2. Economy & Public Finances.

2.1. Canadian Party of Quebec Response to the 2022 Inflation/Cost of Living Crisis.

<u>Key Takeaways:</u>

1. Recognition of global causes of inflation/price hikes in 2022.

2. Local solutions to mitigate the effects of inflation.

3. Reducing the Quebec Sales Tax from 9.975% to 8% starting January 1, 2023.

4. Abolishing Revenue Quebec and transferring tax collection responsibilities to the Canada Revenue Agency.

5. Introduction of Two New Income Tax Brackets at high end to encourage fairness; offset GST gains for higher-income earners.

The state of the global economy is in flux. The Royal Bank of Canada expects growth in 2023 to be the weakest in more than 10 years, save for 2020's COVID-19 pandemic-dominated year. As a result, the risk of recession (two consecutive quarters of economic contraction) in 2023 is high.[1]

2.1.1. Background.

Inflation and affordability issues, i.e., *cost of living*, have been foremost in Quebecers' thoughts since the start of 2022. The *Canadian Party of Quebec* takes the view that the current inflation crisis has been stoked by factors mostly outside of Quebecers' control, i.e.:

- *Global supply chain* breakdowns that affect a variety of goods (e.g., semiconductors, building materials);
- The war in Ukraine (commodity shocks (e.g., oil and gas, grain) caused by Russian sanctions, blockades);
- The ongoing **COVID-19** pandemic, including the impact of China's zero-tolerance policy on global manufacturing;

[1] Royal Bank of Canada, (2022, July). Investment Update, Summer 2022 edition, p.4.

- Pent-up consumer demand for goods and services as the global economy began opening up after the *Omicron* wave (e.g., tourism, entertainment, leisure activities, etc.);

That being said, Quebecers have to deal with it, especially when it comes to housing, gas, food and transportation costs. The main reasons life is less affordable for the middle-class and working families today.

2.1.2. A Strategy to Combat Inflationary Pressures.

In 2020 and 2021, governments around the world spent lots of money into the economy to support unemployed individuals and businesses. However, in 2022, both the *Bank of Canada* and the Federal Reserve in the U.S.A. have significantly raised their benchmark rates.

Today, it's the role of the provincial government to make life more affordable for Quebecers, while making sure not to adopt policies that are excessively inflationary.

Relief programs, whether they be direct payments or tax cuts, risk being inflationary, since any measure that stimulates consumer consumption results in upward price pressure. The Party believes in a multi-pronged approach that helps all Quebecers, while adopting other measures that act as a counterbalance to keep inflation in check.

That being said, a lot can be done locally to mitigate inflation:

1. Creating a job growth environment where both government and the private sector offer employment that attracts and retains skilled workers to better stabilize the work force.

2. Seriously tackling the **affordable housing crisis** by putting people's needs above political bickering. Adequate housing is a fundamental human right, not a commodity (article 25 of the 1948 *Universal Declaration of Human Rights*; article 11.1 of the 1966 *International Covenant on Economic, Social and Cultural Rights*).

3. Call out and investigate *price-gouging* at all levels (manufacturing, supply, retail, etc.) and in all industries - including real estate.

4. Consider short-term and long-term lifestyle changes that mitigate personal budgetary strain, i.e.:

   Gas/transport: Car pooling, car sharing, public transit, hybrid work arrangements, etc.;

   Food: Cutting down on waste, eating out less, more frugality at the supermarket, couponing, shopping locally;

Note that global dependence on *hydrocarbons*, i.e., fuel and petroleum-based products, creates the conditions for abusive monopoly power leading to inflationary spikes.

2.1.3. Solutions.

With Gross National Product **(GNP)** growth in North America and Western Europe expected to drop to near one percent in 2023, and more interest rate hikes on the horizon, the time for bold action is now.

2.1.3.1 Inflation support.

CaPQ Recommendation: An effective and arguably aggressive method of providing direct assistance to vulnerable Quebecers would be an immediate cut to the Quebec Sales Tax **(QST)** from 9.975% currently to 8%, starting **January 1, 2023**.

