

# Intelligence MEMOS



From: Duncan Munn  
To: Canadian Federalists  
Date: October 1, 2024  
Re: REFERENDUM ALERT: IT'S TIME FOR FEDERALISTS TO SADDLE UP AGAIN

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As if productivity, growth, housing and health care weren't challenges enough for Canada, an old threat is quietly re-emerging: Quebec separatism. The Parti Québécois (PQ), headed for government, is promising another referendum. The gathering storm demands attention.

In the 2018 Quebec provincial election the Coalition Avenir Québec (CAQ) handed the PQ an historic defeat, reducing it to just 10 seats. The decades-long debate over Quebec's place in Canada was widely assumed to have been settled, at least for this generation. But six years later the PQ is ahead in polls and its charismatic young leader promises to hold a referendum on sovereignty if elected. If an election were held today, the PQ would likely form a majority government.

That the number of Quebecers who identify as mainly sovereigntist has not changed much over the years is not a huge comfort. As long as an elected PQ is determined to hold a referendum, Canada's unity is at risk.

Several new factors complicate the situation. A major concern is the potential for foreign interference. In the digital age, external actors can influence public opinion through social media and misinformation. We have already seen election interference in federal elections. A referendum on a single question would be far easier to influence. Nations hostile to western values – and they know who they are – would see the fracturing of a G7 country as a significant geopolitical victory. Canada's division would also weaken the NATO alliance at a time of conflict. Any hope of Canada getting military spending to 2 percent of GDP would be dashed.

Quebec voters have twice rejected sovereignty, in 1980 it was 60-40 but in 1995 the margin was barely a percentage point. In both cases, the federalist narrative was of a proud and successful Canada offering Quebec a bright future within a large and prosperous country. Today, such a narrative would be unpersuasive. A stark shift toward pessimism and negativity in the tone and substance of public discussion has weakened Canadian unity generally and could reduce resistance to separatism, both inside and outside Quebec.

Some Canadians, exasperated by endless debates over sovereignty, might be tempted to let Quebec go if its voters clearly wanted that. But the economic stakes are high. Quebec accounts for about a fifth of Canada's GDP, and its economy is deeply integrated with the rest of the country. In 2019, its interprovincial exports totalled \$77.8 billion, while its imports from other provinces were \$86.2 billion. Only Ontario had higher totals. Separation would disrupt these ties, causing economic turmoil on both sides of any new border. The Canadian dollar could also come under pressure, as the British pound did after the Brexit vote.

Despite what's implied by some slick PQ [videos](#), Quebec would face daunting challenges as an independent nation, among them losing net federal transfers, explicitly assuming its share of the federal debt, and establishing its own currency, central bank and trade agreements. The transition would likely lead to instability, affecting businesses and citizens alike. Studies the C.D. Howe Institute published on these questions in the early 1990s have stood the test of time and could inspire a similar review of these issues today.

Another difference between now and 1995 is the evolution of opinion in Alberta. Despite the province's complaints about Confederation, support for Alberta separatism remains low. If Canada began to unravel, however, more Albertans could imagine pastures would be greener if they followed Quebec's lead.

Risks that are low in probability but high in consequence demand serious attention. The complacency that assumes Quebec will always remain part of Canada is dangerous. A renewed push for independence, fuelled by internal dissatisfaction and external meddling, could have disastrous outcomes.

Fresh efforts must be made to combat foreign interference in our politics. Finland teaches media literacy in schools. Provincial governments, which have the main responsibility for education, need to step up. We also need more investment in cybersecurity to ensure the integrity of our elections. Deterrence also means having the toughest measures possible to punish those who would seek to interfere in our politics.

It's also crucial to rekindle the pride and unity that characterized the federalist side in the first two referendum campaigns. Federal leaders need to stop being so negative and instead promote a more balanced account of Canada's history – one that acknowledges wrongs but also celebrates achievements. And the country needs a renewed economic vision that focuses on productivity to improve the living standards of all Canadians, Quebecers included. Economic performance does not trump all, but increasing the wealth and well-being of all Canadians can't hurt unity.

The threat of foreign interference and the current national gloom underscore the need for action. We need to persuade separatists that the third time will not be lucky.

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