Quebecor World warning: Printing giant's shares plunge 8% after earnings advisory, **B3**

TSX	DOW	NASDAQ	DOLLAR	OIL	GOLD	PRIME
10,290.87	10,215.22	2082.21	84.16¢	$60.63	$467	4.75
▲ 100.14	▼ 65.88	▲ 14.10	▼ 0.73¢	▲ $0.61	▲ $6	OCT. 18

BUSINESS

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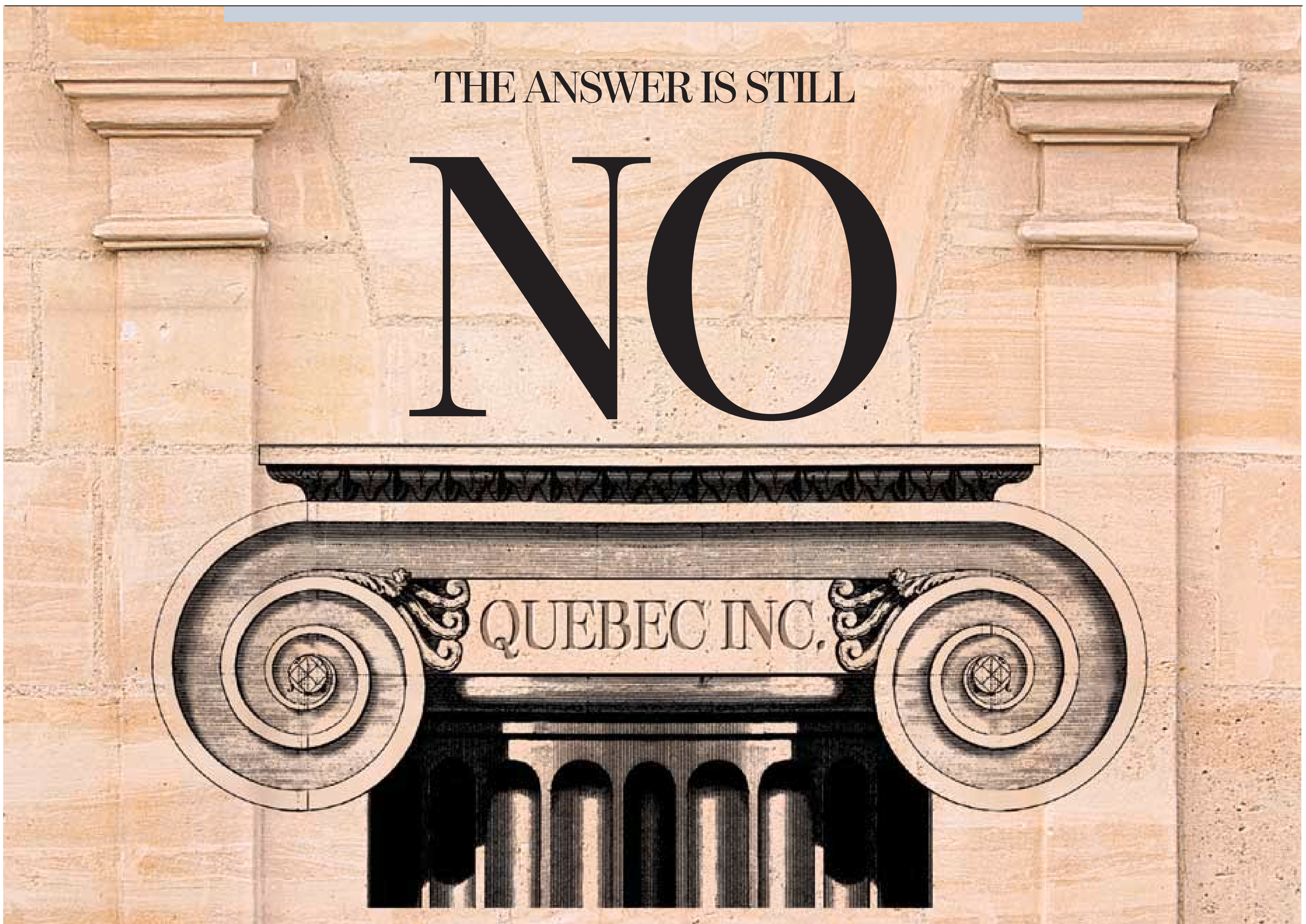
THE ANSWER IS STILL NO



AS SOVEREIGNTY DRUM BEAT BEGINS ANEW, THERE'S LITTLE SYMPATHY FROM BUSINESS LEADERS

DON MACDONALD
THE GAZETTE

Big business was spitting in the soup of ordinary Quebecers.

