

NATIONAL AND GLOBAL
PERSPECTIVES
NATIONALES ET MONDIALES

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

*** Special Issue on the Constitution ***

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FOREWORD

This special issue of **National and Global Perspectives: Canadian Business Leaders Speak**, reflects the views of Canadian business leaders on the question of Canada's constitutional future. A re-ordering of federal-provincial powers, the reform of federal institutions, the resolution of the Quebec question, and a stronger economy were the key themes in a statement by the BCNI on April 26, 1991. Excerpts from this statement appear on pp. 1-2.

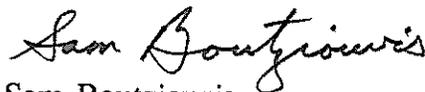
Several of our contributors maintain that change is essential if Canada as we know it is to survive. **William Stinson** concludes that the solution to Canada's constitutional problems may in fact be federalism, but not status quo federalism. **David Mitchell** stresses that certain powers should be delegated to provincial governments and that the Senate should have equivalent provincial representation, but is wary of changes that would emasculate our central government. **Jack MacLeod** believes that Canada needs less, and more effective, government, as well as reformed institutions of government which will allow all Canadians to benefit from the cultural diversity of Canada. **Claude Taylor** underlines the need to restructure -- rather than decentralize -- Confederation (and Canada) in order to maintain and enhance our competitiveness. **Jack Masterman** believes that Canada is worth saving but major changes are required in the division of powers and in the process for amending the Constitution.

The need for change is linked to the imperative of unity by **Matthew Barrett**, who identifies the goals and challenges that must be met: a functional and flexible Constitution; a true economic community; and, a Confederation that unifies the country while allowing Canadians in all regions to shape their collective destinies. **Ronald Mannix** delivers an impassioned dissertation on the economic consequences of a Canada without Quebec, and on the necessity to stand up for Canada, with Quebec. **Thomas Savage** urges the business community to make a collective commitment to nation-building by seeing the unity issue as a crisis of management structure.

Two contributors comment on the cultural distinctiveness of Quebec. **The Honourable Claude Castonguay** is convinced that only a clear indication of openness together with some concrete gestures will encourage Quebecers to choose in favour of a new Canada. **Dominic D'Alessandro** explores whether the culture of Quebec has actually become more vulnerable within the Canadian federal system.



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AVANT-PROPOS

Cette édition spéciale de **Perspectives nationales et mondiales: les chefs d'entreprises du Canada s'expriment**, reflète les points de vue de chefs d'entreprises canadiens sur la question du futur constitutionnel du Canada. Le re-déploiement des compétences fédérales-provinciales, la réforme des institutions fédérales, la résolution de la question québécoise, et une économie plus forte étaient les principaux thèmes de la déclaration du CCCE du 26 avril 1991. Des extraits de cette déclaration figurent en pages 1-2.

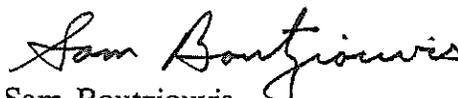
Plusieurs des chefs d'entreprises qui ont contribué à cette édition soutiennent que le changement est essentiel à la survie du Canada tel que nous le connaissons. **William Stinson** conclut que la solution aux problèmes constitutionnels du Canada pourrait en fait être le fédéralisme, mais pas le fédéralisme du statu quo. **David Mitchell** met l'accent sur la délégation de certains pouvoirs aux gouvernements provinciaux et sur le fait que le Sénat devrait accorder une représentation équivalente à l'ensemble des provinces, mais est sceptique face à des changements qui résulteraient en un gouvernement central émasculé. **Jack MacLeod** croit que le Canada a besoin de moins de gouvernement et d'un gouvernement plus efficace, ainsi que d'institutions gouvernementales réformées qui permettront à tous les Canadiens de bénéficier de la diversité culturelle du Canada. **Claude Taylor** souligne la nécessité de restructurer -- plutôt que de décentraliser -- la confédération (et le Canada) de manière à maintenir et à améliorer notre compétitivité. **Jack Masterman** croit que le Canada mérite d'être sauvé mais que des changements importants s'imposent en ce qui concerne la division des pouvoirs et le processus d'amendement de la Constitution.

