

NATIONAL AND GLOBAL  
**PERSPECTIVES**  
NATIONALES ET MONDIALES

Canadian Business Leaders Speak  
Les chefs d'entreprises du Canada s'expriment

**A New Century Economy: An Agenda for Action**

A Statement by Members of the Policy Committee  
Business Council on National Issues

**George A. Peapples**

President and General Manager  
General Motors of Canada Limited

**Richard A. Goldstein**

Chairman and Chief Executive Officer  
Unilever Canada Limited

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**L.R. Wilson**

President and Chief Executive Officer  
BCE Inc.

**William A. Etherington**

President and Chief Executive Officer  
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**Matthew W. Barrett**

Chairman and Chief Executive Officer  
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**Purdy Crawford**

Chairman and Chief Executive Officer  
Imasco Limited

**The NAFTA: Why it is in Canada's Interest**

A Submission to the Parliamentary Sub-Committee on International Trade  
Business Council on National Issues

**Cedric E. Ritchie**

Chairman and Chief Executive Officer  
The Bank of Nova Scotia

**Guy Saint-Pierre**

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Le Groupe SNC

## **FOREWORD**

Members of the Business Council remain keenly interested in ways to bolster Canada's competitiveness as well as in prospects for more liberalized trading arrangements in North America and in other parts of the world. This issue of **PERSPECTIVES** contains excerpts from a selection of recent speeches by chief executives addressing these two principal themes.

The need for a new approach to the relationship between labour and management at the national level is reflected in a statement released by the **Policy Committee of the BCNI**. **George Peapples** discusses how his company has moved toward lean manufacturing and the development of a commitment on the part of management toward a "synchronous organization". **Richard Goldstein** offers five short and long-term public policy recommendations to enhance Canada's competitiveness in the manufacturing sector. **Peter Bentley** concludes that both political stability and more competitive tax and regulatory regimes are necessary for Canada to continue to attract investment. **L. R. Wilson** argues that Canada is an overgoverned nation with too much regulation and too much competition between levels of government. **Bill Etherington** highlights the linkages between competitiveness and customer satisfaction. **Matthew Barrett** believes that Boards of Directors must become more active and responsive to diverse groups of stakeholders. **Purdy Crawford** has an optimistic view of Canada's ability to compete and take advantage of opportunities in the global market place.

In a submission to the Sub-Committee on International Trade of the House Of Commons Standing Committee on External Affairs and International Trade, **the Business Council** described the North American Free Trade Agreement as a forward-looking trade arrangement which, over time, should produce tangible benefits for Canada. **Cedric Ritchie** believes that the NAFTA holds great opportunity for Canadian business and has the potential to eventually become a hemispheric trading arrangement. Finally, **Guy Saint-Pierre** discusses the development of large trading blocs and the emergence of new markets in Eastern Europe and Asia.



Jock A. Finlayson  
Vice President, Policy and Research



Sam Boutziouvis  
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December, 1992

## AVANT-PROPOS

Les membres du Conseil canadien des chefs d'entreprise démontrent un intérêt soutenu à l'égard de mesures qui renforceront la compétitivité du Canada et face à la perspective de dispositions visant à libéraliser le commerce en Amérique du Nord et dans d'autres régions du monde. Cette édition de **PERSPECTIVES** présente une sélection d'extraits de discours récents prononcés par des chefs d'entreprise et traitant de ces deux thèmes principaux.

La nécessité d'une nouvelle approche dans les relations entre les syndicats et le patronat au niveau national est reflétée dans une déclaration publiée par le **Comité des politiques du CCCE**. **George Peapples** explique comment son entreprise est passée à un système de production flexible et à la mise en pratique d'un engagement de la part des cadres de l'entreprise envers une «organisation synchrone». **Richard Goldstein** fait cinq recommandations à court et à long terme pour améliorer la compétitivité du secteur manufacturier canadien. **Peter Bentley** conclut que la stabilité politique et des régimes fiscaux et réglementaires plus compétitifs sont nécessaires pour que le Canada puisse continuer à attirer des investissements. **L. R. Wilson** est d'avis que le Canada est un pays sur-gouverné, où la réglementation est trop lourde et où il existe trop de concurrence entre les niveaux de gouvernement. **Bill Etherington** met en évidence les liens entre la compétitivité et la satisfaction des clients. **Matthew Barrett** est d'avis que les conseils d'administration doivent jouer un plus grand rôle et tenir compte des intérêts de divers groupes d'actionnaires. **Purdy Crawford** est optimiste quant à la capacité du Canada à être compétitif et à saisir les occasions qui se présentent sur les marchés mondiaux.