Sales taxes are a form *of regressive taxation*, meaning that people earning lower income spend a higher percentage of their income on the QST. Therefore, while this measure would put money back into the pocket of all Quebecers, low-income residents would be helped the most.

This measure will also help stimulate the Quebec economy, which will be important in preventing Quebec from falling into recession in 2023 and helping to grow its economy once inflation pressures subside.

This sales tax cut would mean approximately $3.34 billion dollars in lost Government of Quebec revenue in 2023. Note that revenues from consumption taxes such as the QST is expected to total about $26.7 billion, or 19.3% of all of Quebec's revenue (including federal transfers) during the 2022-23 fiscal year.[2]

How do we pay for it? The recent budget deficit revision (down from $6.1 billion to $729 million for 2022-23, for a $5.371 billion difference) from Finance Minister Éric Girard justifies the Party's QST cut proposal for one year.[3]

At the end of 2023, the CaPQ recommends a review the QST cut's impact on public finances and the economy to determine if the 8% rate can be maintained, or if adjustments are required.

2.1.3.2. Spending Cuts, Revenue Adjustments to Control Inflation:

Given the current fragility of Quebec's healthcare and education systems, it's critical that any savings be realized from other parts of the provincial budget.

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[2] Steve Faguy, (2022, March 23). Highlights of the Quebec 2022-23 budget. https://montrealgazette.com/news/local-news/highlights-of-the-quebec-2022-23-budget Retrieved August 27, 2022.

[3] Finances Québec. Rapport préélectoral sur l'état des finances publiques du Québec, (2022 August 17). http://www.finances.gouv.qc.ca/documents/Autres/fr/RapportPreelectoralFR_2022.pdf Retrieved August 27, 2022.

2. Economy & Public Finances.

A. Abolishing Revenue Quebec and other Government Duplication:

In 2015, the then governing Quebec Liberal Party convened the *Robillard Commission*, headed up by former Quebec and federal Liberal cabinet minister Lucienne Robillard. Its mandate was to find expenses in the annual budget that could be eliminated in order to achieve the so-called *deficit zero*.[4]

One of the suggestions made was to abolish *Revenue Quebec* and transfer tax collection responsibilities to the *Canada Revenue Agency* **(CRA)**, as is the case in every other Canadian province.

According to the Robillard Commission, the shift to a single tax collection agency system would result in savings via the elimination of duplication of approximately $392 million per year in 2015 dollars for Quebec (over $476 million dollars today).

The Party supports this Robillard Commission recommendation, and also recommends that a new permanent commission be convened to suggest other ways to eliminate federal-provincial duplication with various programs and departments.

"We share the Commission's findings about the duplication of effort between the federal and provincial governments," Michel Leblanc [President and CEO of the Board of Trade of Metropolitan Montreal] *said. "We support its recommendation to analyze the impact of a possible transfer of tax collection activities to the federal government, particularly for corporate taxes."*[5]

Some Quebecers will lash out at this proposal for nationalistic reasons, but the Government of Quebec would still maintain its fiscal autonomy within the context of the Canadian federation. During a reasonable transition period, most Revenue Quebec personnel will either be integrated into the CRA (e.g., accountants, auditors, investigators, researchers, etc.), find employment in the private sector, or transfer to other positions within the provincial civil service. Others will receive severance packages, or be eligible for retirement.

B. New Personal Income Tax Brackets to Offset High Income GST Gains.

CaPQ Recommendation: Two new tax brackets for Quebecers, one for those making between $112,655 and $250,000, and one for Quebecers making over $250,000.

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[4] CBC Quebec AM, 2014. Robillard Commission explains proposed cuts. https://www.cbc.ca/player/play/2615272351 Retrieved August 26, 2022.

[5] The Chambre of Commerce of Metropolitan Montreal. (2015, August 31). *Second report by the Robillard Commission: an exacting exercise and a call to action* [Press Release]. https://www.ccmm.ca/en/commissionrobillard_2016/ Retrieved August 26, 2022.

