assimilated and consequently would take on the English language. But very soon the British realized that this attempt had failed and already in 1774 Quebec was assigned a special status within the Empire. The Catholic religion and the French legal system were accepted. However the language was not given legal recognition. At the time of the outbreak of the American Revolution, this policy was reversed. The goal of the 1791 Constitution was to integrate and assimilate the French population of Canada. Once again, it failed. Francophones refused to send their children to English schools and supported the Church in providing Catholic education in French. The francophone members of the Legislative Assembly also refused to adapt, and continued speaking French, even if their English-speaking homologues did not understand a word. Since the number of francophones by far exceeded that of anglophones in Lower Canada (today’s Quebec), the language of the population remained unchanged.

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104 Cook 1995, 150.
The next plea for assimilation was made by Lord Durham in his famous report. He had the opinion that a Canadian nation could only be built on the basis of one single language. According to Cook, the claim that linguistic and cultural homogeneity is a requirement of nationhood resurfaced repeatedly in both English and French Canada during the language controversies of the centuries following Durham’s mission. Following Durham’s advice, English was made the only official language of the Union established in 1841. Due to the strong influence of francophones and the support of influential anglophones, such as Lord Elgin, French was recognized as second official language in the British North America Act of 1876. After the Constitution of the Canadian Confederation the provision of education in the language of minorities was the main point of discussions about language policy. The Manitoba school controversies and its immediate consequences have already been discussed.

At the beginning of the 20th century French nationalists claimed that religion and language were the two sides of a single coin called culture. In his book *Canada, Quebec, and the Uses of Nationalism*, Cook cites Henri Bourassa’s speech *Religion, Langue, Nationalité* from 1910 as an example illustrating this interpretation. As the importance of religion declined, the equation was made between language and culture. On this basis the Quebec government implemented a series of language policies between 1969 and 1977.

The first measure defending the French language was taken by the federal government under Trudeau, who implemented the Official Language Act in 1969, ensuring the provision of federal services in English and French across the country. The Quebec government welcomed this first step in the direction towards institutional bilingualism but, following the recommendation of the Quebec White Paper on language, the objective was to build a French Quebec, where the fact that the majority of its population was French would be clearly visible, at work, in communications, and in the countryside. Robert Bourassa’s Liberal government made French the official language of Quebec and passed Bill 22 promoting French in the workplace. The Liberals, however, granted freedom of choice in the language of education, which was especially relevant for allophone immigrants. The nationalist Parti Québécois bitterly attacked this decision, because in their eyes the francophone population would remain the underdog as long as the economic elite continued speaking English.

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106 Cook 1995, 152.
108 Laurin 1977, 52f.
Obviously, this opinion was shared by the majority of the Quebec population: The provincial elections of 1976 were won by the Parti Québécois. Immediately the Charter of the French Language, also known as Bill 101, was passed. This law restricted the right to English education to children whose parents were educated in English in Quebec. Additionally, bilingual signs were prohibited and the use of English in business and government was restricted. Despite strong resistance by anglophones and allophones, who formed pressure groups and thwarted the law by illegally registering their children in English schools and continuing to display bilingual signs, Bill 101 was effective in promoting the French language. Census figures show that bilingualism among anglophone Quebeckers drastically increased from 36% in 1971 to nearly 60% in 1991; over the same period, francophone bilingualism only grew from 26% to 32%. Immigrants, who used to choose English as the language of instruction for their children when they had the freedom of choice, were especially affected by the Charter of the French Language. While 80% of allophones were instructed in English in 1980, only 52% of Quebeckers, whose mother tongue was neither French nor English, attended English schools in 1994. As shown in the graphic below these figures were even higher for Montreal. The assimilation of immigrants into the French stream rather than the English one was of crucial importance, because the birth rate among francophones was dropping constantly. Thus, it ensured the preservation of a francophone majority in Quebec.

Outside Quebec, Bill 101 was viewed as an aggressive anti-English measure. The logical consequence of Bill 101 for rest of Canada was that in predominantly anglophone provinces, English would be the only official language as French was the only official language in Quebec. Consequently, the language rights of minorities were further circumscribed. The anglophone community in Quebec “found itself threatened culturally, socially, economically, and linguistically.” And francophone communities outside Quebec could not count on any special treatment, particularly in those provinces where other minorities constituted a bigger share of the population than the French did. Consequently, the majority of francophones outside Quebec were assimilated. In 1991, 34.8% of those whose mother tongue was French spoke English at home. Even if Bill 101 was condemned by the United Nations as being

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109 Secrétariat à la politique linguistique 2000.
111 Office de la langue française 2000, Table 10.7.
113 Chambers in Bothwell 1998, 151.
114 Impératif français 1996, 5.
illiberal and contrary to human rights, its role in protecting the French minority must not be underestimated.

### 2.17 The First Referendum and Another Constitutional Debate

The campaign for the 1976 elections of the Parti Québécois centered around constitutional issues. René Lévesque, the leader of the Parti Québécois, took up a soft stance on the question of independence. His proposal was the negotiation of a sovereignty-association with the rest of Canada. This blurry expression stood for a politically sovereign Quebec with strong economic ties to the rest of Canada, a structure comparable to the European Union. The provincial election itself was not yet a mandate for the negotiation of such an agreement. In a referendum the Quebec population should decide whether the PQ were to go ahead with the negotiations.

With this proposal, René Lévesque won not only votes of hard-line separatists who considered the sovereignty-association as a mere stepping stone towards independence, but also the support of many Quebeckers who were fed up with the corruption affairs of the Liberals but not in favor of sovereignty. In 1976 the PQ was elected and ‘conquered’ 71 out of 110 seats in the Quebec legislature, despite only having obtained 41% of the votes. The Liberals’ proposition to renegotiate the Canadian federal structure with Ottawa was not attractive for any nationalist because it was obvious that the federal wing of the Liberals under Trudeau was not ready to concede substantial power to the provincial governments.

Once in power, the Parti Québécois quickly built a strong political base by distancing itself from the radical separatists and instituting a wide variety of social measures. The labor unrest could be calmed down by substantial concessions to unions’ demands in particular with regards to wages. Additionally, the labor code was reformed. Having gained broad support among Quebeckers of the lower and middle classes, the Parti Québécois decided to hold the promised referendum in 1980. Quebeckers were asked to decide whether the provincial government should negotiate an

“agreement [that] would enable Quebec to acquire the exclusive power to make its laws, levy its taxes, and establish relations abroad – in other words, sovereignty –

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and at the same time, to maintain with Canada an economic association including a common currency.”

The referendum was defeated with 59.6% of voters opting against the negotiation of a sovereignty-association. In fact the majority of francophones supported the referendum, but almost all anglophones and allophones voted against it. The Liberals, in particular prime minister Elliot Trudeau, were cheering. In the light of the upcoming referendum the Liberals had nominated the Commission of Canadian Unity which should elaborate counter-propositions to Lévesque’s sovereignty-association. Already before the Commission finished their mandate, Pierre Elliot Trudeau published a book with the title ‘Le temps d’agir’, in which he outlined the importance of the patriation of the Constitution and a Canadian Charter of Rights. For him the result of the referendum was a mandate to resume the negotiations about constitutional reforms.

After another failure to reach an agreement with regard to the patriation of the constitution among the provinces in September of 1980, Trudeau wanted to proceed unilaterally demanding that the British parliament support constitutional reforms in Canada.117 This initiative was obstructed by the opposition of the Conservatives in parliament. Consequently, the case was brought to the Supreme Court, which had to decide whether the support of the provinces was necessary to pass constitutional reforms. The decision was ambiguous: Trudeau’s proposal was legal but lacked ‘political good sense’. The Supreme Court recommended ‘substantial compliance’ as the basis for constitutional amendments, in other words the support of the majority of the provinces.118 Consequently, unanimity was not necessary and constitutional amendments could be passed without the consent of Quebec. The refusal to meet Quebec’s demand for a veto right stirred up anti-federal sentiments in the French province.

Finally, in November 1981, the federal government achieved substantial compliance on the patriation of the Constitution and the Charter of Rights among nine provinces, excluding Quebec. This accord included an agreement on the balancing out of intergovernmental payments, a decision about the property of natural resources and the famous amending formula. This formula obviated a veto of any one province, but through the so-called ‘non-withstanding clause’ permitted the provinces to override the Charter of Rights and Freedoms

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116 Quoted in Dickinson and Young 1993, 313.
in certain issues.¹¹⁹ For many francophones the patriation of the constitution without support from Quebec was a sign of suppression and once for all destroyed the hope for an equal English-French partnership. In 1982 Canada had a new constitution, but the old problems caused by the different aspirations of French and English Canadians remained unchanged.

2.18 Meech Lake or the Conservatives’ Attempt to Consolidate Quebec

The general dissatisfaction with the constitutional accord led to political changes on the provincial as well as on the governmental level. The 1984 federal elections were won by Brian Mulroney’s Conservatives due to strong support of the former PQ ridings in Quebec. The Parti Québécois, whose core objective, the sovereignty-association, had been defeated by the referendum adopted a new strategy abandoning the independence option, at least temporarily. Together with the prime minister, Lévesque sought to design a new confederation, thereby taking the beau risque of renewed federalism.¹²⁰ In making this compromise and adapting more and more conservative measures, the Parti Québécois lost ground to the Liberals. Their party leader Bourassa had meanwhile drafted an agenda for a renegotiation of the constitution based on five conditions. First of all the distinct character of the Quebec society should be recognized. Secondly, Quebec was to be awarded additional powers as with regard to immigration. Moreover, the Liberals demanded a participation of Quebec in the appointment of judges to the Supreme Court and a right to veto constitutional changes or opt out with compensation. Finally, limits to the federal spending in Quebec were to be negotiated.¹²¹ The dwindling credibility of the Parti Québécois and the concrete position taken by the Liberals concerning the constitutional issue were the two crucial factors leading to the election of the Quebec Liberals in 1985.

The next round of constitutional negotiations took place at Meech Lake in 1987. The objective was to change the existing constitution and incorporate Quebec’s demands. An alteration of the constitution in favor of Quebec would have taken the wind out of the separatists’ sails. But, obviously, the other provinces would not agree to enshrine a special status for Quebec in the Canadian constitution. Consequently, the extra powers demanded by Quebec were given to all provinces. Additionally, the amending formula was revised and the

¹¹⁹ Couturier and Ouellette 1994, 419-422.
¹²¹ Couturier and Ouellette 1994, 447.
procedure for appointments to the Supreme Court and the Senate were altered. Following the demands of Quebec, the new constitution also included a paragraph pointing out that Quebec constituted a ‘distinct society’ due to its French-speaking majority. The premier ministers of the ten provinces agreed to proceed with the new constitution. In order to come into force the changes were to be ratified by the legislature of the federal government and all provinces within three years. Since Meech Lake passed the Quebec parliament on June 23 1987, the remaining nine provinces and the federal parliament had to ratify the new constitution by June 23, 1990. Otherwise the ‘old’ constitution of 1982 would remain in force.

In 1987 the Meech Lake agreement was celebrated as the salvation of Canada. It seemed that finally a formula accommodating the interests of Quebec and all other provinces had been found. But already the interpretation of the agreement varied considerably in the different provinces. Quebec’s Liberal prime minister, Bourassa, who was facing stark opposition to the renewal of the confederation from the separatist camp sold Meech Lake as a first step in the direction of recognition of Quebec’s special status. Other premiers considered the distinct society clause as mere symbolism. In addition to these differences, the Quebec government faced an invalidation of its language charter by the Canadian Supreme Court, because it was considered to violate the Canadian Charter of Rights and Freedoms. Not taking into account the negative repercussions on the ratification of the Meech Lake Accord, Bourassa’s government invoked the nonwithstanding-clause in order to circumvent the Charter and passed Bill 178 prohibiting exterior signs in any other language than French.

In early 1990, less than six months before the expiration of the accord, it was still lacking the support of three provinces, namely New Brunswick, Newfoundland, and Manitoba. In all three provinces, new governments, that had been elected after the signing of Meech Lake opposed the fact that one province would be accorded special rights. In a last-minute-attempt to rescue the accord, a federal commission headed by Jean Charest, today’s leader of the Quebec Liberals, tried to alter the accord in order to get the last three provinces on board. The Quebec government, however, refused any alteration of the Lake Meech accord as did Lucien Bouchard at that time responsible for Quebec-Canada relations in the federal cabinet under Mulroney. Nevertheless, New Brunswick ratified mid of June and Newfoundland and Manitoba signed a communiqué stating that they would ‘do their best’ to

124 Bothwell 1998, 204.
pass Meech Lake. Officially, Meech Lake failed due to the objection of the native Indian member of Manitoba’s legislative assembly, where unanimous consent would have been necessary.125

2.19 The Aftermath of Meech Lake

The failure of Meech Lake increased support for the separatists in Quebec, because it proved the inability of Canada to accept a constitution encompassing Quebec’s demands. A majority of Quebeckers were disappointed, but at the same time the opponents of Meech Lake were relieved. The asymmetrical federalism proposed in the Accord, leading to an inequality among the provinces, was not enshrined in the constitution. The hope that the constitutional debate would end at that point was, however, not realistic. On the contrary, the failure of Meech Lake was ‘analyzed to death’ by the federal as well as the Quebec government.

In Quebec the Commission sur l’avenir politique et constitutionnel du Québec, short Campeau-Bélanger commission was put in place in order to determine ‘Quebec’s’ opinion’ on the constitutional question. The commission invited more than hundred experts in the fields of law, political science, economics, sociology, demography and general arts to answer eight questions related to the different scenarios of Quebec’s future.126 The committee hearings were broadcasted live in order to attain as much public attention as possible. The invited speakers were, however, not representative of the entire Quebec population – aboriginals, ethnic minorities and hard-core federalists were not invited. Consequently, the Campeau-Bélanger operation put a bad light on Canadian federalism and let the option of a sovereign Quebec look desirable. The final report, however, neither recommended continued federalism nor promoted sovereignty:

“Two courses are open to Quebec with respect to the redefinition of its status, i.e. a new, ultimate attempt to redefine its status within the federal regime, and the attainment of sovereignty. Should a final attempt to renew federalism fail, sovereignty would be the only course remaining.”127

The proposition was to hold a referendum on sovereignty before October 26th 1992, if the federal government had not proposed an acceptable constitutional deal by then.128

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128 Commission sur l’avenir politique et constitutionnel du Québec 1991 (1) and (2).
Bourassa and the Quebec Liberals took up this recommendation but even went a little further. In the Allaire Report they demanded an extreme decentralization of the federation. All areas that influence the identité québécoise, including regional affairs, education, communication, social affairs, and employment, were to be controlled by the provincial government.\(^{129}\) This proposition was rejected as being unacceptable by the Conservative Canadian prime minister Mulroney. Nevertheless, 60\% of Quebeckers were in favor of the Allaire Report according to a poll by Multi-Réso.\(^{130}\) Supported by a big majority of the Quebec population Bourassa threatened to hold another sovereignty referendum if Quebec’s constitutional demands were not met. In the summer of 1991 the federal government started to renegotiate the constitutional package with all provinces. That time the Aboriginals and various special-interest groups were invited to the negotiations.

In August of 1992, the final proposition, the Charlottetown Accord for constitutional renewal, was accepted by all provinces. A nation-wide referendum to ratify the constitutional changes was scheduled for October 26\(^{th}\) 1992. 54.4\% of the Canadian population voted against the proposed constitutional package.\(^{131}\) In Quebec the Charlottetown Accord met with disapproval because it did not explicitly recognize Quebec as one of the founding people and the proposed decentralization did not meet the demands forwarded in the Allaire Report.\(^{132}\) The Western provinces refused to accept the special status of Quebec proposed in the Canada clause. Only the Atlantic provinces and Ontario voted in favor of the Charlottetown Accord. Contrary to pessimistic predictions, the victory of the NO-side led to a rise of the Canadian dollar and falling interest rates.\(^{133}\)

### 2.20 The Early '90s

Only four month after the failure of the Charlottetown Accord, Canada’s premier, Brian Mulroney announced his retirement from politics. His successor as leader of the Conservatives and prime minister, Kim Campbell, was defeated after five months in office. At the federal election in October 1993, the Liberal party of Jean Chrétien won more than 75\% of the seats in parliament. The Bloc Québécois, a separatist party on the federal level founded by Bouchard in 1990, formed the official opposition. These major changes on the federal
political scene were a response to the never-changing politics of the Conservatives, especially with regards to the constitutional issue. It should however be noted that only 19 Liberal deputies were elected in Quebec: For the first time in history, a federal party won parliamentary elections without support from Quebec. Thus, the interests of the Quebec population were not represented by the party in power in Ottawa but by the opposition, namely the Bloc Québécois.

At the provincial level the Liberals lost their majority. In the 1994 Quebec parliamentary elections, the Parti Québécois, lead by Jacques Parizeau won 77 of 125 seats. Consequently, the separation of Quebec from Canada was back on the table. Already in 1993, the Parti Québécois published their plans for sovereignty in a book called *Le Quebec dans un nouveau monde*. Shortly after having been elected Parizeau announced public consultations and another pilot study about the economic and political situation of Quebec within a divided Canada. The Quebec Liberals boycotted this project. Nevertheless, the federalists reacted by organizing a symposium on the consequences of a declaration of independence by Quebec. There, hardcore federalists such as Stanley Hardy, the former political advisor to Mulroney, and Stéphane Dion, a Quebec political analyst and minister for intergovernmental affairs as of 1996, declared that Canada should “make Quebec suffer economically in order to avoid an proclamation of independence.” These statements were used by the separatists proving that the federal government was not looking for a renewal of federalism and, consequently, independence was the only viable alternative. However, the Parti Québécois and the Bloc Québécois have agreed that an economic union with Canada would be desirable for a sovereign Quebec.

According to an opinion poll by Léger & Léger published in the *Globe and Mail* and the *Journal de Montreal*, 53% of the Quebec population would have voted in favor of sovereignty paired with an economic union with Canada on April 21st, 1995. In response to the poll Daniel Johnson, the leader of the Quebec Liberals, declared that in the case of a NO-vote at the referendum Canadians would agree to reform the constitution in favor of Quebec. This statement was immediately refuted by an opinion poll showing the unwillingness of the rest of

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133 Beauchemin 1995, 27.
136 Beauchemin 1995, 29. trans. KRK. “de faire souffrir économiquement le Québec, afin d’éviter que la sécession ne soit proclamée.”
Canada to re-discuss constitutional issues. In June 1995 the separatist parties agreed on an offer of economic and political cooperation to be made to Canada in the case of a YES-vote in the referendum to be held in October.

2.21 The 1995 Referendum and its Consequences

“Do you agree that Quebec should become sovereign, after having made a formal offer to Canada for a new economic and political partnership, within the scope of the bill respecting the future of Quebec and of the agreement signed on June 12, 1995,”138 was the question asked in the second referendum on sovereignty on October 28th, 1995. 4.7 million people, about 90% of eligible voters went to the ballots. 49.4% said YES, 50.6% NO.139 The close victory of the federalists was anything but predicted. Neither the last-minute intervention of prime minister Jean Chrétien, who promised to promote constitutional changes if the NO-side won, nor the unity-rallies organized by the federalists in Montreal showed the intended effects in the polls. Parizeau, the leader of the separatists had already discussed the plans for a declaration of independence before the final result was announced. His reaction to the defeat, blaming money and the ethnic vote for the victory of the NO-side, provoked harsh criticism from all sides. It is evident that his statement was politically incorrect, but it should be noted here that the majority of allophones and the recently immigrated francophones, being poorer than average rightly feared that their state support would be much diminished in case of sovereignty and thus voted against independence. One day after the referendum Parizeau resigned and Lucien Bouchard succeeded him as leader of the Parti Québécois.

Once the immediate threat of a split-up of Canada was averted, several linked questions turned up. The assumption that 50% plus one vote for the YES-side could determine the future of Quebec and Canada was disputed. The Mohawks living at the border between Canada and the U.S. as well as the Inuit and Cree of northern Quebec, whose worries had not been heard during the referendum-campaign, demanded the right to secede from Quebec, in case of separation, because they also formed distinct peoples. Whether federalist regions, such as Western Montreal and the Ottawa valley, could be partitioned from a sovereign Quebec and remain within Canada became a main point of controversy.140 The question about the

legality of separation was even taken to court, first in Quebec and then in Ottawa. At the same time Jean Chrétien had to fulfill his ‘constitutional promises’ made to Quebec before the referendum. The proposal to lend Quebec Ottawa’s veto for any constitutional changes Quebec rejected was encountered strong opposition from all other provinces. Consequently, the veto right on constitutional changes was also accorded to Ontario, Atlantic Canada (including New Brunswick, Nova Scotia, and Prince Edward Island), and the West (Manitoba, Saskatchewan, Alberta, and British Columbia). Due to strong opposition of the Reform Party, British Columbia was finally granted its own veto right. Further constitutional actions were postponed to a time after the upcoming federal elections.

In the spring of 1997 the election campaigns started sluggishly, because a Liberal victory was taken for granted. The opposition was split up and weak. Each party won major support in one or two provinces, but none was attractive for voters outside their home regions. The main topics put forward by the Liberals were the consolidation of the budget, the reduction of unemployment, and health care. They tried to avoid the national unity issue because obviously Chrétien had not been able to resolve the constitutional problems. But Preston Manning of the Reform party was playing on the anti-Quebec card, winning voices in the West. Tory leader Jean Charest collected votes from the Atlantic provinces by pledging to keep Canada united. And the Bloc Québécois, which had trouble finding an adequate replacement for Lucien Bouchard, nevertheless won all French-speaking seats in Quebec. Due to the irreconcilable differences between the opposition parties, the Liberals of Jean Chrétien formed the federal government. And once elections were over, the constitution was the order of the day.