Dans sa présentation au Sous-comité du commerce extérieur du Comité permanent des affaires étrangères et du commerce extérieur de la Chambre des communes, le **Conseil canadien des chefs d'entreprise** a décrit l'Accord de libre-échange nord-américain comme étant une entente commerciale prospective qui, avec le temps, devrait se traduire par des avantages concrets pour le Canada. **Cedric Ritchie** considère que l'ALÉNA offrira d'importants débouchés aux entreprises canadiennes et pourrait devenir une entente commerciale qui engloberait l'ensemble des Amériques. Enfin, **Guy Saint-Pierre** traite de la création de grands blocs commerciaux et de l'émergence de nouveaux marchés en Europe de l'Est et en Asie.

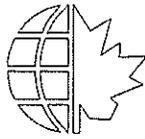


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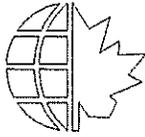
**MEMBERS QUOTED**

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***A STATEMENT BY MEMBERS OF THE POLICY  
COMMITTEE OF THE BCNI  
... on organized labour -- a new approach***

(Excerpts from statement, July 3, 1992, Ottawa)

While unions represent less than 20 percent of the private sector workforce, they are an important force in a number of major industries. At the enterprise level, management-union relationships are often constructive, and progressive partnerships are being forged in many sectors and firms.

In some cases, however, particularly at the national level, relationships have been driven by an adversarial, "we versus they" mentality. The problem is compounded by a national labour organization -- the Canadian Labour Congress -- leading members of which continue to attack business as an ideological enemy and the so-called "corporate agenda" as a gigantic, anti-worker conspiracy. This destructive extremism is totally out of step with what the vast

majority of labour movements are thinking and doing in virtually all parts of the industrialized world. It is also an affront to millions of Canadian workers who are seeking a better working environment and an improved standard of living, and who understand that this will be achieved only through a positive and constructive relationship with business and governments.

The BCNI has worked closely with the CLC and the labour movement for over a decade, and the news is not all bad. We have established some useful joint institutions, such as the Canadian Labour Market and Productivity Centre, and our dialogue -- at least in private -- generally is both cordial and constructive. And we are encouraged by the fact that many of those in the labour movement with whom we have



worked simply do not believe that extremism and confrontation will produce results. We can only hope that in due course their views will prevail.

Until that time comes, we in business must maximize every opportunity possible to develop model relationships with workers at the enterprise level -- because that is where it really counts most.

**GEORGE A. PEAPPLES**  
*... on synchronous organizations*

(An Address to the Calgary Chamber of Commerce,  
June 1, 1992, Calgary, Alberta)

The glory days of traditional mass production are rapidly coming to a close; dedicated production lines are quickly becoming obsolete. Today's customers want more -- they want a variety of products to choose from. They want them fast, at low cost, and of the highest quality.

How to meet such demands requires a total commitment to quality management and the use of processes such as "lean" manufacturing or -- as we refer to it at GM -- a "synchronous organization"....

A "lean" or "synchronous" organization mobilizes its people to run its operations and activities as an efficient, coherent, and continuous process, focused on the customers' needs and desires. This focus is present at the design phase, and continues through manufacturing and into product distribution, sales, and then into the ownership experience. It helps to think of the process as a seamless, continuous cycle.

The initial four core strategies of a synchronous organization are:  
One, use of visual controls in a



carefully designed and organized workplace -- where everything has an identifiable place, and belongs there for maximum efficiency. Two, identifying waste and eliminating it wherever possible with an emphasis on value-added work. Three, lead-time reduction and throughput -- or increasing the velocity of any process from start-to-finish, whether in a plant or office environment; and four, using pull systems -- supplying material to replace what is used, rather than stockpiling in anticipation of running out.