Income tax rates, income thresholds and constants proposed for 2023.[6]

Taxable Income More Than		Tax Rate not More than	Constant
$0	$46,295	15%	$0
$46,295	$92,580	20%	$2,314
$92,580	$112,655	24%	$6,017
$112,655	$250,000	25.75%	$7,989
$250,000	N/A	**28%**	**$10,000**

Projected Income Tax Implications:

Individual earning $250,000 – pays $1,752 more in income tax.
Individual earning $169,000 – break-even point.
Individual earning $92,580 (income that would net the highest tax savings) - saves $915.
Individual earning $46,295 (limit of lowest tax bracket) – saves $452.

Justification: Aims to improve tax fairness and help pay for the lowering of the QST which wealthier Quebecers will also benefit from.

[6] Revenu Québec. Principle Changes for 2022: Income tax rates, income thresholds and constants for 2022. https://www.revenuquebec.ca/en/businesses/source-deductions-and-employer-contributions/employers-kit/principal-changes-for-2022/ Retrieved August 26, 2022.

2.2. Business in Quebec during the COVID-19 Pandemic (Small Restaurant Owner Perspective).

Key Takeaways:

1. **Complexity of Provincial Government financial aid application process.**

2. **Insensitivity of the CAQ government towards the restaurant business, especially with its use of lockdowns in late 2021.**

3. **Reduction of Deductions at Source (DAS), tip sharing, and higher immigration as possible solutions for restaurant business recovery.**

4. **Supply Chain issues and price gouging from a small restaurant owner perspective.**

2.2.1. Questions and Answers.

What Quebec government support was available to Small Business?

A few loans for small businesses that were available. Typically, the two that several small businesses used were obtained through **PME Montreal**. The first loan was $50,000 and the second was $20,000.

These loans did have some forgiveness for fixed expenses that weren't covered by the federal government's wage subsidy and rent subsidy programs.

In what ways did these loans work against you?

The problem with the provincial aid was the application process' arduousness. Generally, it would take about a week of work to get the necessary information and include forecasts that were impossible to predict, as nobody had any idea what would be their operational status the next day, let alone a week or more later.

Conversely, the federal government flat out gave you the loan.

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If you weren't in business the year prior to the COVID-19 pandemic, i.e., 2019, were you ineligible for any sort of financial aid, at least at the beginning?

The loans were personally tied to you, the owner. Considering that small business owners had no choice but to follow the dizzying effect of the CAQ government's whims, it was a very unfair clause. By contrast, the federal loan (a $60,000 line of credit) was tied just to the enterprise.

How did the Quebec Government work against you?

Even though we were living through a deadly pandemic, the level of disdain shown to the restaurant industry by the Legault government was astonishing, given that it was supposedly a business-friendly political party.

The restaurant industry, already heavily regulated, was given specific new regulations to follow such as mask wearing, vaccine passports, and a 6-metre distancing rule between tables in order to remain open. Many restaurants spent thousands of dollars to follow the guidelines, including plexiglass between tables, only to be shut down regardless of the safety measures put in place.

The CAQ, instead of focussing on establishments that violated the rules, punished the entire industry for the transgressions of a few malcontents. Several full shutdowns caused massive losses in revenue, inventory and employees. Several restaurants lost between 50%-70% of their business.

The government's yo-yo decision making left businesses scrambling to liquidate stock and left everyone in limbo. I will use as an example New Year's Eve, **December 31, 2021**, one of many complete shut downs. Within 24 hours of one of the busiest days of the year, with thousands of dollars in food and alcohol purchases already in house, it closed every restaurant down, without thought of the financial damage it would do to businesses that have acquired loans and were already starting to fail.

In addition, there was no help to retain staff in the restaurant business. The CAQ effectively closed us down, some of us for good.

The general feeling among colleagues is that another shut down or reduction in capacity is almost certainly coming in the fall, which will be devastating for all small businesses.

What do you need now, as we go through a 7th wave and are perhaps looking at an 8th wave once children return to school?