Matthew Barrett établit un lien entre la nécessité du changement et l'impératif de l'unité, et identifie les objectifs à atteindre et les défis à relever: une constitution fonctionnelle et flexible; une véritable communauté économique; et une confédération qui unifie le pays tout en permettant aux Canadiens de toutes les régions de gérer leurs destins collectifs. **Ronald Mannix** fait un plaidoyer passionné sur les conséquences économiques du Canada sans le Québec, et sur la nécessité de défendre le Canada, avec le Québec. **Thomas Savage** encourage la communauté des affaires à prendre un engagement collectif à l'égard de la construction nationale en considérant la question de l'unité comme une crise dans une structure de gestion.

Deux chefs d'entreprises offrent leurs commentaires sur le caractère culturel distinct du Québec. **L'Honorable Claude Castonguay** est convaincu que seule une indication claire d'ouverture accompagnée de gestes concrets amèneront les Québécois à se prononcer en faveur d'un nouveau Canada. **Dominic D'Alessandro** cherche à savoir si la culture québécoise est devenue plus vulnérable dans le système fédéral canadien.



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Juin 1991

LIST OF MEMBERS QUOTED

	<u>Page</u>
BUSINESS COUNCIL ON NATIONAL ISSUES Statement of the Members on Federalism and the Economy	1
WILLIAM W. STINSON Chairman and Chief Executive Officer, Canadian Pacific Limited The Constitution -- Facing Up to the Future	3
RONALD N. MANNIX Chairman, Manalta Coal Ltd. The Economic Consequences of Political Instability	5
DAVID E. MITCHELL, O.C. President and Chief Executive Officer, Alberta Energy Company Ltd. Will Canada Remain One Country or Be Broken Apart?	6
JACK M. MacLEOD President and Chief Executive Officer, Shell Canada Limited Canada, at Risk	8
L'HONORABLE CLAUDE CASTONGUAY Président du conseil, La Laurentienne, corporation mutuelle de gestion Le Canada peut-il trouver sa voie?	9
MATTHEW W. BARRETT Chairman and Chief Executive Officer, Bank of Montreal Renewing Canada: Doing Great Things Together	11
THOMAS H. SAVAGE Chairman and President, ITT Canada Limited Collective Commitment	13
CLAUDE I. TAYLOR, O.C. Chairman, President and Chief Executive Officer, Air Canada Competitiveness is the Fundamental Issue	14

DOMINIC D'ALESSANDRO Président et chef de la direction, Banque Laurentienne du Canada Les avantages de l'unité	15
JACK V. MASTERMAN Chairman and Chief Executive Officer, The Mutual Life Assurance Company of Canada The Critical Problems and Challenges Facing Canadians at This Time	17

"NATIONAL AND GLOBAL PERSPECTIVES: CANADIAN BUSINESS LEADERS SPEAK"

A STATEMENT OF THE MEMBERS OF THE BCNI . . . towards a more effective federalism and a stronger economy

(News Conference, Ottawa, April 26, 1991)

We are...convinced that an abandonment of federalism in favour of a radically different political organization of the Canadian state, would be a serious mistake. In a major study conducted for the BCNI...the strong preponderance of opinion was that sovereignty-association, confederal structures, or similarly radical alternatives were neither politically feasible nor more advantageous to Canadians, wherever they live, than a range of federalist options. We are in agreement with these views and convinced, moreover, that the costs both politically and economically of a major rupture of the federation would be very high....

The Division and Sharing of Powers:

Current provisions in the Canadian Constitution for the division and sharing of powers are a source of a great deal of federal-provincial conflict. This conflict has led to a growing number of disputes among the governments and to competition and duplication that has been both costly and irritating to Canadian citizens....

We believe that the most practical and sensible approach to this issue is for federal and provincial authorities to negotiate a re-ordering of federal and provincial

powers. The re-ordering would result in some shift of responsibility to the provincial and the local level from the federal government, to be sure. But in some cases, it also would mean that certain responsibilities would be transferred from the provinces to the federal government....

A great deal of this re-ordering of powers and influence among the federal and provincial governments can be achieved without resorting to the tortuously difficult process of formal constitutional amendment....

The Reform of Federal Institutions:

We are in agreement that the reform of the central institutions of the federation offers Canadians a wide variety of ways to strengthen the effectiveness of the federal system....

One such reform is a reconstituted Senate that would sensitize the federal government to regional needs and demands and enhance the influence of the regions in national decision-making. We believe that an elected Senate is the preferable choice with an effective array of powers and representational weighting that would provide a stronger voice than is now the case to Canadians

JUNE 1991

PAGE 2

living in the West, the Atlantic, and the North....