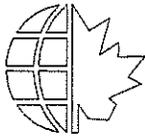
The benefits of incorporating these initial four core strategies into any business process can be immense. Lean companies employ fewer people to develop and manufacture products compared with the traditional mass production methods. Lean companies use about half the traditional factory floor space -- we have certainly proved that on the engine line in both our Oshawa car assembly plants -- and inventories are also reduced

substantially.

Synchronous organizations achieve dramatically higher quality and productivity, and are much faster and more efficient when it comes to product development. But in order for the concept to work, employees must be committed to continuous improvement and they must be well-educated and highly-trained in a variety of skills.

This "process of management" requires the engagement of people who have an unyielding dedication to first-time quality....

Synchronous organizations rely on cross-functional teams where information-sharing among marketers, engineers, manufacturers, designers and suppliers is not just desirable, but absolutely essential. For established businesses, a key point is to realize that embracing the new requires "unlearning" some lessons of the past. Today, there are no "one-man bands". Cooperation, new relationships



and strategic alliances across disciplines and between companies and industries will be critically important....

Companies which focus on transitioning to a new production system will become the strongest competitors in the global marketplace. Flexibility and speed means great opportunities, and great results.

These improved methods of manufacturing also hold the

promise of a better future for consumers and workers alike -- better products, higher-value and better-paying jobs.

Opportunities, risks and challenges -- the new global marketplace has them in abundance. And for those businesses with enough determination and enough vision to map out a strong yet flexible strategy, the global marketplace also holds the promise of superior rewards.

***RICHARD A. GOLDSTEIN***  
***... on making Canada more competitive***

(An Address to GPMC 1992 CEO's Conference,  
September 30, 1992, Niagara-on-the-Lake, Ontario)

...[L]et me conclude with a few short-term and longer-term remedies that would make Canada more competitive, and would help to stimulate Canadian manufacturing. **FIRST**, let's look at short-run policy changes that would greatly enhance Canada's manufacturing attractiveness. I am referring to:

- Lower interest rates to stimulate investment. Allowing the value of the dollar to drop so that it encourages exports. A Canadian dollar at \$0.75 would do the trick.
- Abolition of the agricultural marketing control boards so that all agricultural products are priced competitively with the U.S. and the world market.



- And, action to harmonize standards, so that more products can cross the 49th parallel.

The Berlin Wall came down and tens of thousands of Germans stopped moving from East to West. If we eliminated non-tariff barriers, maybe Canadian consumers wouldn't feel obliged to head south to shop for bargains.

**SECOND**, Canada must strengthen its economic union by eliminating internal trade barriers...

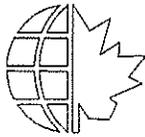
I would add one other point on the need for economic union. There is much talk about the need to play to Canada's strengths in the global marketplace. Canada's key industries, including forest products and natural resources, would be more competitive in world markets if they were larger.

One of the things holding them back, however, is their inability to grow within Canada. If

Canadian business has to compete with large, nationally integrated companies south of the border and elsewhere, they need to be nationally integrated themselves. International trade barriers keep that from happening and consequently reduce their clout abroad. Yet another reason to eliminate internal trade barriers!

**THIRD**, Canada needs a tax system that stimulates business competitiveness. Tax policies must promote investment, savings and innovation. Tax policy is another area -- like monetary policy -- that can either help or discourage investment in Canada as well as exports abroad. One area that deserves immediate attention is the integration of provincial retail sales taxes with the federal Goods and Services Tax.

**FOURTH**, the provinces must maintain an overall environment that encourages investment. In this regard, it is most regrettable that over the past several years,



Ontario has changed from being a location of choice to one of last resort. One example is the current proposal for labour reform. It is not only antiquated, but it [undermines] what it takes for a business to be globally competitive.

While the NDP government has indicated that job creation is its number one priority, it simply ignores that the driving force of the provincial economy is business, not government; and that a partnership between

business and government, as opposed to adversarial roles, is essential if Canadian manufacturers are going to be able to compete on a continental basis.

**FIFTH**, maintaining high education standards will help Canada compete at home and abroad. This has to do with everything from upgrading math and science education to reducing the drop-out rate and establishing national benchmarks for education.

