

NATIONAL AND GLOBAL

PERSPECTIVES

NATIONALES ET MONDIALES

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BUSINESS
LEADERS
speak

les
chefs
D'ENTREPRISE
s'expriment

Perspectives is a quarterly publication of the Business Council on National Issues (BCNI) featuring quotes from the most recent speeches of individual Council members.

This month we unveil a new, more vibrant look for the *Perspectives* cover reflecting in deep, bold tones the strength of commitment expressed within.

The related themes of employment, education and social responsibility are prominent in the minds of business leaders across the country and were broached frequently in speeches delivered from February to May. In addition, members highlighted the importance of Canadian unity, of sustained political and economic leadership and of respect for the environment. Several expressed concerns about globalization and global competitiveness, as well as sector-specific issues in the financial services, airline and natural resource industries.

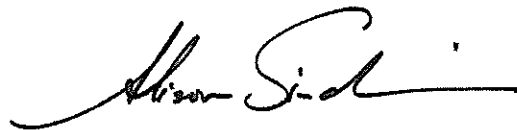
We are pleased to share these thoughts with you.

Perspectives est une publication trimestrielle du Conseil canadien des chefs d'entreprise (CCCE) qui rassemble des extraits des discours les plus récents donnés par ses membres.

Nous présentons ce mois-ci une nouvelle image de *Perspectives* qui, avec son aspect et ses couleurs audacieuses, reflète la force de l'engagement exprimé à travers ses pages.

Les thèmes apparentés à l'emploi, à l'éducation et à la responsabilité sociale sont particulièrement importants pour les dirigeants d'entreprise du pays et sont récurrents dans les discours qu'ils ont livrés au cours des mois de février à mai. Les membres du CCCE ont également souligné l'importance de l'unité canadienne, du leadership politique et économique et du respect de l'environnement. Plusieurs ont exprimé certaines préoccupations à propos de la globalisation et de la compétitivité internationale, ainsi que par rapport à certains secteurs touchant aux services financiers, au transport aérien et à l'exploitation des ressources naturelles.

Il nous fait plaisir de partager ces idées et ces réflexions avec vous.



ALISON SINCLAIR
EDITOR/RÉDACTRICE



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Canadians Need Canada More Than Ever Before

May 9, 1996

This is not the time for us to fragment our political and economic position. ... I firmly believe that Canadians have more power to influence their destiny as a people through a federation of 30 million citizens than through a set of splintered groups of varying size trying to reset the boundaries of their national relationships.

As a trading nation, we have to capitalize on our position as a founding member of NAFTA and APEC, not to mention the Commonwealth and la Francophonie, in both of which Canada plays a strong leadership role. Canada is both an Atlantic and a Pacific Rim nation with unusually privileged access to the North American market and a growing presence throughout South America. No other country in the world can claim such diversity in the relationships so important to success in the networked global economy. [...]

If Canada is going to meet the challenge of change, we need to revolutionize and revitalize both our private companies and public institutions. Business cannot be a spectator on the sidelines of unfolding events. Neither can government nor its institutions be oblivious to the challenge that is so obvious: a renewed Canada – financially strong, technologically innovative, and a formidable force in the global marketplace of the 21st century.

Facing up to that challenge will depend upon our national character, our political courage and our willingness to sacrifice today for the benefits of tomorrow. If we do that, Canada will have kept faith with its past and assured its future.

