

# REFLECTIONS ON A RENEWED CANADA

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A SELECTION OF STATEMENTS AND SPEECH EXCERPTS  
FROM MEMBERS OF THE  
BUSINESS COUNCIL ON NATIONAL ISSUES

APRIL  
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## REFLECTIONS ON A RENEWED CANADA

Many members of the Business Council have spoken out in recent months on the constitutional issue. The following is a selection of speech excerpts drawn from the BCNI's periodic publication, Perspectives, as well as from newsletters and statements from member companies.

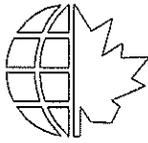
### **MATTHEW W. BARRETT**

Canadians have prospered in part because we have created here one of the world's most stable political and economic environments. And in today's world, stability is a prized condition -- far too valuable to simply throw away. And throwing it away is what we would be doing, if we allowed Canada to dissolve. The standard of living which a united country has fostered would not survive its break-up. That's not speculation -- in my mind it's a certainty....

....Each region of a divided Canada would assume its own huge debt burden....All levels of government in Canada now pay a substantial interest rate premium. This already drives up the cost of capital for domestic businesses, which in turn hinders job formation and impairs competitiveness. In a fractured Canada, the situation would be worse. All regions would obviously have narrower economic bases. This would leave them subject to wider swings in the economic cycle, and entail as a matter of course still higher risk premiums....This would force either higher taxes or severe cutbacks in services, clearly an unwelcome prospect....

### **LAURENT BEAUDOIN**

The only numbers debate in Quebec bears on how bad it will be during the transition period and how long the bad times would last. Obviously,



experts favourable to Quebec's independence conjure up all sorts of longer-term benefits, from the elimination of duplication to "dynamic effects", which, if I understand them, sound like the synergies which justify over-paying for a business you absolutely want to acquire anyway. I have heard similar arguments from people outside Quebec who want to believe that Canada would be so much simpler to govern and so much more effective without Quebec. That is an unfortunate judgement.

Recently, I was reminded of how European governments were pushed along the path of economic and political integration by the publication and broad diffusion of several credible studies on the "costs of non-Europe". I am not sure we have been as diligent in putting in front of all Canadians, the "costs of non-Canada".

#### **PURDY CRAWFORD**

The Fathers of Confederation included a "common market" clause in the British North America Act, which provides for the free movement of goods in all provinces. We need to include people, services and capital on that list, and we need to get rid of the interprovincial trade barriers which hamper the supposed free movement of goods within Canada. There are still too many barriers to interprovincial trade in Canada, both in terms of government procurement, primarily at the provincial level, and in the private sector, stifling interprovincial commerce.

#### **J. V. RAYMOND CYR**

Canada cannot afford to march into the 21st century with 19th century equipment. We need to prepare now, so that Canada can be a healthy participant. Politicians may dither, but businessmen are not in doubt. We know the need for a strong economic union across this country.... We



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need to reconfigure outmoded and inefficient systems of delivering services to Canadians -- not for political gain, but to cut financial strain.

### **PAUL DESMARAIS**

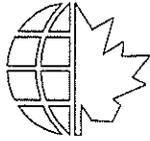
It is clearly essential...that our political institutions continue to be founded on the fundamental values which we share in Canada. These values, as history has shown, favour individual, cultural, and economic development... It is equally important, and even imperative, that we take a thoughtful approach rather than embarking on a precipitous effort to change our institutions. Patience, intellectual rigour, and an historical perspective must be the basis of this effort.

Finally, the changes we want to bring to our political institutions must be based on continuity and a respect for the fundamental values our existing institutions permit us to share. For my part, I have not received or found any adequate answers...which would bring me to change my deep conviction that Canada must continue to exist.

### **JACQUES A. DROUIN**

Our beautiful country, whether we identify ourselves more with Quebec or Canada, or whether we identify strongly with both, is exceptionally fortunate among the nations of the earth. Whether we're talking about our economic position or our quality of life, our cultural heritage or our ethnic diversity, our standards of health and education, the abundant availability of natural resources, or our political stability and tradition of tolerance, our country is a land envied by many people around the world.

Yet, and this is as incomprehensible as it is incredible, we're in the process of ransacking this exceptional heritage. And things are moving very



quickly. Our mood is changing, too, and very much for the worse. From optimism and confidence, in ourselves and in our future, we've developed a mood of pessimism that is unfortunately justified by events, and forces us to take a very sober view of things. The international community is also becoming more aware that there is cause for concern in Canada.