**PETER J.G. BENTLEY**  
*... on competing internationally  
and attracting investment*  
(An Address to CKNW Public Affairs Luncheon,  
November, 1992, Vancouver, B.C.)

At the present time, we have entered a period of very low inflation compared to anything most of us here today have experienced in our lifetime. With the global economy as sluggish as it is, and unemployment in most countries at an unacceptably high level, the

likelihood is that we're in for an extended period of low inflation, and in some places, in fact, deflation.

I don't think too many of you would quarrel with the comment that governments in Canada, both federally and provincially, can ill-



afford greater spending to stimulate the economy to create jobs.

Taxation is already very high. In an effort to reduce deficits, the Federal Government obviously will try and push down more and more on the provinces, and they, too, have deficits and high taxes, and they in turn will try and push more and more down to the municipal level for homeowners and the commercial tax base, both of which are already inordinately high...

Just like the senior levels of governments, business can't afford significant new capital investments to stimulate the economy. Corporate balance sheets generally in Canada are stretched to the limit of acceptable debt to equity ratios.

In fact, regrettably, some well-known Canadian companies have stretched their debt to equity ratios beyond the limit of prudence and are now suffering the consequences, which are not

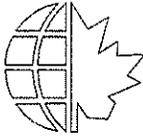
only embarrassing to them, but have a further negative fallout on our economy.

The above factors beg the question: "How are we going to create new jobs unless we can attract investment to Canada?"...

I believe that all of you here today probably share my view that capital is mobile and that it looks for an opportunity for a decent return in a safe environment.

For us to compete internationally and to attract significant pools of capital for direct investment, as opposed to financing debt only, it seems to me that it is absolutely essential for the creation of new jobs that we [have] both political stability to make investments safe, and a tax regime and other regulations and legislation that are perceived as fair by allowing a decent return.

I therefore pose the question to you today: "How do we better harmonize federal and provincial



legislation and policies to create  
a better investment climate for

Canada?"

*L.R. WILSON*

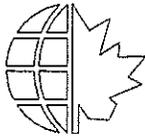
*... on Canada -- an overgoverned nation*

(An Address to the Canadian Club of Montreal,  
June 1, 1992, Montréal, Québec)

The world is dividing into three great regional trading blocks, North America, Europe and Asia Pacific. These three regions account for 80% of the world's economic activity of \$20 trillion a year. Some \$4 trillion of that is in international trade. And no G-7 nation, except for Germany, is more reliant on trade for a living than Canada. Our biggest market happens to be the one over our back fence. It also happens to be the richest market in the world. Canada conducts \$200 billion a year of two-way trade with the United States. Although Canada's trade surplus with the United States has increased since the Free Trade Agreement was implemented in 1989, a number of disputes resulting from United States

trade-restricting actions continue to raise questions about the future.

The FTA has also meant difficult adjustments in our manufacturing sector, and brought home productivity issues that go to the heart of our problems on the competitive side. In what amount to a single market, in sectors where there are no natural resource advantages, productivity is the deciding factor. Canada's productivity growth, over the second half of the 80s, was almost negligible. Between 1985 and 1990, unit labour costs in Canadian manufacturing rose by over 46%, compared to a decline of 0.3% in American costs over the same period. And Canada had the lowest productivity growth



in the manufacturing sector of any of the G-7 countries in the decade between 1979 and 1989.

Canadian business generally, to be competitive, needs at least a level playing field. That means we have to look at the taxation and regulatory environment. As compared with the U.S., Canada has lower investment writeoffs, lower levels of depreciation and more levels of overlapping regulation, in everything from the environment to financial services.

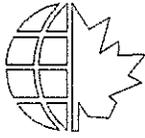
To give you an example with which I am familiar, as Chairman of Montreal Trust: as a trust company that does business across Canada, it is federally and provincially regulated in 11 jurisdictions. In all Europe after

this year of integration, a financial services entity licensed in one country will be able to do business in all 12 members of the community. We must be licensed by 11 authorities within our own home market.

We are an overgoverned country.