2.22 Another Round of Constitutional Talks

Two years after the close win of the NO-side in the referendum on sovereignty and one year before the next provincial elections deciding about a further referendum, the nine anglophone premiers met in Calgary “to prod the dozing beast of constitutional change.” The objective of this meeting was to discuss a process of public consultation. According to the New Brunswick premier Frank McKenna, chairman of the annual premiers conference, the message to Quebec should be that Canada was open to change. It is important to note that New Brunswick has a big stake in the success of the constitutional debate because, firstly, there is a large French minority in Western New Brunswick, and secondly, the province
would be cut off from the rest of Canada in case of a separation of Quebec, as would all other Atlantic provinces. The Calgary Declaration states that “the unique character of Quebec society, including its French-speaking majority, its culture and its tradition of civil law, is fundamental to the well-being of Canada.”\footnote{Fraser 1997, A1.} It, however, stresses the equality of all provinces being partners in the confederation. Additionally, it provides seven discussion points for a possible offer to Quebec encouraging it to discuss signing the 1982 Constitution.\footnote{Mr. Bouchard’s latest humiliation 1997, A22.} Quebec premier Lucien Bouchard, however, immediately reviled the unity proposal. As long as the rest of Canada refused to recognize Quebec as a people, the Parti Québécois would strive for an independent Quebec.\footnote{Séguin 1997, A1/A4.} At the same time, opponents of constitutional change lamented “another rerun of Canada’s national-unity drama.”\footnote{Delacourt, Grange and Matas 1997, A1.}

In Quebec the declaration found support. According to a SOM poll published in Le Soleil, 47% of Quebeckers approved of renewed federalism as proposed in the Calgary Declaration compared to 36% choosing sovereignty.\footnote{Picard and Fraser 1997, A4.} As shown in the following table, the acceptance of the prime ministers’ unity initiative was even higher in anglophone provinces than it was in Quebec. Nevertheless, 57% of Canadians did not believe that the Calgary Declaration would influence the outcome of future referendum.\footnote{Greenspon 1997, A8.}

Table 3: Canadians’ Overall Reaction to the Nine Premiers’ Unity Initiative\footnote{Angus Reid Group Inc. quoted in Greenspon 1997, A8.}

<table>
<thead>
<tr>
<th>Question: “All things considered, based on whatever you’ve seen or heard about the nine Premiers’ national unity initiative, would you say it is a positive step in the right direction or a mistake for the Premiers to re-open this issue?”</th>
<th>B.C.</th>
<th>Alberta</th>
<th>Sask/Man.</th>
<th>Ontario</th>
<th>Quebec</th>
<th>Atlantic</th>
<th>CANADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive step in right direction</td>
<td>70%</td>
<td>73%</td>
<td>71%</td>
<td>74%</td>
<td>62%</td>
<td>79%</td>
<td>70%</td>
</tr>
<tr>
<td>Mistake to re-open</td>
<td>25%</td>
<td>21%</td>
<td>23%</td>
<td>21%</td>
<td>32%</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>Unsure</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

\footnote{Fraser 1997, A1.} \footnote{Mr. Bouchard’s latest humiliation 1997, A22.} \footnote{Mackie 1997, A1.} \footnote{Séguin 1997, A1/A4.} \footnote{Delacourt, Grange and Matas 1997, A1.} \footnote{Picard and Fraser 1997, A4.} \footnote{Greenspon 1997, A8.} \footnote{Angus Reid Group Inc. quoted in Greenspon 1997, A8.}
2.23 The Supreme Court Reference

The hopes for a happy end of the unity issue raised by the Calgary Declaration were very soon shattered by the federal government’s reference to the Supreme Court of Canada regarding Quebec’s right to secede. According to the Canadian Minister of Justice, Anne McLellan, this step was taken by the Government of Canada:

“as a result of the position taken by the Government of Quebec, which asserted that international law gives the Quebec Government the right to take Quebec out of Canada unilaterally; to effect secession without regard to the Canadian legal order.”  

In the hearing starting in February 1998 the Supreme Court was asked to respond to the following questions:

1. Under the Constitution of Canada, can the National Assembly, legislature or government of Quebec effect the secession of Quebec from Canada unilaterally?
2. Does international law give the National Assembly, legislature or government of Quebec the right to effect secession of Quebec from Canada unilaterally? In this regard, is there a right of self-determination that would give the National Assembly, legislature or government of Quebec the right to effect secession of Quebec from Canada unilaterally?
3. In the event of a conflict between domestic and international law on the right of the National Assembly, legislature or government of Quebec to effect secession of Quebec from Canada unilaterally, which would take precedence in Canada?

The hearings triggered widespread condemnation, from separatists as well as some federalists. Gilles Duceppe, the leader of the Bloc Québecois, spoke for many when saying, “it’s up to the Quebeckers to take the decision, not the courts.” The main criticism concerned the fact that while condemning the decision of the Quebec Superior Court, which ruled that a unilateral secession was legal, as being politically motivated, the Canadian government was politicizing its own Supreme Court. According to an opinion poll by the Groupe Léger & Léger, 69.8% of Quebeckers agreed that it was up to Quebec to decide about independence and not the decision of the Supreme Court of Canada. Thus, “the reference has had negative consequences for the federalist and had benefited Bouchard.” The Supreme Court ruled on

August 20th 1998 that neither under the Canadian Constitution nor at international law, does Quebec have the right to unilateral secession.153

2.24 Quebec Provincial Elections 1998

The provincial elections hold in November 1999 were thought to be the ultimate showdown between federalists and separatists. After long hesitation the federal Tory leader Jean Charest agreed to succeed the Quebec Liberal Daniel Johnson and, thus, represented the pro-federal party in the Quebec elections. A third party, the nationalist Action Démocratique du Québec (ADQ) took a soft stance on separatism, demanding an eight-year moratorium on referenda. But, “what was supposed to be a fundamental choice between two visions turned into a continuation of the interminable debate about Quebec’s status within Canada.”154 The Parti Québécois and the Liberals had virtually identical scores of 43% of popular support but, because of vote distribution, the PQ won the majority of seats in the legislative assembly. Nevertheless, the election results clearly deny the PQ the mandate to hold another referendum, because 55% of Quebeckers voted for the Liberals or the ADQ. Bouchard stated before the elections that a further referendum on sovereignty would only be held “if winning conditions were in place.”155

153 Supreme Court of Canada 1998, 3-6.
155 Séguin 1998 (1), A3.
3. Economic Consequences

In the first part the historic roots of the separatist movement as well as the recent political developments in Quebec were discussed. It has been shown that separatism has only gained an important dimension since the 1960s. For this reason the analysis of the socio-economic consequences is based on statistic material, notably national accounts data, commencing in 1961. Unfortunately, Statistics Canada has only recently started to collect some of the relevant data, such as foreign investment, on a provincial level. Since this analysis is a longitudinal study, comparing the development of economic variables over time, variables, that have been available for a short time only, could not be included in the study. The changing definitions and methods used by the Canadian census represented difficulties, especially for the socio-linguistic analysis. Nevertheless the available material covers all important dimensions of Quebec’s economy and society.

As a general introduction to this part, the development of the economic and political climate in Quebec is discussed in the light of economic and political events. Then, the economic developments are examined. This analysis is divided into four data categories, namely gross domestic product (GDP), investment, consumption and employment. The part dealing with social consequences focuses on demographic and demolinguistic developments. Population statistics, notably data about international and interprovincial migration, fertility rates and life expectancy are examined and compared with data from other provinces. Furthermore, socio-linguistic developments are analyzed. In a third part, the socio-economic consequences separatism has had on Montreal are examined. I have decided to deal separately with the development of Montreal, because it often diverges strongly from that of the rest of Quebec. Additionally, Montreal’s economic weight – it produces half of Quebec’s gross domestic product – warrants a close examination. For reasons of clarity the recent political events that will be discussed in this parts are summarized in Table 4.
Table 4: Time-line 1970-1998: Important Political Events in Quebec

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>Apr.</td>
<td>Election of the Liberals (PLQ) under Bourassa</td>
</tr>
<tr>
<td></td>
<td>Oct.</td>
<td>October-crisis: Kidnapping and murder of a minister; declaration of a state of emergency</td>
</tr>
<tr>
<td>1971</td>
<td></td>
<td>Bourassa rejects the Victoria Charter</td>
</tr>
<tr>
<td>1976</td>
<td>Nov.</td>
<td>Election of the Parti Québécois of René Lévesque</td>
</tr>
<tr>
<td>1980</td>
<td>May</td>
<td>Referendum on sovereignty-association defeated by 60% to 40%</td>
</tr>
<tr>
<td>1981</td>
<td>Apr.</td>
<td>Re-election of PQ and Lévesque</td>
</tr>
<tr>
<td>1985</td>
<td>June</td>
<td>Liberals under Bourassa win provincial elections</td>
</tr>
<tr>
<td>1989</td>
<td>Sept.</td>
<td>Re-election of Liberals</td>
</tr>
<tr>
<td>1990</td>
<td>June</td>
<td>Failure of Lake Meech Constitutional Accord</td>
</tr>
<tr>
<td>1994</td>
<td>Sept.</td>
<td>PQ under Parizeau forms a majority government after elections</td>
</tr>
<tr>
<td>1995</td>
<td>Oct.</td>
<td>Referendum on sovereignty narrowly defeated (50.6% vs. 49.4%)</td>
</tr>
<tr>
<td>1998</td>
<td>Nov.</td>
<td>PQ led by Bouchard re-elected</td>
</tr>
</tbody>
</table>

3.1 Perception of the Political and Economic Climate

In order to get a first impression of the political and economic climate in Quebec, I have analyzed the results of opinion polls commissioned by the Conseil du Patronat du Québec (C.P.Q.), Quebec’s most important employer organization. The semi-annual studies with the title ‘An Evaluation of the Socio-economic Climate in Quebec’ are based on bilingual questionnaires forwarded to the presidents, vice-presidents and executive directors of corporate member firms of the C.P.Q. Despite the fact that neither the methods of data compilation nor the sampling meet all requirements of scientific research, conclusions about the change of perceptions can be drawn, because the studies have been conducted in the same format twice a year since 1976. Moreover, the results of the C.P.Q. study match those of a survey, representative of the Quebec adult population. This annual survey is entitled ‘The Perception of Different Aspects of the Socio-economic Climate in Quebec’ and has been conducted by the polling and marketing research institute CROP. The results have been

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obtained for the years 1986 – 1998. The graphs below summarize the most important findings, which are discussed in the following paragraphs.

Graph 1: The Development of the Economic and Political Climate in Quebec

First of all, the likeness between the development of the political climate and that of the economic environment is salient. The changes in political climate, however, lag behind those of the economic climate. Comparing the results of the C.P.Q. survey with those of the representative CROP study, one notes that the trends (e.g. a deteriorating political climate from 1988 to 1992) are similar, but that the perceptions of employers (C.P.Q. study) are subject to stronger variations. This is explained by the higher uniformity of the sample.

Secondly, it is noteworthy that the political climate does not depend on the governing party, but rather on political and economic events. The language debate which dominated Quebec’s political scene from mid-’76 (dispute over the language to be used in the air over Quebec) to late ‘78, with the passing of Bill 101 in August ’77, seems to have poisoned the political climate. In the aftermath of the defeat of the sovereignty-association referendum in May 1980, the political climate improved for a short time. The strong deterioration of both the economic and political environment in the early 80s coincided with the world economic recession and the continuing constitutional controversy, notably Quebec’s refusal to sign the repatriation of the constitution in 1982. Following an economic upswing, the political and

economic climate was perceived as ‘Good’ or ‘Very Good’ by more than 90 per cent of employers in Quebec in ‘87 and ‘88. But with the constitutional debates reviving, the failure of the Lake Meech Constitutional Accord and the rejection of the Charlottetown Accord, the percentage of Quebeckers considering the political climate as ‘Good’ or ‘Very Good’ decreased to about 20% in early ‘92. Since then, the economic climate has recuperated, even if the ‘95 referendum has had a negative impact on the perception of the economic as well as the political environment. In order to test the assumptions about the causal connection between the constitutional controversy and Quebec’s economy and society, economic indicators and their developments are analyzed in the following parts.
3.2 The Development of the Gross Domestic Product

The most general indicator describing an economy is gross domestic product. It summarizes all productive activities that took place in an economy in a specific year. Consequently, the GDP of Quebec reflects its economic situation and would decrease or at least grow more slowly during times of political instability if uncertainty was hurting the economy. In this section the development of the GDP of Quebec is examined and compared to that of Ontario and Canada. Additionally, comments by economists and politicians about Quebec’s economic growth are analyzed in the light of the economic data.

Graph 2: GDP Growth Rates

The second graph shows the GDP growth rates for Quebec, Ontario and Quebec from 1962 to 1998. The general trends are similar for the two provinces and Canada. After an average growth rate below 10% in the 60s, the economies boom in the early 70s reaching unprecedented growth rates above 15% in 1973/74. The economic effects of the first oil embargo of 1973 are reflected by the abrupt decrease of economic growth after 1974. The lifting of the embargo in 1974 led to short-term recovery. But the continuously high oil price had severe consequences on the not-oil-producing provinces of Ontario and Quebec.

Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
The average Canadian growth rate was considerably higher due to the booming petrol industries in Saskatchewan and Alberta. But all provinces were hard hit by the world economic recession of the early 80s. After 1985 only Ontario’s GDP growth rate surpassed 10%. This was partly due to population growth, which becomes evident when examining GDP per capita.

Despite the ratification of the Free Trade Agreement between Canada and the U.S. in 1988, North America slipped into a major recession in 1990, which debilitated the economy until 1992. The debt that the federal and the provincial governments had accumulated since the late 70s, has presented a major economic problems since the mid-80s. Since the election of the Conservatives under Brian Mulroney in 1984, the government has drastically reduced its business activities. The privatization of companies such as Petro Canada and Air Canada led to decreasing economic leverage by the government. Consequently, governmental interference was not a remedy to ease the economic recession any more.

Let us now take a closer look at Quebec’s economy. When comparing absolute numbers, i.e. GDP and not GDP per capita, Quebec’s growth rate is below that of Ontario and the Canadian average. When GDP is related to population, Quebec fares better. The following table summarizes the average GDP and GDP per capita growth rates for specific periods. Since we are dealing with growth rates, the geometric average (instead of the arithmetic average) is used.

| Table 5: GDP and GDP per Capita Growth Rates in Quebec, Ontario and Canada |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Quebec                      | GDP /capita    | GDP /capita    | GDP /capita    | GDP /capita    | GDP /capita    |
|                            | 8.42%          | 7.19%          | 8.63%          | 6.93%          | 12.64%         |
|                            | 12.64%         | 11.91%         | 6.90%          | 6.10%          | 3.15%          |
| Ontario                     | GDP /capita    | GDP /capita    | GDP /capita    | GDP /capita    | GDP /capita    |
|                            | 8.94%          | 6.95%          | 9.30%          | 6.79%          | 12.30%         |
|                            | 12.30%         | 11.00%         | 7.96%          | 6.15%          | 4.03%          |
| Canada                      | GDP /capita    | GDP /capita    | GDP /capita    | GDP /capita    | GDP /capita    |
|                            | 9.00%          | 7.22%          | 9.06%          | 7.02%          | 13.85%         |
|                            | 13.85%         | 12.46%         | 6.63%          | 5.34%          | 4.09%          |
|                            |                |                |                |                |                |
|                            |                |                |                |                |                |
|                            |                |                |                |                |                |

It is obvious that GDP growth rates are higher than GDP per capita growth rates because the population has grown in Quebec, Ontario and Canada as a whole. But the difference between GDP growth rate and GDP per capita growth rate is especially high in Ontario, due to the high level of international immigration. Consequently, an objective comparison between Ontario and Quebec can only be made on the basis of GDP per capita. As shown in the table above, Quebec’s GDP per capita grew at an average rate of 7.19% annually between
1962 and 1998, compared to a growth rate of 6.95% for Ontario and 7.22% for Canada. The absolute numbers are however much less favorable for Quebec, as shown in Graph 3.

**Graph 3: GDP per Capita**

Quebec’s GDP per capita has since the 60s been below the Canadian average and considerably below Ontario’s GDP per capita. But the widening gap is not due to a slower growth in Quebec, but simply due to accumulation. Quebec would have to grow considerably faster than Canada and Ontario in order to make up for the difference. This is, however, not realistic.

Graph 4 shows the difference of GDP per capita between Ontario and Quebec (in blue), and Canada and Quebec (in pink). Until the late 70s the GDP per capita differentials grew rather slowly. But the second oil price shock of 1979 led to a strong rise of the GDP per capita difference between Quebec and Canada. Within three years, between 1978 and 1981, the difference doubled from C$ 1,000 to C$ 2,000. Since 1991 it has again increased strongly, from about C$ 2,100 to C$ 2,900. As already visible in Graph 2 depicting GDP growth, Ontario’s economy was doing much better than Quebec’s in the 80s. This led to a surge of GDP per capita in Ontario, which was by 1989 nearly C$ 6,000 or 25% higher than GDP per

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160 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
capita in Quebec. Despite the economic slowdown that Ontario experienced in the early 90s, its GDP per capita has remained between C$ 4,000 and C$ 5,000 higher than that of Quebec.

**Graph 4: Differentials of GDP per Capita between Ontario and Quebec, Canada and Quebec**

Another figure that is often cited is the percentage share of GDP produced by each province. Graph 5, shows the GDP and population shares of Quebec and Ontario. It is salient that Quebec’s GDP share has always been below its population share. The opposite is true for Ontario. Furthermore, it is interesting to see that while Ontario’s share of GDP varied considerably over time, namely between 36% and 42% of Canadian total GDP, Quebec’s GDP share has been decreasing parallel to its population share.

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161 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
This is better illustrated in Graph 6, which depicts the difference in percentage points between GDP share and population share in Quebec and Ontario. The blue line shows that the difference between GDP share and population share in Quebec has decreased since 1985. Thus, the argument that Quebec, with a population share of 25%, only produces 22% of the country’s output is not relevant when discussing political uncertainty, because the relation between GDP share and population share is above or at least in line with historic data. Ontario, however, has experienced strong variations. Until 1973, before the boom of the petrol industry in Alberta and Saskatchewan, Ontario’s GDP share surpassed its population share by six percentage points. The difference dwindled continuously and was below one percentage point at the end of the big recession in 1982. After climbing up to five percentage points in the late 80s, Ontario’s GDP share stabilized around three percentage points above its population share. This graph confirms, that Quebec’s present economic position is very similar to that prevailing 35 years ago. From an economic perspective, it is impossible to discern any negative effects that political uncertainty is supposed to have on Quebec’s GDP. Nevertheless, Quebec’s slightly lower growth rates between 1994 and 1997 is often attributed to political instability, even by acknowledged economists and politicians.

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162 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
3.2.1 Analysis of Selected Statements by Canadian Economists and Politicians

In the following paragraphs several statements made by opinion leaders are examined in the light of the analysis above. Most of the statements about the impact of political uncertainty on GDP were made at presentations of economic forecasts. Interestingly enough, the opinions about the effects of political uncertainty diverge considerably, even within the same institution.

The chairman of the Bank of Montreal, Mr. Barrett, said at a presentation at the Board of Trade of Metropolitan Montreal that “‘the oft-repeated resolve to hold yet another referendum on separation is hurting the economic well-being of everyone in Quebec.”” Nevertheless, the chief economist of the same bank, Tim O’Neill projected economic growth of 3.8% for Quebec in 1998, which was overestimated as we know today. When asked whether political uncertainty about Quebec’s status within Canada had an impact on the province’s economic performance, he replied that:

“All of us forecasting in Canada have looked at issues regarding political uncertainty ... [but it] isn’t in the data when it comes to weakening the economy.”

163 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
In an interview following the press conference O’Neill said his bank has been willing in the past to blame political uncertainty for Quebec’s economic drag, but this time it looks as if the panic has subsided.”

This statement is interesting, in that it highlights the importance of perception. Political uncertainty only comes into existence when being perceived as existing. Additionally, O’Neill points out the role that political instability plays as scapegoat for any negative economic development. But as shown above, it is not possible to prove its negative impact. Interestingly, the majority of economists agree that uncertainty and its effects are impossible to measure. Nevertheless, it plays a role according to some:

“Political uncertainty and provincial government cuts are hampering an otherwise robust economy, says the Royal Bank’s economic forecast. ... Next year, the country’s largest bank predicts a growth in Quebec of 2.8 per cent, compared with 3.3 per cent for Canada as a whole, and 2.4 per cent the year after, compared with 2.8 per cent nationally. ... McCallum [the chief economist of the Royal Bank] said the weakness can be blamed partly on Quebec government cuts as well as uncertainty over the province’s plan to hold a third referendum on Quebec secession from Canada. ‘Uncertainty is very difficult to measure but it has played a role.’”

John McCallum, who studied Quebec’s economic history while doing his Ph.D. at McGill University, was able to trace some differences between Quebec’s and Ontario’s economic development back to the 19th century. According to him, differences in economic structure are the major reason for Quebec’s higher unemployment rate. In an article published in 1988 he wrote that the linguistic particularity of Quebec – being a French island in an English sea – contributed to the province’s poor economic performance. In the above quotation, he nevertheless attributes Quebec’s mediocre economic performance partly to uncertainty. It is important to stress that government cuts, which have already been absorbed by the majority of the other provinces, have hit Quebec’s economy only now.

Mr. McCracken form the Ottawa thinktank Infometrica Ltd. contradicted himself during the presentation of his company’s economic forecast at New Year’s Eve 1997:

“‘There is no question Quebec is growing slowly and I would say that is not totally independent of its fiscal position and the uncertainty created there, ... but even if tomorrow this [the threat of separation] were all removed – if tomorrow the

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166 Swift 1997, F12.
headline were: Parti Québécois decides to stay in Canada – I don’t think I would necessarily rewrite the economic forecast.” 168

Later in his speech he mentioned other factors, such as low consumer demand, reduced government spending, and a population growth below the Canadian average, as hampering economic expansion in Quebec.169 The fact that Quebec’s population is growing more slowly than that of Ontario is often neglected. The result is a distortion of economic realities. It has been shown above that when comparing GDP per capita, Quebec’s average growth rate is in line with that of Canada and Ontario. Nevertheless, political discourse tends to over-simplify and consequently, economic developments are often explained mono-causally, picking the reason that suits the political conviction of the orator:

“Separatists are robbing Quebecers of the economic recovery other Canadians are enjoying, Prime Minister Jean Chrétien says. ‘The Canadian economic engine is running at a great speed, while in Quebec, political uncertainty acts like a brake,’” Chretien told 1800 supporters at a Liberal fundraiser last night. The brakes will remain on the Quebec economy as long as Premier Lucien Bouchard keeps wielding his threat of another referendum on sovereignty, he said.”170

An equally bold statement by Quebec’s Finance Minister Bernard Landry, who blamed bad weather for Quebec’s worrying job figures, was ridiculed throughout the press. Differentiated discussions of the economic development are rare. With few exceptions the English media argues following the federalist line, while the French media promotes separatist arguments and explications. Thus, it is important to further analyze the numbers presented.

In an article published in Le Devoir, Pierre Harvey compares Quebec and Ontario in regard to GDP and the creation of full time employment. He observes that the GDP of Quebec has been lower that that of Ontario since 1961. The advance, he states, is without any doubt cumulative, leading to a growing difference between Ontario and Quebec. The author calculated the difference between the GDP of Ontario and that of Quebec expressed in percent of Quebec’s GDP, as shown in Graph 7.

The author comes to the conclusion that between 1967 and 1973, while David Johnson (senior), Bertrand (both Union Nationale) and Bourassa (Liberal Party) were in power, the

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168 Wills 1997, D2.
169 Wills 1997, D2.
differential increased from 55% to 70%. After a having been stable at approximately 60% from 1978 to 1982, the differential increased again reaching its highest point in history at 80% in 1989. This time period corresponds with Bourassa’s re-election for a second parliamentary term. The author claims that this proves that political uncertainty had had no visible effect on Quebec’s economy.\textsuperscript{171} Even if the numbers are correct, the interpretation needs to be revised. Pierre Harvey equates political uncertainty with Parti Québécois governments. This approach is sensible if the goal is to contradict the Liberals’ claim that the economy would boom once they are elected. Undoubtedly, this has not been the case in the past.