Clarity. Almost three years into the pandemic and the CAQ still does not seem to have any plan on how to move forward. How will we move forward with another wave? Definitely, an end to instant lockdowns that leave businesses scrambling to pick up the pieces.

Repairing the healthcare system would be a top priority. A relatively small number of people (a few thousands) practically collapsed the healthcare system in a population of over 8.5 million. If we are to move forward and "live" with the virus, then the healthcare system must be stable enough to handle future waves, so that shutdowns are not necessary.

2.2.2. Solutions, proposals for keeping and retaining employees.

The restaurant industry had a labour shortage for many years prior to COVID-19. This is a fairly complex problem that will require a multi-level solution, but the *Canadian Party of Quebec* highlights below what possibly can help.

A Reduction of Deductions at Source (DAS) to assist all Small Businesses.

To give one example, a full-service restaurant with sales of between $70,000 to $80,000 a month can expect to pay between $12,000 and $17,000 in DAS per month. Obviously, this is a fluid figure but in the restaurant business with so much salary tied to *tipping*, it's impossible to predict what it will be every month. Of that figure, approximately 70% is submitted to Revenue Quebec, while the remainder goes to the Federal government. A modest DAS reduction would allow businesses to hire more employees. And, unlike large corporations, small businesses rarely if ever hit the maximum amount to be paid by the fall.

Tip sharing.[7]

Although this is a contentious issue, *tip sharing* may solve many of the problems in restaurants. An average cook is paid $18-$22 per hour but servers can earn as much as $50 per hour with tips. Tip sharing with the entire staff at the very least seems like a fair way to approach the situation. However, as it stands currently, the servers must agree to share tips with other employees and as owners, we are not permitted to force them to. Normand Laprise from Toque! restaurant along with *L'Association Restauration Québec* **(ARQ)** attempted to do this pre-pandemic but the idea was shut down by the Quebec government.

As a result, cooks are in high demand, because of scarcity, and fewer people are entering the food service trade.

Elimination of all tipping with proper salary benchmark regulations would be another way, as with other trades work such as plumbers and electricians. That way, the businesses can set their menu pricing according to a set payroll.

Higher annual immigration levels to help with the employee shortage.

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[7] CBC News, (2022, August 20). Quebec restaurants want power to set rules for tip sharing between servers and kitchen. https://www.cbc.ca/news/canada/montreal/tip-sharing-quebec-1.6556448 Retrieved August 30, 2022.

2. Economy & Public Finances.

Increasing immigration levels will definitely help the situation, even of only a small percentage enter the hospitality domain. Quebec should everything in its power to make people welcome, including offering targeted assistance to encourage entry into the trade and worker retention. Easing language restrictions would also help. Otherwise, immigrants will go elsewhere.

An absolute end to random shutdowns.

So many people – cooks, waiters, dishwashers, etc. - have left the industry after restaurants were constantly being forced to close. In many restaurants, stories of losing most front house (dining room staff) and half of the kitchen staff aren't uncommon. Many have left the industry completely because it was too unstable.

Supply chain issues.

For various sources, the majority of supply chain issues today are caused by the lack of warehouse workers and truck drivers. Even when doing business with a large purveyor and entering the pandemic, small restaurants were told that they could no longer be served and that the purveyors would only focus on large accounts due to the labour shortage.

The other major issue is *price gouging* – there are fears in the industry that the COVID-19 pandemic was used as an excuse by some businesses to needlessly raise prices. For example, a case of 12x1lb of Phillips snow crab pre-pandemic was roughly $180. As of this writing, it's $400. The cost of most food items has gone up substantially in the past year. A few weeks ago, red peppers went up by $2 per kilogram at a time (i.e., summer) when prices normally drop.

While some items can be back ordered, restaurants can generally find a substitute, so it may not have been a major issue for most, other than having to deal with the price increases. Restaurants are slowly starting to recover, and higher prices haven't caused a slowdown yet. Many people are just glad to return to somewhat of a normal life.