**R. DONALD FULLERTON**

(Taken from Canada's Constitutional Debate: A Roadmap for Canadian Imperial Bank of Commerce Employees)

The Special Joint Committee on a Renewed Canada has already sent the federal government its official report on the Constitution. The recommendations contained in this report will undoubtedly shape the government's final proposals for constitutional renewal, which are to be submitted to the provinces for review and approval by this spring.

As part of this review process, the federal government may also hold a national referendum on the subject. If such a referendum occurs, then every Canadian will have the chance to personally participate in the definition, direction and destiny of this country.

With events moving quickly toward climax, it is imperative for all of us to be as well-informed as possible about the issues and problems that surround the Constitution, about what may have caused those problems in the first place and about what the consequences might be if those problems fail to get resolved.

And they must be resolved, once and for all.

Canada has for far too long allowed itself to be distracted and disrupted by constitutional turmoil. Not only does this preoccupation hurt our reputation



abroad as a stable and coherent society, it also hampers our ability to deal effectively with the considerable economic and competitive challenges that we face here at home. The longer we neglect these challenges, the harder it will be for all Canadians to maintain and enhance what they now enjoy - one of the world's highest standards of living in one of the world's most successful economies.

No Canadian, I believe, wishes to put these benefits at risk.

Nor need they be put at risk if, in the course of our current constitutional debate, we seek to understand rather than to blame, to respect the validity of each other's views rather than try to prove those views wrong, and to accept our differences as a people instead of attempting to change them.

#### **STATEMENT IN MACLEAN HUNTER'S ANNUAL REPORT**

We will not find constitutional harmony unless the cultural distinctiveness of Quebec is acknowledged and allowed to flourish. We elect politicians across our many jurisdictions to represent us and, at critical times, to act as statesmen, finding the right balance between legitimate regional concerns and the longer term national interest of all Canadians. This is clearly the challenge that faces our federal and provincial politicians.

Undoubtedly, models can be generated to show that Quebec can exist economically outside Canada, and that the balance of Canada can exist without Quebec. We believe, however, that all regions of Canada, including Quebec, will be the poorer for failing to find a constitutional and economic union within which all regions may prosper. The initial costs of separation, as divisive and often bitter divorce proceedings unfold, would be followed by a longer term reduction in the standard of living and cultural fabric enjoyed by Canadians.



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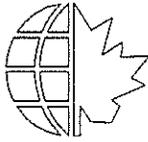
It is in the interests of all Canadians to find a prompt and workable solution to constitutional, economic and cultural differences and to show to Canadians and foreigners alike that Canada remains a country of great economic potential, a safe haven for investment with the prospect for significant and fair returns.

### **JACK M. MacLEOD**

I am convinced that there is a solution to constitutional reform that can preserve Canada, and reinforce the ability of the country to achieve strong, sustainable economic growth. I believe that key elements of that solution are the aspirations of all Canadians for less government, for more effective government, and for reformed institutions of government. I also believe the majority of Canadians would welcome a constitutional framework within which we can, in greater harmony than in the recent past, share the benefits of the cultural diversity of the people in all regions of Canada -- led by the cultural distinctiveness of the people of Quebec.

### **RONALD N. MANNIX**

In my opinion, Western Canada wants Quebec to be in Canada -- but it will not be at any price, and only with Senate reform. We will have our own individual love, interests, and reasons for being Canadian. Whatever the reasons, it is time that everybody -- including all Quebecers -- started expressing a love for a united country....[We should start] expressing an appreciation for political stability in a united country, as there isn't one single part of this country that will not be affected negatively if Quebec separates.



**JACK V. MASTERMAN**

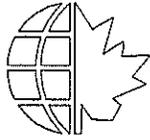
Obviously, a national government must have certain areas of exclusive jurisdiction to properly discharge its responsibilities. These would include powers relating to citizenship, customs, currency, defense, foreign policy, postal services and telecommunications. Among the exclusive provincial responsibilities would be education, municipal affairs, culture, housing, tourism and natural resources. Many, such as taxation and revenue, justice, transportation, immigration and the environment would be shared, with the responsibilities of each level of government clearly defined.