Graph 7: GDP Difference between Quebec and Ontario in percent of Quebec's GDP\textsuperscript{172}

The conclusion that political uncertainty does not exist, cannot be drawn, however. There are several reasons. Firstly, the major constitutional debates, namely the repatriation of the constitution, the Lake Meech and the Charlottetown Accords, took place when the Liberals were in power. Secondly, if an equation between political party and political uncertainty is made, which is \textit{per se} questionable, a difference between Union Nationale and Liberals needs to be made. The Liberals only came into power in 1970 and were succeeded by René Lévesque and the Parti Québécois in 1976. In 1970 and in 1976 the GDP of Quebec was

\textsuperscript{170} Contenta 1998, A11.
\textsuperscript{171} Harvey 1998, A11.
\textsuperscript{172} Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
approximately 65% below the GDP of Ontario. Thirdly, major economic trends need to be taken into consideration. For example the widening gap between 1982 and 1988 is due to an above-average performance of Ontario, as has been shown in Graph 2 depicting GDP growth.

Last but not least, the graph looks very different if based on GDP per capita instead of GDP in absolute numbers. The pink line in Graph 7 shows that the difference of GDP per capita expressed in percent of Quebec’s GDP has decreased from 30% to 20% in the 70s. Today the GDP per capita of Ontario is 20% higher than that of Quebec, while the GDP of Ontario is 80% higher than that of Quebec. The only conclusion that can be drawn from this graph, is that Quebec is not faring so badly after all, with or without political uncertainty.
3.3 Investment

Generally, business investment decisions depend on the expected return on investment (ROI). The calculated ROI is based on assumptions about the future. The probability that these assumptions will be correct is higher in a stable environment. Thus, political uncertainty makes investments riskier. Since investors are risk-averse, they demand higher expected ROIs for riskier investments. Consequently, total investment will be lower in unstable environments. It can be concluded that investment in Quebec would be lower in times of strong separatism, if separatism caused political instability. As in the section about GDP, the development of business investment will be studied over time and comparisons between Quebec, Ontario and the Canadian average will be drawn. Statements by politicians and economists reported by the press will also be examined. At this point it will be necessary to draw a line between the macro-economic analysis, which is based on statistical data, and micro-economic case studies often cited by politicians. The results should be the same if the cases were representative. But this does not seem probable in view of the contrasting conclusions politicians draw from the examples they quote, depending on their political convictions.

At first, total business investment in fixed assets, which consists of business investment in residential construction, in non-residential construction and in equipment and machinery, will be examined. Later, each of the categories will be discussed separately. It is important to note, that even if we are talking business investment, which by definition excludes investments made by the public sector, investments made by public companies, such as Hydro Quebec are included.\textsuperscript{173}

Graph 8 depicts the development of business investment in Ontario and in Quebec in absolute numbers. It is evident that investment in Ontario has grown much faster, especially in the 1980s. But once again, it is necessary to set business investment figures in relation to the size of the economy in order to be able to compare different entities. Graph 9 shows business investment in percent of gross domestic product for Quebec, Ontario and Canada. The most important periods of investment in Quebec are salient in this graph. During the mid-60s, the preparations for the World Exposition of 1967 led to a boom in investment, particularly in Montreal. Investment decreased and reached its lowest level ever, at 13% of
GDP, in 1970. Neither Ontario nor Canada experienced a strong decrease during that period. Consequently, it can be assumed that the reduced investment activity was partly due to the political instability that peaked in the October crisis of 1970. Additionally, the lack of major public investment projects after the completion of the Daniel Johnson Damn in early 1968 had a negative impact on Quebec’s economy.

Graph 8: Business Investment in Quebec and Ontario

Investment increased drastically in the early 70s. The James Bay drainage commenced in 1971, the construction of Mirabel airport and the Olympic site begun in 1971. Moreover, the Olympic Games, that took place in Montreal in 1976, made massive investment in infrastructure necessary. In 1976 and in 1978 the investment level decreased faster in Quebec than in Ontario and Canada. This coincides with the election of the Parti Québécois in 1976 and the passing of Bill 101 in 1977. In the years between 1977 and 1980 numerous anglophones left Quebec and many headquarters moved out of Montreal. It is possible that this exodus contributed to the decrease in investment. The completion of the James Bay project in 1980 marked the end of series of major public construction projects. After the recession, the hydroelectricity sector only represented between 10% and 15% of total business investment in Quebec, compared to between 25% and 35% between 1977 and 1983. From 1984 to 1991 between 5% and 10% of business investment were made in the metal processing

sector, which includes aluminum production. Since 1993 investment in both, hydroelectricity and primary metal processing, have decreased. Today these two industries represent about 15% of total business investment in Quebec, compared to 30% in 1978 and 1991.\textsuperscript{175}

Graph 9: Business Investment in Fixed Assets per GDP\textsuperscript{176}

It is salient in Graph 9 that the Canadian average was markedly above Ontario’s and Quebec’s investment per GDP ratios until 1986. This is due to high investments in the mining sector, reflecting Alberta’s booming oil and natural gas extraction, as well as to British Columbia’s increasing economic weight in Canada.\textsuperscript{177} Since 1986 the development of business investment has been similar in Quebec, Ontario and Canada. In 1995, when the referendum about Quebec’s sovereignty took place, business investment decreased more strongly in Quebec than in Ontario and in Canada. Since then, investment per GDP has remained at a comparably low level in Quebec. It is important to note, that these graphs are based on business investment only. Thus, decreases in government spending due to necessary deficit cuts cannot explain Quebec's relatively low investment rate.

\textsuperscript{174} Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
\textsuperscript{175} Bégin 1997, 2.
\textsuperscript{176} Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
\textsuperscript{177} Bégin 1997, 3.
As evident in Graph 10, which shows the annual change of investment per GDP, business investment in Quebec was 12% lower in 1995 than in 1994. In Ontario and Canada it decreased by 5.2% and 7.3 %, respectively. This is the only discernible change that could be related to political instability. In 1967 all provinces experienced a decrease in investment. At that point in time separatism did not yet play a role. After several years of growing investment rates, business investment slumped in Quebec, and to a smaller degree also in all other provinces, in 1976. It is true that this drop in investment coincided with the first election of the Parti Québécois, but a causal connection is very unlikely. First of all, the elections only took place in November 1976. Secondly, René Levèsque, the leader of the Parti Québécois, was anything but a hard-line separatist. As described in the historic part, he promoted sovereignty-association, which was supposed to be negotiated only in case of a positive result of a separate referendum. Thus, political instability was not on the table in 1976. One reason for the Canada-wide decrease in investment was the set up of the Foreign Investment Control Agency, which deterred foreign direct investment particularly from the United States. As mentioned above, Quebec's investment decreased again in 1978. A third slump in investment occurred in 1982 due to the world economic recession.

Graph 10: Growth of Investment per GDP

Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
Graph 11 shows the differential of the investment per GDP ratios of Quebec, Ontario and Canada in percentage points. Once again Quebec’s bad performance around 1970 is salient. At this point of time, Quebec’s investment per GDP rate was almost four percentage points lower than that of Ontario (blue line). Since the late 70s the investment ratios of the two provinces have differed only slightly, with Quebec’s rate being higher until the world recession. Between 1990 and 1994 Quebec’s rate of investment per GDP exceeded that of Ontario. From 1996 on, Ontario’s investment per GDP ratio was higher than that of Quebec. The pink line depicts the differentials between Quebec's investment per GDP ratios and those of Canada. It is evident that the Canadian average was always higher than Quebec's investment per GDP. The explanations in regard to the differentials between Quebec and Ontario (blue line) are equally valid for the comparison between Quebec and Canada. But there is one additional trend, namely the increasing differential between 1975 and 1981, represented by the downward-sloping pink line. The principal reason for this trend is, firstly, a strong decrease in investment in Quebec, due to the oil price shocks and the world economic recession and, secondly, an increase in investment in the petrol industry of the Western provinces. In general, Quebec's investment per GDP level is comparable to that of Ontario, but considerably lower than the Canadian average.

Graph 11: Investment per GDP Differentials between Quebec and Ontario, Quebec and Canada

179 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
Another way of making investment data comparable is by setting them in relation to population. Investment per capita in Quebec, Ontario and Canada is shown in Graph 12. This graph reminds very much of the GDP per capita chart. Quebec’s investment per capita has been below that of Ontario and the Canadian average since the mid-60s. The widening gap is to a big extent due to accumulation of the original differential, because average growth rates are similar, at least until 1994. Between 1961 and 1994 investment per capita grew at an average rate of 7.29% in Quebec, at 7.03% in Ontario, and at 7.4% in Canada. It is visible in Graph 12 that after the referendum of 1995 investment per capita decreased in Quebec. While Quebec's investment per capita only increased at an average annual rate of 2.99% between 1995 and 1998, the rates for Ontario and Canada are 7.17% and 5.31%, respectively. It cannot be denied that a causal relation between the lower level of investment in Quebec as of 1995 and the political instability caused by the referendum of 1995 seems likely.

**Graph 12: Investment per Capita**

Hélène Bégin, an economist of the Quebec bank Desjardins, used yet another method for the comparison of business investments. She analyzed the developments by indexing the absolute real investment data, based on the 1970 figures (1970=100). The results, which were published in the bank’s monthly magazine *En perspective*, are stunning. Quebec has

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180 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
performed better than any other province in regard to business investment in equipment and machinery and non-residential construction in real terms. Graph 13 is a close reproduction of the chart published by Ms. Bégin, even if the calculations for Graph 13 were made in nominal terms and Ms. Bégin based her charts on real numbers.

Graph 13: Investment: 1970=100\(^{182}\)

It definitely looks as if Quebec was outperforming the rest of Canada in regard to business investment. The critical issue is the year chosen as basis for this comparison. As evident in Graph 9 and Graph 11 business investment in Quebec was particularly low in 1970. Consequently, Quebec’s performance looks much better when using 1970 as a basis for a comparison. This example shows that statistics always prove what the economist wants them to prove. Thus, it is necessary to examine the premises of every single argument, especially when dealing with a politically sensitive issue, as the one treated here.

\(^{181}\) Bégin 1997.

\(^{182}\) Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
Graph 14: Investment: 1961=100\textsuperscript{183}

Graph 15: Investment: 1976=100\textsuperscript{184}

\textsuperscript{183} Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).

\textsuperscript{184} Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
1961 and 1976 are used as basis years in Graph 14 and Graph 15, respectively. In these two charts the reality, namely a below average performance of Quebec regarding business investment, is reflected. One more indexed chart is worth looking at. Graph 16 compares business investment on the basis of the 1985 figures (1985=100). It seems that after the world economic recession the development of investment was very similar in Quebec, Ontario, and Canada. It is worrying, however, that Quebec has experienced a relative decrease in investment compared to Ontario and Canada since the Parti Québécois has come into power in 1994.

According to Patrick Grady, Quebec is already paying the economic cost of sovereignty “on the instalment plan”. In his article published in the Montreal Gazette in June 1998, he writes that,

“over the 1994 to 1997 period ... real business investment, the most dynamic force in any economy, and the most vulnerable to uncertainty, crawled along at 1.7 per cent per year in Quebec, while in Ontario it raced ahead at a 10.3-per-cent pace, more than six times faster.”

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185 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
186 Grady 1998, B5.
Quebec’s investment share of total Canadian investment is also discussed frequently. Mr. Ferguson from the Toronto Star, for example, noted in an 1997 article, that “investment has dropped to around 17 per cent of the total in Canada, significantly below Quebec’s 25 per cent share of the population.” Even if the numbers he cites are correct, they are taken out of their historical context and are thus misleading. Graph 17 shows the percentage share of Quebec’s and Ontario’s investment and population in the Canadian total.

Graph 17: Investment and Population Shares of Quebec and Ontario

It is true, that Quebec has always attracted a smaller share of investment than its population share. The investment share, however, has not been decreasing steadily, as Jean-Luc Migué claims in his 1999 book *Etatism et déclin du Québec*. On page 25 he writes that Quebec’s share of business investment has decreased from 25% in the period of 1950 to 1965, to 23.5% in 1975 and to 20% in the 80s. According to Migué, Quebec received only 15% of private business investment and 18% of private and public business investment in 1997. As is evident from Graph 17, the numbers he cites are correct, but they do not paint the whole picture. In 1970 Quebec’s investment share plummeted to 18.4%, in 1981 its share

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188 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (1) and (3).
was even lower at 17.7%. Compared to these figure, the 1996 share of 19.2% does not look that dramatic.

Additionally, it needs to be pointed out, that during the last 35 years Quebec’s population share has decreased, from close to 29% in the early 60s to below 25% in the 90s, while that of Ontario has increased from 34.2% in 1961 to 37.6% in 1996. Graph 18 shows the difference in percentage points between population and investment shares of Quebec and Ontario. There is no doubt, that Ontario has been doing much better in this regard. From 1961 to 1974 and again from 1985 to 1991 Ontario’s share of investment surpassed its population share. During the oil crises of 1973 and 1979 and the world economic recession of 82/83 Ontario lost investment to the Western provinces. After the amazing recovery of the late 80s, Ontario’s investment share has dropped below its population share once again in the early 90s.

Graph 18: Investment Share – Population Share\textsuperscript{190}

Quebec’s investment share has always been at least 2 percentage points lower than its population share. But the trend is positive, as illustrated in Graph 18 by the linear regression line. Admittedly, the difference between Quebec and Ontario has grown since 1993.

\textsuperscript{190} Calculations by the author based on Bureau de la Statistique du Québec, 2000 (1) and (3).
Nevertheless, the pessimistic views of Jean-Luc Migué and Jonathan Ferguson are not warranted, in the light of the long-term development of investment and population share.

The Groupe des Cent, a group of young businesspeople, professionals and academicians from Quebec, also analyzed the development of Quebec’s investment share.\textsuperscript{191} They tried to prove that Charest’s promise, that the election of the Liberals would lead to a 2-percentage-point increase of Quebec’s share in Canadian business investment, was correct. The premise of their analysis was that a Liberal victory would set an end to the political instability caused by referendums about Quebec’s sovereignty. They tried to show that there was a time correlation between referendums and low investment shares. For this purpose they used quite creative testing methods. Firstly, they divided the last 20 years into so-called 'referendum years' and 'non-referendum years', whereby the years of the referendums as well as the two years before and the two years after each referendum were identified as 'referendum years'. Then the investment shares of Quebec during the referendum years – 1978-1982 and 1992-1997 – were compared with Quebec’s investment shares in the remaining years. What a surprise! Quebec’s investment share was lower during the time of the oil price shock and the world economic depression. The Groupe des Cent interpreted this as a prove that referendums caused a decrease of investment. They further deduced that Charest could keep his promise.

In a second test they analyzed the frequency of articles talking about sovereignty published in \textit{La Presse}. They came to the conclusion that private investment in Quebec decreased when the number of articles about sovereignty increased. I believe it is not necessary to comment on the scientific value of such analyses. But it should be pointed out that, when contacting the Liberal party of Quebec in order to obtain information about the basis for the claims made by Mr. Charest during his campaign, I was referred to the article quoted above. The Parti Québécois did not at all respond to my request for information.

After having criticized the methods of some colleagues, I will now venture several assumptions myself, before coming back down to earth again to analyze the development of different types of investment. A comparison of investment and GDP shares as illustrated in Graph 19 permits yet another interesting inference. Ontario’s share of investment has on average been more than four percentage points below the its share of GDP. This could stem either from a predominantly labor-intensive industry or from above-average productivity.

\textsuperscript{191} Des milliards perdus 1998, B3.
Probably both factors play a role. Even if Ontario does not have any typical labor-intensive industries, such as for example textiles, it is likely, that e.g. the automobile sector is less capital-intensive than the mining industry, which dominates investments in the Western provinces. It is known that productivity in Ontario, at least in comparison to Quebec, is relatively high. These are however only assumptions, which are not further analyzed here, because this would be beyond the scope of this thesis. For the last 35 years Quebec’s GDP share has surpassed its investment share by 2.5 percentage points on average, which is significantly below Ontario’s average differential. Paradoxically, Ontario’s investment share surpassed its GDP share in times of above-average economic growth, namely between 1985 and 1989. Therefrom it could be concluded that a higher investment share relative to the GDP share is economically advantageous, but this seems not to be the case in view of the average differentials of Quebec and Ontario. It will be interesting to see further research resolve this paradox.

Graph 19: Investment Share – GDP Share

As discussed at the beginning of this chapter, business investment includes three different types of investment, namely investment in residential construction, investment in non-residential construction and investment in machinery and equipment. They will now be

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192 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (1) and (3).
treated separately due to their different economic significance. Quite frequently, business investment in residential construction is excluded from business investment. The above calculations, which reproduce those by Ms. Bégin, are an example. The reason for this exclusion is the fact that residential construction depends on the consumers’ demand for housing, and is thus only indirectly linked with business investment decisions. Nevertheless, residential construction warrants to be examined separately, because the construction industry, which is one of the most volatile sectors, has a considerable impact on the economy due to the strong multiplier effect.\footnote{Kollenz 1998, 2f.}

Graph 20 shows the development of investment in residential construction per capita in Quebec, Ontario and Canada. Residential investment is lower in Quebec than in Ontario, but the difference is considerably smaller than that in total business investment. As evident from Graph 21, the average annual growth rate has been higher in Quebec than in Ontario. On average – once again the geometric average is used, because we are dealing with growth rates – business investment in residential construction has grown by 6.93% in Quebec, by 6.79% in Ontario and by 7.07% in Canada per annum between 1962 and 1998. Despite Quebec’s good overall performance, it must be pointed out that since 1997 investment in residential

\footnote{Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).}
construction has decreased considerably. It would be far-fetched to interpret this as a consequence of the political instability caused by the referendum.

Graph 21: Annual Change in Residential Construction per Capita

Interestingly, economists already claimed in 1996 that housing starts in Quebec had reached worryingly low levels:

“This economist also points to provincial trends in housing starts, in which since 1994 Ontario and British Columbia have shown a series of ups and downs in monthly numbers but by the first of 1996 come out pretty close to the levels where they have started. In Quebec, however, the trend has been steadily downward since the second quarter of 1994, and in January there were only 9,400 starts – the lowest rate in years.”

The economist referred to is the chief economist of the Conference Board of Canada, Mr. Frank. He attributes the sluggishness of Quebec’s economy to various factors, including government cutback, high consumer debt, low saving rates and political uncertainty. In an article in the international section of the Business Week it is claimed that Quebec experiences economic difficulties because of the threat of separation:

“The growing possibility of sovereignty is hurting the Quebec economy. The province has underperformed Canada for two consecutive years. Last year [1995],

195 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
Quebec grew just 1.6%, down from 3.9 in 1994, the National Bank of Canada says. As the gloom mounts, Quebec’s housing industry has ground to a virtual standstill, as well. With fears growing that sovereignty would prompt an exodus of companies and individuals, housing starts fell 43% in 1995, to 8,000, the lowest level since record-keeping began in 1965.197

As discussed above, the interpretation of numbers is always a matter of the point of comparison one chooses. It is true that in Quebec investment in residential construction fell drastically in 1995, but this was also the case in Ontario and Canada, as evident in Graph 21. In 1996 the trend was reversed and Quebec experienced the strongest growth in investment in residential construction after 1987. What is worrying is the fact that the Business Week, a journal that is read all over the world, publishes an article, that covers the topic without subtle differentiation between propaganda and objectivity. Obviously this stirs up the opinion of the international business community against the Parti Québécois and in consequence leads to a perception of political instability in Quebec.

Graph 22: Investment in Non-residential Construction per Capita198

197 Symonds 1996, 60.
198 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
Next, investment in non-residential construction will be analyzed. Non-residential construction includes the building and renovation of factories, warehouses, and infrastructure, such as roads or canals. Thus, investment in non-residential construction can be considered as long-term fixed investment. It is the basis for the productive capacity of an economy. Graph 22 shows the development of investment in non-residential construction per capita. Quebec lags behind the rest of Canada, and in particular Ontario. The high differential is to a large extent due to a very slow growth in Quebec between 1978 and 1981. It could be argued that this is a consequence of the language legislation and the political instability due to the referendum of 1980. Another explanation is linked with the oil price shock of 1979, which led to westward shift of investment. This explanation, however, cannot account for the different development in Ontario at that time.

Investment in non-residential construction per capita decreased in 1994 in Quebec, while it was still growing in Ontario and in Canada. This negative growth continued in 1995 and can be attributed to government cuts on the one hand, and investors’ ‘wait-and-see attitude’ before the referendum, on the other hand. Especially international investors, who are less knowledgeable about the political situation in Canada, tend to have reservations about investing in Quebec. According to an article published in the Discount Store News, U.S.-based retailers worry about Quebec’s ‘French Revolution’. “Retailers blame political uncertainty for hesitating on expansion.”¹⁹⁹ The provincial elections and especially the referendum were greeted with caution by international investors. In an article in the monthly magazine Asian Business, John Keating described the worries of Asian investors about the effects of the Quebec question on interest rates and currency exchange.²⁰⁰

Interestingly, investment in non-residential construction per GDP has been higher in Quebec than in Ontario most of the time between 1961 and 1998. This is evident in Graph 23. Only during periods when Quebec’s economy was doing particularly badly, namely around 1970, and when Ontario was faring very well, namely from 1984 to 1989, Ontario’s investment in non-residential construction per GDP ratio surpassed that of Quebec. The Canadian average ratio was almost always higher than those of Ontario and Quebec. This difference can be explained by the late economic development of the Western provinces, which led to West-ward shift in economic activity that has only come to a halt in the mid-80s.

¹⁹⁹ Fox 1996, 4.
Investment in equipment and machinery tends to react faster and more strongly to a deterioration of the investment climate, because the planning horizon is shorter compared to investment in construction. Thus, variations of this type of investment caused by political instability would occur without significant delays. It is evident from Graph 24, that until 1983 investment in machinery and equipment per GDP was significantly lower in Quebec than in Ontario and in Canada. Between 1984 and 1993 the differences between the Canadian and the Quebecker investment ratio were negligible. Since 1994 Canada as a whole and Ontario have attracted far more investment than Quebec. In a more detailed analysis the divergence of trends is examined. The first evident divergence between the development of investment in machinery and equipment per GDP in Quebec and the Canadian average is visible in 1970. It has been discussed earlier that the terrorist actions of the Front pour la Libération du Québec peaked in the October Crisis of 1970. It is probable that some investments in machinery and equipment were postponed. A similar development is visible in 1994 and 1995, the years of the election of the Parti Québécois and the referendum. While investment in equipment and machinery per GDP increased in Ontario and Canada, it decreased in Quebec.

200 Keating 1994, 72.
201 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
The Conference Board of Canada attributes Quebec’s bad performance in investment in machinery and equipment to the threat of separation:

“Until the possibility of Quebec’s departure from Canada is eliminated, companies making investment decisions will tend to shun Quebec. As the Conference Board of Canada said in a recent commentary, political uncertainty – a far cry from outright separation – is already having a negative impact on investment decisions. Investment in machinery and equipment, the Board said, will suffer a setback this year [1996], after almost no growth in 1995. Ontario, meanwhile, will see such investment increase.”