2.3. Projected impact of Bill 96 on Small Businesses with 25 to 49 employees and beyond.

Key Takeaways:

1. **Both "Francophone" and "Anglophone" businesses in Quebec will suffer under Bill 96.**
2. **Increased emphasis on the francization of small to medium-sized enterprises (SMEs) by the OQLF.**
3. **Estimated French language compliance costs for Quebec's 20,000 SMEs: $9.5 million to $24.5 million.**
4. **SME Technology, Business leadership at risk with Bill 96.**
5. **Indistinguishable from *Quebec Liberal Party*'s official policy (Article 22 of *Because French is Our Language, Our Strength and Our Future*), published in April 2021.**

Bill 96, *An Act respecting French, the official and common language of Québec*, which came into force on **May 24, 2022** (*Royal Assent* on **June 1, 2022**) will have significant economic consequences for companies with 25 to 49 employees in Quebec. These enterprises can expect an increase in administrative pressure, the complexity of standards to be followed regarding French language use in the workplace, and a harder time finding qualified labour in major centres like Montreal and Quebec, as well as in niche economic sectors throughout the province.

Bill 96 now obliges businesses with 25 or more employees to comply with the requirements of the *Charter of the French language* **(CFL)** with regards to the *francization* of businesses.

Francization is an existing process imposed on Quebec businesses with the aim of ensuring sufficient French presence in the workplace. It notably requires certain actions such as administrative and management processes, committees and reports to ensure such presence in many spheres, like internal communications, work tools, hiring, etc.

These companies will now have to register with provincial authorities and demonstrate that business use of French has been normalized at all levels.[8] Enterprises with 25 to 49 employees will now be subject to francization obligations under the modified CFL **(MCFL)** and will be required to have a *Francization Certificate* at the same level as companies with 50 to 99 employees (as is currently the case under the CFL) as of **June 1, 2025**.[9]

The law will also change deadlines for francization obligations, and will impose additional requirements on francization committees. It obliges companies to consult the *Office québécois de la langue française* **(OQLF)** before determining criteria for appointing an elected committee, in addition to requiring the keeping of minutes of meetings that must be distributed to members. Companies will also be obliged to distribute the list of committee members to employees.

The adoption of Bill 96 means additional layers of paperwork and significant new costs to the 20,000 small and medium-sized enterprises **(SMEs)** in Quebec. According to the *Canadian Federation of Independent Business* **(CFIB)**, the cost of compliance will be between $9.5 million and $24.5 million.[10][11] The CFIB also predicts that a SME that wants to comply will have to devote on average 42 hours to the exercise and hire an external consultant.

Under Bill 96, companies will also have to justify why a job opening is designated bilingual, a regulation that adds another layer of complexity to solving labour shortages. Finally, the majority of SMEs in Quebec will have to work hard to adapt, because they aren't familiar with CFL standards. As well, cost and paperwork aside, many businesses will be going through the exercise for nothing and won't see any difference, because they already operate entirely in French.

Bill 96 will also require companies with five or more employees to report the number of people working in the Province of Quebec that can't adequately communicate in French to the OQLF. This will allow the OQLF to provide French language learning services to businesses. Although it's not obligatory to use these services, they will be mandatory for companies that want to have

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[8] Dentons, (2022, May 27). The main impacts of the adoption of the Act respecting French, the official and common language of Québec, on Québec employers. https://www.dentons.com/en/insights/articles/2022/may/27/main-impacts-of-the-adoption-of-the-act-respecting-french Retrieved August 29, 2022.

[9] Enda Wong, Émile Catimel-Marchand, Jonathan Kalles, and Nicholas Yanakis, (2021 May 19). BILL 96 – Top 10 Impacts of the Revised Charter of the French Language on your Business and When to Expect Implementation of Such Revisions. https://mcmillan.ca/insights/bill-96-top-10-impacts-of-the-revised-charter-of-the-french-language-on-your-business-and-when-to-expect-implementation-of-such-revisions/ Retrieved August 29, 2022. Retrieved August 29, 2022.

