

THE CHALLENGE BEFORE US

A STATEMENT BY MEMBERS OF
THE BUSINESS COUNCIL ON NATIONAL ISSUES
ACCOMPANYING A RESPONSE TO THE
GOVERNMENT OF CANADA'S CONSTITUTIONAL PROPOSALS
"SHAPING CANADA'S FUTURE TOGETHER"

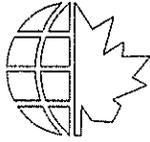
JANUARY 22, 1992
TORONTO



CANADA - A REMARKABLE COUNTRY

Canada is a remarkable country and we are proud to be Canadians. Quality of life here is among the highest anywhere. We occupy a land mass immense in size, unmatched in its natural advantages, and one of the truly last frontiers in a crowded and largely impoverished world. We have benefitted from universal education and healthcare systems. We have built a tolerant society respectful of human rights and the rule of law. Canadian citizenship is the fervent wish of millions throughout the world. In international circles, we have an outstanding record as supporters of world order, and our contributions to peacekeeping have been second to none.

Economically, Canada's achievements are impressive. With only 26 million people, we have built the eighth largest economy in the world. On a per capita basis, we enjoy the second highest income among the 24 nations which make up the Organization for Economic Co-operation and Development. We are members of the G-7 Summit Group of leading industrialized countries. We are a major trading nation, a partner with the United States in the world's largest bilateral free trade area, and one of the most respected participants in a wide variety of international economic organizations. During the better part of the last decade, the Canadian economy grew more rapidly than any other of the G-7



The Challenge Before Us

countries with the exception of Japan, and our job creation record in that period was unmatched by any leading nation.

If we pause for a moment and consider this impressive record of political and economic achievement, we must recognize that it has taken place within a framework of governance that, in its basic form, has remained unchanged since the founding of Canada nearly 125 years ago -- a parliamentary democracy within a federal system.

We also must recognize that it is by virtue of the federal system, with its inherent flexibility and capacity for adaptation, that the staggering changes associated with Canada's development between 1867 and 1992 have been accommodated.

WE FACE GRAVE DANGERS

Today, this remarkable country we have described, is facing grave dangers. In our political life, cynicism, division, and acrimony appear to have gained an upper hand. Governments and political leaders are suffering a disturbing loss of confidence. And what should be a rational debate about how to effect changes in our political future, has suddenly become a "crisis" threatening the very breakup of the country.

If our body-politic is unwell, so is our economy. With 1.4 million unemployed Canadians, rising bankruptcies, and growing numbers on



the provinces' welfare rolls, the human costs of the 1990-1991 recession are all too evident. Poor private sector productivity performance, mismanagement of public finances, shortfalls in our educational system, and a decline in Canada's overall competitiveness, signal that our economic future cannot be taken for granted.

PERSPECTIVE AND COMMON SENSE NEEDED

It is against this backdrop of past accomplishments, and of more recent disappointments and setbacks, that the Business Council on National Issues tables today a paper entitled Canada's Constitutional Future.

Four fundamental premises are at the heart of our intervention. The first is that a sense of perspective is badly needed in the country at this time. The political malaise gripping Canadians has driven many to think apocalyptically, and to denigrate our past successes and our future potential. We reject this view. Political change in Canada is eminently manageable and our differences can be resolved. What is needed to reverse this tide of pessimism, is a renewal of faith in ourselves and in our political institutions.

Our second premise is that the constitutional issue should not be thought of as a crisis, but rather as an opportunity ... an opportunity to correct some historic grievances, to strongly reaffirm who we are as Canadians, and to modernize the institutions of government that in the



The Challenge Before Us

past have provided us with one of the most stable and democratic political systems in the world. The challenge now is to make changes in how we govern ourselves -- changes that will provide us with a continuing advantage over other countries as we prepare to enter the 21st century.

Our third premise is that we are, and will remain, stronger in a united country, and that partition or fragmentation will carry incalculable costs. Some are challenging this point of view and would see Canada divided into two nations or more. They are wrong. They have lost their sense of perspective, they are ignoring history, they have turned their backs on our proven ability, over and over again as a people, to reach for and achieve political accommodation.