Graph 24: Business Investment in Machinery and Equipment per GDP

Graph 25 shows the differentials between investment in machinery and equipment per GDP in Quebec, in Ontario and in Canada in percentage points. It is salient that since 1992 the differences in the ratios of investment in machinery and equipment per GDP between Quebec, Ontario and Canada have grown. Of course, Quebec’s investment ratio has always been lower than that of Ontario. It is however worrying that in 1998 the differential reached its second highest value in history, at 1.6 percentage points, only 0.4 percentage point below the 1970 record difference of 2 percentage points. Nevertheless, it needs to be pointed out that the average annual growth rate of investment in machinery and equipment per capita from

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202 Uncertainty the real cause of Quebec’s economic woes 1996, 20.

203 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
1961 to 1998 has been identical in Quebec and in Canada at 7.92% and only somewhat higher in Ontario, at 8.01%.

**Graph 25: Differences in Investment in Machinery and Equipment per GDP**

As already mentioned above, political instability is probably not the only reason for Quebec’s low investment rate. But since it is not quantifiable, many people, in particular anglophones, use political uncertainty as a scapegoat. On the contrary, francophone Quebeckers do not attribute their economic problems to political instability, according to opinion polls.205

### 3.3.1 The Public Debate about Investment in Quebec

In the following part statements by businesspeople and politicians reported in the newspapers will be analyzed. This is of interest because they reflect at least parts of the public debate. The majority of people, whose opinions are reproduced here, did not back up their claims with numbers. Consequently, only a very general comparison with the above figures is possible.

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204 Calculations by the author based on Bureau de la Statistique du Québec, 2000 (3).
A report on a survey of 36 businessmen prepared by Brian Levitt, president of Imasco Ltd. for Quebec’s socio-economic summit in 1996 stated that,

“because of uncertainty, businesses demand higher returns to settle in Quebec, hedge their bets about separation by spreading their activities between Quebec and other provinces, and have contingency plans to limit their involvement in the province.”

Along the same lines runs a statement made by the owner of a high-tech company, who himself claims to be a “determinedly loyal Montreal booster”. He said he was “becoming very worried that Quebec’s permanent political crisis will cut short what he sees as the potential for ‘incredible momentum’ among Montreal’s newer high-tech industries.” It seems that the close referendum outcome had considerable negative effects on investment in the high-tech industry. Before the referendum the industrial commissioner of Montreal’s West Island expected new investment projects worth $130 million for the year of 1996. This forecast had to be changed drastically after the referendum. Now less than a fifth of the originally planned investments, namely $25 million will be made.

Of course, only very few companies publicly state that the political situation is a reason for their moving out of Quebec. It is known that businesspeople who acknowledged their discontent with the political situation or criticized the separatists’ legislation were invited to leave the province. The headquarter of Nortel was moved from Montreal to Ottawa, because René Lévesque, then premier of Quebec, told them to either leave or stop complaining about Quebec’s language legislation. Nevertheless, there are examples of companies, that admit that political instability plays a role in their investment decisions. According to the Report on Quebec, Southam Inc. deferred building a new printing plant for The Gazette Of Montreal due to the uncertainty about the development of the political and economic climate in Quebec.

Fortunately, there are still some sectors that are growing, such as research and development, but according to Marcel Côté, economist and consultant at SECOR, “they can’t compensate for what is going badly.” He believes that the linguistic insularity of Quebec has an often underestimated impact on the economic development of the region. There are

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207 Bryan 1996 (2), C1.
211 Côté 1988, 471.
only few industries that gain from the linguistic situation. According to a release by L’Association des Agences de Publicité du Québec (AAPQ), advertising agencies profited from the referendum in the short term, because it illustrated the distinctness of Quebec, which makes a separate advertising strategy necessary. In the long term, however, the disturbing character of the referendum will prevail, because 70% of the clients are international or national advertisers.  

In the eyes of Tom Millard, author of an article about the pros and cons of investing in Canada, the Quebec factor is cushioned by the political stability on the federal level. He points to a KPMG study, which shows that doing business was less expensive in Canada than the U.S. A similar study by Arthur Anderson concluded that the U.S. were a better location for headquarters. Montreal and Calgary offered favourable conditions for back offices. With regard to research and development, Montreal ranked third in a list of best places to invest, because of generous incentives of the Quebec and federal government. Additionally, the educated-labor pool is more attractive in French-speaking Quebec, because of lower labor mobility.

Such articles are welcomed by Quebec’s prime minister Bouchard, who says himself that he doesn’t know of a single investment that Quebec lost because of fears of another referendum. Quebec’s business leaders, however, who met with Bouchard at the Quebec economic summit, stated clearly that “the unstable political climate created by the government’s commitment to Quebec independence is a major obstacle to investment in the province.” For Teleglob Inc. chairman and CEO Charles Sirlois uncertainty is a real problem. Cleghorn, chairman and CEO of the Royal Bank agreed that “if the sovereignty issue is in people’s minds and ‘they’re thinking about an investment, it’s a real problem.’” Jacques Bougie, CEO of Alcan Aluminium Ltd. called political uncertainty a reality that can’t be ignored. According to Ghislain Dufour, president of the Conseil du Patronat, the province’s largest employer group, many businesspeople believe the political issue remains Quebec’s problem No.1, even ahead of public finances. Jean Coutu, head of a Quebec

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drugstore chain, accused the present political situation for putting “‘the breaks on investments.’”

In contrast to the statement mentioned above, Bouchard admitted that “‘there are foreign investors who are saying: ‘Let’s wait until things are settled in Quebec before going to invest in Montreal.’” In a speech at a follow-up meeting one year after the Quebec economic conference of 1996, Bouchard said that “‘there are more political factors. They certainly exist. However, let’s agree that fundamentally, nothing can or should impede the Quebec democratic process, one of the most admirable in existence.’” This statement probably reaffirmed Ms. Drouin, a journalist with the Financial Post. In a 1996 article she warned about the negative effects political instability had on investment and doubted the frankness of Bouchard’s efforts to attract investment to Quebec. Besides criticising Bouchard’s contradictory statements, she described further deterrents to investment in Quebec, such as its high per-capita debt, stringent labor laws and language legislation, and high income and payroll taxes:

“Premier Bouchard refuses to acknowledge that these competitive forces are exacerbated by the prospects of political uncertainty. He purports to believe that investors discomfort is merely a psychological phenomenon, ignoring the important role that psychology plays in the financial decisions in markets throughout the world.”

An interesting comparison of Bouchard’s position with that of his French homologue explains Bouchard’s difficulties with reducing the deficit and at the same time aiming for separation:

“Both [Bouchard and Chirac] promised fiscal responsibility as well as the preservation of social programs and benefits. In the case of Quebec, the premier has an additional shackle – labour is probably his single most important source of support.”

The concluding paragraph of the article in one of the most important U.S. dailies shows investment opportunities in Quebec in a bad, if not even in the wrong, light:

“Are investors fears merely psychological? High debt, high spending, high taxes, high unemployment seem quite fundamental, especially when placed in the context of all the special interests shaping the pace and nature of the reform process. Add to
this the possibility of protracted debates and negotiations to achieve political independence and the premier might finally understand why investors are not queuing to enter his promised land.\textsuperscript{222}

It is evident that articles of this style hurt Quebec’s image abroad and increase worries about political instability among international investors. Statements like that by Quebec Finance minister Bernard Landry, who said that the separatists intended to settle the instability by making Quebec a sovereign country, do not help to calm down international investors, either.\textsuperscript{223}

Canadian Prime minister Jean Chrétien tried to allay concerns about political instability at a meeting with Wall Street brokers but admitted that it would ‘always be a problem’, when asked about Quebec during the question period.\textsuperscript{224} No wonder an important Japanese businessman “acknowledged that some Japanese are ‘hesitant a little bit’ to invest [sic] in Quebec, [even if] political problems are not unique to Canada and they don’t mean business can’t be done.”\textsuperscript{225}

Jay Myers, the economist of the Alliance Quebec, commented that during his meetings with investors in Europe questions about separatism were very frequent. Concerned about statements made by Canadian politicians abroad, notably from the Parti Québécois, he said that “it’s hard enough to compete in global markets and attract investment to Canada without the added impediment of always having to deal with questions about political uncertainty.”\textsuperscript{226}

The quotations paint a picture of the on-going discussion. As evident, the comments differ greatly depending on the political opinion. I have shown above that a negative impact cannot be proven on a macro-economic level. The only development that could be linked with the referendum in 1995, is the decline of investment in non-residential construction. This would also be in line with some of the statements quoted above, that claimed that the referendum deterred investment. In conclusion, I would like to point out, that this analysis does not prove that there is no political instability due to separatism; it just shows that its effects are not strong enough to be provable.

\textsuperscript{222} Drouin 1996, 15.
\textsuperscript{223} Crane 1998, E10.
\textsuperscript{224} Siklos 1998, 4.
\textsuperscript{225} Canada ripe for investors 1996, A51.
\textsuperscript{226} Bryan 1997, C1.
3.4 Consumption

Consumption is closely linked to investment, at least from a macroeconomic point of view. It also depends on income – or more accurately – on disposable income. If Quebeckers were worse off economically due to the threat of separation, they would consume less because they would have a lower disposable income. Of course this assumption only holds if the marginal propensity to consume and autonomous consumption were identical all across Canada. This assumption is taken for granted for the following analysis. Since consumption per se is hard to measure, the following paragraphs will deal with consumer sales. Moreover, the development of car sales will be examined. The purchase of a new car can be interpreted as investment or as consumption. For our purposes this differentiation is negligible.

Graph 26: Consumer Sales per Capita

Graph 26 shows annual consumer sales per capita in Quebec and Canada from 1961 to 1998. It is evident that Quebec’s consumer sales developed similarly to the Canadian average. Consumer sales increased slightly in '60s, they almost quadrupled between 1970 and 1990, reaching C$ 7,000 per capita. Due to the recession in the early '90s consumer sales per capita decreased by about 10%. Since 1992 they have grown to reach C$ 7,762 per capita in 1998. The only visible deviation from this country-wide development is notable in Quebec in 1995.
That year consumer sales per capita decreased in Quebec while increasing in the rest of the country. This is better visible in Graph 27, which illustrates the annual growth rate of consumer sales per capita. In this graph a considerable slowing down of the growth rate during the recession of 1980-82 is visible. On average consumer sales grew at 6.12% in Quebec, at 5.52% in Ontario and at 5.92% in Canada per annum, between 1961 and 1998.

Graph 27: Annual Change in Consumer Sales per Capita

Graph 28 shows the difference of consumer sales per capita between Quebec and the Canadian average. The average Quebecker has almost always consumed less than the average Canadian. The difference increased slowly, from C$100 per annum in 1961 to C$150 in 1978. Interestingly, this trend came to an abrupt end in 1979, the year of the second oil price shock. That year the difference was back down to C$100. As already shown in previous chapters, Quebec was particularly hard hit by the recession of the early '80s. In 1981 and 1982 annual consumer sales per capita were more than C$ 280 less in Quebec than in Canada. This differential vanished rapidly and between 1986 and 1988 Quebeckers were buying more consumer goods than the average Canadian. This period of high consumer sales coincides with a very positive political and economic climate. According to Graph 1, more than 80% of business people considered the climate to be very good or good between 1986 and 1989. After 1988, consumer sales in Quebec diminished. The differential grew particularly strongly in

227 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
228 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
1989 and in 1995. Both years were crucial to Quebec’s political development. In 1989 the Quebec Liberals won the provincial elections. In 1995 the referendum on sovereignty was defeated by a minimal margin of less than one percentage point.

Graph 28: Differential of Consumer Sales per Capita

Graph 29 shows the number of new cars sold per 1,000 inhabitants. In this regard Quebec caught up with the rest of Canada. While in the ’60s Quebeckers bought 32% fewer new cars than people in Ontario, this difference decreased to an average of 13% in the 70s. The differential vanished completely in the ’90s after having obtained an average of 5% in the ’80s. A comparison of Quebec and the Canadian average leads to similar results, even if the difference has always been smaller and since 1983 Quebec’s car sales per 1,000 inhabitants have exceeded those of Canada. The differentials in per cent of Quebec’s car sales are illustrated in Graph 30. Coming back to the general question about the impact of separatism, it should be noted that consumer sales in Quebec have developed comparably, if not even better, than the Canadian average since the threat of separatism came into existence. A reason for that might be the social leaning of Quebec due to its French heritage and, more concretely, due to the socialist policies which were instituted by Parti Québécois. The only time-correlation between a decrease in consumer sales and a political event linked to separatism can be discerned in 1995, when the differential in consumer sales per capita between Quebec and Canada increased to more than C$ 400 per person per annum.

229 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
Graph 29: Number of New Cars Sold per 1,000 Inhabitants

Graph 30: Difference in Numbers of New Cars Sold in % of Quebec Sales

230 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
231 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
3.5 Employment

Employment, or better unemployment, is a very delicate topic in Canada, and even more so in Quebec. As visible in Graph 31, unemployment rates are rather high compared to other industrialized nations. Quebec’s unemployment rate has always been higher than the Canadian average. This is often cited as proof of the negative consequences of separatism. But it does not take economic analysis to show that Quebec’s unemployment rate had been higher than the Canadian average long before separatism became prominent. In the following paragraphs the development of the unemployment rates in Quebec, Ontario and Canada as well as possible reasons for their rise will be discussed.

Graph 31: Unemployment Rates

A closer look at Graph 31 permits one to discern fluctuations that correspond with developments of the world economy. Increases in unemployment occur during times of recession because companies lay off workers in response to a declining demand for goods and services. When the economy recovers, firms expand and new companies emerge – employment should grow again. Unemployment that originates from economic cycles is called cyclical unemployment and stands in contrast to structural (or natural) unemployment. According to Milton Friedman, probably the most influential 20th-century economist after
Keynes, the natural rate of unemployment is the long-run equilibrium rate given the structural conditions that prevail in an economy.\textsuperscript{233} It is the rise of structural unemployment that preoccupies Canadians. As evident from Graph 31 the unemployment rate rose greatly in times of recession but failed to decrease by the same amount in times of economic expansion. Today Canada’s natural unemployment rate is at about 9%, while it was at approximately 5% until the mid-’70s.

Graph 32: Unemployment Differentials between Quebec and Ontario, Quebec and Canada\textsuperscript{234}

Quebec’s performance in regard to employment is even worse. As evident in Graph 32, Quebec’s unemployment rate has always been approximately two percentage points above the Canadian average. The differential was somewhat higher between 1977 and 1983. The fact that Quebec was particularly hard hit by the oil price shocks, because it does not have any petrol resources in contrast to the Eastern provinces, is one reason for this development. Additionally, it seems that the unemployment rate of Quebec has been more sensitive to economic cycles. The recession of 1990/91 also led to an increase in the differential of unemployment rates between Quebec and Canada. Between 1995 and 1997 the differentials

\textsuperscript{232} Bureau de la Statistique du Québec 2000 (1).
\textsuperscript{233} The idea of a natural rate of unemployment was proposed by Edmund Phelps and Milton Friedman in two separate papers (Friedman 1968, Phelps 1968).
grew again. This could be linked to the slight decrease in investment caused by the referendum. Cuts in government spending are likely to be another reason for slower employment growth in Quebec.

The central question that remains to be answered is why Quebec’s unemployment rate exceeds the already high Canadian average. It has been shown above that consumer sales are as high in Quebec as in Canada. Thus, lower demand, which would lead to insufficient consumer spending, cannot be the reason for Quebec’s greater unemployment. A decrease in government spending and public sector layoffs are often blamed. Temporarily they might have played a role. According to Marcel Massé, the Federal Minister of Finance, however, public layoffs are not a reason for loss of jobs in Quebec, because in the Ottawa region the unemployment rate decreased from 8.5% to 8.2%, despite the dismissal of 20,000 federal employees.235

Payroll taxes, which increase the cost of labor, are higher in Quebec than in the rest of Canada due to the high employers’ contribution to the health care system. But these taxes only offset the wage advantage that Quebec enjoys in comparison to Ontario. According to De Matteo and Shannon, the rise in payroll taxes, which has occurred since the mid-'70s, has somewhat reduced employment at different times.236 Grubel and Bonnici state, that:

“In the long run ... companies respond to the imposed costs by limiting future pay increases, and thus over time adjust to the new costs. Although payroll taxes may have a short-term negative effect on employment rates, they cannot account for the sustained high rates of unemployment experienced in the last decade.”237

This view is negated by a study of the Bank of Canada, which found that variations in unemployment “can be best explained by two structural factors: the degree of unionization in the labor force and payroll taxes.”238

Since 1967 the unionization rate in Quebec has been higher than the Canadian average. While unionization in Quebec increased considerably from 28.8% of the paid workforce in 1966 to 37.3% in 1974, the average unionization rate throughout Canada grew at a slower
pace, from 30.8% in 1966 to 32.6% in 1974. As of 1975 the Canadian unionization rate fluctuated downward to reach 30.2% in 1983. Quebec's unionization rate increased by 1.3 percentage points between 1975 and 1982. Due to the introduction of a new reporting basis in accordance with the Corporations and Labour Unions Returns Act (CALURA), post-1983 data is not comparable to earlier data. Between 1983 and 1995 the unionization rate in Quebec and the average rate in Canada stagnated, at approximately 32% and 38%, respectively. As shown in Table 6, Quebec has the second highest unionization rate of all of the Canadian provinces.

Table 6: Unionization Rates by Province and Industry, 1995

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<td>Forestry</td>
<td>37.4</td>
<td>36.5</td>
<td>19.9</td>
<td>0.4</td>
<td>20.7</td>
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<tr>
<td>Mines, quarries and oil wells</td>
<td>23.5</td>
<td>42.6</td>
<td>20.6</td>
<td>5.6</td>
<td>21.5</td>
<td>18.6</td>
<td>21.7</td>
<td>47.8</td>
<td>36.6</td>
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<td>Manufacturing</td>
<td>30.4</td>
<td>29.6</td>
<td>30.2</td>
<td>29.2</td>
<td>17.8</td>
<td>19.0</td>
<td>29.2</td>
<td>37.6</td>
<td>36.3</td>
<td>10.6</td>
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<td>Construction</td>
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<td>38.4</td>
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<td>26.4</td>
<td>49.7</td>
<td>54.5</td>
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<td>47.4</td>
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<tr>
<td>Transport., Comm., utilities</td>
<td>52.2</td>
<td>54.4</td>
<td>49.1</td>
<td>63.4</td>
<td>36.8</td>
<td>59.7</td>
<td>62.4</td>
<td>68.4</td>
<td>41.8</td>
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<td>45.9</td>
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<td>12.5</td>
<td>10.9</td>
<td>11.3</td>
<td>10.6</td>
<td>12.1</td>
<td>6.9</td>
<td>9.9</td>
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<td>1.7</td>
<td>2.5</td>
<td>4.1</td>
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</tr>
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<td>4.1</td>
<td>2.9</td>
<td>1.9</td>
<td>17.1</td>
<td>0.7</td>
<td>0.2</td>
<td>0.3</td>
<td>4.4</td>
<td></td>
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<td>Services (health, education)</td>
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<td>28.6</td>
<td>35.8</td>
<td>24.2</td>
<td>36.9</td>
<td>34.2</td>
<td>31.0</td>
<td>29.0</td>
<td>33.7</td>
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<td>Government services</td>
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<td>80.4</td>
<td>76.9</td>
<td>72.0</td>
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<td>69.6</td>
<td>81.2</td>
<td>80.1</td>
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</table>

The difference between the unionization rates of Quebec and Ontario is particularly marked in the tertiary sector, especially in Services and Finance. Since the service sector produces the majority of all new jobs today, this difference in unionization rates might be a reason for investors to prefer opening their business outside of Quebec.

In the United States, where the unemployment rate is approximately 5%, unionization is considerably lower than in Canada. According to data published in *The Economist* in July 1997, the unionization rate in the U.S. was approximately 18% in 1994. The relation between unionization and profitability and, consequently, job creation has been studied by many economists. Richard Long found in a study of Canadian firms that unions suppress

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241 Langlois 1990, 343.
243 Statistics Canada 1999, Tables 5C (16) and 6C (19).
244 Statistics Canada 1999, 10.
job growth.\textsuperscript{246} It is likely that the lower unionization in the U.S., which is one reason for the country’s more flexible labor market, helps to keep unemployment rates lower in the U.S. than they are in Canada. The differences in unionization among Canadian provinces also helps to explain the differential in unemployment.

According to a study by the Canadian Labour Congress, the level of wages and salary growth rates is closely linked to the rate of unionization.\textsuperscript{248} Excessive salary growth has a negative impact on job creation. Graph 33 shows the salary growth rates for Quebec, Ontario and Canada for 1984-1998. Hourly wages have grown faster in Ontario than in Quebec. The difference is particularly marked in the '80s when the unemployment rate was much lower in Ontario than in Quebec. This leads to the conclusion that the relation between salary growth and unemployment is not a direct one-way relation, but a two-way, indirect one. In times of economic expansion, unemployment decreases and due to shortages on the labor market and growing profits, salaries grow faster. Strong unionization and strict labor laws could lead to an over-proportional rise of salaries at the expense of additional employment, because companies hesitate to employ additional people due to the difficulties they would encounter once the economy stagnates. Summarizing it can be said that labor market rigidities, which

\textsuperscript{246} Long 1993.
\textsuperscript{247} Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
are caused by employment standard regulations, welfare benefits and strict labor laws promoted by unions are to a certain extent responsible for the higher unemployment rate in Canada compared to the U.S. They could also account for part of the difference between the unemployment rate in Quebec and the unemployment rate in Canada.

A factor that might be responsible for Quebec’s poor performance in regard to employment is economic structure. According to a 1996 study prepared by the Quebec Ministry of Finance, labor-intensive manufacturing, for example leather and textiles or clothing and furniture, has been much more important in Quebec than in other provinces.\textsuperscript{249} It accounted for 38% of Quebec’s manufacturing jobs in 1970 as compared with 21% of Ontario’s. Even if labor-intensive manufacturing has lost in importance since 1970 – it now supplies 30% of all manufacturing jobs in Quebec – this percentage is still high in comparison to Ontario’s 19%. Nevertheless, Quebec is catching up in the research-intensive sector. The percentage of manufacturing jobs in this sector has reached 9.8%, close to Ontario’s 10.5%. According to a 1995 study by Price Waterhouse, Montreal has more jobs in advanced technology sectors per inhabitant than any other big city in North America.\textsuperscript{250} Quebec’s economic structure can be held responsible for its higher unemployment rate to a limited extent only. It played a role until 1985, but since then Quebec’s economic structure has been very much like the general Canadian one. Despite this increasing similarity the differential in unemployment rates has sustained.

