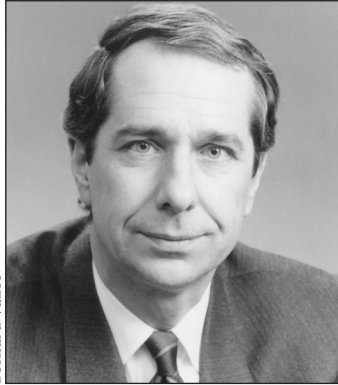


**GOVERNMENT OF
DANIEL JOHNSON, Jr.,**

(JANUARY 11, 1994 TO SEPTEMBER 26, 1994)



Bernard Vallée

Source: Archives nationales du Québec

••• **Distribution of powers**

a) General principles

342. The government of Québec shares the objectives to make policies and programs more efficient and accessible, to come to an agreement on the most suitable order of government for providing a service, while taking into consideration the priorities and conditions specific to each province.³⁶³

b) Sectorial jurisdictions

343. Some major initiatives on the part of the federal government in fields of provincial responsibility such as health care and education seem difficult to reconcile with the objectives of efficiency and subsidiarity that should prevail, especially in a context of rarified financial resources.³⁶⁴

344. The elimination of duplication in the labour force sector is essential. An agreement regarding labour force,

which suits our priorities and the specific conditions that prevail here, represents one of the first accomplishments that would demonstrate that we are seeking to reduce duplications.³⁶⁵

345. That the Québec National Assembly petition Jean Chrétien and the liberal federal government to respect the unanimous consensus of all participants regarding Québec's need to exclusively exercise the jurisdictions attaching to labour training.³⁶⁶

346. Québec has never favoured an increased federal presence in the sector of stock exchange securities, an area that is strictly a provincial jurisdiction. On the contrary, it has regularly manifested its opposition to federal initiatives in this matter [...]. Federal regulatory action would be untimely both constitutionally as well as for boosting efficiency. Such regulatory action would result in the duplication of rules and surveillance, then inevitably in heavier administrative and financial charges for issuers, investors and intermediaries.

[...]

For several years now, Québec has given top priority to the harmonization of its regulatory action applicable to the providing of financial services in Canada and abroad, in the same way as it has given priority to the decreasing of costs inherent in this regulatory action and the coherence of the latter from one sector to another. These policies bear witness to the priority that we give to the efficient operations of the market, while ensuring

363. Letter from Daniel Johnson, Prime Minister of Québec, to Marcel Massé, President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Québec, February 15, 1994.

364. *Ibid.* (quotation) [Translation].

365. *Ibid.*

366. Unanimous resolution of the Québec National Assembly dated April 14, 1994.

that the specific aspects of Québec be taken into account.³⁶⁷

*Internal Trade and Distribution of Powers:
See paragraph 351.*

c) Unilateral powers

347. The reducing of duplication must go hand in hand with setting boundaries for federal spending power, if we want both orders of government to exercise their responsibilities in the most efficient manner possible. This objective must also favour the fact that each government act clearly within the limits of the powers assigned to it under the Constitution.³⁶⁸

••• **Intergovernmental policy**

a) Financial aspects of federalism

348. Québec has for many years sought a reform of transfers to the provinces in order that they be adapted to the financial and budgetary realities of the 1990s and that they return to a certain number of basic objectives:

- improving the balance between the responsibilities assumed by the governments and the fiscal resources at their disposal;
- improving the redistribution of wealth in Canada;
- increasing the efficiency of the Canadian public sector.³⁶⁹

349. With regard to the issue of harmonizing federal and provincial taxation policies, Québec is prepared to collaborate on improving how the tax systems operate, but with the certainty of keeping its autonomy in determining Québec's fiscal policy.³⁷⁰

350. The ceiling on equalization payments creates a widening gap as regards the objective set forth in the Constitution, which is to give provinces sufficient revenues so that they may offer public services of a roughly comparable quality and fiscal level.³⁷¹

b) Trade

351. With the federal government, the governments of the other provinces and territories, the government of Québec is a signatory to the Agreement on Internal Trade whose preamble states the following resolutions, namely to:

PROMOTE an open, efficient and stable domestic market for long-term job creation, economic growth and stability;

REDUCE and eliminate, to the extent possible, barriers to the free movement of persons, goods, services and investments within Canada;

PROMOTE equal economic opportunity for Canadians;

ENHANCE the competitiveness of Canadian business;

367. Letter from Daniel Johnson, Prime Minister of Québec, to Marcel Massé, President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Québec, February 16, 1994 (quotation) [Translation].

368. Letter from Daniel Johnson, Prime Minister of Québec, to Marcel Massé, President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, February 15, 1994 (quotation) [Translation].

369. Press release entitled *Finance Ministers Conference*, André Bourbeau, Minister of Finance, Federal-Provincial Conference of Finance Ministers, Montréal, January 21, 1994, (quotation) [Translation].

370. *Ibid.* (quotation) [Translation].

371. Statement by André Bourbeau, Minister of Finance, press release entitled *Renouvellement de la péréquation*, Federal-Provincial Conference of Finance Ministers, Montréal, January 21, 1994.

CONSULT on matters related to internal trade;

RECOGNIZE the diverse social, cultural and economic characteristics of the provinces; and

RESPECT the legislative authorities of Parliament and the provincial legislatures under the Constitution of Canada.³⁷²

First of all, the Agreement defines the operating principles governing the openness of the Canadian market. They are based on the concept of free movement of persons, goods, services and investments. Secondly, it lays down the general rules that must apply, unless otherwise provided, to all eleven sectors covered: public procurement, investment, labour mobility, consumer-

related measures and standards, agricultural and food goods, alcoholic beverages, natural resources processing, energy (under negotiation), communications, transportation and environmental protection. From an institutional standpoint, the AIT provides for the implementation of binding dispute resolution procedures, as well as for the creation of a Committee of Ministers on Internal Trade and a permanent body called the Internal Trade Secretariat.

Lastly, chapter 18 of the AIT deals with a series of general provisions, and lists, among other things, a number of full or partial exceptions several of which are important for Québec such as regional development, culture, taxation and financial sectors.

372. *Agreement on Internal Trade*, July 18, 1994.