Our final premise is that there are powerful and compelling reasons -- perhaps unprecedented in their urgency -- for resolving the constitutional deadlock and getting on with putting political changes in place. These reasons are economic. The very painful effects of the current recession aside, Canada faces profound challenges in virtually every aspect of our economic life. We need to rebuild the competitiveness of our industries. We need to ensure that Canadians can continue to count in the future on abundant jobs and good incomes. We must tackle head-on those problems that are sapping our economic strength -- our unrealistic expectations; soaring debt in our public finances; persistent deficits; a growing burden of taxation; a



deplorable failure of co-operation between business and labour; shortfalls in our education and training systems; and the costs of intergovernmental strife. We believe that the vast majority of Canadians see our economic challenges as foremost -- for themselves and their children -- and will not tolerate much longer the failure of our elected representatives to apply themselves to these questions with all of their energies.

THE ESSENTIALS OF AGREEMENT

Turning now to the federal government's constitutional proposals, we believe that they are an important and positive contribution to the national debate about Canada's future. Building on a rich history of existing constitutional arrangements, and on a variety of ideas for reform from throughout Canada, the proposals offer the potential for far-reaching improvements in how we govern ourselves.

We recognize that in their present form, the proposals will not win universal agreement. Changes will be suggested and clarifications will be needed. The goal must be to have a final set of proposals that reflects the broadest possible consensus among Canadians -- a constitution, in other words, that encompasses our values and our will to live together. It is in this spirit that we, as members of the Business Council on National Issues, offer our comments. And it is in this spirit,



The Challenge Before Us

as well, that we wish the members of the Special Joint Parliamentary Committee every success in achieving a strong consensus in its final report, free of any partisanship, and with the national interest in mind.

It is not our purpose in this statement to summarize our assessment of the federal proposals, nor to list all of our recommendations. We wish, however, to make one point very clearly. We are convinced that the essentials for a major political accommodation are now before the Canadian people, and that there is no reason for further delay in moving towards a resolution. The essentials, in our view, are the following.

1. A reinforcement of Canadian values and characteristics, primarily through the means of a "Canada clause" in the Constitution. (See page 5, Canada's Constitutional Future.)
2. A recognition of Quebec as a distinct society within the Canadian Charter of Rights and Freedoms. (See page 7, Canada's Constitutional Future.)
3. A recognition of the right to self-government of aboriginal peoples in Canada, subject to the Canadian Charter of Rights and Freedoms. (See page 8, Canada's Constitutional Future.)
4. The reconstitution of the Senate of Canada into an elected body with enhanced representation from parts of Canada, other than Ontario



or Quebec, and in particular from the West. (See page 10, Canada's Constitutional Future.)

5. A more effective federal system with an appropriate balance of power and influence between the central government and the governments of the provinces, with the overall objective of establishing more efficient and accountable government for Canadians. (See pages 16-25, Canada's Constitutional Future.)

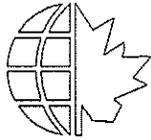
6. A strengthened economic union in Canada with the constitutionally guaranteed freedom of the flow of labour, capital, goods and services, and appropriate mechanisms for vastly improved intergovernmental co-operation and macroeconomic management. (See pages 16-25, Canada's Constitutional Future.)

While, in our view, convincing action on each of these fronts will be necessary to break the current constitutional deadlock, we should not expect the unreasonable nor the impossible. Progress in reaching a political accommodation should not be stymied by an all or nothing approach. This is the recipe for crisis and a reflection of a failure of trust and statesmanship. We urge all Canadians to work towards a solution in the confidence that every step forward will make us a better country and a stronger people.



The Challenge Before Us

In support of this goal, we, as members of the Business Council on National Issues, pledge our commitment and our trust. We call on all Canadians to do likewise.



**THE MEMBERS OF THE
BUSINESS COUNCIL ON NATIONAL ISSUES**

Peter A. Allen	James H. Cleave	Susumu Eto
R. Jay Atkinson	George Cobbe	J. Trevor Eyton
Matthew W. Barrett	Albert D. Cohen	William A. Farlinger
J. Christopher Barron	Marshall A. Cohen	Anthony S. Fell
Richard S. Barton	Jack Cooper	Fraser M. Fell
Thomas J. Bata	George J. Cormack	Alastair S. Fernie
Laurent Beaudoin	Michael A. Cornelissen	George A. Fierheller
Stephen T. Bellringer	Pierre Côté	John P. Fisher
Peter J. G. Bentley	William E. Coyne	James D. Fleck
André Bérard	Purdy Crawford	John F. Fraser
Terence C. Bird	David M. Culver	R. Donald Fullerton
Lawrence S. Bloomberg	D. Steele Curry	Paul E. Gagné
Hugh J. Bolton	J. V. Raymond Cyr	David A. Ganong
Jean-Louis Bourbeau	Dominic D'Alessandro	Richard L. George
Robert D. Brown	Daniel Damov	Richard A. Goldstein
Angus A. Bruneau	Thomas P. d'Aquino	Allister P. Graham
Patrick D. Burns	Ian W. Delaney	Robert G. Graham
Claudio F. Bussandri	Pierre Desjardins	Jon K. Grant
Brian A. Canfield	Paul G. Desmarais	John D. Green
L. David Caplan	Thomas A. Di Giacomo	Dean G. Groussman
John M. Cassaday	Jacques A. Drouin	Robert J. Gunn
Claude Castonguay	Pierre Y. Ducros	Jean-René Halde
Gordon F. Cheesbrough	Ivan E. H. Duvar	Robert E. Hallbauer
Arthur J. E. Child	James R. Elder	Ralph Hancox
C. David Clark	William A. Etherington	Charles H. Hantho