**ARTHUR V. MAURO**

Let us discuss intelligently this question of provincial sovereignty. But, let us define what we mean by sovereignty. Our Constitution, for example, provided exclusive jurisdiction for the provinces in specific areas such as education and health. In the case of Quebec, special status was granted to its language and its civil law. There is no difficulty in providing a constitutional framework within which a province can exercise the sovereignty granted to it under our Constitution. But the role of a strong central government in defining national goals and national policies remains essential....

**DAVID E. MITCHELL**

More power can, and should, be delegated to the provinces, or shared between federal and provincial governments without a complex overlap of responsibilities. Quebec wants changes -- so do the other provinces. We are not likely to survive as a nation without change. Change should not mean, however, an emasculated central government -- limited to issuing



postage stamps and carrying out military decisions. A federal form of government requires federal powers....

Although I favour a Senate with equivalent representation from the provinces, I suggest the country should have only one law-making body -- Parliament. The rights and obligations of a second body (now called the Senate) should have a maximum-time limit to deal with proposed legislation, hopefully, for sober second thought; and, should be restricted to specific matters, such as the removal of provincial resource rights.

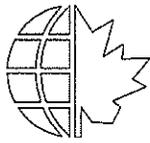
**BERTIN F. NADEAU**

As a French-speaking Quebecer, I am deeply convinced that a dynamic and open Quebec, playing an active role in the Canadian whole, is the most effective way of handing on, intact, to future generations, the rich cultural and material legacy of which we are today the trustees.

...Canadians all across the land must see the current constitutional crisis not as a dead end -- but as a welcome opportunity, a chance to create fresher, more flexible and effective structures, truly in tune with the realities of the 21st century.

**MICHAEL E.J. PHELPS**

We are in a global economy that is, and will continue to be, extremely demanding and does not have much patience for navel-gazing. To my mind we are about to embark on the most important five years of our history. This is the five years in which we must totally change our approach to education. This is five years to change the way in which labour and management interact. This is five years to make competitiveness part of the vocabulary of our children. And we will never



achieve these goals if we remain forever embroiled in constitutional bickering and debate. We must put this behind us.

### **ALFRED POWIS**

The rest of Canada must understand that Quebec is serious about wanting real change, but the sense of grievance and alienation is not confined to Quebec. The present federal structure is under attack in virtually all regions of the country. The current division and sharing of powers is a source of federal-provincial conflict and of costly and divisive competition and duplication. While past efforts to deal with this have been unsuccessful, the need for constructive action is now urgent.

Our only chance is a re-balancing of federal and provincial powers, involving a shifting of responsibilities between various levels of government. Coupled with reform of certain federal institutions, such a re-balanced federalism could satisfy the legitimate aspirations not only of Quebec but also of other regions of the country. Moreover, it could work a great deal better than the system we now have.

### **GUY SAINT-PIERRE**

Québec's largest trading partner is the rest of Canada. Just over half of our exports go to the other Canadian provinces. Two-way trade with Ontario alone exceeds \$40 billion. Tens of thousands of Québec jobs are at stake.

Together, we carry weight at the GATT, and can deal more effectively with the United States when we are harassed by special interests and protectionist senators. Together, we are in the club of big players in a way that countries like Australia, South Korea and Sweden can only envy. This



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influence makes a difference to the pocket books of all Canadians and all Québécois.

Another very real difference comes from the sharing of risks. These risks arise from an unpredictable global economy. We benefit from the stability that national equalization programs and national unemployment insurance brings. When one part of the country is in difficulty, the other part helps out....

Québec is destined, is condemned, to come to an understanding with the rest of Canada, and the rest of Canada is condemned, is destined, to come to an understanding with Québec... unless each decides to let itself be absorbed by the United States.

The fundamental question, to which we must find an answer, is this: Will the new understanding between Québec and the rest of Canada be founded on the existence of one country or two? I have chosen one country, because in choosing Canada, I choose Québec as well....

If you share my concern about the future of this country and my views on the solutions to our problems, I urge you to take action, here in Québec and in the rest of Canada. Your action is needed now. Don't wait...because then it will be too late!

### **THOMAS H. SAVAGE**

In response to the first challenge, national unity, I would ask you to view it in the context of a broad re-balancing of federal-provincial powers: re-balancing in a manner to suit the tenor of the times; re-balancing to eliminate the overlap and duplication that produces inefficient, costly and excessive government (that accounts for 44% of our gross domestic product); a reforming of our federal system that, from the standpoint of



business, meets the goal of effective management of all aspects of our economy; and, the development of structures that are not only cost effective and efficient, but structures that put responsibility and authority where they are not only more properly focused and issue-oriented but more clearly accountable to the taxpayers they serve.