JEAN C. MONTY
NORTHERN TELECOM LIMITED



Bâtir un pays plus fort

Le 6 mai 1996

Comme il est souligné dans le rapport des Conférences Confédération 2000, les initiatives suivantes devraient être prises afin d'aider à bâtir un pays plus fort :

1. Élaborer un plan d'action concret de six mois qui incite les premiers ministres à s'engager dans un rééquilibrage en profondeur des pouvoirs; à limiter le pouvoir de dépenser du gouvernement fédéral; à éliminer la discrimination dans les dépenses fédérales; à mettre en place des normes et des règles pancanadiennes pour la réglementation des valeurs mobilières; et à s'attaquer de manière plus agressive à l'élimination des barrières au commerce intérieur.
2. Développer une nouvelle approche de partenariat dans le domaine des relations intergouvernementales qui implique un renforcement de l'union économique et sociale, et qui suggère des méthodes pour améliorer la gestion, la transparence et la responsabilité au sein de la fédération.
3. Affirmer le caractère unique du Québec et le droit du Québec de protéger et de promouvoir ce caractère par des mots qui décrivent le mieux cette réalité et qui sont compris par tous les Canadiens et Canadiennes.
4. Mettre de l'avant un échancier qui prévoit d'autres objectifs à atteindre afin de rétablir la stabilité politique et afin de fournir une base plus solide pour la prospérité économique.

Qu'un tel consensus parmi un groupe aussi disparate de personnes venant de tous les coins du pays ait pu être atteint est remarquable et a pu en surprendre plusieurs.

THOMAS D'AQUINO
CONSEIL CANADIEN DES CHEFS D'ENTREPRISE



Québec Summit
May 1, 1996

I was very pleased to be one of 15 business leaders invited by Premier Bouchard to attend his recent economic summit in Québec City. I applaud the Premier's determination to address Québec's ailing economic situation as his number one priority. I also applaud his recognition that restoring economic vitality to Montréal is critical to achieving his goals for the Québec economy. The government debt, the high rate of unemployment, the lagging growth potential, the weakened infrastructure – all are in urgent need of attention. The summit provided a forum for frank discussion of these issues by representatives of all major sectors in the provincial economy.

Along with other business leaders, I made the point that in today's world, countries, provinces and cities must compete for investments of capital and for human resources the same way that companies are competing for market share.

I emphasized that Québec will not be able to achieve its employment and economic goals unless it can achieve superior economic growth, and in today's world, growth demands being competitive in attracting and retaining the best human capital. The uncertainty flowing from the threat of another referendum is handicapping Montréal and Québec on this critical dimension of competitiveness.

Given these conditions, it must be said that political uncertainty weighs heavily on the investment decisions of companies and, just as importantly, on the decisions that individuals make with respect to their lives. We need to remove this uncertainty so we can keep the talent we have and attract new talent to help us grow.

BRIAN M. LEVITT
IMASCO LIMITED


Costs of Separation
May 8, 1996

At the recent summit convened by Premier Lucien Bouchard to discuss plans to create jobs in Québec, I made it clear that the greatest job-creating policy his government could adopt would be to find ways of removing the threat of Québec separation from the political agenda.

I stressed the staggering cost of persistent political uncertainty on Montréal's, Québec's and, ultimately, Canada's economy. I quoted well-known figures about shrinking private sector investment in Québec [and] I reminded the participants of the fiscal and economic costs of losing some 330,000 people to the rest of Canada over the last twenty years.

The March summit meeting in Québec City was a great opportunity for business people to state again, clearly and forcefully, what we believe to be the main cause of Québec's economic decline: the pursuit of separation from Canada.

However, I came away from the summit moderately optimistic about the future of our country. Several actions, pronouncements and policy decisions by the new Premier seem to indicate that Mr. Bouchard is genuinely concerned with the deterioration of the economy and that he is dead serious in directing his government's energies toward its own financial situation, a strong economic recovery and sustained development.

The future of Canada as a country may hinge upon a twin set of interrelated conditions: Mr. Bouchard's ability to steer the Parti Québécois towards a more moderate platform and a willingness on the part of political leaders in Ottawa and in the rest of Canada to come up with proposals which respond to some of Québec's issues and aspirations.

LAURENT BEAUDOIN
BOMBARDIER INC.


How Do We Better Align This Country's Interests?

March 13, 1996

I believe the first step involves political leadership – that is, a vision of our future that goes beyond platitudes. As Yogi Berra once observed, “If you don’t know where you are going, you will probably end up somewhere else!”