I say that, and I worry about it, not only as a businessman but as a former public servant. Government is many times larger than when I entered the public service in the 1960s. And I'm afraid that it doesn't work as well.

We have too much regulation, and too much competition between levels of government. As a result, services to the public are being delivered increasingly inefficiently.



**WILLIAM A. ETHERINGTON**  
*... on competitiveness and customer satisfaction*

(An Article in Business Quarterly,  
Summer, 1992, Toronto, Ontario)

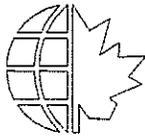
In North America, customer satisfaction seems to be at or near the top of virtually every corporate agenda. The reason for this is simple. Numerous studies over the past decade have shown, in quantifiable terms, that it is far less costly to keep old customers than to recruit new ones, and that luring back a dissatisfied former customer is an arduous time-consuming, near-impossible task.

In the old world of high tariff barriers and virtual monopoly in many business sectors, as real consumer choice was often limited or nonexistent, satisfying customers may not have mattered much. In today's highly competitive, global economy, it matters greatly. It is no exaggeration to say that failure to achieve customer satisfaction in today's business environment is a

quick ticket to receivership....

Methods and techniques for improving customer satisfaction are probably as varied and numerous as the companies that attempt them. At IBM we do not pretend to have devised a magic solution to achieving our objective of delighted customers, but we do believe we have learned some lessons that might be of value. Here are the top five:

- 1. Don't rest on your laurels.**  
A long heritage of superior service, while a good foundation, does not guarantee future success; in fact, it can lull employees into a false sense of security. Customer satisfaction is how people feel TODAY about your current products and services.
- 2. Segment your market.**



Different customers have different needs and expectations. Your surveys should help identify these segments and design management actions to achieve satisfaction by segment.

**3. Measure yourself against the best.** Do not fall into the trap of simply measuring your own year-over-year performance. Customer satisfaction does not exist in a vacuum, and it is important to benchmark yourself against those that your customers identify as best-of-breed in each market or product.

**4. Make customer satisfaction part of your reward system.**

People take notice when you link some extra dollars to an activity. A variable compensation program that includes customer satisfaction as a major component can be a powerful incentive, even across a large organization.

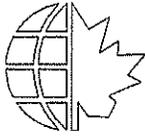
**5. Remember that world-class quality is the basis for improving customer satisfaction.** High customer satisfaction begins with having the highest quality products and services. It includes the quality of any interaction between employees and customers, from order entry and invoicing, to telephone inquiries.

***MATTHEW W. BARRETT***  
*... on corporate governance*

(An Address to The James Gillies Alumni Lecture,  
May 5, 1992, Toronto, Ontario)

The essence of governance is responsibility. The public demands responsibility from

Boards of Directors, and the directors demand responsibility from corporate officers. This was



not always the case. Being a director has never been a mere formality, but it is nevertheless true that many boards in the past have taken a relatively narrow view of their duties....

Corporate governance has become an increasingly important topic of debate for public policy research institutes, legislators, regulatory agencies, educational institutions and business conferences in recent years. The recognition that Boards of Directors need to become both more active in executing expanding responsibilities, and more responsive to a growing public dissatisfaction with certain aspects of corporate behaviour has fuelled the debate.

There is also legitimate public and shareholder pressure to make Boards more responsible for their company performance in relation to all stakeholders, not just shareholders. Directors' actions and non-actions will be questioned far more than in the

past and more frequently in the Courts.

The ability of Boards to respond to such challenges will directly address the question of the legitimacy of corporate power -- "By what standards it shall be judged."

Directors can no longer conduct themselves as passive, "rubber stamps". That old role is discredited. The contemporary director must be an effective contributor to active governance and play a vital role in the corporation's success.

What is required, therefore, in the title of James Gillies' new book, is a "Boardroom Renaissance". Professor Gillies suggests that a successful corporation in Canada in the 1990s must draw on the experience and insight of its Board in order to compete in the global marketplace. I couldn't agree more; but don't think it's easy!



**PURDY CRAWFORD**  
*... on the way to prosperity*

(An Article in the Canadian Business Review  
Autumn, 1992, Toronto, Ontario)

As the Canadian economy struggles out of the longest recession in the post-Second World War era, our nation's competitiveness has emerged as critical a issue. One school of thought says we have lost our edge and it's downhill from now on. The other view--and, unfortunately, it seems to be the minority--is that our nation can adjust to new economic realities.