The Challenge Before Us

Kenneth W. Harrigan	John D. McNeil	David H. Race
Ray G. Harris	Harold P. Milavsky	G. Joseph Reddington
Stanley H. Hartt	David E. Mitchell, O.C.	Theodore H. Renner
Kerry L. Hawkins	Thomas A. Moore	Cedric E. Ritchie
Arden R. Haynes	Ronald C. Morrison	Edward S. Rogers
Joseph J. Heffernan	David Morton	John J. Rowen
James S. Horrnick	Robert W. Murdoch	Guy Saint-Pierre
John F. Huguet	Bertin F. Nadeau	Shichiro Saito
Rudy J. Ionides	J. Edward Newall	Thomas H. Savage
Peter S. Janson	David A. Newton	William J. Shields
Edgar F. Kaiser Jr.	David A. Nield	Roger J. Short
Norman B. Keevil	Ronald Y. Oberlander	Charles E. Shultz
Joseph Kruger II	Paul H. O'Donoghue	Douglas A. Smith
David J. Larkin	D. John Ogren	William W. Stinson
R. John Lawrence	Ronald W. Osborne	Lawrence G. Tapp
Jack M. MacLeod	George A. Peapples	Allan R. Taylor
Brian F. MacNeill	Morris A. Perlis	Claude I. Taylor
Gerald J. Maier	George S. Petty	Frederick H. Telmer
Ronald N. Mannix	Michael E. J. Phelps	Richard M. Thomson
Robert W. Martin	Donald J. Phillips	Norman E. Wagner
Jack V. Masterman	Roger Phillips	Denis Wilcock
Arthur V. Mauro	Paul J. Phoenix	A. Keith Willard
George F. McCarthy	Gil E. Playford	Dennis K. Williams
Ken F. McCready	Charles-Albert Poissant	David C. Wilson
John W. McGill	David E. Powell	Jeannine G. Wood
David L. McInnes	Alfred Powis	Adam H. Zimmerman



BUSINESS COUNCIL ON NATIONAL ISSUES

The Business Council on National Issues is the senior voice of Canadian business leaders on public policy issues in Canada and abroad. A non-partisan, non-profit organization, it is composed of the chief executives of 160 leading Canadian companies. The Council carries out an active program of research, consultation, and advocacy in four principal areas: the national economy and competitiveness; foreign affairs and the global economy; the environment and sustainable development; and political governance.

The member companies of the Business Council are active in every major sector of the Canadian economy. They employ over 1.5 million Canadians, manage over \$1 trillion in assets, and have an annual turnover of approximately \$390 billion.

For over a decade, the Council has been engaged in work on the political governance issue. In 1979 and in 1981, the Council published studies on parliamentary government in Canada, including a widely-read book, **Parliamentary Democracy in Canada: Issues for Reform**. During the constitutional debates at the beginning of the 1980s, it published a **Citizen's Guide to the Constitution**, and was active in putting forward its views. Studies on Senate and public service reform followed, and most



The Challenge Before Us

recently, the Council participated in the debate surrounding the Meech Lake Accord.

In April, 1991, the Council issued a constitutional declaration, **Canada and the 21st Century: Towards a More Effective Federalism and a Stronger Economy**. Prepared under the supervision of the Business Council Task Force on the Canadian Constitution, and benefitting from the contributions of members of the Council's Policy Committee and Council members from across Canada, this statement was endorsed unanimously by the Business Council on National Issues Membership at the Council's Annual General Meeting in Toronto, April 10, 1991. It has formed the basis of the Council's response to the current federal government constitutional proposals.