In advocating Senate reform and the reform of other institutions of federalism, we are especially mindful of the aspirations of Canadians in Western Canada who have long argued for changes in the federal Parliament and in other federal bodies that would reflect greater sensitivity to their particular concerns. We are strongly supportive of those demands for reform and believe that they must be part of an overall constitutional accommodation....

A Strong Quebec in a United Canada:

A durable and workable constitutional arrangement in Canada that holds the nation-state intact, as we know it today, will not be achieved without a resolution of the Quebec question....

Constitutional recognition of Quebec's linguistic and cultural distinctiveness -- a distinctiveness that in practice already is enshrined in large measure in the existing Constitution -- must be a first step. Special arrangements in areas that are connected to the protection of the French language and culture are advisable as well -- specifically in the areas of demography and immigration. In all other areas of jurisdiction, we believe that the full and creative use by Quebec of the devices

already proposed in this paper -- devices available to all the provinces -- will enable it to achieve a very significant degree of autonomy in the exercise of its legislative powers.

Politics and Economics - The Critical Mix:

The reform of our federal system offers Canadians a rare economic opportunity. At a time when Canada is adjusting to a rapidly changing global economy, our ability as a people and as a nation to compete is the key to our continuing prosperity and to that of our children and grandchildren. Competitiveness is the foundation upon which an improved social, economic, and environmental order will be built. In the quest for competitiveness, the Canadian political system must be an ally and not an impediment.

First and foremost, the reforms to our federal system must ensure that the Canadian common market is established in fact and that the Canadian economic union is strengthened. The free movement of labour, capital, goods, and services must be guaranteed under any new constitutional arrangement, and in this area, we see the federal government having a strengthened role.

Secondly, Canada must urgently put in place a competitive strategy that will marshal the enormous assets that we have as a people and as a country. This will

require coordination and action on the part of all economic players on numerous fronts including fiscal management, education and

training, research and development, and international trade.

WILLIAM W. STINSON. . . on the end of the beginning for Canada

(Address to the Canadian Club of Montreal, Montreal, Quebec, March 25, 1991)

We certainly need to face up to the reality of the future in Canada. We can't be afraid of change. We must restructure Confederation. It is not a question solely of choice, but of taking an opportunity to establish ourselves on a positive path to the future....

First, we have the Quebec Liberal Party's position.

I thought the response of Francophones to the Allaire report, as measured by the news media, was pretty realistic as to how much of it was achievable in the context of a functional federalism. I also thought the response of Anglophones, both here and in the rest of Canada, was relatively low-key.

There are positive comments to be made about Quebec's position.

It can be seen as a set of proposals, not conditions.

It does not ask anything for Quebec that other provinces wouldn't have, if they so chose, with the exception of a veto on the amending formula, which is a

non-starter for the rest of the country. More than anything else, it was the perception that the Distinct Society [clause] conferred special status on Quebec that killed support for Meech Lake in the rest of the country.

And, this would appear to be Quebec's starting position, not its bottom line. The fact that, at the Liberal convention, [the] Allaire [report] was amended in favour of Senate reform as opposed to its abolition indicates the kind of sensitivity that the situation calls for. Equally welcome was the resolution recognizing that the Canadian Charter of Rights and Freedoms would continue to apply to Quebec.

Second, we have the amending procedures.

Although quite a bit can be achieved under the general 7/50 formula -- involving Parliament and seven provinces representing 50 per cent of the population of Canada -- we have a problem in that Quebec is absent from the table, and has said that it will only deal with English Canada, through

JUNE 1991

PAGE 4

Ottawa, on a bilateral basis. The problem is that "English Canada", as such, does not legally exist.

The fact is that, short of a unilateral declaration of independence, the only method for amending the constitution is the one we have.

Sooner or later, Quebec must come back to the table. But the Rest of Canada must also realize that Quebec came to the table twice, first in 1987 and again in 1990, and came away with a deal twice -- only to see it unravel in the first instance and die in the second. It is a fair assumption that Quebec will not again put its fate to the test this way.

But, 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. As Tom Courchene and John McDougall have pointed out in a recent paper: "We are effectively doomed as a nation if we try to find formal constitutional solutions to all aspects of our current impasse"....

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.

It may well be that the solution to federalism is federalism, but not status quo federalism.

Stephen Blank and Guy Stanley, of the Institute of U.S.-Canada Business Studies at Pace University in New York, have written (in last November's issue of The International Economy) that: "Canada is now in the North American vanguard of what is a worldwide search for making new ways of diversity and unity fit together".

From this wider perspective, they suggest that: "Quebec, far from being a breakaway province, may be a path-breaking one".