So, Canada’s destiny should be the subject of earnest debate, as should the critical focusing of national priorities.

The second step is to remain steadfast in our commitment to restore the financial health of our federal and provincial governments. We have to restore our fiscal sovereignty. We can afford to have health, welfare and education programs which are second to none, but not if our fiscal capacity is absorbed by debt servicing.

However, while it is crucially important to get government fiscal policy right, we must do more. We must support growth and development, and provide challenging opportunities for our youth. Investors and entrepreneurs need confidence and encouragement to create wealth. That means setting a policy framework that makes Canada the best place on earth to go into business, to invest and to create jobs.

Businesses have responsibilities too. One of them is investing in people. I think this is essential to preserving social stability and a sense of fairness. Unfortunately, many established companies are being forced to re-engineer their businesses in order to compete, and this often leads to fewer jobs in these firms in the short term.

The so-called downsizing of many large companies worldwide reflects immense structural change in technology and in industrial organization – away from

bureaucratic, hierarchical firms, to flatter, more decentralized organizations supported by a network of smaller, more entrepreneurial suppliers, where job opportunities are growing – all facilitated, I might say, by dramatic advances in information and communications systems.

I repeat, in order to succeed, we must compete with the best – globally. We must establish the same record of envy in our global business pursuits as we have achieved in diplomacy. Canada’s future depends on it.

As we speed towards the millennium, I see many days, months and years filled with challenges and hard work, but I firmly believe that the 21st century will be a time of unprecedented opportunity and excitement for Canadians.

L.R. WILSON
BCE INC.



The Challenge of Renewal

March 28, 1996

My definition of leadership – be it of the individual or collective variety – is, quite simply, possessing the vision and determination to make what must happen actually happen. Before this can take place, it is often necessary to engage in a process of painful self-discovery and assessment. ... It is this process that provides the means by which the mistakes of the past can be acknowledged, the shortcomings of the present recognized and rectified and the opportunities of the future identified and relentlessly pursued.

It is when this challenge is taken up, when this Rubicon is crossed, that the economic rejuvenation and renewal of a corporation – or of a community – truly gets under way.

FREDERICK H. TELMER
STELCO INC.



Lessons from South of the Border

April 18, 1996

I do not need to remind American listeners of the horrors of partition. Little over a century ago you fought a bitter war over this very question. And I think that Canadians can draw useful lessons from your costly experience.

One is that rash acts of apparently little import can lead to dire consequences.

The other, and I have just been reading the life of Abraham Lincoln, is the need for calm statesmanship. I was much impressed with the way he resisted extremely strong pressures to go ahead and crush the South when it became obvious that Lee would eventually have to surrender. It is to his credit, and to the credit of the United States, that he resisted this pressure and, instead, chose the path of healing and rebuilding

We need such statesmanship – and not on one side only – in Canada's present predicament.

This was underlined at our [first] Confederation 2000 Conference in Ottawa by Ovide Mercredi, the elected leader of Canada's First Nations. We in the Americas, he said, tend to pay a lot of respect to the male qualities of force and aggression. Perhaps what we need is more healing and understanding. Instead of thinking of how to defeat, we should be pondering how to understand and reconcile. We need solutions, not winners and losers.

That might be good advice, not just for Canadians in their internal political dealings, but for all of us in our dealings with our trading partners in NAFTA, and with other countries on a world stage where the scene-shifters are working full-time.

GUY SAINT-PIERRE
SNC-LAVALIN GROUP INC.



À la recherche de valeur ajoutée

Février 1996

Le client d'aujourd'hui recherche de la valeur ajoutée, soit : un excellent produit, un service de première qualité, des avis d'experts, et tout ça au plus bas prix possible. En fait, pour réussir en affaires, il faut offrir une valeur ajoutée au client. Des études récentes montrent que les entreprises gagnantes dans cette guerre commerciale sont très disciplinées en matière de création de valeur ajoutée pour les clients. Ces entreprises réussissent à choisir leurs clients, à bien centrer leur mission et à dominer leur marché. Bref, elles sont des leaders dans leur marché.