[10] Isabelle Masse, (2022, May 13). Projet de loi 96 Des PME craintives de crouler sous la paperasse. https://www.lapresse.ca/affaires/2022-05-13/projet-de-loi-96/des-pme-craintives-de-crouler-sous-la-paperasse.php Retrieved August 29, 2022.

[11] Emmanuel Martinez, (2021, October 4). Projet de loi 96: «Un énième alourdissement du fardeau administratif des PME», selon la FCEI https://www.lesaffaires.com/strategie-d-entreprise/pme/projet-de-loi-96--un-enieme-alourdissement-du-fardeau-administratif-des-pme-selon-la-fcei/627739 Retrieved August 29, 2022.

contracts with the public administration or that want to obtain government subsidies. The OQLF also reserves the right to require a company to set up a francization committee. When the OQLF deems the francization of the company adequate, it will issue a *Certificate of Attestation*.

2.3.1. Bill 96's Consequences for Quebec's Technology Sector.

The updated language law will deal a severe blow to Quebec's technology sector – for companies with 25 to 49 employees as well as those with 50 employees or more. As one of the sectors most affected by the lack of skilled labour, technology companies already rely heavily on immigration to hire talent. Entrepreneurs in this sector believe that the new francization standards will limit their growth potential, and fear that qualified immigrants will choose other host provinces with greater frequency.

Smaller tech companies could potentially be at even more risk, since they already have difficulty competing on wages with larger Quebec companies, as well as those in Ontario and the United States. The new regulations preventing foreign workers from sending their children to English-language schools for more than three years are also a source of anxiety for SMEs in the technology sector.

The industry foresees a *brain drain* to other provinces with less stringent language requirements. The technology sector will not be the only ones affected, according to many stakeholders in Quebec's business world. Finance, real estate and the transport industry are also likely to be negatively impacted.

Already, several notable CEOs in Quebec's technology sector have expressed their concerns about Bill 96.[12][13]

2.3.2. Bill 96 and Investment Capital.

Bill 96 also risks scaring away investors from other Canadian provinces as well as foreign investors, especially those on the U.S. East Coast, our neighbours. The language law's new standards could be very restrictive, particularly in terms of contracts, for companies that want to invest in Quebec.

Although Quebec's business community supports the use of French, Bill 96 doesn't seem to be a tool for protecting it in Quebec's economic context. The obligation to justify adding English as a

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[12] Alain McKenna, (2022, June 14). Des technos québécoises demandent le report de l'application de la loi 96. https://www.ledevoir.com/economie/722556/francisation-des-technos-quebecoises-demandent-le-report-de-l-application-de-la-loi-96 Retrieved August 29, 2022.

[13]Maxime Bergeron, (2022, January 10). https://www.lapresse.ca/affaires/2022-01-10/projet-de-loi-96-sur-le-francais/le-monde-des-affaires-sur-ses-gardes.php Retrieved August 29, 2022.

requirement for job offers could force companies to move certain positions to places where language laws are less restrictive.

2.3.3. Extra Layers of Bureaucracy for Small and Medium-sized Businesses in Quebec.

Bill 96 will add administrative layers to SMEs in Quebec, which are already facing several difficulties in the current economic context. The cost in time and money to comply is likely to have a negative effect on many employers.

Many Quebec SMEs, especially those outside major centres, already work completely in French and the consequences for them can only be negative and complicated. For SMEs in large centres and in industries where there is a lot of international recruitment, attracting talent will be more challenging. Competing jurisdictions (e.g., Ontario) where language requirements are less stringent will likely benefit.

New regulations for job postings will also bring administrative difficulties and potentially make human resources departments less dynamic in carrying out their tasks. Recall that a company that refuses OQLF services could be refused government subsidies and contracts with the Quebec government, financial sources that can be vital for an SME.