The main difference between Quebec and the rest of Canada – the language – could be a reason for Quebec’s higher unemployment. Francophones are less mobile because they are restricted to jobs that require French speakers. Such jobs are rare outside of Quebec. Consequently, the majority of Quebeckers are bound to find a job in their province, while anglophones can work all across Canada, except for French Quebec. Pierre Fortin, one of the best-known Quebec economists, believes that the high Canadian unemployment rate stems from the Bank of Canada’s anti-inflationary policy. In a study he examined other often cited reasons for Canada’s high unemployment rate, namely the Free Trade Agreement, technological changes, political uncertainty, social programs, high payroll taxes and minimum wages. But according to Fortin none of these factors can explain the increasing

\textsuperscript{248} Canadian Labour Congress 1998.
\textsuperscript{249} Politics not the only factor in Quebec’s economics 1996, 25.
\textsuperscript{250} Politics not the only factor in Quebec’s economics 1996, 25.
unemployment rate differential between Canada and the U.S.\textsuperscript{251} Jean-Claude Scraire, president of the Caisse de dépôt et placement du Québec, blames the high federal and provincial deficits for Canada’s high unemployment.\textsuperscript{252}

I believe it is clear that there is no single factor responsible for the high unemployment rates in Canada and Quebec. It has been shown that Quebec’s unemployment rate has been higher than the Canadian average for a long time and consequently separatism cannot be the reason for this differential. Graph 34 depicts employment growth rates in Quebec, Ontario and Canada. Before the election of the Parti Québécois in 1976, the Quebec’s employment growth rate was lower than that of Ontario and the Canadian average every single year except for in 1973. In the period of 1967 to 1976 employment grew at an average of 2.34\% per annum in Quebec, 3.27\% in Ontario and 3.05\% in Canada. To put it differently, employment grew 40\% slower in Quebec than in Ontario. The differential between Quebec and Ontario got even worse due to Ontario’s good job creation record of the 80s. After the recession of 1982, Quebec’s employment growth developed comparably to the Canadian average. Since 1994 job growth has been slowing down in Quebec and to a smaller extent also in Canada. Quebec’s employment figures were particularly worrying in 1996. In the year after the

\textsuperscript{251} Picher 1996, E3.
\textsuperscript{252} Hétu 1996, D4.
referendum only Atlantic Canada, which is known for its poor job creation record, did worse than Quebec. An article published in the Financial Post in December 1996 blames separatism and slow deregulation for the surge in Quebec’s unemployment during the twelve months following the referendum:

“Outside Quebec employment grew by 3%; inside Quebec only by 1%. Outside the province unemployment grew by 7.3%; inside, by 11.3%. Putting it ... another way: with 24% of the country’s labour force, Quebec had only 12.4% of its new jobs in the last 12 months, 38.6% of its new unemployment. By contrast, Ontario, with 39% of the country’s workforce, had 43.2% of its new jobs and only 34.5 % of its new unemployed. That’s right, the ranks of Ontario’s unemployed grew by only 41,000, compared to Quebec’s 46,000, even though Ontario’s labour force is two-thirds again the size of Quebec’s.”

These numbers paint a picture of the disastrous employment situation of Quebec in 1996. This was, however, the worst year of the decade not taking into account the recession years of 1991/92, as shown in Graph 35.

Graph 35: Net Job Creation per Employed People

253 Calculations by the author based on Bureau de la Statistique du Québec 2000 (1).
254 Fitting a theory to Quebec’s poor employment figures 1996, 15.
Compared to the Canadian average, Quebec’s job creation record is anything but splendid. Quebec’s job creation rate, which is the percentage of new jobs / total employment, only once surpassed the Canadian average in the ’90s. In Ontario net employment creation in terms of total employment increased from 1.5% in 1995 to 3.5% in 1998. Quebec has also experienced faster employment growth since 1996, with 47,700 new jobs in 1997 and 67,200 more in 1998, but it still lags far behind Ontario. It is likely that the extremely low rate of new jobs created in 1996 is linked to the low investment level shortly before and after the referendum of October 1995.

In the following paragraphs other salient trends that contributed to the development of the employment situation in Quebec will be discussed. These are changes in the participation rate, the duration of unemployment and the number of discouraged workers, the trend towards part time work and the growing participation of women in the workforce. Most of these developments parallel the evolution of the job markets in other industrialized countries. Comparisons to the rest of Canada as well as other G7 nations will be drawn whenever of particular interest.

Chart 2 illustrates the classification of the population according to their activity as used by Statistics Canada. So far, the unemployment rate, which uses the working population as its reference set, has been discussed. The relative size of this basis, the participation rate, varies considerably among Canadian provinces as shown in Graph 36. With a participation rate of 62.2% in 1998, Quebec ranks seventh among all Canadian provinces, far behind the Western provinces, including Ontario. It is evident from Graph 36 that the recessions of 1981-2 and 1990-1 made Quebec’s participation rate decrease drastically. Compared to the Canadian average this effect was particularly strong in Quebec in 1982. The participation rate surged again after the recession of ’81/’82 which was however not the case in the early ‘90s. What are the reason for these developments?
The most important factor that lead to a growing working population in nearly all industrialized economies in the '70s and '80s is the increasing participation of women in the workforce. Graph 37 illustrates this development. Until the '70s the pattern of participation of women in the workforce differed strongly from participation of men. The figures of 1951 and 1961 indicate that only 40%-50% of women worked between the ages of 15-24. Female participation fell drastically for all age groups over 24 years, because the majority of working women left their jobs once having had children. This bend in the participation rate of women persisted until 1986. Since then the pattern of women’s participation in the workforce has become similar to that of men, even if at a somewhat lower level.

Adopted from Norbert 1996, 92 and www.statcan.ca/english/Pgdb/People/Labour/labor07b.htm
The development of male participation rate has been foremost impacted by the increasing level of education of the workforce, higher life expectancy and a reduced

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retirement age. The development of participation rates of men by age group is shown in
Graph 38. In 1951 as well as in 1996 the male participation rate reached its highest level for
the age groups between 25 and 55. But this peak in participation diminished over time. While
in 1951 participation exceeded 95% in five age groups, participation rates of only three age
groups exceeded 90% in 1996. The most important difference between the participation
pattern of 1951 and that of 1996 is the participation rate of men who are older than 54. Since
1986 the retirement bend has been located at the age group 50-54. Until 1976 male
participation experienced the strongest decrease for the age group 60-64. The reason for the
change is the lowering of the retirement age from 70 to 65 years and the increasing life
expectancy.\textsuperscript{259} Furthermore, early retirement among elderly people has become more
common, especially in periods of economic stagnation.

Graph 38: Participation Rates of Men by Age Group\textsuperscript{260}

The participation rate of men has also decreased at the other end of the curve. While in
1951 63.8% of all men aged 15-19 and 91.3% of men aged 20-24 were part of the working
population, these rates fell to 43.2% and 78.3% respectively in 1996. The change was
particularly marked in the late ‘50s due to the increasing level of schooling. As evident in the

\textsuperscript{260} Gauthier 1996, Vol. 2, 123.
following table, the employment rate among students is considerably lower than that of ‘non-
students’.

Table 7: Youth Employment Rate according to Full-time Student Status, Quebec 1995

<table>
<thead>
<tr>
<th>Age</th>
<th>Students</th>
<th>Non-students</th>
<th>Total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>29.7%</td>
<td>73.3%</td>
<td>47.9%</td>
</tr>
<tr>
<td>15-19</td>
<td>26.1%</td>
<td>72.5%</td>
<td>34.7%</td>
</tr>
<tr>
<td>20-24</td>
<td>38.9%</td>
<td>73.5%</td>
<td>61.7%</td>
</tr>
</tbody>
</table>

Another phenomenon that impacts the participation rate but not the employment rate is the increasing number of discouraged workers. These workers stopped looking for a job after a long period of unemployment and consequently they no longer count towards the working population. The number of discouraged workers can only be estimated and according to Norbert there were about 17,800 discouraged workers in Quebec in 1995.Despite of Ontario’s working population being two thirds larger than that of Quebec, the number of discouraged workers is lower in Ontario (11,500 in 1995). Among all of the Canadian provinces, Quebec has the highest number of discouraged workers. The inclusion of discouraged workers in the calculation of the unemployment rate, leads to a significant increase thereof, particularly during times of recession. The following table compares the official unemployment rate to the unemployment rate including discouraged workers in Quebec and Canada for 1982 and 1995.

Table 8: Official and Adjusted Unemployment Rates in Quebec and Canada, 1982 and 1995

<table>
<thead>
<tr>
<th></th>
<th>Quebec</th>
<th>Canada</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>official</td>
<td>adjusted</td>
</tr>
<tr>
<td>1982</td>
<td>13.9%</td>
<td>15.4%</td>
</tr>
<tr>
<td>1995</td>
<td>11.3%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

It is evident that the adjustment has a stronger impact on the unemployment rate of Quebec than on that of Canada. This reflects the relative number of discouraged workers. The difference is particularly high in 1982. While in Quebec the inclusion of discouraged workers makes the unemployment rate surge by 1.5 percentage points, the difference between official

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261 Norbert 1996, Table 3.2, 94.
263 Norbert 1996, Table 3.7, 103.
and adjusted unemployment rate is only 0.8 percentage points in Canada. The difference becomes even higher if one adds non-working people, who are waiting for a response from their former and/or prospective employer. In 1982 the unemployment rate including this group of people was at 16.7% in Quebec, 2.8 percentage points higher than the official unemployment rate. In 1995 the difference decreased to one percentage point in Quebec, which is still high compared to the Canadian differential of 0.6 percentage points. The next factor to be discussed, namely the increasing duration of unemployment, is one cause for the growing number of discouraged workers.

Graph 39: Average Duration of Unemployment in Weeks (change of calculation method in 1997) and Long-term Unemployed in Percent of Total Unemployed in Quebec

Since 1976 the average duration of unemployment has nearly doubled in Quebec as well as in Canada as a whole. It is salient in Graph 39 that the duration of unemployment and the percentage of long-term unemployed grew strongly during the recession at the wake of the '80s. The percentage of long-term unemployed decreased after the recession, but even then more than 10% of all unemployed were out of work for more than a year while the pre-recession level had been approximately 5%. A similar development took place in the '90s. The rate of long-term unemployed doubled from 10% to 20% between 1991 and 1994. Since then the rate has only decreased by approximately one percentage point.
As evident from the table below the average duration and the percentage of unemployed people who are out of work for more than one year is much higher in Quebec than in Ontario. Interestingly, the age structure of long-term unemployed differs between Quebec and Ontario. The average duration of unemployment for people older than 55 years is 2.8 weeks higher in Ontario (43.8 weeks) than in Quebec (41 weeks), while for the age group 25 – 54 the opposite is true. On average Quebeckers aged 25 – 54 are unemployed for 36 weeks, while people from Ontario only take 26.2 weeks to get a job.

Table 9: Unemployment and its Duration in Quebec, Canada, and Ontario for 1976 and 1998

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average duration (weeks)</td>
<td>16.3</td>
<td>30.9</td>
<td>13.9</td>
<td>24.1</td>
<td>12.7</td>
<td>23.3</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>8.7%</td>
<td>10.4%</td>
<td>7.2%</td>
<td>8.3%</td>
<td>6.2%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Long-term unemployed</td>
<td>5.2%</td>
<td>18.7%</td>
<td>3.9%</td>
<td>13.4%</td>
<td>3.2%</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

Many unemployed re-integrate into the workforce by accepting a part-time job, even if they would prefer working full-time. According to the Bureau de la statistique du Québec, 37.7% of part-time workers did not choose to work part-time in 1995 compared to only 14.3% involuntary part-timers in 1976. The proportion of involuntary part-time workers was above the Canadian average of 31.9% in 1995. In Ontario only 29.8% of part-timers preferred to work full-time in 1995 and in the U.S. this was the case for only 13.6% of part-timers (1993 figures). In 1998 17.5% of all Quebec workers were employed part-time, compared to 9% in 1976. The reasons for this augmentation is the increasing weight of the tertiary sector, where part-time jobs are common, as is the participation of people in the workforce who prefer working part-time, like students and women with children.

Graph 40: Development of Part-time Employment among Women by Age Group

Graph 41: Development of Part-time Employment among Men by Age Group

The majority of part-time workers were female, namely 68.3% in 1998. This percentage has not changed since 1976, when 68.5% of part-timers were women. As evident from Graph 40 and Graph 41, part-time employment has become very common, particularly among students. 63% of working men and 73% of employed women aged 15 – 19 years worked part-time in 1998. This percentage has more than doubled for men and women since 1976. The relative growth of part-time work is even stronger among the age group 19 – 24. In 1998 a quarter of male workers from this age group were employed on a part-time basis compared to only 5.7% in 1976. For young women this rate quadrupled from 9.8% in 1976 to 39.7% in 1998. This surge in part-time work is linked, on the one hand, to the increasing number of university students and, on the other hand, to the difficult situation of the full-time job market encountered by youths entering the workforce. The developments regarding part-time work are similar in all G7 nations. What has been said about Quebec above, in general also applies to Canada as a whole.
4. Social Consequences

In the previous chapters, the development of economic indicators in connection with the political debate about separation has been analyzed. It has been shown that a direct link between political and long-term economic developments cannot be proven. But short-term effects are evident in the late '70 due to the French language legislation, Bill 101, and in 1995/96 due to the referendum. Additionally, we have seen that Quebec’s decreasing share in the total Canadian population explains some changes in economic indicators. Moreover, the linguistic insularity of Quebec has been mentioned as a possible explanation for the differences between the economies of Quebec and Ontario.

All these issues are linked to the development of Quebec’s society, which is the focus of this part of this work. In the first section demographic developments are addressed. Besides a general discussion of fertility and mortality, the politically very sensitive issue of migration is examined. International and inter-provincial migration is very often linked to political actions. In this context we will come back to the original question about the possible consequences of separatism. An additional issue that is, on the one hand, impacted by migration but, on the other hand, a reason for migration, is language. The second section of this part about Quebec’s society deals with the demo-linguistic developments and the reasons for and consequences of language policies. Those policies that are often wrongly equated with the Parti Québécois and separatism will be examined for their effects on the economy. It will be shown that linguistic aspects and language policies have a stronger impact on Quebec’s socio-economic development than the uncertainty caused by separatist tendencies.

4.1. Demography

As a first step the demographic evolution of Quebec should be discussed in a Canadian context. A big picture of Canada’s demographic development will be given because population growth patterns normally extend over regions and population statistics gain in meaning by comparison.
Since 1921, the year of the first Canadian census, Canada’s population has more than tripled, surpassing the 30 million mark in 1997. Graph 42 shows the Canadian population growth in absolute numbers by province. Despite changes in fertility and mortality, the population growth has continued until today, even if it has slowed down since the mid-20th century. The main reason for this continuity is high international immigration to Canada. The different regions, however, have grown at very different paces. As evident from Graph 43, the populations of the Western provinces Alberta and British Columbia have increased much faster than the total population in Canada. The two central provinces of Quebec and Ontario, which make up for more than 60% of the total population in Canada, have grown at a pace very close to the Canadian average. The populations of Manitoba and Saskatchewan have augmented only slowly, but still faster than that of the Eastern provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick. The territories, Yukon, Nunavut and the Northwest Territory, which only make up for less than half a percent of the total Canadian population, have not been included in Graph 43.

Obviously, the differences in growth patterns between different regions lead to a change in the relative demographic weight of the provinces. Graph 44 shows the development of the percentage population shares of the different provinces. It is evident that Ontario is home to an increasing percentage of Canadians. While until 1950 one out of three Canadians lived in Ontario, the province is now home for 37.3% of Canadians. Quebec ranks second in population share with little less than a quarter of the Canadian population. Quebec’s population share has, however, decreased from 29% in 1950 to 25% today. With quinquennial growth rates above 10%, British Columbia has profited the most from the Westward shift of the population. Its population more than doubled from below 6% in 1921 to 13% in 1996. Alberta’s share in the total Canadian population increased as well, but population growth there slowed down markedly after 1981. With 9.35% of the total Canadian population, Alberta ranks fourth in relative population share among all Canadian provinces. Manitoba and Saskatchewan, have lost in demographic weight. They make up for 3.9% and 3.4% of the Canadian population, respectively. Saskatchewan is the only province which experienced a decrease in absolute population in three out of the six last censuses. The four Eastern provinces, Newfoundland, Prince Edward Island, Nova Scotia, and New Brunswick, have seen their population share decrease from 11.6% in 1951 to a little above 8% in 1961. With

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Graph 43: Population Growth Rates of the Regions of Canada

Calculations by the author based on Statistics Canada, Censi 1951-1996
3.15% of the total Canadian population, Nova Scotia is the most highly populated maritime province. So, what are the reasons for these changes in regional demographic growth patterns?

**Graph 44: Percentage Distribution of Population by Province**

![Graph 44: Percentage Distribution of Population by Province](image)

**4.1.1 Population Growth Components**

Three factors determine demographic developments, namely fertility, mortality and migration. Firstly, the changing importance of these growth components will be examined on a nation-wide level. Secondly, it will be discussed how these factors developed in the different provinces. This will permit us to explain changes in the growth patterns of the various regions of Canada.

Graph 45 shows population growth in absolute numbers divided according to the source of growth for quinquennial periods of the second half of the 20th century. The dark red areas represent natural population growth, which is the excess of births over deaths. The number of deaths is illustrated by the violet columns. The number of deaths is negative in this graph, because it reduces the natural growth. The number of deaths is, however, relevant because by adding the natural growth and the deaths (the dark red and the violet columns) together one
obtains the number of births. The same logic works for migration. The light blue areas represent net-migration, which is the balance between immigrants and emigrants. If the light yellow area, which shows the number of emigrants, is added to the light blue area, the number of immigrants is obtained. It is evident from this graph that the population increases in absolute numbers became smaller over time. In the 1950s Canada’s population grew by 2 million people in 5 years. Since the mid-60s Canada’s population has grown by only 1.5 million people in five years on average. For the last 30 years the excess of births over deaths has remained relatively stable between 900,000 and 1,000,000 in five years. Net-migration, however, has varied considerably. Between 1986 and 1995 close to 1.2 million people immigrated to Canada, while only 256,000 left the country. Net-migration numbers below 300,000 people in five years have been calculated for the periods of 1961-1966 and 1981-1986.

Graph 45: Population and Growth Components

As evident in Graph 46 the relative importance of immigration as a source of population growth has increased. While in the second half of the 19th century immigration only contributed to Canada’s population growth in one single decade, the contrary was true for the 20th century: only between 1931 and 1941 was net-migration negative. The international

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273 Calculations by the author based on Statistics Canada, Censi 1921-1996.
migration flows are linked to economic and political developments. The low levels of international immigration in the 1930s and the early 1980s are a consequence of the two world economic recessions. The majority of immigrants who came to Canada between 1851 and 1961 were Irish fleeing the ‘great hunger’. Between 1847 and 1854 more than 1 million Irish immigrated to Canada. The high level of immigration between 1986 and 1991 is due to the break down of the Eastern Block, on the one hand, and the amelioration of the world economic situation, on the other hand. Of course, it is Canada and the provinces that decide on the quota of immigrants allowed into the country. The importance of immigration politics, particularly in Quebec, will be discussed.

Graph 46: Percentage Weight of Growth Components

Graph 47 is conceptualized in the same way as Graph 45, but it shows the percentages of the different growth components set in relation to the total population at the beginning of each five-year period. It is evident that relative population growth slowed down considerably in the second half of the 20th century. The quinquennial population growth rates of the ’50s of 13% and 15% respectively, were twice as high as those recorded in the last quarter of the 20th century. In particular the natural growth of the population decreased. It diminished from

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274 Calculations by the author based on http://www.statcan.ca/english/Pgdb/People/Population/demo03.htm 2000.

above 10% in the 1950s to below 4% in the 80s and 90s. Since the percentage of deaths decreased slowly, the drop in birth rates is even stronger than that in the natural growth rate. Interestingly, the death rate has increased since 1986. This trend will probably persist because increasing life expectancy due to medical progress can no longer make up for growing death rates due to the increasing average age of the population. It is obvious that in the years to come population growth will depend more and more on immigration, because a reversal of the development of the natural growth rate is not likely.

4.1.2 Natural Growth

In the previous paragraphs the development of population growth and of its components has been examined on a nationwide level. Differences and changes in regional growth patterns have already been noted. They can be explained by variations of demographic factors and their relative importance over time as well as by persisting differences in migratory behavior and natural growth between the provinces. Even if fertility rates and mortality rates are similar all across Canada, the natural growth rates differ among provinces as visible in

276 Calculations by the author based on http://www.statcan.ca/english/Pgdb/People/Population/demo03.htm 2000.
277 Calculations by the author based on http://www.statcan.ca/english/Pgdb/People/Population/demo03.htm 2000.
Graph 48, which summarizes the quinquennial natural growth rates of the Canadian provinces for several periods of time. While the population of Newfoundland grew faster than any other province in the period from 1966 to 1971, it is today the province with the lowest natural growth rate. This is due to Newfoundland’s very low average birth rate of 10 births per 1,000 inhabitants per annum between 1994 and 1999. The comparable number for Alberta, the fastest growing province not taking into account the territories, is 13.5 births per 1,000 inhabitants. This high birth rate is, however, not the only reason for Alberta’s fast natural growth. Alberta’s average death rate of 5.8 per 1,000 inhabitants per annum between 1994 and 1999 is considerably lower than that of Nova Scotia of 8.6, the highest among all provinces.

The main reason for the variation in birth and death rates is the difference in the age structure of the population of different provinces. As evident from Graph 49, Alberta has the youngest population of all of the Canadian provinces, excluding the territories. Obviously, the younger the population the higher the natural growth rate, because fewer people die and more people are of child-bearing age. The provinces with the oldest population are British Columbia, Quebec and Nova Scotia.

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278 Calculations by the author based on Statistics Canada, Censi 1951-1996.
4.1.3 Migration

It has already been discussed that immigration has gained in importance as a factor of population growth. Graph 50 shows the number of immigrants by time of immigration. It is evident from this diagram that the absolute number of immigrants has increased considerably over time. Please note that in the five-year period between 1991 and 1996 nearly as many persons immigrated to Canada as in the decade before. The immigrants in the three decades and in the one five-year period made up for approximately 4% of the total population at the end of each period.

The next graph (51) illustrates the composition of the entire immigrant population of Canada in 1996. Nearly half of all of the immigrants are from Europe. The United Kingdom is the place of birth of 13% of all of the immigrants. 14% are from Southern Europe, the majority from Italy, Greece and the Iberian Peninsula. Nearly a third are of Asian origin. The U.S., Central and South America, Africa, and the Caribbean and Bermuda are each the places of birth of approximately 5% of immigrants.

\[\text{Statistics Canada, Census 1996.}\]
Graph 50: Total Number of Immigrants according to Time of Immigration

Graph 51: Immigrant Population of Canada by Place of Birth, 1996

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As evident from Graph 52, people from different regions immigrated during different periods of time. Before 1961 90% of all immigrants came from Europe. The share of Europeans has diminished continuously and today makes up for less than 20% of all immigrants. In the last census period from 1991 to 1996, 500,000 Asians immigrated to Canada constituting (making up for) approximately half of all immigrants. The absolute number and the relative share of immigrants from the Americas also increased until 1980, but have fallen again since then. Despite historical links to the two former colonial powers in Canada, the number of immigrants from Africa is low. Even if their share in total immigrants has grown since 1960, they only made up for approximately 5% of all immigrants who arrived between 1991 and 1996. Graph 53 is based on the same data but shows the relative distribution of immigrants from each region according to the time of arrival. While nearly two thirds of all Euro-Canadians immigrated before 1970, 70% of Asians and 60% of Africans living in Canada in 1996 immigrated in the 15 years prior to the 1996 census. About half of all immigrants from the Americas including the Caribbean and Bermuda came to Canada after 1980. Up to now it has been explained where Canadian immigrants come from and when they migrated to Canada. The question where exactly they go to will be discussed in the following section.