Finding a way out of this impasse will not be easy. Let's not kid ourselves about that. That's the part about facing up to reality.

So let's accept that things cannot, and will not, stay as they are. That's the part about facing up to change.

Then let's look for ways we can make things better for Canadians in their immediate regions, and for Canadians as a whole. Let's focus on practical solutions. Let's keep our heads out of the rhetorical clouds. Let's focus on common sense. Let's look for common ground. That's the part about restructuring.

Perhaps, to borrow from Churchill, this need not be the beginning of the end for Canada, but rather the end of the beginning.

We have a unique opportunity to put things right for Canada. Let's not get it wrong.

RONALD N. MANNIX. . . on a united Canada, with Quebec

(Comment at the BCNI Annual General Meeting, Toronto, Ontario, April 10, 1991)

As the business leadership in Canada, our job is to talk about the great economic consequences of political instability. One confidential study I saw recently indicated that, in 1989, Quebec's deficit would have gone from 1.6 to over 12 billion dollars if they could have separated quickly -- without animosity, without any negotiation, without any problems, and with their proportionate share of the national debt. For Quebec...your standard of living goes down, and for a significant period of time -- probably one to two decades (maybe more). Sovereignty equals poverty. Separation equals alienation -- for the rest of Canada, and, especially, Ontario. If anyone thinks we can negotiate separation on a friendly basis, they are wrong. Most Canadians are going to be very, very upset.

They are going to be suspicious, angry, uncommunicative, and negative with any issue that you try and address, because our whole economic well-being will decrease and everyone will be looking for someone else to blame. We need to work and do business within a

framework of confidence, not conflict. If we can change the system to work better, be more effective, then Canada may be able to maintain our standard of living, our culture, and compete on a worldwide basis while sitting with pride at the international bargaining tables. If we don't resolve this issue for the benefit of all Canadians, then we will deserve the scorn that the rest of the world will heap upon us as they take advantage of our great weakness and time of turmoil.

If you think we have problems competing in business now, just start to imagine the difficulties and the problems that are going to arise if we have a very unstable political environment, and virtually all of the agreements that we presently operate under are thrown into question.

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 --

JUNE 1991

PAGE 6

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.

We need to build on our strengths, rekindle the fire in the hearts of every one of us, and all Canadians. That fire was in the hearts of the pioneers who built and loved this great nation...We need to stand up

in Ontario...[We need] to stand up in Quebec, and to stand up to the rest of the country and tell people how fortunate we are and don't screw it up! We need the will to change, a lot of good luck, goodwill, good effort, and good common sense to come up with a united Canada...once and for all time!

I want to be part of a united Canada with Quebec as part of it, and I suggest we all work hard towards that goal.

DAVID E. MITCHELL, O.C. . . . this is a time more for reason than emotion

(Address to the Annual Meeting of the Alberta Energy Company Ltd., Medicine Hat, Alberta, April 10, 1991)

Of those Canadians who would shake a political finger at Quebec, and end the country with nothing more than a shrug, I ask the question: "What Canada, or Canada's, do we want -- one in which one large, central province represents one-half of what is left while Western Canada is a pot-pourri of fragmented, widely differing, political philosophies? Or, a modification of what we are now?"

To those in Quebec who would say: "Farewell, we feel insulted about Meech Lake!", I ask: "Do you really believe that Quebec's future economic progress, stability, and security would be as great alone, as it would be as part of

Canada?" Others in the world, who view Canadian investments with increasing concern because of the internal debate, are incredulous that we could consider committing ourselves to the path of national destruction. They foresee, probably with good insight, political instability, fewer jobs, international money market problems, decreased opportunity, and a lower standard of living...a country which could have a bright future if we deal with our problems; [they foresee] a country that could throw it all away....

Along with fiscal mismanagement, the country has had some unrealistic, aggravating, and, sometimes, quite unfair policies.

Official, forced, national bilingualism is a notable example. The problem is not with the objective, which is worthy, but rather with the horrendously impractical waste of talent and money to try and reach the objective the wrong way, too quickly. It is time we came to our senses on this one. But, separating into two or three Canada's is not necessary in order to bring about a more provincially-oriented language policy -- which also would provide unilingual Canadians with equal opportunity in most areas of federal jurisdiction.

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.

I believe that most Canadians understand and support the concept of Quebec retaining its cultural identity and language, within Quebec. This unique

province with its special identity adds to our country. But, beyond that, each of the other provinces would expect to be treated fairly, with equal opportunity for its people. One Canada? Yes...but not at any price!