Quelles sont leurs règles de gestion?

1. Être les meilleurs dans leur marché en excellant dans au moins une dimension de valeur ajoutée recherchée par le client.
2. Maintenir un standard minimum dans chacune des dimensions de valeur ajoutée recherchée par le client.
3. Être les premiers dans leur marché en s'améliorant constamment.
4. Organiser leur entreprise en fonction de la proposition faite aux clients.
5. Évaluer ce qui est important pour le client.

Bref, pour réussir la gestion du changement, il faut d'abord du leadership de ceux, qui surtout, provoqueront le changement.

C'est une recette gagnante qui s'adapte à vos entreprises et à votre région, laquelle regorge de leadership et d'entrepreneurs qui sont essentiels pour son développement et le mieux-être de tous ses habitants.

HENRI-PAUL ROUSSEAU
BANQUE LAURENTIENNE



Globalization, Social Progress, Democratic Development and Human Rights

February 22, 1996

Canadian companies should be prepared as a matter of principle to do business in virtually any part of the world save, perhaps, in those few countries that are deemed by the international community to be outlaws. The moral justification for doing business with non-democratic regimes is that trade and, in particular investment, are powerful catalysts for economic liberalization, democratization and the improvement of domestic economic conditions.

Secondly, Canadian companies are by and large excellent agents of change wherever they go because they carry with them sound values rooted in their Canadian experience. The sound values to which I refer are respect for the rule of law, an abhorrence of corrupt practices, respect for workers' rights, a distaste for discriminating practices, acceptance of the importance of safety and health standards, sensitivity to the environment and an unwillingness to exploit children. In the real world, there always will be exceptions. But my experience over the past 25 years with a number of well-known major Canadian players abroad is that Canadian corporate values rank among the very highest. Canadian companies should recognize this as an asset and apply their standards and best practices wherever they go.

Thirdly, from time to time when Canadian governments and corporations combine their efforts in the search for new markets and business opportunities abroad, they can have an impact in the countries and with the business people with whom they are dealing that goes beyond commercial considerations.

I am referring to the Team Canada phenomenon of which I have been a part. Governments as a matter of course address political issues during such missions and this is as it should be. But business people too go beyond the confines of pure deal-making. [...]

Fourthly, while many Canadian companies are in the main agents of change and carry with them wherever they go their Canadian values and good business practices, a case can be made for adopting voluntary codes of conduct. ... Codes of conduct have certain advantages. The first and most obvious is that they provide policy direction from the boardroom to the frontlines of corporate operations in any part of the world. The second advantage is that they transmit in clear terms to foreign affiliates and to the clients the standards by which the company is prepared to do business. [...]

Fifthly, companies and in particular the organizations that represent them, are well-advised to devote time and resources to helping develop consensus at the multilateral level to advance the case of social progress, democratization and human rights. Whether at the World Trade Organization, at the OECD, or at the United Nations, an irrefutable case can be made that a universal acceptance of the rule of law, the outlawing of corrupt practices, respect for workers' rights, high safety and health standards, sensitivity to the environment, support for education and the protection and nurturing of children are not only justifiable against the criteria of morality and justice. The simple truth is that these are *good for business* and most business people recognize this.

THOMAS D'AQUINO
BUSINESS COUNCIL ON NATIONAL ISSUES



Investing in the Future -- The Role of Business

March 26, 1996

As I see it, we have, as a country, two major challenges ahead of us.

The first challenge is how we go about equipping ourselves as workers and citizens to deal with a rapidly changing world. Our rich endowment of natural resources will always serve us well, but, if we are to offer meaningful work to most of our citizens, we will have to do better at equipping current and future generations with the skills they will need for tomorrow.

The second challenge is to diversify our markets to promote our longer-term economic stability. [...]