Graph 52: Immigrants by Region of Origin and Time of Immigration

Graph 53: Immigrants by Time of Immigration and Region of Origin in Percent

Graph 54 shows the distribution of immigrants within the various regions of Canada. Ontario having a total population of 10,753,575 is home to more than half of all Canadian immigrants, namely 2,724,485. The second largest immigrant region is the West. More than 1.3 million immigrants live in Alberta and British Columbia. The two Western provinces have a total population of 6,422,000 persons. Out of the 2.1 million people living in the Prairies, consisting of Manitoba and Saskatchewan, only 188,000 are immigrants. The relation between immigrant and ‘native’ population is even higher in the Eastern provinces of Newfoundland, Nova Scotia, Prince Edward Island, and New Brunswick. 79,000 immigrants compare to a total population of 2,333,770.

Graph 54: Distribution of Immigrants among Canadian Regions, 1996

Graph 55: Regional Population and Immigration Share Percentages of Canadian Total, 1996


The uneven distribution of immigrants among provinces leads to considerable differences in the immigrant shares, as evident in Graph 56. In Ontario and in British Columbia one out of four inhabitants was born outside of Canada. The immigrant share in all other provinces is below the Canadian average of 16.75%. In Alberta one out of 6 persons is an immigrant, in Manitoba one out of 8. Quebec has an immigrant share of only 9.3%. Just the Maritime provinces, Saskatchewan and the Northwest Territory have a lower immigrant share. The reasons for Quebec’s low immigrant share will be one of the issues addressed in the following section.

Graph 56: Immigrants in Percent of Total Population, 1996

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4.2 The Demolinguistic Development of Quebec

Demography has a very important influence on the linguistic composition of Quebec. Firstly the natural growth rate differs among the language groups and secondly immigrants change the percentage weight of the various language groups by assimilating into one of them. In the following paragraphs the demographic development of the three linguistic groups in Quebec, namely francophones, anglophones, and allophones, will be examined. In this context the natural growth rate of each group as well as migratory behavior and linguistic mobility are relevant. This analysis will serve as a base for the examination of Quebec’s language policies, which follows in the last section. The first two graphs of this section paint a general picture of Quebec’s demographic development, set in comparison to that of Ontario. This overview should permit the reader to contextualize the explanations about the linguistic composition of Quebec’s population that follow.

Graph 57: Population of Ontario and Quebec

As evident from Graph 57, which shows the population development in Quebec and in Ontario, the province of Ontario has grown faster than neighboring Quebec. In 1996 Ontario’s population was – with 10.6 million – more than 50% higher than Quebec’s population of 7.1
million people. Forty years ago, in 1956, this difference was only 17%. While Ontario’s population doubled between 1956 to 1996, Quebec’s population increased by only 50%. It should be pointed out that this growth rate is still extremely high compared to Europe and is approximately in line with that of the Northeast of the United States. New England, for example, grew by 42% between 1950 and 1990.288

Graph 58: Quinquennial Population Growth Rates289

Graph 58 depicts the quinquennial population growth rates for Quebec and Ontario. Since there is no census data available for the years 1926, 1936, and 1946 these numbers have been estimated in order to maintain a uniform scale. In the first half of the 20th century Quebec’s population growth was above the Canadian average and Ontario’s growth rate. This period, often called the revanche des berceaux (the revenge of the cradle), came to an end after World War II. After 1945 population growth increased all across Canada. The main reasons were the economic upswing that lead to higher birth rates and earlier marriages as well as a decrease in infant mortality due to the introduction of pasteurization and an extended life expectancy.290 The significance of international immigration as a component of population growth augmented drastically after World War II. It has already been discussed in

289 Statistics Canada Censi 1921-1996; Note: The numbers for 1926, 1936 and 1946 have been estimated.
290 Dickinson and Young 1993, 263.
the previous chapter that differences in migration patterns are one reason for the differences in quinquennial population growth rates between Ontario and Quebec. It will be shown later that not only international but also interprovincial migration played an important role in the demographic development of the province of Quebec. In the following paragraphs the demolinguistic composition of Quebec’s population is discussed.

Graph 59: Population of Quebec by Mother Tongue

Graph 59 shows the division of the Quebec population according to its mother tongues. The percentage of francophones was relatively stable. It only varied between 80.7% and 82.8% of the Quebec population. The percentage of anglophones decreased at an average rate of 2.4% per decade between 1941 and 1971, from 14.1% to 13.1% of Quebec’s population. The share of anglophones dropped by 30% during the twenty years prior to the last census, reaching its lowest level ever, 8.8% of the Quebec population, in 1996. The share of allophones outgrew that of anglophones for the first time at the 1996 census. With an average growth rate of 15% per decade, the percentage of people having neither English nor French as their mother tongue increased from 3.7% in 1951 to 9.7% in 1996.

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4.2.1 Natural Growth

The reasons for the increasing importance of the allophone population are international immigration and a faster natural growth rate of allophones compared to anglophones and francophones. As already mentioned above, natural growth depends on fertility, in other words, the number of children per woman, and death rates. Graph 60 shows the development of fertility of women of different language groups. It is evident that after 1965 the fertility index of allophone women exceeded that of francophone and anglophone women. Until 1981 francophone women had more children than anglophone women. This is one reason for the decreasing share of anglophones in the Quebec population. Especially before 1970 the low fertility of anglophones played an important role in the demolinguistic development of this group. Since 1986 the fertility of francophones has been below that of anglophones. It has already been discussed that the synthetic fertility index reflects the average number of children a woman of a particular population group has during her life. Consequently, the age structure of the different populations is not taken into account. For this reason, an examination of the actual birth rates is of interest in addition to the comparison of fertility rates.
Graph 61 shows the percentage distribution of births according to the mother’s home language. The mother’s home language is used here because in almost all cases the mother’s home language will be the child’s mother tongue. It is salient that despite the high fertility of allophone women the percentage of births is below the percentage share of allophones in the total population as shown in Graph 59. The explanation for this seeming inconsistency is the distinction between mother tongue and home language. When comparing the percentage shares of births according to the child’s mother tongue – determined by the mother’s home language – with the percentage shares of language groups according to mother tongue, the mothers’ linguistic transfers are included. In order to eliminate the effects of linguistic transfers the percentage shares of births according to the child’s mother tongue have to be compared to the distribution of the Quebec population according to home language as shown in Graph 62.

It is evident from Graph 61 and 62 that in 1996 the percentage of allophone births (9.1%) was considerably above the share of allophones in the population (6.4%). This was also the case in 1991. Before 1991 the percentage of new born allophones was below the

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293 Calculations by the author based on Duchesne 1998, 206. Note: Cases of unknown home language were apportioned in equal measure to the languages reported. Home language is the language spoken at home.
relative share of allophones in the total population. The number of new born anglophones was always relatively low compared to the population share of anglophones. While 10.8% of the population spoke English at home, only 9.1% of all babies had English as their mother tongue. In 1996 the percentage share of francophone births was for the first time lower than the percentage share of francophones in the total population. However not only birth rates but also death rates determine the natural growth rate. Graph 63 sets the percentage weight of deaths in each language group into relation to the population share of each language group.

Graph 62: Quebec Population by Home Language in Percent

It is salient that the proportion of deaths among allophones is much lower than the population share of allophones. Furthermore, one notices that the percentage of anglophone deaths is considerably higher than the population share of anglophone. While the francophones’ share among deaths and their share in the population were balanced in 1981, deaths of francophones were higher than their population share warranted in 1996. The main reason for the differences in death rates between allophones, on the one hand, and anglophones and francophones, on the other hand, is the different age structure. The allophone population will probably always remain younger than the average population, because in general, people immigrate at an age below 45 and the longer they stay the more

likely they will adopt English or French as new home language. According to Termote, differences in life expectancy also exist as shown in Table 10.

**Graph 63: Deaths / Population Shares according to Home Language**

![Graph showing deaths per population share by home language from 1981 to 1996.](image)

**Table 10: Life Expectancy at Birth according to Home Language, Quebec 1980-1982**

<table>
<thead>
<tr>
<th></th>
<th>French</th>
<th>English</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>77.9</td>
<td>80.3</td>
<td>82.5</td>
</tr>
<tr>
<td>Men</td>
<td>70.0</td>
<td>74.9</td>
<td>77.6</td>
</tr>
</tbody>
</table>

In order to determine the capability of a particular language group to maintain its weight in the total population by natural growth, relative birth rates and relative death rates need to be set into relation. Graph 64 compares the percentage distribution of births among language groups with that of deaths among language groups. If the percentage share of births in total births of a particular language group equals the percentage share of deaths in total deaths of that language group, this language group is able to maintain its relative share in the total population and the birth per death share rate is one or 100%. The most salient trend visible in Graph 64 is the rising birth per death share rate of allophones. While the relation of birth

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295 Calculations by the author based on Censi 1981-1996 and Duchesne 1998, 177. Note: Cases of unknown home language were apportioned in equal measure to the languages reported.
share to death share was approximately 9:10 in 1981 and in 1986 for the allophone population, it increased to 17:10 in 1996. The anglophone population experienced a similar development, even if at a slower pace. In 1981 the death share was 30% higher than the share in births, in 1996 it was 5% lower. Only the birth per death share rate of the francophone population decreased between 1981 and 1996. Until 1991 the birth share exceeded the death share of francophones. In 1996 the death share was approximately 3% higher than the birth share.

*Graph 64: Birth Share / Death Share by Language Group*

It is evident from the graph above that the importance of the French language in Quebec would diminish over time if linguistic transfers and migration did not exist. In general, the expression linguistic transfer refers to the fact that an individual adopts a home language different from his/her mother tongue. This definition will be the basis for the following analysis. There is, however, another form of linguistic discontinuity that leads different conclusions than those drawn above. Namely the case where the mother tongue of the child differs from the mother tongue of the mother. This arises because the mother has gone through a linguistic transfer by adopting a home language other than her mother tongue. Even if the linguistic transfer according to the definition above occurs at the level of the mother,
only the child will count to the mother tongue population of the adopted language. This intergenerational linguistic discontinuity occurs whenever a woman has a child after having gone through a linguistic transfer. This might sound like splitting hairs, but the issue is of importance because intergenerational linguistic discontinuity is the reason for the great differences between the birth share / death share rates and the actual replacement rates, which are calculated by dividing birth shares by population shares according to mother tongue as shown in Graph 65.

The same trends are visible in Graph 65 as in Graph 64, but the changes in replacement rates are not as radical as those of birth share / death share. Despite strong increases of the replacement rates of the allophone population, this language group did not maintain its relative weight in the total population by natural growth in 1996. The anglophone population group had a replacement rate above 100% from 1986 to 1996. This means that the anglophone share in the total population would have risen if there had not been any migration. In 1996 the replacement rate of francophone was below the threshold of 100% for the first time. The main

\[\text{Graph 65: Replacement Rates by Language Group}^{298}\]

\[\begin{array}{cccc}
\text{French} & 100% & 100% & 100% & 100% \\
\text{English} & 80% & 80% & 80% & 80% \\
\text{Other} & 60% & 60% & 60% & 60% \\
\end{array}\]

\[\text{French} \quad \text{English} \quad \text{Other}\]

\[\begin{array}{cccc}
\end{array}\]

\[\text{French} \quad \text{English} \quad \text{Other}\]

297 Calculations by the author based on Duchesne 1998, 177, 206. Note: Cases of unknown home language were apportioned in equal measure to the languages reported.

298 Calculations by the author based on Censi 1981-1996 and Duchesne 1998, 206. Note: Cases of unknown home language were apportioned in equal measure to the languages reported.
reason for this development is the low birth rate of francophones. Additionally, the weight of linguistic transfers to French are still below the percentage share of the French population. This will be discussed in the last paragraphs of this chapter, which deal with linguistic transfers in the narrow sense (not including intergenerational linguistic discontinuity). Now we will have a look at migration and its consequences on the linguistic make-up of Quebec.

4.2.2 Migration

Graph 66: Number of International Immigrants by Region and Time Period

When discussing migration on the provincial level, international and interprovincial migration needs to be examined. Until the mid-'80s, interprovincial migration flows were more important than international ones. In the censi of 1991 and 1996 the number of international immigrants exceeded that of interprovincial migrants. It is evident from Graph 66 that the number of international immigrants increased strongly, not only in Quebec but also in Ontario and the rest of Canada. It should be pointed out here that the numbers in Graph 66 only include international immigrants who still lived in Canada in 1996. Nearly half of all international immigrants who lived in Quebec in 1996 immigrated between 1980 and 1996. The fact that the number of immigrants who arrived in the five-year period between 1991 and

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1996 is nearly as high as that of migrants who arrived during the ten-year period between 1981 and 1990 is due to particularly high immigration rates between 1990 and 1993. While in an ‘average’ year the number of international immigrants is between 25,000 and 30,000, this number nearly doubled between 1991 and 1993 due to an increase of the immigrant quota of Quebec. According to the Canada-Quebec accord of 1990, Quebec should admit approximately 25% of all international immigrants to Canada.\(^{300}\) After the election of the Parti Québécois in 1994, the quota of immigrants admitted to Quebec was reduced considerably. According to provisional data international immigration has remained at the relatively low level of approximately 27,000 people per year since 1994.\(^{301}\) Graph 66 showed that in 1996, 664,495 international immigrants lived in Quebec. Graph 67 illustrates where these immigrants came from.

The place of birth of immigrants is interesting in this context because it permits us to better understand the reasons for the linguistic make-up of the immigrant population in Quebec. As visible in Graph 67, more than 40% of all international immigrants are of European descent. Interestingly, Southern Europe is the most common place of birth of European immigrants, followed by Northern and Western Europe excluding the United

\(^{300}\) Duchesne 1998, 76.
\(^{301}\) http://www.statcan.ca/english/Pgdb/People/Population/demo33b.htm 2000; Duchesne 1998, 228.
Kingdom, which is the place of birth of nearly 80,000 immigrants. This is due to the high number of immigrants from Italy. In 1986 84,300 immigrants of Italian descent and only 35,440 immigrants from France lived in Quebec.\(^{303}\) The second most important region of origin of international immigrants after Europe is Asia, which is the place of birth of a quarter of all international immigrants. Africa and the Caribbean are each the place of birth of about 10% of immigrants. It has been discussed in the previous chapter that since 1970 the number of European immigrants has decreased while that of immigrants from Asia has increased drastically. This is one reason for the growing share of allophone immigrants, as visible in Graph 68.

**Graph 68: Distribution of International Immigrants by Mother Tongue\(^{304}\)**

In the early ‘80s, the percentage of immigrants who had neither English nor French as their mother tongue was approximately 75%. In the ‘90s this percentage increased to 85% on average. The share of immigrants having French as their mother tongue only decreased by two percentage points, from 12% to 10%, between 1980 and 1997. It should, however, be noted that from 1984 to 1993 the percentage share of francophones among international immigrants was well below ten percent. The percentage of anglophone immigrants decreased


\(^{303}\) Langlois 1990, 586.

\(^{304}\) Calculations by the author based on Duchesne 1998, 233.
steadily from 1980 and 1997. While in 1980 10.9% of immigrants had English as their mother tongue, only 3% of immigrants were anglophone in 1997. It is interesting to note that the share of francophone immigrants was smaller when Quebec was ruled by the Liberal Party (1984-93) and it increased whenever the Parti Québécois had come to power.

Graph 69: International Immigrants by Knowledge of French and English

Up to now, the immigrants' mother tongues have been discussed. But linguistic assimilation also depends on knowledge of languages. Graph 69 shows the distribution of international immigrants according to their knowledge of English and/or French. The percentage of immigrants who speak French varied between 30% and 40% from 1980 to 1997. After 1989 it did not fall below 35%. In the ‘90s, the percentage of English-speaking immigrants was approximately equivalent to that of French-speaking immigrants. Up to 1978 the share of English-speaking immigrants was considerably higher. Prior to the passing of Bill 101 in 1977, this percentage exceeded 40% in every single year. The share of immigrants who speak neither French nor English increased from 1970 to 1997 from an average of 30% in the early ‘70s to an average above 40% in the late ‘90s. It is clear that the linguistic integration of this group of immigrants is extremely important.

305 Calculations by the author based on Duchesne 1998, 234.
Before taking a closer look at the linguistic aspect of international immigration, interprovincial migration needs to be examined. Graph 70 shows interprovincial net-migration for Quebec and Ontario. It is evident that Quebec had a negative balance of interprovincial migration during the whole period examined. Ontario’s interprovincial migration was overall balanced for the years from 1971 to 1997. Quebec’s neighbor experienced strong interprovincial immigration between 1981 and 1988 which made up for the negative balances of interprovincial migration in the ‘70s and ‘90s. Emigration from Quebec was particularly strong in the late ‘70s and the early ‘80s. The majority of Quebec emigrants were anglophones who left because of the language legislation of 1977. Many of them followed their jobs to other provinces.

Graph 70: Interprovincial Migration in Quebec and Ontario

According to a study commissioned by the Conseil du Patronat du Québec, 263 companies moved their headquarters out of the Montreal Metropolitan Area while only 21 companies moved their headquarters to Montreal in the years 1977 and 1978. In the three following years, between 1979 and 1981, 629 companies moved their headquarters out of Quebec, while only 238 moved to Quebec. Only in 1984 did net interprovincial migration reach its ‘normal’ level of approximately –10,000 people per year. It is evident from Graph

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307 Conseil du Patronat du Québec 1978, Annex IV B-C.
70, that Quebec’s migratory balance deteriorated again after 1994. According to an article in the Montreal Gazette, the exodus of Quebeckers is not over, it is just less visible:

“unlike the angry exodus of English and other linguistic minorities that followed the 1976 election of Quebec’s first separatist government, this time, they’re sneaky quiet. They’re saying ‘I’ve had it. I’ve given up. I don’t want to make a statement. I just want out.’ ... A quiet drain of brains and money is under way. [There is an] accelerating trickle of talented people and investment leaving Quebec. It’s not a massive outflow yet, but a trickle can be damaging.”

Polls confirmed that within the year following the referendum of 1995, half of all anglophones considered leaving Quebec. The concerns about the loss of human resources were not without reason:

“Quebecers [sic] who leave for another province are generally much better educated than the average Canadian. Almost half of those leaving have some university education, if not a degree, compared with a third of Canadians over-all who move from one province to another in a given year. And those leaving Quebec are less likely to be unemployed at the time of their move than the average Canadian interprovincial migrant, as well as less likely to be unemployed after their move.”

It seems that, while the main reason for leaving Quebec in 1977 was the French language legislation, the threat of separation played a crucial role in the late ‘90s. According to a sampling of 500 anglophones conducted by the public opinion research institute Createc in 1996, “it is political instability that drives these thoughts of moving on.” Nevertheless it needs to be pointed out here that the net interprovincial migration balances of the late ‘90s – with an annual outflow of between 12,000 and 17,000 people – cannot be compared to the migratory balances of more than –25,000 people per annum in the late ‘70s.

A different aspect of migratory behavior is depicted in Graph 71. It is evident from this graph that out-migration is much higher in Ontario than in Quebec, even in times when the migratory balance of Ontario was positive. From Graphs 70 and 71 it can be concluded that the migratory exchanges of Quebec with the rest of Canada are much smaller than those of Ontario. Termote even stated that “Quebec, with its very low level of out-migration, seems to be disconnected from the rest of the country, except for Ontario, the only province with which it has a two-way interaction.” In 1997 only 13% of Canadians who moved from one province to another were from Quebec, while 23% were from Ontario. Only 8% of all

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313 Termote 1987, 50f.
Canadian migrants moved to Quebec, while Ontario was the destination of 24% of all interprovincial migrants. The reasons for Quebec’s low migratory exchanges with the rest of Canada are linguistic and cultural differences. The importance of language as a factor determining migratory behavior is evident from Graph 72.

It is visible in Graph 72 that the majority of interprovincial out-migrants were anglophone. While the annual out-migration rate of francophone Quebeckers was about 1.3% in the period of 1976-1981, the propensity of anglophones was 23 times greater. Between 1966 and 1976 the out-migration rate of anglophones was 13 times higher than that of the francophone population. From 1986 to 1991, the out-migration rate of anglophones was 9.2% (over five years), that of francophones 0.7% and that of allophones 3.4%. The difference in the out-migration rates of francophones and anglophones decreased slightly after 1976, as visible in Graph 73. But between 1991 and 1996 still half of all interprovincial out-migrants were anglophone, only 30% were francophone and approximately 20% allophone.

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316 Termote 1987, 39.
In 1991 309,680 anglophones who had been born in Quebec lived in another province, while only 103,540 anglophone Canadians who had not been born in Quebec lived in Quebec in 1991. The balance of francophone migratory exchanges was also negative, but to a smaller extent only: In 1991 179,505 francophones who had been born in Quebec lived in another province, while 137,160 francophones from other provinces had moved to Quebec. As visible in Graph 72, the francophone population gained not only in relative but also in absolute numbers through interprovincial migration from 1986 to 1996. But as mentioned earlier interprovincial migration is only one of two factors which determine the linguistic impact of migration. In the following paragraphs international and interprovincial migration will be examined for their consequences on the linguistic make-up of the province.