Jacques Parizeau's distasteful complaint about fear-mongering by business leaders during the 1995 referendum campaign was only outdone by his "money and ethnic votes" rant the night of the vote.

But the virulence of Parizeau's soup insult showed just how seriously the Yes camp viewed the threat posed by the business community's overwhelming opposition to sovereignty. A CROP poll conducted before the referendum had found 88 per cent of Quebec businesspeople planned to vote No.

Ten years later, polls suggest that separation still holds a strong attraction for many Quebecers. But there's little evidence that the Parti Québécois and its allies have made any headway in bringing Quebec Inc. onside. Some say it's a hopeless cause.

"Let's forget it," said Daniel Paillé, a veteran business executive and former PQ industry minister.

"Trying to change their minds is mission impossible because ... by definition, businesspeople don't like the unknown," said Paillé, quickly adding he believes business would quickly adapt if Quebec did become independent.

Separatists may not be able to match the support that federalism gets from the business community, but in 1995, the Yes camp did do an effective job in painting warnings about the economic consequences of independence as a fear campaign directed at ordinary Quebecers.

That strategy proved effective in muffling business voices against separation and provided a victory of sorts for the Yes side.

Ten years later, federalist businesspeople say that can't be allowed to happen again if there's another referendum.

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In 1995, the separatist camp tried to counter the impact of massive support for federalism in the business community with two strategies. The first was to seek out separatist executives to publicly voice their support for the cause and counter the impression the entire business class was for the No.

This effort turned out to be a failure. The Yes camp was unable to mount a credible committee of businesspeople by persuading high-profile nationalist business leaders to come forward to support the cause.

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PHOTO ILLUSTRATION **DAVID FITZPATRICK**

Bouchard and business singing from same song book

JAY **BRYAN**
ON THE MANIFESTO

"Bouchard's intellectual evolution seems to have been consistent in the years since the referendum."

Quebec's business community can only hope that Lucien Bouchard still has the same magic he once used to turn around a flagging referendum campaign.

Back then, of course, his efforts gave businesspeople heartburn. But today, Bouchard and his group of 12 reformist political, intellectual and business leaders sing a very different tune. For one thing, it's bipartisan, including people on both sides of the secession issue.

Even more encouragingly, Bouchard now says it doesn't really matter which side of this question you're on because, either way, Quebec must face the same demographic, economic and educational challenges.

That's a 180-degree turn for the man who was once the principal salesperson for the notion that Quebec's problems would shrink to insignificance the day after a Yes vote. This claim was fantasy, but marvellously effective.

In fairness, however, Bouchard's intellectual evolution seems to have been consistent in the years since then.

It was under his leadership that the government of Quebec finally made the tough, but responsible, decision that it simply couldn't go on financing its programs with borrowed money.

This week's manifesto from an ad-hoc group of notables including Bouchard, former Parti Québécois minister Joseph Facal and former Liberal minister Guy Saint-Pierre is another step in the same direction.

It calls for reforms that would require real sacrifices in order to make such long-term investments as slashing Quebec's debt and improving its educational system.

We'd all be affected, particularly since one suggested reform would end the artificially low rates for electricity from **Hydro-Québec.**

The Bouchard group points out that there's no overall benefit in delivering subsidized power through a government utility. We take money out of one pocket by paying higher taxes, to put in another pocket, which delivers cheap power. Indeed, a household with a large home and many appliances actually benefits more than a low-income one.

Replacing this power subsidy with a tax credit equal to today's average household electricity subsidy would not only focus the benefit on lower-income households, but create a valuable incentive to conserve energy.

The Bouchard group would like to devote the profits from market-priced power to cutting Quebec's crippling debt. That's a laudable goal for a province with an aging population. Some might even be diverted to other productive ends, like a general tax cut.

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