

WITH Maxime Bernier, *Former Industry and Foreign Affairs Minister and MP for Beauce*



Maxime Bernier is a lawyer by trade, first called to the Quebec Bar in 1990. Following a long-standing interest in business, Maxime Bernier's professional career has taken him from positions in several financial and banking institutions, to Executive Vice-President of the Montreal Economic Institute. In his political life, Maxime Bernier was first elected Member of Parliament for Beauce on January 23, 2006, with the largest majority outside of Alberta. He was appointed to Cabinet on February 6, 2006, as minister of Industry. After he succeeded in deregulating major portions of the telecommunications sector, the chair of the Political Science department at McGill University, Professor Richard J. Schultz, wrote that "In terms of what is perhaps the single most important component of his Industry portfolio, telecommunications, he was without challenge the best Industry Minister in thirty years." He became Minister of Foreign Affairs on August 14, 2007. Mr. Bernier resigned from his Minister's position, on May 26, 2008 and was reelected as Member of Parliament for Beauce, on October 14, 2008 with the largest majority in Quebec for the second time. Mr. Bernier was interviewed after Lunch on the Frontier in Winnipeg, May 19, 2010.

Frontier Centre: You have a business and think tank background. Tell us a little more about your background.

Maxime Bernier: Before entering politics, I was vice-president of the Montreal Economic Institute. Before that I worked in the financial sector in Montreal, for an insurance company, Standard Life of Canada, based in the UK. I also worked with the National Bank of Canada. I have a law degree, I am a lawyer and I also did a business degree in Montreal.

FC: How about the think tank background?

MB: When I was with the Montreal Economic Institute we did some very important research on the private sector in healthcare in Quebec. I also wrote a book proposing a flat-rate income tax. I was in charge of the fundraising and helping the President Michel Kelly-Gagnon at the time. It was a very good experience for me because you learn a lot about public policies and how to implement good public policies. That experience was very useful for me after I became Industry Minister.

FC: So why are think tanks important?

MB: Think tanks are important because of the ideas that they bring into the debate. They propose solutions to make society more prosperous with free trade, free market ideas, less government. We need think tanks in Canada because we need more ideas. Politicians have their civil servants to help them do what they have to do in their area of responsibility. But they must also have another opinion, which usually comes from a think tank.

FC: Why did you go into politics?

MB: To promote what I believe in: free markets, less government and more individual freedom. I think that Canadians are responsible people and they don't need a big government.

FC: One of your recent speeches was titled "Why Not Zero Growth in Government?" A lot of Canadians would agree with this. Why is it such an elusive concept for our politicians?

MB: It is difficult to implement a reform like that because you have a lot of interest groups out there who want money

from the government for their benefit and it's the silent majority of Canadians who are paying for that. So politicians want to please interest groups because they are outspoken and they have access to the media and they are very active. It's easy to please interest groups and to forget the silent majority of Canadians. A zero growth budget will help to solve that. The goal is to have less government. I'm very optimistic that the next budget at the federal level will, perhaps not be a zero growth budget, but will go in that direction.

FC: Is the minority position of the present government in Ottawa part of the challenge?

MB: It is always a challenge because you can only plan for three months in advance. So it's difficult to do big reforms and I hope that next time we will have the majority. My objective is to have more conservative MP's elected in my own province, Quebec, to be able to achieve the goal of forming a majority government. As a minority government, we were able to achieve some reforms. I did one when I was Industry Minister. I didn't have the majority in the House but we succeeded in implementing deregulation in the telecommunication sector. That was very tough to achieve but we succeeded. When you have a project and a goal I think it is possible to achieve them in a minority government but it's way easier with a majority government and you can do even more.

FC: You are skeptical that governments can spend money more efficiently than the average Canadian. Why is that?

MB: It's just based on the historical data. I think that people know better what is good for them than bureaucrats or politicians in Ottawa. So just leave the money in the pockets of the people. They will save money and they will spend money and we will have more prosperity in our country. I don't think that taking money from one person to give to another is useful. We need to have some programs. We need to have small government but right now, you are working half the year just to pay taxes to different governments (municipalities, provincial and federal) I think we are paying too much taxes in this country.

FC: The recession ended last year but the federal government continues to spend for stimulus despite that reality. Are you confident that Ottawa will bring back to balance and restrain government spending?

MB: Yes, I'm confident that the next budget will be a budget for the future of Canadians, for the next generations. It will tackle the deficit and debt. You're right, we did spend a lot of stimulus money last year and even this year. It was a program for two years and it will end. A lot of money that won't be spent in that program will go directly to reduce the deficit, so I'm optimistic that we will manage to quickly get rid of the deficit.

FC: The Prime Minister's views on corporate welfare are well known and perhaps were best enunciated in the 2004 campaign. Why has the government done so little to rein in spending on business subsidies?

MB: The most important thing is to have the right policies. What we did was to lower corporate income tax from 22% to 15% next year. That's just the beginning. I don't believe that corporations actually pay taxes. In the end it's individuals who do, it's the consumers, the workers or the investors. When you impose taxes on corporations you're really imposing that tax on people. I believe that we did the right thing and we must go further. On subsidizing businesses the best way will be to have no income tax on corporations so that will be the equivalent of a big subsidy on every business. So we won't pick the winner and the loser.

FC: How do you counter those who would see zero corporate tax as a gift to corporations?

MB: I think our aim should be to have zero corporate tax. That must be our goal. It's just logical from an economic perspective. When you know how the economy works, taxing corporations and businesses is not the right way to create growth. In the end, as I said, taxing corporations means taxing people. So I believe that people are paying too much tax. Whether it's a direct tax from the government on their personal income or an indirect tax as when we tax corporations or another subtler tax like inflation.