Senate reform, sovereignty association, and other terminology commonly used in this great debate all need clear definitions and understanding.

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.

This, then, is a time more for reason than emotion...a time for Canadians to take leadership in creating and developing ways that will make the country work as a whole. Clearly, there will be changes, one way or the other. I pray that the changes will be in the direction of improvement, not destruction.

JUNE 1991

PAGE 8

JACK M. MacLEOD. . . on Canada, at risk

(Address to the Annual Shareholder Meeting of Shell Canada Limited, Calgary, Alberta, April 24, 1991)

In my remarks to you today, I wish to join the growing number of business leaders, from all parts of Canada, who are expressing deep concern about the political and economic stability of the country. It has become a common, conversational observation that "Canada is at risk"....

With incredible clumsiness, we Canadians have allowed the legitimate debate over constitutional reform to reach an emotional fever pitch that threatens to result in the break-up of the country within a very few years....The first tragedy in the present hiatus is that, although meaningful constitutional reform is desired by every province in Canada, the aspirations of Quebec are the lightning rod in the debate. And, the debate is being trivialized by the now too frequent question from voices in Anglophone Canada asking: "What does Quebec want?" -- and, the equally too frequent Quebec voices responding: "The rest of Canada has not made us an offer". The real tragedy is that failure to achieve meaningful constitutional reform within two years or so will, in my view, almost certainly result in Quebec separating from the rest of Canada.

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.

I repeat, I am convinced there is an acceptable solution to the issues. But, I am equally convinced that you and I must raise our voices on these issues -- and that Canadians in all walks of life and in all regions of the country must raise their voices -- to catalyse an effective, political negotiating process.

Time is short and the cost of failure will be extreme. It will be extreme in economic terms. It will be extreme in terms of loss of Canadian influence in international affairs. But, it will be most

extreme in terms of the loss of the less measurable, but more heart-felt, value of cultural diversity that we have enjoyed as a single

federation of peoples in Canada. I urge all Canadians to speak their conscience forcefully on these issues.

L'HONORABLE CLAUDE CASTONGUAY. . . sur la voie du changement, du renouvellement et de l'ouverture

(Discours au Canadian Club, Toronto, Ontario, 18 février 1991)

La seconde option consiste à revenir aux principes de base et établir un régime fondé sur la décentralisation, la responsabilité fiscale et le renforcement de l'union économique....

Dans un régime vraiment décentralisé, dans lequel on accepte le fait que la diversité est une caractéristique du Canada, rien en principe ne s'opposerait à ce que certains pouvoirs jugés nécessaires à la protection et à la promotion de la langue et de la culture françaises soient consentis au Québec. Il serait possible d'apporter les ajustements financiers correspondants afin que les Québécois ne bénéficient pas de privilèges spéciaux. De plus, les provinces qui dénoncent la domination de l'Ontario et du Québec dans le régime actuel se verraient confier des pouvoirs accrus. Les autochtones pourraient également obtenir un plus large degré d'autonomie dans la conduite de leurs propres affaires.

Certaines réformes s'imposent pour que le gouvernement fédéral donne de meilleures garanties de

gouverner pour le bien de l'ensemble du pays. A cette fin, le Sénat doit devenir électif et la répartition des sièges selon les provinces et les régions doit être revue. Les pouvoirs du Sénat doivent également être précisés en fonction d'une mission de protection et d'équilibre. Enfin, la composition de la Banque du Canada et son fonctionnement doivent également être modifiés afin qu'elle tienne compte davantage des dimensions régionales de l'économie canadienne.

La décentralisation constitue une voie qui peut permettre de mettre de l'ordre dans nos finances publiques et d'éviter la faillite. Elle permettrait en effet de circonscrire le très large pouvoir de dépenser du gouvernement fédéral. Et pour éviter les abus et clarifier la situation, il faudrait canaliser plus efficacement les modes de transfert de ressources financières vers les provinces moins favorisées....

Nous vivons dans une société moderne et développée dont les structures politiques, économiques

JUNE 1991

PAGE 10

et sociales, l'ensemble des lois et réglementations, de même que les rapports que nous entretenons sont fort complexes. Une part importante de notre économie repose sur les échanges entre les provinces à l'intérieur du Canada. Nous sommes également des exportateurs et les ententes comme le libre-échange avec les États-Unis, et bientôt avec le Mexique, et les accords du GATT revêtent une grande importance.

