

GOVERNMENT OF JEAN LESAGE

(JULY 5, 1960 TO JUNE 5, 1966)



••• Status of Québec

41. Québec, as the cornerstone of French Canada, is asking for the equality of Canada's two founding ethnic groups. It is seeking a status that respects its special characteristics.⁵¹
42. Québec, because of its language, its culture, its links with the international French language community, its economic, social and political institutions, its vitality, its desire to survive and especially to flourish, has all the characteristics of a true society.⁵²

Québec's assertion as a people: See paragraph 48.

Special status: See paragraphs 49-50.

••• Constitutional reform process

43. Québec fears that the Fulton-Favreau formula would authorize any province to prevent the extension of the powers of another province. Needless to say, if that interpretation were to prevail, the evolution of our constitutional system in the direction desired by Québec might become very difficult.⁵³

••• Constitutional amending procedure

44. To defend its particular status, Québec must have a *veto* over any important constitutional change that could threaten its powers.⁵⁴
45. Among other things, Québec wants a *veto* on any change in the distribution of powers.⁵⁵
46. The central government cannot unilaterally amend its constitution. It is essential that the provinces participate in the formation and operation of central bodies.⁵⁶

••• Distribution of powers

a) General principles

47. Provincial sovereignty must not be a negative concept incompatible with progress; it must be a living reality that is made tangible in institutions and legislation designed to promote the well-being and spiritual growth of the population.⁵⁷

51. Speech by Jean Lesage, Canadian Club, Calgary, September 22, 1965, p. 1.

52. Speech by Jean Lesage, Canadian Club, Winnipeg, October 1, 1965, p. 2-3.

53. Letter from Jean Lesage to Lester B. Pearson, January 20, 1966 (quotation; see part 3: document no. 8). Jean Lesage had been willing earlier to allow a *veto* for all provinces. See the speech by Jean Lesage to the Reform Club of Montréal, March 1, 1965, p. 3 and the speech given by Jean Lesage before the Québec Chamber of Commerce and Industry, Lac-Beauport, March 10, 1965, p. 4.

54. Speech by Jean Lesage, Québec Chamber of Commerce and Industry, Lac-Beauport, March 10, 1965, p. 7.

55. Speech by Jean Lesage to the Reform Club of Montréal, March 1, 1965, p. 3.

56. Speech by Jean Lesage, Québec Chamber of Commerce and Industry, Lac-Beauport, March 10, 1965, p. 4-5.

57. Government of Québec, opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 25-27, 1960, p. 26 (quotation).

48. Québec defends the principle of provincial autonomy not just because of the principle, but much more because for Québec, autonomy is the vital condition of its affirmation as a people rather than of its survival, which is now secure.⁵⁸
49. Québec is working to obtain the powers necessary for its economic, social and political affirmation. To the extent that the other provinces are not working toward the same objectives, Québec will move toward a particular status that will reflect both the specific characteristics of its population and the more extensive role it wishes to assign to its government.⁵⁹
50. Québec wishes to point out that particular status is not necessarily an objective in itself. Initially, it may very well be the result of an administrative development and, subsequently, a constitutional one that, while applicable in principle to the other provinces, in practice would be of interest only to Québec for reasons of its own.⁶⁰
51. The provinces have a clear responsibility for the economic development of their territory. They are better placed than the federal government to produce an economic development policy because they are closer to the specific problems of their people and regions. In addition, they are responsible for the development of human capital through appropriate educational, welfare and health measures, which lie within their jurisdiction.⁶¹
52. While provincial and interprovincial [economic] policies can be implemented, as circumstances require, with or without the federal government's participation, federal policies must never be decided without consulting the provinces. The only way to avoid duplication and inefficiency is through on-going consultation by both levels of government.⁶²
53. If regional development policies are to be effective, they must satisfy three conditions: they must be adapted to the specific needs of the regions; they must be applied by the government in the best position to respond; they must take into account the whole social and economic policy of the government of the province where the regions are located. The federal government seems to have difficulty adapting its instruments to the needs of Québec's regions. The Québec government is in the best position to implement a truly effective regional policy.⁶³
54. The federal government should cease its intrusion into areas of provincial jurisdiction through excessive use of its ancillary power, which leads to the artificial creation of zones of ambiguity and duplication of administrative controls and standards.⁶⁴

58. Opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, November 26-29, 1963, p.42 (quotation), Queen's Printer, 1964.