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Graph 73: Interprovincial Out-migration by Mother Tongue in Percent

<table>
<thead>
<tr>
<th>Year</th>
<th>English</th>
<th>French</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-1971</td>
<td>14.400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-1976</td>
<td>46.900</td>
<td>41.300</td>
<td>4.690</td>
</tr>
<tr>
<td>1976-1981</td>
<td>99.100</td>
<td>94.100</td>
<td>6.990</td>
</tr>
<tr>
<td>1981-1986</td>
<td>33.600</td>
<td>49.300</td>
<td>6.990</td>
</tr>
</tbody>
</table>


Graph 74: Total Migration

<table>
<thead>
<tr>
<th>Year</th>
<th>Interprovincial Immigrants</th>
<th>International Immigrants</th>
<th>Interprovincial Emigrants</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-1971</td>
<td>100,000</td>
<td>150,000</td>
<td>-50,000</td>
<td>0</td>
</tr>
<tr>
<td>1971-1976</td>
<td>50,000</td>
<td>100,000</td>
<td>-50,000</td>
<td>0</td>
</tr>
<tr>
<td>1976-1981</td>
<td>100,000</td>
<td>150,000</td>
<td>-50,000</td>
<td>0</td>
</tr>
<tr>
<td>1981-1986</td>
<td>150,000</td>
<td>200,000</td>
<td>-50,000</td>
<td>0</td>
</tr>
<tr>
<td>1986-1991</td>
<td>100,000</td>
<td>150,000</td>
<td>-50,000</td>
<td>0</td>
</tr>
<tr>
<td>1991-1996</td>
<td>150,000</td>
<td>200,000</td>
<td>-50,000</td>
<td>0</td>
</tr>
</tbody>
</table>

Graph 74 shows total migration. One remarks that international emigration is not included in the figures. The reason is the unavailability of data about international emigrants. The number of emigrants can only be estimated based on payments of pensions and child benefits and income tax returns. Furthermore, information about the language or the age of the emigrants is not available due to personal data protection laws. For these reasons international emigrants are not taken into consideration in the following discussion. According to estimates by Statistics Canada, the number of international emigrants from Quebec was between 7,000 and 9,500 annually from 1979 to 1986. Between 1987 and 1997 the number of people who emigrated from Quebec was between 5,000 and 6,750 per annum.322

Graph 75: All Immigrants by Mother Tongue and Time of Immigration323

It is evident from Graph 74 that after a strong decline in the period of 1976 to 1981 total immigration increased because international immigration augmented strongly while interprovincial out-migration diminished and interprovincial immigration remained stable. For the quinquennial period from 1991 to 1996, the total migratory balance was +163,505. Compared to the previous five-year period, when net-migration was at +122,550, this was a plus of 33%. Graph 75 shows the number of all immigrants according to their mother tongue

322 Duchesne 1998, 228.
and the period of immigration. It is salient that almost all immigrants, namely 158,000 who arrived between 1991 and 1996, were allophone. The migratory balance of the anglophone group was negative in every single quinquennial period between 1966 and 1996, due to the high number of interprovincial out-migrants. Francophones only profited from immigration in absolute numbers, but the percentage weight of francophones in the total population was reduced by immigration, due to the over-proportional share of allophone immigrants.

Graph 76: Migration of Francophones

Graphs 76, 77 and 78 show the migration patterns of each of the language groups. Since the mid-'80s the surprisingly high number of francophone out-migrants was made up for by an approximately equal quantity of francophone interprovincial immigrants. Prior to 1981, international immigration of francophones was approximately as important as interprovincial immigration. For this reason the migratory balance of the francophone population group was positive in all periods except for in the time period 1981-1986. A cause of worry for the francophone population group has been the decreasing number of international immigrants who have French as their mother tongue. While the number of francophone international immigrants varied between 30,000 and 40,000 in the five-year periods from 1966 to 1981, it decreased to only little above 10,000 in the two quinquennial periods from 1981 to 1991 and 1991-1996.

was still below 20,000 between the years 1991 and 1996. Obviously, this decrease is even stronger when expressed as a percentage share of all international immigrants than in absolute numbers because the number of international immigrants increased drastically after 1980.

Graph 77: Migration of Anglophones

It has already been mentioned that the reason for the negative migratory balance of the anglophone group was the high number of interprovincial out-migrants. Additionally, Graph 77 shows that after 1981 the number of international immigrants having English as their mother tongue decreased to below 10,000 people over five years. Even if the level of interprovincial immigration of anglophones was higher – with between 25,000 and 30,000 people over five years after 1976 – it did not suffice to balance anglophone migration. The absolute winner in terms of linguistic growth by migration was the allophone population. It is evident from Graph 78 that international immigration was the one and only source of linguistic growth through migration for this group. The number of allophone international immigrants grew by 74% from the period of 1976-1981 to the period of 1981-1986. It nearly doubled from 68,000 in the period of 1981-1986 to 127,400 in the period of 1986-1991. The growth rate for the last period was still at 35%. Interprovincial immigration of allophones was negligible, with less than 7,250 interprovincial immigrants in five years for all periods after 1981.

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examined. The level of allophone interprovincial out-migrants was somewhat higher – reaching a maximum of 21,600 people in the quinquennial period of 1976 to 1981. It needs to be pointed out that a considerable number of international immigrants leave the country as international emigrants soon after their arrival. Since allophones represent the majority of international immigrants, this linguistic group is over-represented among international emigrants (compared to the allophone share in the total population). This can be concluded from the fact that the number of international immigrants admitted was considerably higher than the number of immigrants counted in the censi as shown in Table 11. Deaths and interprovincial out-migration among international immigrants only accounted for a small part of this divergence.

Graph 78: Migration of Allophones\textsuperscript{326}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{migration_graph.png}
\caption{Migration of Allophones}
\end{figure}

Table 11: Presence Rate of International Immigrants by Period of Immigration

<table>
<thead>
<tr>
<th>Period of Immigration</th>
<th>Census data</th>
<th>Admitted Immigrants</th>
<th>Presence Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-1996</td>
<td>150,915</td>
<td>208,682</td>
<td>72.32%</td>
</tr>
<tr>
<td>1986-1990</td>
<td>157,830</td>
<td>235,501</td>
<td>67.02%</td>
</tr>
<tr>
<td>1971-1980</td>
<td>132,370</td>
<td>231,066</td>
<td>57.29%</td>
</tr>
<tr>
<td>1961-1970</td>
<td>109,510</td>
<td>285,422</td>
<td>38.37%</td>
</tr>
</tbody>
</table>

Graph 79 summarizes all the information discussed above and permits one to compare the migratory behavior of the three linguistic groups. It is salient that only after 1980 did allophone immigration exceed that of francophones. This was due to the increasing relative importance of international migration compared to interprovincial immigration which was accentuated in the ‘80s.

Graph 79: International and Interprovincial Migration by Mother Tongue and Time of Migration

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327 Duchesne 1998, 83.
4.2.3 Linguistic Transfers

The third source of growth of language groups, besides natural growth and migration, is growth by linguistic transfers. As already pointed out, a linguistic transfer is defined as the adoption of another language than one's mother tongue as one's home language. It is important to note that the only information available from the censi concerns ‘lifetime’ linguistic transfers. The data neither contains any details about the time when the linguistic transfer was made nor gives information concerning the age at which a linguistic transfer was made. Termote correctly pointed out that information about the time of the linguistic transfer could be useful in the examination of the linguistic behavior of immigrants. The available data does not tell whether the immigrant adopted another home language before or after immigrating. Consequently, the direction of the causal relation between immigration and linguistic transfer cannot be determined.329 Keeping these issues in the back of our minds, we will proceed to the analysis of the development of linguistic transfers over time and comparisons between the different language groups and their linguistic behavior.

Please note that the number of linguistic transfers is very low compared to that of migrants and births/deaths. As visible in Table 12, which shows the number of linguistic transfers made within the quinquennial period of 1981-1986, the number of annual linguistic transfers for all language groups is below 7,000.

Table 12: Number of Estimated Linguistic Transfers made between 1981 and 1986

<table>
<thead>
<tr>
<th>Home Language 1981</th>
<th>French</th>
<th>English</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>French</td>
<td>-</td>
<td>13,442</td>
<td>0</td>
<td>13,442</td>
</tr>
<tr>
<td>English</td>
<td>9,964</td>
<td>-</td>
<td>0</td>
<td>9,964</td>
</tr>
<tr>
<td>Other</td>
<td>3,394</td>
<td>6,889</td>
<td>-</td>
<td>10,283</td>
</tr>
<tr>
<td>Total</td>
<td>13,358</td>
<td>20,331</td>
<td>0</td>
<td>33,689</td>
</tr>
<tr>
<td>Balance</td>
<td>-84</td>
<td>10,367</td>
<td>-10,283</td>
<td>0</td>
</tr>
</tbody>
</table>

It is evident from Table 12 that the decision of allophones of whether to adopt English or French as their new home language is crucial to the balances of linguistic transfers of the French and English language groups. For this reason the following paragraphs focus on linguistic transfers of allophones, in particular of immigrants, who are to a large extent allophone – as we have seen in the preceding paragraphs.

Graph 80 shows the home language of immigrants according to the period of immigration. At first glance it is visible that in all periods a language other than French or English was the most common home language among immigrants. The predominance of other languages was particularly marked among immigrants who had arrived after 1976. This can be explained, on the one hand, by the increasing number of allophone immigrants and on the other hand, by the fact that immigrants are more likely to adopt English or French the longer they have lived in Canada. More than 70% of immigrants who had English as their home language in 1986, had arrived before 1971. French was more common than English as home language among people who immigrated after 1975. This is probably due to the French language legislation, Bill 101, which was passed in 1977. While more than 40% of all immigrants who had French as their home language had arrived after 1971, this was only the case for 28% of immigrants who used English. Despite this trend, having English as one's home language was more common than having French as one's home language among international immigrants. In 1986, 129,990 international immigrants had English as their home language, 116,770 used French and 197,870 spoke a language other than English or French at home.331

Graph 80: Home Language of International Immigrants by to Period of Immigration332

![Graph showing distribution of home languages among immigrants by period of immigration.](image)

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331 Conseil de la langue française 1992, Table 2.3.1.
332 Conseil de la langue française 1992, Table 2.3.1.
Graph 81 permits us to make a first estimate of the number of linguistic transfers among immigrants by comparing the distribution of immigrants according to their mother tongue with the distribution according to their home language. Obviously, a language other than English or French was more common as mother tongue than as home language. While 55% of immigrants who had arrived prior to 1971 had a mother tongue other than English or French, only a third of them used a language other than English or French at home in 1986. The difference between the percentage of immigrants having a mother tongue other than English or French and immigrants having a home language other than English or French became smaller the later the immigrants had arrived. This can be partly explained by the fact that a linguistic transfer takes a lot of time. Thus, it is futile to compare the absolute numbers of linguistic transfers by immigrants who arrived before 1971 with those who arrived later. But it makes sense to compare the percentage distribution of the adopted languages.

Graph 81: Comparison of Mother Tongue and Home Language of International Immigrants according to Period of Immigration

It is evident from Graph 82 that the majority of immigrants who arrived prior to 1971 and went through a linguistic transfer adopted English as new home language. The percentage of immigrants who adopted English as their new home language was smaller among those

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333 Conseil de la langue française 1992, Tables 2.1.1 and 2.3.1.
who arrived between 1971 and 1980. Interestingly, French was adopted by very few immigrants who arrived between 1981 and 1986. Since these immigrants, on the average, had only lived in Quebec for two and a half years at the time of the 1986 census, the probability that the linguistic transfers had occurred before their immigration to Quebec is very high. Thus, the numbers neither reflect a new trend towards English nor warrant any conclusions about differences in the speed of linguistic transfers to English and French. The last column in Graph 82 shows the percentage distribution of all linguistic transfers by international immigrants up to 1986. Only 26% of all immigrants who adopted either English or French as their new home language chose French. But we will see that between 1986 and 1996 the linguistic transfers to French increased.

The distribution by age group shown in Graph 83 is relevant because it permits one to draw conclusions about future developments which depend on the linguistic behavior of the younger population and the overall effectiveness of the French language legislation, which came into effect in 1977. It is salient that only among immigrants who had arrived after 1975 the number of people who adopted French surpassed that of people who adopted English. This is certainly due to Bill 101. The impact of Bill 101 is particularly marked on people who were
younger than 25 in 1986 – the time of the census. It seems that the obligation to attend French schools was more effective than the efforts to establish French as the language of work.

Graph 83: Home Language of Allophone Immigrants by Age Group and Period of Immigration, 1986

The number of allophone students attending French schools increased drastically between 1980 and 1994, as shown in Graph 84. While in 1980 80% of allophone students were taught in English and only 18% attended French school, only 53.1% of allophone students attended English institutions and more than 46.4% went to French schools in 1994. Graph 85 shows the effects of this shift from English towards French schooling. In 1980 only 5.6% of allophone students adopted French as their new home language. In 1990 this percentage nearly doubled to 10.9%. At the same time the percentage of allophone students who adopted English as their home language fell from 21.5% in 1980 to 13.6% in 1990. The percentage of allophone students who retained their mother tongue increased from 72.9% in 1980 to 75.5% in 1990. The reason for this trend is probably the growing importance of the allophone communities, which permitted allophones to remain in their own linguistic environment.

334 Calculations by the author based on Conseil de la langue française 1992, Tables 2.1.1. and 2.3.1. Note: Multiple responses were not taken into account.
335 Conseil de la langue française 1992, Table 2.3.2.
Graph 84: Language of Schooling of Allophone Students\textsuperscript{336}

Graph 85: Linguistic Transfers of Allophone Students in Quebec\textsuperscript{337}

\textsuperscript{336} Office de la langue française 2000, Table 10.7.
\textsuperscript{337} Conseil de la langue française 1992, Table 3.1.2.
Graph 86 shows the net language shifts between 1971 and 1996, calculated as the difference between the mother tongue population and the home language population. Even if this graph refers to net language shifts, i.e. the balance for each language group only, the underlying reasons need to be examined. According to census data from 1971, only 25% of those allophones who made a linguistic transfer adopted French as their new home language, while the remaining 75% assimilated into the English community. At the same time 25,000 francophones were anglicized, neutralizing the positive effect of allophones who adopted French. Consequently, the English language group gained through linguistic transfers what the allophone group lost, namely 100,000 people.

The data of 1981 looks very much the same but the underlying language flows were different. Due to the English schooling of mostly Italian-speaking allophones in the ‘70s – Bill 101 only affected newly arrived immigrants and children who had not yet attended school when the law was passed – the share of allophones who adopted French dropped further, especially in the Montreal area. But this decrease in linguistic transfers was made up by the high French share of language shifts among the growing number of allophone immigrants from countries which used to be French colonies, such as Indochina and Haïti. The main reason for the strong increase in language shifts in 1991 was an alteration of the census

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questionnaire. It can be assumed that the development visible between 1991 and 1996 – namely a slight increase of language shifts towards French and a stable number of anglicized allophones and francophones – also would have been evident from the data of 1991 if it had not been for the alteration of the questionnaire. According to the 1996 census, 141,000 allophones had adopted English as their home language while 90,000 had shifted to French. In Quebec, the number of language shifts by anglophones to French balanced out with the number of francophones who had adopted English as their home language.

Graph 87: Linguistic Continuity Index for Quebec

Graph 87 is included here even if it is based on the same data as Graph 86, because the use of the linguistic continuity index is very common among demographers and should thus be mentioned at this point. This index is calculated by dividing the home language population by the mother tongue population of a particular language group. If the index is above one (or 100%) a language group gains through linguistic assimilation. If it is below one, it loses. It is evident from Graph 87 that English had the highest linguistic continuity index among all language groups at all censi between 1971 and 1996. Its continuity index even increased by more than ten percentage points from 112.2 in 1971 to 122.7 in 1996. As far as French is concerned the linguistic continuity index was above the threshold of 100% from 1971 to 1996. In 1996 it increased slightly to reach 101.6%. It is evident from Graphs 86 and 87 that

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the allophone language group lost members due to language shifts towards French and English during this time period. Interestingly, the allophones continuity index increased from 72.6% in 1971 to 75% in 1986. After 1986 it diminished strongly and was at only 66% in 1991 and in 1996, due to the alteration of the questionnaire. This means that by 1996 a third of all allophone Quebeckers had adopted either French or English as home language.

Up to now the underlying factors determining the demolinguistic development of Quebec, namely natural growth, migration and linguistic transfers of all three language groups have been discussed. The francophone group was only able to maintain its percentage share of the total population because of the increasing assimilation of allophones into the French population and the emigration of anglophones. These two demolinguistic trends were the consequences of government interference, namely language laws and immigration policies. The passing of Bill 101 in 1977 had a particularly strong impact on the linguistic make-up of the population of Quebec. It caused a massive outflow of anglophones. It has been shown in earlier chapters concerning the economic developments that Quebec experienced a set-back in investment and job creation in the late ‘70s. There is no doubt that these unfavorable economic developments were linked, on the one hand, to the exodus of companies and, on the other hand, to the emigration of mainly well-educated anglophones, most of them part of the business elite. Of course it is anything but politically correct to talk about a second decapitation of Quebec’s society. But from a business point of view, one could call the exodus of English entrepreneur families at least a ‘decapitalization’ of Quebec’s society.

The crucial role that Bill 101 played in the economic emancipation of francophones has often been pointed out. There is no doubt about this. But the economic costs of linguistic policies that are borne by the entire population of Quebec are rarely discussed. These costs are normally attributed to separatism, even if there is no direct causal relationship between separatism and the costs of linguistic policies. The fact that both separatism and linguistic policies are promoted by the same political party should not prevent one from distinguishing between these two different potential sources of economic costs.

The objective of this work is to determine whether separatism has had a negative impact on the development of the society and the economy of Quebec. It has been shown that a direct link between socio-economic developments and political instability due to separatism is only

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visible in the mid-‘90s, as consequence of the referendum in 1995. The mediocre economic performance of Quebec in the late ‘70s – a slow growth of investment and employment – was, in my eyes, not caused by political instability due to separatism but by the consequences of Bill 101, namely the exodus of headquarters and anglophones. The French language legislation, which secured the survival and the dominance of the French language in Quebec, further increased the economic costs of the linguistic insularity of Quebec. Even if the economics of language are not the focus of this work, the following digression should give the reader an overview of economic explanations for the costs that linguistic insularity and language policies entail.
4.3 The Economics of Language and Language Policies

Economists only recently started studying the question of language, although language issues have been of importance since the dawn of the modern nation-state and economic theory is capable of explaining many aspects of this question. The first essay about economics of language was published by Marschak in 1965. He examined the determinants of the survival of languages over time. According to his theory a language that requires less time to transmit a specific amount of information is more likely to survive than a language that requires more time. This hypothesis has never been proven empirically, however. Subsequent essays dealt with income differences between linguistic groups. These essays were based on theories about racial discrimination and treated linguistic groups like ethnic groups.

Carr’s publication of 1980 is more relevant to my argumentation concerning the economic costs Quebec’s linguistic insularity. In his publication, he makes an analogy between prevalent currencies in international trade and prevalent languages in international communication. According to Carr, since English is the lingua franca of North America and the majority of Canadians speak English, the most efficient way to secure pan-Canadian communication is by making the francophones learn English. Breton, however, points out that in the case of a small country – and Quebec can be considered as a 'small country' in this context – the costs of learning a second language are to a large extent borne by the citizens of the small country, even if the anglophone majority learned French. In their 1975 essay, Breton and Mieszkowski compare exchanges between different linguistic groups to international trade and treat linguistic obstacles, as they exist between the French and the English community in North America, in the same way as they would transportation costs.

Retaining international trade theory as a basis, Migué examines Quebec’s language policies for their economic effects. He concludes that:

“From an analytical viewpoint, these measures [Quebec’s language policies] lead to higher communication costs with the outside world. Consequently, the prices of

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341 The theoretical part is partly based on Vaillancourt 1980 (1), 13-23.
344 Carr 1980.
345 Carr 1980, 37.
346 Breton 1976, 13.
347 Breton and Mieszkowski 1975.
imported consumer goods and services are higher, as are the costs of imported professional and managerial services; the relative price increase varies with the linguistic content of the imported good. Adding a customs duty would have achieved a similar effect: the language policy is equivalent to a tariff on the import of non-francophone professional and managerial services."\(^{348}\)

The restriction that the obligation of Quebec companies to operate in French imposes on the supply of highly qualified human capital is the main source of costs for the society. Clearly, the francophone elite profit from the language legislation because the price (salary) that firms are willing to pay for scarce resources (francophone managers) increases as demand grows. This is evident in Chart 3. At the same time, the salary of anglophone managers decreases, making the situation of those anglophones who do not want to leave Quebec worse.

**Chart 3: The Charter of the French Language as a Tariff**\(^{349}\)

Note: With no restrictions, total employment of managers and professionals in Quebec is \(0Tq_0\), and the remuneration tends toward equilibrium at the world (or at least the Canadian) level of \(0T_0\). Shares of available jobs held by native francophones and non-francophones are \(q_0\) and \(q_0 Tq_0\), respectively. The imposition of additional linguistic costs on non-francophones increases the remuneration they require to locate in the area of \(0T_0\) to \(0T_1\). Total employment decreases from \(Tq_0\) to \(Tq_1\). This drop represents the true cost that must be borne by Quebec’s economy. It is apparent that the employment of francophones increased from \(0T_0\) to \(0T_1\).

\(^{348}\) Migué 1979, 16.

\(^{349}\) Migué 1979, 34.
We have seen that the French language legislation led to a scarcity of highly qualified labor. The law of decreasing marginal returns predicts that the productivity of other factors diminishes if the quantity of one factor is reduced. This means that the lack of highly qualified managers has a negative effect on the productivity of all other inputs, such as physical capital and other types of workers. Thus, the return on capital and wages decreased as a consequence of the Charter of the French Language. Since the real rate of interest is in line with the world rate due to international mobility of capital, a reduction in the return on capital leads to a decrease in investment. Summarizing, it can be said that only the francophone elite profited from the imposition of French as the language of work, while all other Quebeckers, notably anglophones and laborers, bore the cost of the French language legislation. Boucher, who discussed the economic consequences of Bill 101, concluded that the total economic cost caused by the French language law exceeded the advantages (for the francophone elite).

From a purely economic point of view and not taking into account any cultural, traditional or emotional values linked to the French language, governmental interference in the area of language leads to economic inefficiencies. Not only the language legislation but also the linguistic situation of Quebec per se is the reason for the below-average economic performance of Quebec. Côté discusses the costs linked to Quebec’s insularity. Firstly, the language barrier that separates Quebec from the rest of North America hinders the mobility of people, and thus of the factor labor. It has already been mentioned that the lower mobility of francophones could be a reason for the higher unemployment in Quebec. Furthermore, the supply of labor is rather inelastic because companies in Quebec are restricted to recruiting francophones. Secondly, the flow of information between francophone Quebec and the anglophone rest of Canada is inhibited by the linguistic barrier. Additional transaction costs emerge when ‘English information’ is made available to francophones and vice versa. The consequence of the minimization of these transaction costs by the market economy is a polarization of communication networks. This polarization leads to a ‘localization’ of the production with high information or language content in Quebec. Since the market of these products and services is restricted to Quebec, economies of scale in production as well as a lack of competition lead to disadvantages for the consumer. Additionally, the lack of international competition acts as a brake on innovation. Migué also points out that the

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350 Migué 1979, 49.
restrictions on the import of human capital that are imposed by the linguistic insularity of Quebec and are reinforced by the Charter of the French Language hinder the transmission of technology, which

“is carried out primarily (especially within the multinational corporation) by the migration managers and professionals who often have know-how and knowledge to introduce new processes, products, or methods where these were previously unknown.”

Thirdly, international companies need to establish a francophone branch in order to be able to operate successfully in Quebec. It is clear that such a ‘French division’ imposes considerable costs which have to be borne either by the consumers or by the organization. Of course the Quebec society, or rather bilingual people, benefit from these expenditures.

It has been shown in the preceding paragraphs that the linguistic situation of Quebec, which is further reinforced by the Charter of the French Language, imposes economic costs on Quebec’s society. Since they can hardly be quantified, they are often overlooked by economists who try to explain the differences between Quebec’s and Ontario’s economic performance.