How we respond to this second challenge of market diversification will, in the end, establish the limits of our ability to respond to the other challenges Canada faces. We will need a strong economic engine focused on the future and business must play the dominant role in securing that future. Business will create the jobs, develop the markets and train the people.

What business also needs to do is to make sure that our society and our educational system can respond in a fashion that will allow us to capitalize on the expanding markets of the world.

I am confident that we, as a nation, and we, as Canadian businesses, are up to this challenge.

W.R.P. DALTON
HONGKONG BANK OF CANADA



Universities Must Excel

March 4, 1996

I believe that we need to create centres of excellence within our university system to develop our best and our brightest students – our business, political and academic leaders of tomorrow – to ensure that we are able to compete with the best and the brightest from around the world in the years ahead.

The way I see it is that, if we feel it is fit and proper to ensure that we have the very best athletes represent us in major sports competitions like the Olympics, and in professional sports – like the Blue Jays of a few years ago and the Raptors a few years hence – then why does this same logic not hold true for scholastic achievement, where the need for excellence is even more important?

With today's global competition and the technological revolution – of which, believe it or not, we are only at the start – our economic prospects depend more than ever on the quality of our resources, particularly our human skills. This is especially true in countries like Canada – a trading nation so dependent on international markets. We must compete to win against global competition. And our traditional comparative advantages – in trees, minerals and fish, for example – are simply not as relevant today.

So, I am coming at this issue from a business perspective. That may be a bit simplistic, but remember, I am a banker and I am heavily influenced by my experience in the school of hard knocks and by my international experience. In a service industry like banking, high quality employees are an essential element of success – success in meeting the competitive challenges here at home and in markets around the world.

PETER C. GODSOE
THE BANK OF NOVA SCOTIA



Sowing the Seeds of a Learning Culture

March 4, 1996

In these turbulent times, companies that want to survive are aggressively exploring new ways of gaining and sustaining their competitive advantage. That has given the concept of a Learning Culture its momentum.

A Learning Culture recognizes the dynamic nature of competition. It acknowledges the impermanence of any firm's strategic position and the fragility of its basis of competition. And this leads to the conclusion that learning processes must be developed at all levels of the organization with a greater intensity and focus than ever before.

Indeed, many of us are coming to the conclusion that the only sustainable, competitive advantage that is likely to count will be a company's ability to learn faster than its competition.

J. EDWARD NEWALL
NOVA CORPORATION



Profitability and Environmental Responsibility Go Hand-in-Hand

April 24, 1996

I am absolutely convinced that protection of the environment and profitability are truly compatible notions. Achieving manufacturing excellence and maximizing our potential entails also achieving environmental excellence. Nowadays, companies that disregard environmental regulations are headed for oblivion.

Furthermore, environment-related investments are good business.

JACQUES BOUGIE
ALCAN ALUMINIUM LIMITED



Reducing Motor Vehicle Emissions

April 15, 1996

Since the early 1970's, automakers have worked hard to reduce emissions from motor vehicles. Today, smog-causing emissions of hydrocarbons and oxides of nitrogen are reduced by 98% and 90% respectively (from uncontrolled levels) on all 1996 vehicles.

As newer, cleaner vehicles replace older, higher polluting ones on our roads, Environment Canada projects that emissions from motor vehicles will be the only source of these pollutants which will decline through the end of this century.

The average age of vehicles on our roads in Canada today is greater than 7 years – meaning that the average vehicle emissions technology is two generations outdated. A significant fact is that 1987 and older vehicles, which lack the latest emissions technologies, account for only one quarter of the vehicle miles travelled today, but generate fully two thirds of the emissions from motor vehicles.

Clearly, accelerating their removal by avoiding policies which delay the natural retirement of these older vehicles will generate the greatest environmental improvement in the shortest time.

Now, even with the significant progress that already has been made, there are other technologies under development. Between now and 2001, automakers will be introducing new pollution control technology across North America which will be incorporated into all vehicles sold in Canada.