I am firmly of the optimistic view when it comes to the prospects for Canada and for our own company, Imasco. A nation that has achieved one of the highest standards of living in the world has a lot to go on.

Clearly, some of our current economic difficulties are cyclical in nature and time should take care of them. Structural problems can also be handled.

The pain of adjustment is unavoidable in the short term but as non-competitive Canadian industries are phased out, new ones will emerge. What is important is that Canada compete in those industries in which we can be leaders.

The critical choices about what businesses to be in will be made by Canadian managers. Management also provides direction and determines the strategies that create competitive advantage, build market share and, ultimately, create wealth for the benefit of all Canadians. Yet, in the debate about Canada's competitiveness, the role and capabilities of Canadian managers have been largely overlooked.

The fact that many Canadian companies already compete



successfully in North America and in world markets is evidence that our businesses can adjust effectively to shifting competitive factors...

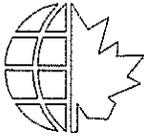
Currently, the Free Trade Agreement is redefining markets and supply systems in a way that is proving to be painful for some companies while yielding tremendous opportunities for others. The reach of a television signal now provides a better definition of many markets than political boundaries. And the relevance of Canada's east-west distribution system is being challenged daily.

Another major influence is the rapid evolution of data-based marketing technologies.

This is having a profound effect on banking and other retail businesses. Not only are information systems making marketing efforts more efficient, they are freeing up front line personnel to serve customers better...

As a result of the recession and freer trade, some businesses have failed and there will likely be other casualties. However, there is no justification for extrapolating these setbacks into a gloomy outlook for Canada's future.

I believe that Canada can compete and that many Canadian businesses can and will re-invent themselves. In time, tremendous opportunities will develop for our companies and our nation and prosperity will follow.



***BCNI SUBMISSION TO THE PARLIAMENTARY  
SUB-COMMITTEE ON INTERNATIONAL TRADE  
... on why the NAFTA is in Canada's interest***

(Excerpts from BCNI Submission, November 26, 1992, Ottawa)

[T]he NAFTA is a forward-looking trade arrangement that, over time, should produce tangible benefits for Canada. As well as promoting our trade interests, it will improve Canada's ability to compete in the global marketplace. It builds upon, expands, and enhances the Canada-United States Free Trade Agreement (FTA). As a regional arrangement, the NAFTA also provides scope to forge stronger trading links with other Latin American countries....

While Canada's business leaders support the NAFTA, we are convinced that liberalization of global trade and investment regimes on a multilateral basis must remain at the core of Canada's foreign economic policy. Indeed, an elusive world economic recovery makes the

speedy and successful conclusion of the GATT Uruguay Round particularly urgent. Canada's participation in regional trade arrangements, such as the NAFTA, should not prevent us from playing an important and constructive role in global trade talks and multilateral institutions. Nor should it lead either policy makers or business managers to overlook the need to develop new and strengthen existing economic and trade linkages with countries and regions outside North America....

Looking to the future, we remain convinced that Canada should continue to press vigorously, within the framework of the NAFTA, for the development of new trading rules in the critical areas of dumping, subsidies/countervail, and



safeguards. The failure to agree to a substitute set of trade remedy laws was a disappointment at the time of the FTA, and it remains a source of disappointment to Canadian business as we evaluate the results of the NAFTA negotiations....

The Business Council has long supported broadly based world trade liberalization on the basis of the GATT principles of national treatment, non-discrimination, and transparency. At the same time, we have been at the forefront in advocating a multi-tiered approach to Canadian trade liberalization through our support for the FTA, a successful Uruguay Round, and now the NAFTA. However, we recognize that the NAFTA will lead to improvements in global welfare only as long as it creates trade and does not become an inward-looking regional scheme characterized by increasing

barriers to the trade and investment of non-member countries.

The best strategy for Canada is to continue its multifaceted approach to trade liberalization, and to aggressively pursue markets and strategic linkages outside of North America as well as within it. This includes not only seeking a wider trading relationship with other Latin American countries by building on the NAFTA, but searching for ways to forge stronger and more formal trading relationships with other regions and countries as well....