Si le Québec quittait le Canada, une grande part de tout cet ensemble devrait être revue et modifiée. Il s'agirait là d'une tâche immense, difficile et susceptible de créer une bonne dose de tensions et d'incertitude. Notre position de négociation sur le plan international ne pourrait qu'être affaiblie. Alors que les défis de la productivité, de la recherche, de l'innovation et de la compétitivité s'annoncent plus exigeants que jamais, nous ne pouvons nous permettre de diviser ainsi nos ressources limitées.

Il m'apparaît donc évident que pendant une période de transition qui pourrait être longue, le départ du Québec entraînerait des coûts significatifs non seulement pour les Québécois, mais bien pour l'ensemble des Canadiens. Il faut être bien conscients qu'il s'agit là de coûts susceptibles de prendre la forme de pertes d'emplois et de revenus.

Si l'on veut éviter de s'engager dans cette voie, il reste peu de

temps. Une forte majorité de Québécois souhaite pouvoir se prononcer sur l'avenir du Québec par voie d'un référendum hâtif. Seule une manifestation claire d'ouverture et des gestes concrets et significatifs pourront les convaincre d'opter pour un nouveau Canada. Le Canada anglophone ne peut rester figé et bloqué sur le rejet de l'Accord du Lac Meech. Il lui faut se prononcer sur les orientations qu'il entend prendre.

La communauté des gens d'affaires de l'ensemble du pays, car les intérêts des francophones et anglophones convergent clairement sur ce plan, va devoir s'impliquer activement dans cette question afin que la population soit bien consciente de ses implications. Elle seule peut renseigner la population de façon crédible sur les enjeux économiques en cause.

Compte tenu de la place prépondérante de l'Ontario et de la position stratégique de l'Alberta et de la Colombie Britannique dans l'ensemble canadien, les gouvernements de ces provinces sont appelés à jouer un rôle de premier plan. Il faut souhaiter qu'ils opteront pour la voie du changement, du renouvellement et de l'ouverture.

En guise de conclusion, je dois avouer que les probabilités d'une réussite me semblent minces. Malgré tout, j'ai de la difficulté à croire qu'un pays évolué comme le nôtre, qui a su voir grand à

maintes reprises et qui a progressé de façon remarquable sur bien des plans ne soit pas capable de se renouveler face à une crise dont

les dimensions touchent l'ensemble du pays. Est-ce que jusqu'à la fin, il va être incapable de reconnaître au Québec son caractère distinct?

MATTHEW W. BARRETT. . . on goals to seek and challenges to meet

(Address to The Canadian Club of Montreal, Montreal, Quebec, May 6, 1991)

The spectre we now contemplate is the dissolution of Canada as we know it, and, in its place, a plethora of unknowns. While I myself believe we will not go that far, the compass and tenor of our public discourses oblige us to confront and examine that potential outcome.

What then if, in a worst case scenario, Canada is divided or dismantled?

....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....

And, there would be additional handicaps. Conspicuous among them, in all probability, would be further restrictions on the free movement of labour, capital, and goods. The economic health of all parts of Canada would suffer, but especially Ontario and Quebec, whose economies are closely linked by massive two-way flows of trade in goods and services.

Furthermore, in a dismantled Canada, no order of government would have room to increase taxation to any degree. The situation of our two largest economies, those of Ontario and Quebec, is a case in point. Their tax burden is already at least 20% higher than that in the U.S....

A more competitive Canada needs a Constitution that assigns responsibility for public services so that they can be delivered effectively, accountably, and at the lowest cost. We do not have this now....The gap has been filled by a jungle-like growth of shared-cost

JUNE 1991

PAGE 12

programs, overlapping jurisdictions, federal-provincial committees, and costly duplication.

In a renewed federalism, the central authority would exercise the powers to ensure that Canada remains an effective, purposeful member of the international community. These would include foreign affairs, defence, and international trade. The core elements of economic nationality -- our common currency, central bank, customs and tariffs -- would also be the responsibility of the central authority. Taken together, these are the imperatives of nationhood....

We must allow for the transfer of powers between jurisdictions, and co-operation between orders of government, whenever good sense so dictates. While almost nothing these days seems free of controversy, I have in mind such fields as environmental protection, transportation and telecommunications....

Within our frontiers, all barriers to the free movement of labour, capital, and goods should fall. We would at long last have the economic union the fathers of Confederation intended.

Finally, a renewed Canada, while respecting the rights of individuals, should find space for the collective rights of all its peoples and regions. All of us know the regions and groups who need more space or improved prospects

under the Canadian roof....