V. MAUREEN KEMPSTON DARKES
GENERAL MOTORS OF CANADA LIMITED



The Lives of Our Employees Reflect a Changing Nation

May 7, 1996

In hundreds of smaller communities across the country, the CNR station was the town centre, and CNR employees the core of the community.

That is our history – our legacy. It is a legacy that was built by men and women who dedicated their service to this company over generations. It is a legacy told in the personal lives of Canadians.

We have with us in the audience today, for example, a fourth-generation CN employee. Donna Semeniuk's great-grandfather came from the Ukraine and homesteaded in Alberta. To earn money to buy a horse and a plough, he worked on a section crew.

Her grandfather left the farm and began working with the track crews. He became a bridges and buildings foreman and was responsible for outfitting some of our stations with their first electrical service.

His son, Donna's father, worked as a linesman, maintaining telegraph lines on CN's Kashabowie subdivision. Donna began her career with CN as a timekeeper for the track gangs. Today, she is director of communications services in public affairs. [...]

The last few years have not been easy for our employees. Many saw their colleagues leave the company because of the job reduction strategy. And everywhere, the nature of their own jobs is quickly changing.

But throughout, CN employees have demonstrated professionalism and commitment to the industry. They adapted in response to a dynamic knowledge-intensive industry.

PAUL M. TELLIER
CANADIAN NATIONAL



Advancing Our Competitive Edge

May 17, 1996

Governments really do not understand our industry. Frequently, because the numbers – whether good or bad – sound big, they assume that we are a world class industry. The facts of life are, generally, that Canadian companies, in a globally competitive world, lack scale; many lack product diversification and others lack geographic diversification.

The forestry industry is a very capital-intensive one. As our mills age, we find that, by today's standards, many are small and therefore achieve relatively poor productivity. Where we have new or larger mills, the costs of capital and depreciation are so high that they offset any benefit due to higher productivity.

I personally believe that the need to generate cash on a large scale is such that you will see more mergers and consolidations in the Canadian industry, making it somewhat easier to feed the capital requirements for which there is such an appetite just to stay abreast of technology and scale. These consolidations could come about within the Canadian industry or by mergers and/or takeovers with major international players located outside Canada, be they from the U.S., Europe or the Far East. [...]

Quality is probably our best ticket to survival, and quality implies not only product quality, but also service and timeliness of delivery, as well as goods being delivered in good condition. The cooperation among our sales staff, our mill people and the transportation system is an essential ingredient in enhancing our competitiveness in the marketplace.

PETER J.G. BENTLEY
CANFOR CORPORATION



Optimism and Realism on the East Coast

April 16, 1996

All in all there is every reason to be optimistic about East Coast energy development and its beneficial effects for the people of Newfoundland and Labrador. And I am optimistic about the progress of the industry here and its capacity to generate benefits for all concerned. Please do not forget my fundamental point – continued oil developments on the Grand Banks will happen. The impact on Atlantic Canada and the people of Newfoundland and Labrador can be of great positive benefit.

Now, let me put some qualifiers around all that optimism. Energy development will not single-handedly deliver this province into an era of prosperity. Nor will it automatically ensure prosperity for each and every citizen of Newfoundland and Labrador.

These energy developments will not replace the fishery, nor will they make the problems caused by the fishery moratorium go away. Hibernia and Terra Nova will not provide the employment in every community around the coast of Newfoundland or up the coast of Labrador that was lost by the fishery moratorium.

Jobs will be focused largely in existing industrial and manufacturing areas on the Avalon Peninsula. The skills and abilities of people who were displaced by the fishery collapse are not likely to be the skills and abilities that the oil industry is looking for in the development and production phase of the industry. To argue that the unemployment problem can be solved by the energy industry is to connect a problem with an unrelated opportunity.