59. Speech by Jean Lesage to the Empire & Canadian Club, Toronto, November 16, 1964, p. 3-4 and to the Sainte-Foy Chamber of Commerce, December 14, 1965, p. 5.

60. Speech by Jean Lesage, Canadian Club, Vancouver, September 24, 1965, p. 4.

61. Jean Lesage, Budget Speeches, April 12, 1962, p. 48 and April 5, 1963, p. 59. See also the opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, November 26-29, 1963, p. 40, Queen's Printer, 1964.

62. Opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, November 26-29, 1963, p. 48 (quotation), Queen's Printer, 1964.

63. Government of Québec, statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 19-22, 1965, p. 5.

64. *Ibid.*, p. 26.

b) Sectorial jurisdictions

55. Québec claims the entire administration of old age security in order to institute its own pension plan.⁶⁵
56. Social assistance, resource development, working conditions⁶⁶, regional development, manpower and employment policy, social security, health services, health insurance, education, roads and land use planning are areas of provincial jurisdiction. They are encompassed by the rights and urgent needs of the provinces which are in a better position than the federal government to have an effective and lasting effect on these areas.⁶⁷
57. In all areas that are wholly or partially within its jurisdiction, Québec henceforth intends to play a direct international role, in accordance with its personality and appropriate to its rights. In addition, Québec intends:
- a) to implement international agreements, concluded by the federal government, dealing with issues of provincial jurisdiction;
 - b) to participate actively and personally in developing international agreements that interest it directly;

- c) to participate in the activities of certain international organizations of a non-political nature;
- d) to play a direct role in areas that have acquired international importance because of the proliferation of contacts between countries.⁶⁸

58. Québec views social security as an area of provincial jurisdiction, for constitutional, cultural and practical reasons.⁶⁹

*Shared-cost programs and conditional subsidies
in given sectors: See paragraphs 64-66.*

c) Unilateral powers

59. It must be clearly established as one of the fundamental rules of our federalism that the exceptional powers of Parliament must remain exceptional in nature, and not be used to invade areas that normally lie within provincial jurisdiction.⁷⁰

••• **Language rights**

60. The primacy of French in Québec—namely its widest possible use on a daily basis—is an essential condition for bilingualism and biculturalism in Canada.⁷¹

65. Statement by Jean Lesage, Federal-Provincial Conference, Ottawa, November 26-29, 1963, p. 52, Queen's Printer, 1964, and government of Québec, White Paper on the Québec Pension Plan, 1965. The Lesage government, using the opting out provision of the federal legislation instituting the Canada Pension Plan, established a Québec pension plan in 1965. See Québec Pension Plan, S.Q. 1965, c-24. See also the resolution of the Québec Legislative Assembly dated June 15, 1964 authorizing the Constitutional amending procedure for 1964 (old-age pensions and supplementary benefits) (Part 3: document no. 7).

66. Brief submitted by Québec at the Conference on Poverty, Ottawa, December 7-10, 1965, p. 17.

67. Government of Québec, declaration by Jean Lesage, Federal-Provincial Conference, Ottawa, July 19-22, 1965 (see the entire declaration). Moreover, a White Paper from the ministère des Affaires culturelles (1965), which was not tabled in the Legislative Assembly but was made public by the newspaper *La Presse* in September 1966, states that, under the Constitution, Québec has exclusive responsibility in cultural affairs, particularly in terms of defending and promoting French-language culture within its territory, p. 24.

68. Speech by Paul Gérin-Lajoie, Vice-President of the Québec Executive Council and Minister of Education, before the Montréal Consular Corps, Montréal, April 12, 1965 (See part 2 of this document).

69. Government of Québec, statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 19-22, 1965, p. 16.

70. *Ibid.*, p. 27.