But, the pivotal claim for more constitutional room comes from the Francophone Canadians of Quebec. They are the first of the "new peoples" of Canada, founding partners. They broke the ground across an immense sweep of North America. In Quebec, they have built a society of exceptional cohesiveness and durability, with deep foundations in language and culture. Their determination to preserve these attributes has withstood every test, of which the most severe has been finding a place to stand -- in French -- on a continent dominated by English.

Quebecers have not only preserved their language, they have seen it blossom. It has been an enriching influence on the lives of Canadians, whatever their mother tongue. Yet, it remains true that for French language and culture, the price of survival is eternal vigilance. Anglophones can take their language for granted. But, they should understand that the French fact in Canada can only exist by sustained and conscious effort. Obviously, and understandably, for Francophone Quebecers this is not a negotiable question.

Still, whatever the difficulties and tensions Francophone Quebecers have experienced over more than three centuries, the thriving state of French-speaking society has been achieved within the existing Confederation. If Quebec, as the

prime embodiment of French Canada, could prosper within the Confederation of 1867, is it not rational to think that it could prosper even more in a renewed Confederation?

These are the goals I think we must seek and the challenges we

must meet: a functional and flexible Constitution; a true economic community; and, a Confederation that keeps us one country, while allowing our peoples and regions to shape their collective destinies. An impossible dream? I don't think so, if we set our minds and our hearts to it.

THOMAS H. SAVAGE. . . on Canada -- a crisis of management structure

(Address to the London Chamber of Commerce, London, Ontario, April 24, 1991)

How do I answer the question posed to me for this evening, i.e., what do I perceive as the most important issues facing the London businessperson in the coming decade? Well, let me say that the issues I perceive as paramount are the same for all Canadian businesses, and not just those located in London, Ontario. In my mind there are two:

national unity, and
global competitiveness.

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. Therefore, I'm asking you as members of the business community to help build a collective commitment to nation-building by forcing yourselves to look beyond the political and emotional rhetoric, and see this unity issue for what it really is -- a crisis of management structure.

I know of no large corporation that hasn't faced the same challenge, and in many cases more than once, in the last five to ten years. The reduction in layers of management, the decentralization of authority and responsibility, the redundancies of non-performing or no longer essential structures, are factors well known to business.

JUNE 1991

PAGE 14

And, I suggest to you that seen in this light, an overhaul of our federal-provincial systems is an essential economic issue and not an "us and them" issue.

It is an issue well beyond language and culture, and one which

embraces many more aspects that should be of concern to us all, and which for the most part do not require significant constitutional change.

CLAUDE I. TAYLOR, O.C. . . . on the restructuring of Confederation

(Address to the Third Annual Meeting of Air Canada Shareholders, Vancouver, British Columbia, April 24, 1991)

Consider the following: Canada, with just half the population of Britain, France and Italy, belongs with them, as well as the economic superpowers of the U.S., Japan and Germany, to the G-7.

The Group of Seven finance ministers and Economic Summit Group are the two most exclusive and powerful clubs in the world. Canada gained entry by the hard work and enterprise of two generations of Canadians in the post-war period.

Those who say "Let them go!", might consider that Canada without Quebec would drop to eighth place behind Spain in output in the OECD, and, perhaps, even to ninth place behind Australia in the event of significant dislocation. And, those in Quebec who say "We're going!" might consider that Quebec on its own would drop to at least 14th place, behind Finland.

After spending generations

building one major league country, do we really want two minor league countries?

In truth, it is not just Quebec that wants change, but every region of the country, none more so than British Columbia and the West. Sometimes it seems as if the Coast Mountain Range and the Rockies are curtains drawn across the country. Political and business decisions that touch your daily lives in Vancouver are made in Ottawa and Toronto, seemingly without consideration as to how you will be affected by them.

If some in Quebec want out, many in the West want in.

What is needed seems obvious: not another Quebec-round, but a Canadian-round, to accommodate the legitimate aspirations of every region of the country within a flexible federal framework that maintains the national interest.

This needn't be a decentralization

of Confederation so much as a restructuring of it. And, in truth, Canada needs to be restructured in order to maintain and enhance its competitiveness.

It may be an open question as to whether there is too much government in Canada. There is no question that it is too costly. The two senior levels of government together, today, account for nearly half the economic activity in the country, as opposed to one-fourth just 30 years ago.