JAMES M. STANFORD
PETRO-CANADA



Job Creation and Corporate Success

April 3, 1996

Today's business leaders must wrestle with global competitive forces that affect product prices and markets. In Alberta Energy Company's case, we also must compete successfully with more than 100 competitors in the Western Canadian Sedimentary Basin. We must develop our company profitably while being environmentally responsible. To be successful in all of these challenging objectives, the good ship AEC must be a solid, manoeuvrable and fast vessel. The ship must have an outstanding crew, all of whom are at least as good at their jobs as the people doing the same job on our competitors' crews.

There are other aspects to this analogy: If the ship isn't following the right course, it won't win the race. And, if it has too many people aboard, it might get hit by a big wave and founder, with the loss of all hands. Ship technology is constantly changing. Our competitors keep getting better, so we need people who are constantly improving, learning more, keeping themselves on the leading edge of their area of expertise. So, the bottom line is that you need the right number of people and you need to provide an environment where your people can grow and improve constantly. [...]

At AEC, we recognize that the strength of our intellectual capital is the difference between growing, successful companies and the rest. Treating people with respect and dignity and helping them to develop their full potential is an important part of that process. We're tough when it comes to performance expectations because we need to be. But, when people do perform and produce results, they are compensated in a way that keeps them at AEC – for there is always a strong market for very good people.

GWYN MORGAN
ALBERTA ENERGY COMPANY LTD.



Adjusting to a New Reality*Spring 1996*

Canadians should be proud of their financial institutions. Of all our industries, financial services is perhaps the most global and world-class. [...]

Why have we been so successful? The fact is, we have a politically stable country and a tradition of fiscal responsibility. Also, our public policy has created a national banking system, and our regulations have resulted in strong financial institutions. All of these have been positive factors. The most significant positive factor, though, is that our financial services sector has been very competitive. No one company dominates totally. There has been a lot of rivalry between institutions in Canada, and that has kept them sharp.

From a public policy perspective, whatever changes we make to our financial services sector should continue to foster competition. One of the dangers of a more concentrated system is that it becomes less competitive.

There are really only two significant pillars of financial services left in Canada – the banking sector, which is enormous, and the insurance sector, which is smaller. For a whole host of historical and other reasons, and because banking is extremely important to the functioning of a modern economy, the banking sector has been given certain privileges. [...]

Now, we could decide to change this in the future. Even though banks and insurance companies were created to have quite different functions, we could decide to let them carry out all the same functions. But we had better make certain that the two industries can compete.

DOMINIC D'ALESSANDRO
MANULIFE FINANCIAL

**A Canadian Success Story***February 15, 1996*

The time for a full and honest examination of our financial system is now. And the government must take this opportunity to address concerns over concentration of power and to level the playing field in financial services. [...]

Canada's capital markets are one of the country's great success stories. They are one of the foundations of our economic achievements as a nation. The efficiency, accessibility and reputation of our markets have made them among the world's best. They have proven to be a superb instrument for the building and expansion of our country.

ROBERT B. SCHULTZ
MIDLAND WALWYN CAPITAL INC.

**Consolidating to Compete Internationally***March 8, 1996*

Consolidation has a particular meaning for Canadian financial institutions. Our market in this country is mature and we can grow at home only by increasing our market share. And in a global environment, size definitely does count.

Yet, even with the consolidations in Canada of the last ten years, our banks are still being dwarfed by consolidation in larger markets like the U.S., the U.K., Germany and Japan. For example, there is one bank in Japan today that is bigger than the Big Six in Canada combined! (The latest available figures give the Mitsubishi Bank of Tokyo US\$816 billion in assets.) That puts us at a competitive disadvantage wherever scale is an important factor.

MATTHEW W. BARRETT
BANK OF MONTREAL



The Trend Toward Global Cities*April 12, 1996*

The global city will be a city region, self-sufficient and able to market itself internationally. It will have a social economic pulse which is harmonized to the needs of its citizens working together towards achieving their chosen global purpose. Those citizens who have the vision and the courage to take on personal responsibilities will become its stake-holders. The citizens of these cities will have learned to harmonize the aspirations and the needs of both the traditional worker and the knowledge worker. They will be able to create and export both know-how and product.