Most importantly, we believe that business managers and government policy makers in Canada must adopt an outward-looking approach and vision, one that recognizes that the entire globe is fast becoming the relevant arena for pursuing Canada's long-term economic interests.



***CEDRIC RITCHIE***  
***... on the potential of NAFTA***

(An Address to The Canadian Club of Montreal,  
September 21, 1992, Montreal, Quebec)

The NAFTA agreement with Mexico should be only the beginning of a new trade area that by the turn of the century might encompass the entire hemisphere. This is the vision that led us to invest last year in a domestic bank in Chile and more recently in one of the leading financial groups in Mexico.

Looking even farther into the future, I see the prospect of perhaps two or three billion citizens of the developing countries entering the ranks of the industrialized world. Provided we have the courage and the wisdom to keep our markets open, we will benefit as consumers from products that can be produced more cheaply abroad. And we will prosper as producers from the vast new markets that will be created as trade expands with the

developing world. The opportunities will be endless. Indeed, the greatest risk we run is to shrink from competition and close our markets in a vain attempt to protect jobs that belong to our past, not to our future. A retreat into protectionism was perhaps the greatest folly of the 1930s. It would be the surest way for the western world to turn its present deflationary adjustment into spiralling decline.

Ladies and gentlemen, the world that we behold today is like the proverbial glass of water -- for some half full, for others half empty. In these unfamiliar times we would do well to pay a certain heed to the pessimists because the risks of miscalculation are real. But, at the end of the day, we would be far better advised to cast our lot with the optimists --



confident, but patient. Because  
when all is said and done, the

only deflation we have to fear is  
the deflation of hope.

***GUY SAINT-PIERRE***

***... sur les blocs commerciaux et l'émergence de  
nouveaux marchés***

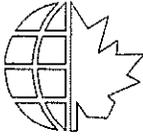
(Une allocution à la Chambre de Commerce France-Canada,  
le 25 mai 1992, Paris, France)

On assiste présentement à deux phénomènes : d'une part, il y a le renforcement des blocs commerciaux existants comme en témoignent l'accord de libre-échange entre le Canada, les États-Unis et le Mexique, l'unification du marché européen et la croissance du Sud-Est asiatique; d'autre part, il y a l'émergence de nouveaux marchés comme l'Europe de l'Est et le Moyen-Orient.

Face à ce chambardement commercial à l'échelle planétaire et à la nouvelle concurrence qui se dessine, les entreprises n'ont d'autre choix, à mon avis, que d'assurer ou d'accroître leur présence au sein des grands blocs commerciaux. Pour y arriver, elles devront procéder à

des alliances, à des acquisitions ou à des participations minoritaires où les partenaires pourront utiliser leur savoir-faire respectif pour créer de nouvelles synergies....

La mondialisation du commerce a donné lieu à l'établissement de réseaux internationaux d'approvisionnement, de fabrication et de distribution qui permettent aux entreprises d'atteindre des économies d'échelle à partir de leur pays d'origine, tout en instituant à l'intérieur de ces réseaux une panoplie de petites unités possédant chacune la latitude voulue pour réagir plus rapidement et plus spécifiquement aux besoins précis de leurs clients.



Dans le secteur des services, on imagine bien le développement d'une expertise et d'un savoir-faire qui seront offerts dans plusieurs marchés géographiques, mais cette fois par plusieurs firmes associées; dans ce cas, les services en question revêtiront des caractères spécifiques dans un pays donné, mais resteront semblables à ceux d'une autre firme dans un autre pays.

La création de marchés homogènes de 340 millions de

personnes comme dans le cas de l'Europe des Douze, de 360 millions de personnes comme dans celui de la zone de libre-échange Canada-États-Unis-Mexique ou de 425 millions de consommateurs en Asie du Sud-Est représentent donc pour les entreprises la possibilité de parvenir à des économies d'échelle et d'assurer leur rentabilité dans la mesure où la standardisation de la demande sur un plus grand marché leur permettra de servir, plus rapidement et à meilleur coût, leurs nouveaux clients.