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353 Migué 1979, 35.
5. Conclusion

The analysis has shown that many factors have impacted the socio-economic development of Quebec. Political instability caused by separatism is only one of them. Its sustained negative influence on the economic development of Quebec cannot be proven on a macro-economic level. The results of my studies, however, suggest that three political events, namely the October Crisis of 1970, the passing of Bill 101 by the Parti Québécois in 1977 and the referendum on sovereignty of 1995; led to a deterioration of the economic and political climate. The persistent economic differences between Ontario and Quebec can, however, not be explained by these events. They are more likely to be a consequence of the diverse historic developments that have been analyzed in the first part of this work.

The examination of the historic roots of the separatist movement made clear that the differences between the English society and the French society originated from the very beginning of European settlements in North America. The colonial styles differed strongly between France and Great Britain. While New France ‘inherited’ the European feudal system, British North America soon developed an early form of market economy. The Puritan religion that prevailed in the British colonies stimulated the rise of capitalism because its ethic regards work as a form of asceticism. On the contrast, economic success was anything but well-thought-of in Catholic societies such as that of New France. The economic dominance of the British was sealed by the conquest of 1760. The affluent francophones returned to France; those who stayed refused to integrate into the British North American society.

The preservation of the French culture was only made possible by the Quebec Act of 1774, which restored the traditional rights of the Catholic Church and permitted the collection of the tithe by the clergy. The concessions made to the French population were viewed as merely temporary measures in order to ensure the loyalty of the French settlers during the American Revolution. But less than twenty years later, in 1791, the differences between the French and the British parts of Quebec were further accentuated by the passing of the Constitutional Act. The Loyalists, reluctant to integrate into a society shaped by the seigniorial system and French Civil Law demanded the establishment of a British province. The division of Quebec into Upper and Lower Canada promoted the segregation of the French people, who preserved its culture and language and formed a society of its own. Despite the
separation of the two cultures into two provinces, political and ethical conflicts rose whenever cooperation between the British and the French was necessary.

The irreconcilable positions of the francophone and the anglophone deputies to the Canadian Assembly lead to a surge of nationalism which mounted in the rebellion of the French Patriots in 1837/38. The Union Act of 1840 reunified the two provinces and thus assured the political superiority of the anglophone minority. The constitution debate further deepened the ethnic division between the francophone and the anglophone population. The establishment of a relatively autonomous French province by the Constitutional Act of 1867 was welcome by French Canadians, but nevertheless did not solve the conflict between the French and the British inhabitants of Canada. Less than three years after the creation of the Canadian Confederation, the treatment of the Métis, a French minority living in the Western province of Manitoba, caused another rise of political and ethnic conflict. The French Canadians accused the federal government of neglecting the rights of this French minority and glorified the Métis leader Louis Riel as a French national hero, while the anglophone Canadians demanded the condemnation of Louis Riel because he had promoted the death sentence for a radical Protestant settler, who subsequently had been executed by the Métis military. In the 1880s the Métis conflict resurged and culminated in the hanging of Louis Riel in 1885.

Moreover, the French Canadians opposed the strong ties to Great Britain mainly because of the resulting obligation of Canada to send troops to support the British Empire in the second Boer War and the both World Wars. The decision whether or not to introduce obligatory conscription led to a division of the Parliament into an anglophone and a francophone camp. Due to the majority of anglophones in the Canadian Parliament, conscription was enacted. Nevertheless, the majority of French Canadians refused to join the army. The 1917 demonstrations in Montreal culminated in the 1918 riots of Quebec which were quelled by the military and took a toll of five lives.

In the middle of the 20th century, a new form of French nationalism developed. Quebec's intellectual elite opposed the conservative nationalist ideology of Duplessis' Union Nationale and thus laid the corner stone for the Quiet Revolution. This new 'leftist' nationalism was able to succeed because the majority of the francophone population had already given up the conservative Catholic ideology idealizing rural values and condemning industrialization and
capitalism. As of the 1960s the Quebec government actively interfered in the Quebec economy by nationalizing the primary resource industry, promoting French Canadian managers in public companies and setting up the Quebec Deposit and Investment Fund, which, on the one hand, administered the Quebec Pension Plan and, on the other hand, financed the nationalization by investing in public companies. Moreover, the education system was secularized and reformed.

While the majority of Quebecker welcomed these measures as a means to emancipate the French minority in Canada, a more radical group demanded the separation of Quebec from Canada. The separatists were further bolstered by the French President De Gaulle's 'Vive le Québec libre!' in 1967. This event as well as the aggressive election campaign of the separatist party increased the awareness of the rest of Canada and subsequently led to Trudeau's initiative for a bilingual Canada. The Official Language Act of 1969, which made French the second official language of Canada, is considered today as a failure in view of the decreasing number of French-speakers in all anglophone provinces. Francophone separatists denounced the Official Language Act as a mere gesture without any effect. The Front pour la Libération du Québec, the military arm of the separatists, did not refrain from violence to manifest their discontent with the political and economic situation of Quebec. The situation escalated in the October Crisis of 1970, when FLQ terrorists kidnapped and killed a government minister and a state of emergency was declared. Fortunately, the majority of Quebeckers disapproves of physical violence as a means to resolve political problems.

Since the mid-1960s the constitutional debate has been the main reason of dispute between Quebec and the federal government. The first effort to patriate the constitution failed in 1964 due to the refusal of Quebec. The Victoria Charter of 1971, the Meech Lake Constitutional Accord of 1990 and the Charlottetown Constitutional Accord of 1992 did not fare any better. Meanwhile sovereignty had been rejected twice by Quebeckers, even if the defeat of the 1995 referendum was extremely narrow. The separatist Parti Québécois was in power from 1976 to 1985 and has been elected twice since 1994. The probably most effective measure taken by the PQ to promote French in Quebec was the adoption of Bill 101 in 1977. It has been proven by this work that the obligatory use of French as the language of business and education in Quebec has had a crucial impact on the socio-economic development of Quebec.
The main conclusion to be drawn from the economic analysis is that the differences between Quebec and Ontario had existed long before separatism became prominent. The growth rates of the gross domestic product were similar once set in relation to the population. Short-term business investment proved to be sensitive to political instability. In 1970, in 1977/78 and in 1995, investment in equipment and machinery decreased. Long-term consequences are not visible, however. Consumer spending increased faster in Quebec than in Ontario. Nevertheless, the difference in consumer spending per capita between Quebec and Canada as a whole was higher in the ‘90s than in the decades before. Quebec’s unemployment rate has always been higher than the Canadian average. Many different factors which could be partly responsible for Quebec’s higher unemployment rate, such as Quebec's high payroll taxes, the reduction in government spending, high unionization rates, economic structure and lower mobility of labour; were discussed. The increase of the differentials between the unemployment rate of Quebec and Ontario and Quebec and Canada in the late ‘70s can be attributed to the job losses caused by the exodus of headquarters from Quebec due to the passing of Bill 101. It needs to be pointed out, however, that the Charter of the French Language did not cause political instability but rather augmented the costs of Quebec’s linguistic insularity.

The linguistic and demographic development in Quebec, which are factors impacting its economic development, were the focus of the third part of this work. It was shown that Quebec’s population growth rate was below the Canadian average after 1970 and even further below that of Ontario. This is why Quebec fared badly when compared to Ontario using absolute numbers. The reasons for Quebec’s slow population growth were a lower birth rate and less immigration. The small share of Quebec in international and interprovincial immigration was due to the Parti Québécois’ immigration policies and the linguistic situation. The economic consequences of the latter were discussed in the last chapter. There is no doubt that Quebec’s linguistic insularity – its status of a French island in the English sea – has caused considerable economic costs for Quebec’s society.

This work has shown that the current economic situation in Quebec is the result of a multitude of historic, social and political influences. The separatist movement and its political arm, the Parti Québécois, have shaped Quebec’s economy and society by promoting the French language, the French people and the French culture. The role of political instability linked to the threat of a separation of Quebec from Canada as a determinant of the economic
well-being of Quebec has often been overestimated. It is clear that today’s markets are much more sensitive to political risk and react quickly to an increase in perceived uncertainty as caused by the 1995 referendum. Nevertheless, a long-term, negative economic impact of political instability cannot be proven through macro-economic analysis. Economic models suggest that the language factor, which has been reinforced by the language policies of the Parti Québécois, has had a much stronger impact on Quebec’s economy. It is not my intention to promote English as the *lingua franca* of North America for the sake of Quebec’s economy. On the contrary, I acknowledge that cultural, traditional and emotional values, which needed to be neglected in this work, do play a crucial role when evaluating Quebec’s socio-economic development from a ‘non-economic’ point of view.
6. Glossary

Acadia (p. 6)  L’Acadie  Akadien

“The name given towards the end of the 16th century to lands now forming the South-East part of Quebec, eastern Maine and New Brunswick, Nova Scotia and Prince Edward Island.” 354

“Ancienne province française de l’Amérique du Nord, séparée de la Nouvelle France par le traité d’Utrecht de 1713.” 355

“Ehemaliger französischer Besitz südlich des St.-Lorenz-Stromes in Kanada, seit 1604 von Franzosen besiedelt, 1713 im Frieden von Utrecht an England abgegeben.” 356

Map 4: Acadia 1755 357

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In the context of Canada, people are understood to be allophone if neither French nor English is their mother tongue. In other words somebody who is neither francophone nor anglophone is allophone.

“Au Canada, se dit de quelqu'un qui a une autre langue maternelle que l’anglais ou le français.”

Im kanadischen Sprachgebrauch werden Personen, deren Muttersprache weder französisch noch englisch ist, die also weder frankophon noch anglophon sind, als anderssprachig / allophon bezeichnet.

In the context of this work the expression civil law refers to legal systems of countries that have either accepted Roman law at any one time or have based their codifications on fundamental Romanistic principles and categories. “This use of the term civil law is specific to the English language and Anglo-American legal terminology and has no counterpart in the juristic language of the countries whose law, in particular the private law, has its roots in Roman law. In French droit civil is identical with droit privé, without regard to its origins, Roman or other; ... German terminology applies both the term Bürgerliches Recht; in the latter bürgerlich is the exact translation of civilis (Bürger = civis). Hence the German [and Austrian] code of private law is called Bürgerliches Gesetzbuch (BGB)....In all these non-English applications the word civil is used in contradistinction to criminal law on the one hand, and to commercial law on the other.”

358 Grand usuel Larousse 1997, 216.
Common law (p. 10)  (Droit coutumier)  (Gewohnheitsrecht)

In the context of this work common law “denotes the law developed in the course of the centuries in England, and transmitted to Ireland, large parts of the United States and Canada, Australia, New Zealand, and other ‘common-law’ countries. There is often an implied contrast with the other great tradition of European law which is either Roman in origin, or deeply tinged with Roman influences.”\(^\text{360}\) The French word *droit coutumier* and the German word *Gewohnheitsrecht* refer to the narrower sense of the word *common law* meaning “the traditional part of the law as distinct from legislation; the universal part of the law as distinct from particular local customs.”\(^\text{361}\) In both languages the English word *common law* is used when the antonym of civil law is meant.

Conscription (p. 1)  Conscription  Konskription

“The compulsory enlistment of citizen for military service. Forms of conscription were adopted by the Canadian government in both world wars.”\(^\text{362}\)

“Nom donné à partir de la Révolution, à l’inscription au rôle, des jeunes gens, parmi lesquels le sort désignait les conscrits, c’est-à-dire ceux qui devaient partir pour le service militaire.”\(^\text{363}\)

“Veraltet für Aushebung beziehungsweise Einberufung zum Kriegsdienst.”\(^\text{364}\)

Loyalists or Tories (p. 11)  Loyalistes  Loyalisten

“American colonist of varied ethnic backgrounds who supported the British cause during the American revolution. Between 80,000 and 100,000 eventually fled, about half of them to Canada.”\(^\text{365}\)

\(^{362}\) The Canadian Encyclopedia 1985, 402.
\(^{364}\) Universa Multimediallexikon 2000.
\(^{365}\) The Canadian Encyclopedia 1985, 1041f.
“Colon américain qui conserve sa loyauté envers la Couronne britannique pendant la Révolution américaine. La plupart des Loyalistes doivent s’exiler et viennent s’établir aux Maritimes et au Canada central.”

“Im amerikanischen Unabhängigkeitskrieg, die ‘loyal’ zur britischen Krone stehenden Kolonisten (wohl rund 20% der Bevölkerung). Konfiskationen und Repressalien ausgesetzt, verließ rund 80.000 das Land und ließen sich meist in Kanada nieder.”

Maritimes (p. 7) Provinces Maritimes Atlantikprovinzen

“The Maritime Provinces, Prince Edward Island, Nova Scotia and New Brunswick constitute a cluster of peninsulas and islands which form the North-East extension of the Appalachian highlands and are also significantly affected by the Atlantic Ocean.”


Die kanadischen Provinzen New Brunswick, Nova Scotia und Prince Edward Island werden als Atlantikprovinzen bezeichnet.

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366 Couturier and Ouellette 1994, 104.
368 The Canadian Encyclopedia 1985, 1090.
369 Grand usuel Larousse 1997, 6030.
Map 5: Maritime Provinces: P.E.I., Nova Scotia, New Brunswick.\textsuperscript{370}

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\textbf{Métis (p. 1)} \hspace{2cm} \textbf{Métis} \hspace{2cm} \textbf{Mestize}

“The offspring of a white and an American Indian, especially in Canada.”\textsuperscript{371} “One of several historically variable terms (michif, bois brûlé, chicot, halfbreed, country-born, mixed blood) used in Canada and some parts of the northern US to describe people of mixed North American Indian-European descent.”\textsuperscript{372}

“Au Canada, nom donné au descendants des trappeurs qui se sont croisés avec des femmes indiennes appartenant aux tribus les plus diverses.”\textsuperscript{373}

“Nachkommen eines weißen und eines indianischen Elternteils.”\textsuperscript{374} In Kanada versteht man unter Mestizen die Nachkommen der französischen, katholischen Siedler die sich im mittleren Westen (Manitoba und Alberta) mit der dort ansässigen Indianerbevölkerung vermischt haben.

\textsuperscript{370} A Country by Consent 1996, 1873.pdf, 2.  
\textsuperscript{371} The Oxford English Dictionary 1933, Vol. 6, 397.  
\textsuperscript{372} The Canadian Encyclopedia 1985, 1124.  
\textsuperscript{373} Augé 1928, Vol. 4, 842.  
\textsuperscript{374} Duden 1974, 459.
**New England (p. 5)**

“A part of the United States of America, comprising the six north-eastern states [of New Hampshire, Massachusetts, Rhode Island, Connecticut, Vermont and Maine.]”


“Region im äußersten Nordosten der USA, bestehend aus den Staaten Maine, New Hampshire, Vermont, Massachusetts, Connecticut und Rhode Island.”

**Participation rate (p. 104)**

“Total labor force expressed as a percentage of the population aged 15 years and over. The participation rate for a particular group (for example, women aged 25 years and over) is the labor force in that group expressed as a percentage of the population for that group.”

“Le taux d’activité est le rapport en pourcentage entre la population active et la population de 15 ans et plus.” “Le taux d’activité représente la proportion de personnes d’un groupe d’âge donné occupant un emploi ou au chômage. L’évolution de la participation au marché du travail constitue une mesure de l’intégration au système de production de l’économie marchande. Lorsque le taux d’activité d’un groupe de personnes s’élève, sa participation au système de production s’accroît et son activité rémunérée augmente. Cela ne signifie cependant pas que les personnes hors du marché du travail sont inactives d’un point de vue social. Ainsi, la femme qui s’occupe des enfants à la maison ne participe pas au marché du travail ‘officiel’, mais elle ne contribue pas moins à la vie sociale.”

376 Couturier and Ouellette 1994, 62.
380 Institut de la Statistique du Québec 1999, 42.
Die Partizipationsrate am Arbeitskräftepotential ist “der Anteil des Arbeitskräftepotential (Summe aus Beschäftigten und Arbeitslosen) an der Bevölkerung im arbeitsfähigen Alter. In [Kanada und] den Vereinigten Staaten umfaßt die Bevölkerung im arbeitsfähigen Alter alle Individuen ab dem sechzehnten Lebensjahr.”

Patriots (p. 14)   Patriots   Patrioten

“The name given after 1826 to the Parti Canadien and to the popular movement that contributed to the rebellions of 1837-38 in Lower Canada. The primarily francophone party, led mainly by members of the professions and small-scale merchants, was widely supported by farmers, day-laborers and craftsmen. Its more distinguished members included Louis-Joseph Papineau, Jean-Olivier Chénier and Wolfred Nelson.”


Quiet Revolution (p. 8)   Révolution tranquille   Stille Revolution

A period of rapid change experienced in Quebec from 1960 to 1966, triggered by the election of the Liberals succeeding Duplessis’ Union Nationale marked by a vastly increasing role of the state in the province’s economic, social and cultural life.

381 Gauthier 1996, 122.
382 Gordon 1987, 717.
384 Couturier and Ouellette 1994, 129.

Responsible government (p. 15)    Gouvernement responsable    (Verantwortliche Regierung)

“Loosely used to mean a government responsible to the people, as popular rule is naturally conceived to be. Properly, however, as used by those who gained it in Canada, it meant a government responsible to the representatives of the people, ie. an executive or cabinet collectively dependent on the votes of the majority in the elected legislature.”

Regierungsform, in der die Regierungsmitglieder der Partei (bzw. den Parteien), die eine Mehrheit im Parlament bildet (bzw. bilden), angehören und somit indirekt vom Volk gewählt werden. “(Grundsatz der) Verantwortlichkeit der Regierung dem Parlament gegenüber.”

Auch im deutschen Sprachgebrauch wird die englische Bezeichnung responsible government verwendet.

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388 Couturier and Ouellette 1994, 131.
389 Erdsiek et al. 1968, 211.
Seigneur (p. 5) Suzerain Lehnsherr

“Landowner in New France whose estates were originally granted by the King of France. He also administered justice within his seigneury.”390 Comparable to country gentlemen who were magistrates in England.

“Seigneur qui possédait un fief dont dépendaient d’autres fiefs. ... On désigne ainsi celui qui a concédé un fief à un vassal. À l’origine, ce terme est réservé au seigneur qui est au-dessus de tous les seigneurs, tandis qu’on qualifie le seigneur concédant le seigneur prochain du vassal.”391

Vasall, der eine Verfügung über Land und Leute vom König bzw. der Kirche zugesprochen bekam und diesen Besitz an eigene Lehnsleuten weiterverlieh (Lehnspyramide). Ursprünglich wird das Wort suzerain in Frankreich nur für den, direkt dem König unterstellten Lehnsherrn verwendet (Kronvasall). Da die hierarchische Struktur in Neu-Frankreich normalerweise nur aus zwei Schichten, nämlich aus einem Lehnsherrn und den untertanen Lehnsleuten bestand, wird das Wort suzerain in Kanada als Synonym für ‘Lehnsherr’ verwendet.392

Seigneurial system (p. 5) Régime féodal Lehnswesen

“An institutional form of land distribution and occupation established in New France in 1627 and officially abolished in 1854. It was inspired by the feudal system, which involved a personal dependency of censitaires (tenants) on the seigneur; in New France the similarities ended with occupation of land and payment of certain dues, and the censitaire was normally referred to as a habitant.”393

“Système économique livrant la plupart des surplus de l’activité productrice à une élite de possesseurs fonciers, dont les plus riches détenaient dans leur patrimoine, avec les débris de l’autorité publique, le pouvoir de juger, de commander et de punir. Cet édifice social [et

391 Augé 1928, Vol. 6, 540.
393 The Canadian Encyclopedia 1985, 1673.
économique] reposait sur un ensemble de prestations et de services requis des serfs, des tenanciers et des rustres soumis au ban privé.”\textsuperscript{394}

“Grundlage des mittelalterlichen abendländischen Feudalismus, dessen Staats- und Gesellschaftsordnung auf dem Verhältnis von Lehnsleuten und Lehnsherren (Lehnsverband) beruht. Die Grundkomponenten des während des 8. Jahrhunderts im Fränkischen Reich entstandenen Lehnswesen lassen sich im wesentlichen auf ein dingliches (Benefizium) und ein persönliches (Vasallität) Element reduzieren.”\textsuperscript{395}

**Thirteen Colonies (p. 6)  
Treize Colonies  
Dreizehn Kolonien**

Name of the thirteen British colonies in North America, which are now part of the U.S. and include Virginia, Massachusetts, New York, Delaware, New Jersey, New Hampshire, Maryland, North and South Carolina, Pennsylvania, Georgia, Connecticut, and Rhode Island. Maine was included in Massachusetts. It only became a separate state in 1820.


Name der dreizehn britischen Kolonien, die nach dem Unabhängigkeitskrieg die Vereinigten Staaten von Amerika bildeten. Sie beinhalten die heutigen Staaten Virginia, Massachusetts, New York, Delaware, New Jersey, New Hampshire, Maryland, North and South Carolina, Pennsylvanie, Georgia, Connecticut und Rhode Island. Der Bundesstaat Maine war bis 1820 ein Teil von Massachusetts.

\textsuperscript{394} Baumberger 1990, Vol. 9, 382.  
\textsuperscript{395} Meyers Enzyklopädisches Lexikon 1975, Vol. 14, 760.
Tithe (p. 5)  

“"A portion, usually one-tenth, of the yearly produce (from land, animals or work) given to support the church and clergy."”

397

“Dixième partie (ou fraction variable) des récoltes, qu’on payait à l’Eglise ou aux seigneurs.”

398

“Die Abgabe eines Teiles (ursprünglich eines Zehntels) des Ertrags einer Sache, in der Regel des zehnten Teils der Ernte, an den Grundherrn beziehungsweise die Kirche.”

399

399 Universa Multimedialexikon 2000.
Unemployment rate (p. 28)  |  Taux de chômage  |  Arbeitslosenrate

“Number of unemployed persons expressed as a percentage of the labor force. The unemployment rate for a particular group (age, sex, marital status, etc.) as the number of unemployed in that group expressed as a percentage of the labor force of that group.”

“Le taux de chômage est le rapport en pourcentage entre le nombre de personnes en chômage et la population active. ... Les personnes en chômage sont toutes celles qui, durant cette même semaine, étaient sans travail, se déclaraient prêtes à travailler et avaient activement cherché du travail au cours des quatre dernières semaines (incluant la semaine de référence) ... [ou] avaient été mises à pied et se déclaraient prêtes à travailler ... [ou] devaient commencer un nouvel emploi dans quatre semaines ou moins au cours de la semaine de référence.”

“Anzahl der arbeitslosen Individuen, die sich aktiv nach einem Arbeitsplatz umsehen (oder vorübergehend arbeitslos sind), dividiert durch die Gesamtzahl der Beschäftigten plus Arbeitslosen.”

400 Statistics Canada 2000, 15.
401 Institut de la Statistique du Québec 1999, 42.
402 Gordon 1987, 707.
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403 Accents and other orthographic mistakes were corrected by the author.


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