PHILIP M. O'BRIEN
DEVENCORE LTD.

**In-transit in Canada = Inconvenient***February 8, 1996*

Canada is geographically well-located to take advantage of the significant growth expected in international travel well into the next century. We are a northerly country and therefore often on the flight path of the most direct routing between two international cities. For example, one of the best ways to get from Japan to Brazil is through Toronto. However, for Canada to take full advantage of its location, we must have far better infrastructure and in-transit regulations. [...]

Today, if you are travelling from Brazil to Japan through Toronto, not only do you need the appropriate documentation for Japan, but you also need a visa to enter Canada and must clear customs in Canada before boarding your flight to Japan. This is a lot of hassle which can be avoided by choosing a connection point outside of Canada. Obviously, that is not in our collective best interest.

KEVIN J. JENKINS
CANADIAN AIRLINES INTERNATIONAL LTD.

**Canada --
En Route to the World***January 16, 1996*

U.S.-bound international passengers arriving at Vancouver airport and destined for the U.S. should be able to bypass Canadian customs and immigration and go directly to U.S. customs and immigration. At that point they would be free to connect onto any airline to anywhere they want in the U.S.

Right now it doesn't work that way.

U.S. authorities insist that U.S.-bound passengers originating from overseas and in-transit in Canada be fully processed by Canadian customs and immigration inspectors before being reprocessed by U.S. inspectors at Canadian airports. This is despite the fact that these passengers are in-transit to the U.S. and have no intention of entering Canada. Asian and European travellers bound for the U.S. avoid this U.S.-imposed inconvenience at Canadian airports by selecting American carriers and American gateway airports.

The problem is as time consuming to explain as it is to experience. [...]

What is required here is a concerted effort on the part of airlines, airports, communities and governments to finish the unfinished business of Open Skies and negotiate a satisfactory in-transit pre-clearance for international passengers arriving [in Canadian cities].

HOLLIS HARRIS
AIR CANADA



The Business Cycle

April 25, 1996

Finance Minister Paul Martin has said, "The time has come for the Canadian corporate sector to do its share."

The implication is that Canadian corporations, supposedly benefiting from historically high profits, should devote some of those profits to hiring extra employees. In and of itself, this proposition is based on faulty logic and should be shot down for that reason alone. [...]

While many companies have seen profit improvements in 1994 and 1995, overall performance is still weak.

Further, rather than denouncing those who have performed better than average, we should commend them for laying the groundwork for a stronger economy in the longer term. In these fragile times, it will take only a slight downturn for the weaker performers to be imperilled once again. And that would be a real recipe for job losses.

In the very earliest periods of recorded economic history, as recounted in the Old Testament, it was necessary to put away wealth in good times to prepare for bad times.

Our politicians and media would do well to remember the parable of the seven fat years and several lean years. Higher profits today merely constitute preparation for lean years which will inevitably follow sooner or later. Come to think of it, if earlier Finance Ministers had put a little extra away in the days of resource riches, we would be a lot better off.

**ROGER PHILLIPS
IPSCO INC.**



The Future is Now

April 22, 1996

For the first time in more than two decades, all the provinces as well as the federal government now appear committed to nursing the country's public finances back to health. They should be encouraged to sustain this commitment at every opportunity. But, by themselves, deficit reductions (and in the private sector – downsizing) won't take us where we need to go. A company's vision and a country's vision must be built on long-term growth.

In an economy as open as Canada's, where exports have recently contributed over 40 percent of total output, it is imperative that government and business continue to encourage a high level of productivity.

Progress made in deregulation, removing protectionist barriers and training workers, to name just a few, will help determine to what extent Canada is able to maintain its competitive edge into the 21st century. And I want to emphasize that business needs to take a leading role in retraining the workforce and moving to life-long learning. It is as much our responsibility as others'.

Quoting Eric Hoffer, "In times of drastic change, it is the learners that inherit the future."

**DAN BRANDA
HEWLETT-PACKARD (CANADA) LTD.**