In addition to now being covered by the CFL, SMEs in Quebec will also have to apply the new applications of Bill 96 (MCFL) such as:

- The tightening of the law on public signage and commercial advertising;[14]
- The use of trademarks in a language other than French;
- New requirements for businesses that provide services or products to the Government of Quebec;
- The conclusion of contracts and interactions with the Government of Quebec in French;
- Stricter customer service requirements re. use of the French language;
- The use of French in court documents, the increased use of French in employment-related documents and language requirements;
- The modification of the language choice provisions with regard to adhesion contracts, the registration of sureties in French and the significant modifications of the sanctions for non-compliance.

[14] Melissa Tehrani, (2022, June 1). Québec adopts Bill 96: How the legislation directly impacts your business operations and other key considerations. https://gowlingwlg.com/en/insights-resources/articles/2022/quebec-bill-96-impacts-and-key-considerations/#pt1 Retrieved August 29, 2022.

2.3.4. Conclusion.

Bill 96 will affect both Anglophone and Francophone SMEs in Quebec, and for now we can conclude that it will be much more costly than beneficial.

There is no proof that Bill 96’s measures actually protect the French language, but all the indicators point towards the fact that they will have huge monetary, human and administrative costs. Thus, we can ask ourselves what is the real reasoning of the CAQ government behind the implementation of Law 96.

It should be noted that private sector enterprises under federal jurisdiction, such as banks, airports, telecommunications firms, and others may also be subject to Bill 96. Although Quebec’s constitutional authority to do this is uncertain, the federal government has shown openness to the proposal via its 2021 White Paper on official languages, Bill C-32, and its successor, Bill C-13, currently in Consideration in Committee.[15]

This is also part of the *Quebec Liberal Party*’s stated language policy (**Article 20** of *Because French is Our Language, Our Strength and Our Future*, published in April 2021).

[15] Wong et al.

2.4. A Bilingual Quebec versus an Officially French-only Quebec.

Key Takeaways:

1. **The choice for how to run Quebec's economy, let alone Quebec society as a whole, as never been so stark.**

2. **Unilingualism by all measures, historic and otherwise, runs counter to the reality of shop floors, the research labs, and the boardrooms of Quebec.**

2.4.1. Benefits of French-English bilingualism for Montreal's and the province's economic and employment growth.

Heatherington[16] and others have demonstrated the economic benefits of bilingualism for Montreal and the Province of Quebec as a whole going back to 1966. Yet, it seems that the persistent fear of the French language's demise in Quebec continues to raise uncertainties about future economic and employment prospects.

A lack of hindrances to the use of English in Quebec means that trade flows with other Canadian provinces, the English-speaking world, and the world in general can continue to proceed effectively. Conversely, a lack of English fluency in trade circles among a critical mass of Quebecers acts as an effective and significant trade barrier.[17]

Arguably, Montreal was Canada's dominant city until the 1960s, the hub of manufacturing, finance, shipping, textiles, rail transport and many other sectors. Today, its bilingual (multilingual) workforce drives the metropolis' future economy, i.e.:

- Artificial Intelligence;
- Aerospace;
- Life Sciences and Health Technologies;
- Video games;

[16] Derek Heatherington, on behalf of the *Task Force on Linguistic Policy*, (2021, October). Analysis of Major Research on the Economic Impacts of Language Policy for the Period 1966 – 2020.

[17] Lohmann, J. (2011). Do language barriers affect trade? Economics Letters, 159-162.

- Visual Animation[18]

and other fields. All of which demand an ever-increasing level of education, skill, talent, professional competency, and collaboration – some times national, some times global. Which necessarily demands reasonable fluency in English.

Can Montreal and Quebec as a whole succeed as an effectively unilingual French society? Past indicators say that bilingualism pays off in the long run:

- Trade in two languages adds three to four billion dollars each year to the economies of New Brunswick and Quebec;[19]

- "Academic studies prove that bilingualism directly benefits individuals by increasing their earnings relative to their peers, their job opportunities and labour mobility, and their chances at promotion to higher levels"[20]

So, what does the future hold?

2.4.2. The Costs of Discouraging Bilingualism in a Bill 96 World.

French-English bilingualism **[CaPQ Principle 3]** is a cornerstone of modern Canada, especially in the Province of Quebec, where both languages have operated side-by-side for well over two centuries. From a business perspective, what do the CAQ government, the Quebec Liberal Party, and other language hardliners really have against it?