FC: Many countries in Europe now have a flat tax. You're in favour of this. Why?

MB: Yes, it's very simple. It would be fairer. It would be more efficient. The rich will still pay more taxes than the poor. It's common in Europe like you said, in Estonia but also in Alberta in our own country. I wrote a book on that topic six years ago. I think we must speak about that in Canada. It is not part of the program of our party but if the idea is brought up more and if you, as a think tank, explain to people that it would be fair and more efficient, then maybe more people will take side and politicians would be able to implement such a reform in Canada.

FC: You and others have talked about the historic, classical liberal tradition in Quebec but it still seems like a pretty small cohort at present. How likely is it that Quebecers will ever reject a large government approach to their society?

MB: I believe that in the end they will. Simply because they are paying a lot of taxes. The Quebec government has a huge debt. It's the fifth largest in the industrialized world,

not far behind Greece. So this is obviously not the solution. What I'm saying to you today I'm saying the same thing in public to the people in my riding in Quebec.

FC: Recent statistics show that while Quebec has 24% of Canada's population it only has 16% of its economic output or income. What can the rest of Canada do to help Quebecers see their current path is unsustainable to say nothing of how unfair it is for part of Quebec's bills to be paid by the rest of the country.

MB: First of all it's the politicians in Quebec that must realize after four decades of big spending government that it is not the solution. We are going directly into a brick wall. I want to make it clear that I'm proud to be from Quebec, I'm proud of our culture, I'm proud of our language, I'm proud of the four centuries before that, but the last four decades have not been so good. We must change and we must question the Quebec model and that's the only way to bring more prosperity. I don't want Quebec to have more money from equalization payments because that means we're poorer. I want my province to be richer and to receive less money from equalization payments. The way to do that is to be out there and speak about individual freedom and responsibility and less government in Quebec. And I think Quebecers are ready to hear that. In the end, making these changes will be the responsibility of politicians at the provincial level in Quebec.

FC: Quebec has led Canada in terms of health reform. Why is that? Are you in favour of more reform?

MB: Yes I'm in favour of more reform. Canada is the only country where it is illegal to buy insurance to protect the most precious good you have -- your health. You cannot have a private insurance plan for that. There are only two other countries on the entire globe have that same policy Cuba and North Korea. They are two Communist countries. We need to have more competition in health care and we need to open the doors to the private sector.

FC: What would you do with Hydro-Quebec?

MB: Hydro-Quebec is a huge corporation in Quebec. They're giving lots of dividend in the province of Quebec. But there's some discussion about perhaps privatizing it. I don't know this issue in details and I don't have any firm position on that, I need to learn more about it.

FC: Politicians around the world are back pedaling on the topic of global warming. Most of the important countries have postponed plans to bring in carbon taxes and the majority of the public now believes that humans are not the cause of global warming. Why did you choose to express your own skepticism earlier this year contrary to the Canadian political mainstream?

MB: Because I was tired of it and I just wanted to express what I believe in. I am in politics to do that. We must look at all the studies and it's obvious that there is no scientific consensus on this issue. I just wanted to tell that reality to Quebecers and Canadians. I'm very pleased that there are more and more people who now are skeptical like me. Before investing more money I think we need to know a bit more about the causes and the consequences of climate change. I'm very pleased with what my government did. We changed our target and we have the same target as the

U.S. and the Obama administration. I think that's a good point. We have to be competitive and we cannot impose lots of regulations on businesses for something that there's no consensus on.

FC: Are you optimistic about Canadian public policy in general?

MB: Yes, yes. You have to be out there. You have to explain what you believe in and I think people are intelligent. If you have a good idea and it is based on facts and you can explain it, I think people will understand and they will vote for you. What we believe in, as Conservatives, is that everyone should enjoy freedom and responsibility. That's the basis of our Western civilization. So we just have to speak about it and then act on it.

FC: You mentioned today that we need to respect the Constitution. Some political parties want to introduce new programs that are in provincial jurisdiction. Can you comment on that?

MB: I think the population will not like it. People in my own province won't like it. We have constitutional peace right now because we don't interfere in provincial jurisdiction. We have to respect the Constitution. So if a politician at the federal level wants to implement a new national education

program – well, sorry, education is under provincial jurisdiction.

FC: What about daycare?

MB: Daycare is the same thing. I want Canadians to have the freedom to choose what to do. So what we have done and the program we have in Canada which was in our platform for the first election in 2006, is that we give money to the people, to the parents, they know better what to do with that money for their child. They can pay for daycare or books, they can pay for everything. I believe in people. I don't believe we should impose national daycare programs. We have one in my own province and it's not working too well. It is hard to find openings because of the cost. So if someone at the federal level, like the Liberals, wants to bring that in their platform I'll be happy with that because it's simple to demonstrate to people that it is not the solution.

FC: What are your political plans in the future?

MB: What I like about politics is to be able to speak about what I believe in. I will continue to deliver speeches and present ideas and solutions that I believe in. I want to thank you for this opportunity because people will get to know me a little bit better and they will know that Maxime Bernier has ideas and believes in something simple: I believe in people, not in big fat government.

Manitoba – 203 – 2727 Portage Avenue • Winnipeg, Manitoba CANADA R3J 0R2 • Tel: (204) 957-1567 • Fax (204) 957-1570 • **Sask** - 2353 McIntyre Street, Regina, Saskatchewan CANADA S4P 2S3 • Tel: (306) 352-2915 • Fax (306) 352-293 • **Alberta** - Stock Exchange Tower, Suite 1280, 300 – 5th Avenue S.W., Calgary, Alberta CANADA T2P 3C4 • Tel: (403)230-2435 • E-mail: newideas@fcpp.org • www.fcpp.org