71. Speech by Jean Lesage to the Reform Club of Montréal, March 1, 1965.

••• Intergovernmental policy

a) Conducting intergovernmental relations

61. Québec announces that it will invite all provincial Premiers to a meeting to decide whether permanent interprovincial relations should be established.⁷²
62. Cooperative federalism does not mean simply obtaining the consent of the provinces to centralizing policies. Rather, for Québec, it means the beginning of a new era in federal-provincial relations and the dynamic adaptation of Canadian federalism. Federalism should express itself in three ways: 1) regular cooperation when decisions are made concerning new policies; 2) constant consultation on the application of policies; 3) sufficient financial resources granted to the provinces to enable them to carry out their greater responsibilities.⁷³

Intergovernmental consultation regarding economic policies: See paragraph 52.

63. Québec considers that henceforth, in the normal course of events, federal actions in the regions of Québec will take place through Québec's administrative structures, after it has approved the objectives and means used. Otherwise, there is the possibility that policies based on differing assumptions could nullify each other.⁷⁴

b) Financial aspects of federalism

64. Québec is resolved to end the system of shared-cost programs and, consequently, has withdrawn from such programs instituted by the federal government and demands either fiscal compensation or the tax point equivalent. These shared-cost programs cause costly duplication, reduce provincial initiative in areas recognized by the Constitution to be within provincial jurisdiction and distort the order of priorities established by the provinces. Experience shows that quite often these shared-cost programs do not allow provinces to use their own revenues as intended while conforming to local conditions.⁷⁵
65. Québec decides to accept on a temporary basis and maintaining full sovereignty, the conditional grants distributed to the other provinces by the federal government (hospital insurance and TransCanada Highway).⁷⁶
66. Québec demands that the federal government transfer to Québec, in the form of tax equivalents, the amounts the federal government wanted to allocate to programs that encroach on provincial jurisdiction, namely student loans and academic allowances.⁷⁷

72. Government of Québec, opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 25-27, 1960, p. 28.

73. Speech by Jean Lesage, Université de Moncton, May 17, 1964, p. 2.

74. Government of Québec, statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 19-22, 1965, p. 9.

75. Government of Québec, opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 25-27, 1960, p. 31 and 35. Statements by Jean Lesage, Federal-Provincial Conference, Ottawa, November, 26-29, 1963, p. 49, Queen's Printer, 1964 and Government of Québec, Federal-Provincial Conference, Québec, March 31 and April 1, 1964, p. 10 et seq. (See part 2 of this document). See also the *Act respecting the replacement of joint programs by tax abatement*, Q.S. 1965, c. 8.

76. Government of Québec, opening statement by Jean Lesage, Federal-Provincial Conference, Ottawa, July 25-27, 1960, p. 32.

77. Government of Québec, statement by Jean Lesage, Federal-Provincial Conference, Québec, March 31 and April 1, 1964, p. 21-23.

67. Québec demands a new tax distribution that will enable the provinces to concentrate on developing their human capital and carry out their responsibilities in terms of economic development. Québec demands 25 % of personal income tax, 25 % of corporate income tax and 100 % of succession duties, including the tax on gifts *inter vivos*.⁷⁸
68. Taxation is the economic growth instrument over which Québec still exercises the least amount of control [...]. Unless there is during the coming months a distinctive turnaround in

federal policy regarding taxation and the distribution of fiscal powers, we will not feel confident with the understanding that the central government has of the confederate regime. [...] Nevertheless, once again because the distribution of sources of revenue between the various governments of Canada continues to be unacceptable, the people of Québec cannot immediately undertake initiatives that they have deemed to be absolutely important.⁷⁹

*Financial autonomy of the provinces:
See also paragraph 62.*

78. Jean Lesage, Budget Speech, April 14, 1961, p.78 and statement by Jean Lesage to the Québec Legislative Assembly, *Journal des débats*, January 16, 1964, p. 72. This demand was repeated many times at other Federal-Provincial Conferences (July 1960 and November 1963).

79. Jean Lesage, Budget Speech, April 5, 1963, Québec Legislative Assembly, *Journal des débats*, April 5, 1963, p.901-902 (quotation).