Bill 96's onerous and cumbersome labour, business, legal and administrative obligations amount to the most systematic attempt to eviscerate the English language from public life in Quebec history.

Discouraging bilingualism, i.e., the use of the English language in a Bill 96 world, will have devastating economic repercussions for Quebec not unlike those witnessed during the 1976-1981 period. Continued interprovincial migration losses, a shrinking tax base, and a lessening ability to attract top global talent in business, science, and technology – domains where English remains the primary international language.

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[18] Montreal International. https://www.montrealinternational.com/en/keysectors/ Retrieved August 31, 2022.

[19] Canadian Heritage. (2016, May). Economic Advantages of Bilingualism. https://www.caslt.org/wp-content/uploads/2022/03/pch-bilingualism-lit-review-final-en.pdf Ottawa: Department of Canadian Heritage, p.24.

[20] Canadian Heritage, p.1.

Even established companies like *Ubisoft Montreal* – with around 4,000 employees – and other Quebec-based video game companies have sounded the alarm, since most skilled employees in the gaming industry are English-speaking or bilingual.[21]

As a multinational with many subsidiaries throughout the world, Ubisoft has options that smaller and medium-sized Quebec companies don't. For example, *Ubisoft Winnipeg* recently announced that it would add 200 jobs to its studio operations, growing its workforce to 300 by 2030.[22]

What if Ubisoft Winnipeg needs French-speaking game developers? St-Boniface (population 60,000 approx.) is next door, as are mobile, bilingual, Canadian francophones looking for opportunities that are always available.

Even the most Bill 101-compliant multinational corporation currently operating in Quebec has its limits. At what point will foreign executives say that the hassles of French-only contracts and legal documents just aren't worth the trouble of doing business in Quebec, and simply move operations in whole or in part to another jurisdiction (Ontario, New Brunswick, Vermont, upstate New York, etc.)?

Why should francophone Quebecers care about French-English bilingualism? In a Bill 96 world, francophone adults with poor English skills will be denied job opportunities and promotions that require English language fluency. And no law - even one that guarantees the right to a French-speaking workplace - will protect them when Quebec companies increasingly have to move operations out of province, if for no other reason than to bypass onerous French language requirements.

Money talks. Recently, *Statistics Canada* released data revealing that bilingual Montrealers earn an average of $60,650 annually, versus $43,280 for unilinguals – both English and French. Canada-wide, bilingual people earn $60,550, $5,300 more than unilingual English-speakers.[23]

On the other hand, non-English-speaking francophones are a captive audience for self-proclaimed nationalist governments like François Legault's. A lack of English necessarily means a lack of mobility, with the Province of Quebec (and pockets outside Quebec) being the only place that will employ them – almost always for less pay than in other provinces.

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[21] Jack Coleman, (2022, June 30). Québec Bill 96 language law places local gaming industry at risk: https://www.nme.com/news/gaming-news/quebec-bill-96-language-law-local-gaming-industry-risk-3259474 Retrieved August 27, 2022.

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[23] Andy Riga, (2022, August 18). Bilingualism pays: Canadians who speak English and French earn more — census. https://montrealgazette.com/news/local-news/bilingualism-pays-canadians-who-speak-english-and-french-earn-more-census Retrieved August 27, 2022.

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Talent has no boundaries, and English-speakers of all ethnicities will be at the forefront of a new "brain drain" if the Government of Quebec places the French language above all other legal and business considerations. However, they won't be the only ones. As with the 1976-1981 Quebec exodus – the largest mass migration in Canadian history – the best and brightest bilingual francophones will also leave Quebec – perhaps on a temporary basis, perhaps not.

The reply from François Legault's CAQ government? Encouraged by nationalist intelligentsia and well-entrenched anti-English Quebec sentiment in some circles – it has chosen to remain focussed on identity politics instead of the best interests of Quebec's economy.