### **WILLIAM W. STINSON**

Can we restructure Confederation in a way that meets the legitimate aspirations of Quebec and other regions of the country, yet leaves an effective federal government to uphold the national interest? And even more importantly, can we get the eternal constitutional wrangling behind us so we can focus our efforts on building a united Canada for the benefit of all Canadians?

And what is the appropriate role of the business community in this discussion? Why am I, and other CEOs, taking a position at all? Let me try and answer the last question first....

We believe in Canada. We're not interested in fancy constitutional theories. We are interested in helping to find a solution. Looking at it from a business perspective, we're interested in what works. As business people, we have no hesitation in discussing restructuring, although with our management focus we tend to ask how much it costs, what it will do and how it will benefit the lives of Canadians.

...I think we should beware of trying to do too much restructuring by a complete overhaul of the Constitution, which, given the present amending process, appears to be a recipe for stalemate and failure. Quite a bit of federal-provincial progress can be achieved on an informal and incremental basis....



In my view, the needs of Canadians can be best served by strengthening the economic union, ensuring the free movement of labour, capital, goods, and services in this country, and achieving greater efficiency and accountability in the provision of government programs.

**ALLAN R. TAYLOR**

Many Canadians still do not understand that national unity and economic prosperity are cut from the same cloth. Some do not want to hear about the cost of disunity. Some are deterred from discussing it because of the risk of being labelled "fear mongers". Discussing the costs of disunity with care is not fear mongering; it is facing reality. This, above all, is what Canadians must do now -- face reality.

Marches of folly are made possible by the existence of dangerous delusions. It is the delusion that a national break-up would involve only minimal costs that risks sending Canada down this road of irreversible folly.... That separation would be relatively easy and without cost is not just dangerous delusion; it is a real world impossibility.

It is my estimation that the costs of break-up would be huge and long-term, and paid by everyone in Canada -- here in Quebec, and in every other province and territory. No-one would escape lightly; no-one would fare well....

It requires no constitutional expertise to see that many assumptions in this debate are simplistic nonsense. They assume, for example, the continuation of a common currency, a common market, a common international trade policy, and a stabilizing fiscal structure. This is not a credible scenario even in an environment of harmony and selflessness. They suppose that all decisions would be made purely on rational economic



grounds. Even if that were possible, the costs would be enormous. But history warns us that emotion would not be kept out of the picture.

We are told that, once the process of destroying Canada was over, the two smaller, much less viable new countries could easily renegotiate the very economic structures that assured prosperity in the first place. This, of course, would be done quickly and generously; or so some would tell us. Persuading the United States and others to fall meekly in line with these needs would be easy -- or so we are asked to believe. They say it would be easy to replace or renegotiate the automotive agreement, the U.S.-Canada Free Trade Agreement, the proposed North American free trade agreement, the defence production-sharing agreement, and the St. Lawrence Seaway treaty, plus participation in the NORAD and NATO agreements and in the GATT. Nothing to it!

Let us realize that this comforting view is not just simplistic nonsense, but nonsense of a kind that destroys nations. It is not original but is very much worth repeating: If we ignore history's lessons, we repeat its mistakes. History tells us that the breakup of a country is costly, painful and long-term; it leaves very deep economic scars.

In a dismal parade of folly, the people have lost -- or are still losing -- peace, stability and prosperity.

#### **FREDERICK H. TELMER**

First of all, it is vital to recognize that our economic and constitutional difficulties are not mutually exclusive. To the contrary, they are integral to one another and thus cannot be considered in isolation. Indeed, the single most important economic issue confronting our country is the spectre of its constitutional breakup. Canada's economic strength and performance -- and therefore the standard of living of all its people -- will be materially



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affected by whether it functions as a united country or a fragmented one.

It is important that the constitutional negotiations are conducted in an atmosphere of economic realism that is free from unwarranted assumptions and dangerous misconceptions. For instance, there is just no way that any region of Canada, having gained sovereignty association, could expect to share a common currency with the rest of the country. A common currency would require a common monetary policy, and full control over monetary policy would be a fundamental requirement of any self-respecting sovereign state, associated or otherwise.