As a result, we are carrying around a \$400 billion debt on our back, and it is growing by nearly \$60,000 per minute and nearly \$1,000 per second. This year, Ottawa will pay \$43 billion just to service the national debt, about one dollar in three of its revenues.

Restructuring is not without challenges and adjustments....But, it is by facing the facts, and facing up to the necessity of change that business, labour and all Canadians will reap the benefits....

The world has already moved that way. Globalization and deregulation are not buzz words, they are reality. It's happened in the financial markets, it's happened in manufacturing, and it's happened in civil aviation in North America and around the world.

So, there are opportunities and challenges for Canada in the present constitutional context.

What concerns me most is the crisis of the Canadian spirit. The Canadian malaise seems to consist of an attitude that the world owes us a living, when it doesn't; and that we can somehow continue to carp and complain about one another without inflicting lasting damage on the fabric of this country, when we can't....

We are equally prepared to do our part as corporate citizens in building a newly competitive Canada, for this decade and beyond.

DOMINIC D'ALESSANDRO . . . sur les avantages de l'unité

(Discours à la Chambre de Commerce de St-Léonard, Québec, 16 avril, 1991)

J'ai choisi de vous parler ce soir de la question constitutionnelle et de vous communiquer la façon dont, à titre de Canadien, de Québécois et de Montréalais, né à l'étranger, mais élevé ici dès son

jeune âge, je vois personnellement cette question cruciale.

Le choix de ce sujet n'a pas besoin d'explications. C'est la question de l'heure, celle qui est

JUNE 1991

PAGE 16

susceptible d'avoir les plus grandes conséquences sur nos vies et celles de nos enfants. Il me fait d'autant plus plaisir d'aborder cette question avec vous car je crois que toutes les communautés culturelles qui forment la société québécoise d'aujourd'hui ont leur mot à dire et leur rôle à jouer dans la résolution de cette question. L'avenir constitutionnel du Québec, ce n'est pas une affaire à régler entre les "français" et les "anglais": c'est l'affaire de tous les Québécois de toutes les origines....

Moi, je suis fédéraliste, non seulement pour les raisons émotionnelles que je viens de décrire, mais aussi parce ce que je crois sincèrement que c'est la voie qui va mieux assurer le progrès de notre société et de nos concitoyens. Je crois qu'il est dans le meilleur intérêt du Québec -- autant du côté économique que culturel -- de continuer à vivre à l'intérieur du régime fédéral canadien... et j'aimerais vous dire pourquoi j'en suis venu à cette conclusion....

Je ne partage pas l'avis, qu'on entend trop souvent de nos jours, que le système fédéral actuel est tellement mauvais qu'il faut le remplacer par un régime de souveraineté-association. Le système fédéral a bien servi le Québec; il lui a aidé à se développer en tant que société moderne et démocratique, tout en lui permettant de conserver et d'enrichir sa personnalité propre et distincte. Je n'ai pas l'intention de

vous décrire dans le détail toutes les bonnes choses que nos structures politiques nous ont permis d'atteindre.

Je pourrais vous parler de notre niveau de vie qui, depuis longtemps, se maintient parmi les dix premiers de la planète. Je pourrais vous parler de la liberté démocratique dont nous jouissons depuis près de 200 ans, puisque notre parlement est parmi l'un des plus anciens. Je pourrais vous parler de notre dynamisme culturel qui fait du Québec un des centres les plus productifs aussi bien en matière de télévision, de cinéma, de théâtre, de danse, qu'en ce qui concerne la littérature, la peinture et la sculpture. Je pourrais vous parler du rayonnement international de Montréal et de son caractère cosmopolite qui nous a permis d'être le siège de l'OACI et de l'IATA, d'organiser l'Exposition Universelle de 1967, et des jeux olympiques de 1976. Je pourrais vous parler de nos hôpitaux et de nos écoles qui sont d'une renommée mondiale. Je pourrais vous parler de mille autres choses qui démontrent à quel point le Québec a su profiter du fédéralisme canadien pour s'affirmer.

On entend souvent dire de la part de certains milieux nationalistes que le système fédéral actuel ne permet pas au Québec de protéger son caractère culturel propre. La province, prétend-on, doit avoir les pleins pouvoirs pour protéger et développer sa langue et sa culture.

On doit évidemment être sensible à cette préoccupation légitime des francophones du Québec.

D'autant plus que cette crainte a été renforcée par la chute dramatique du taux de natalité et par le fait que la plupart des immigrants ont, à leur arrivée au Canada, choisi comme langue d'adoption l'anglais plutôt que le français. C'est un fait, dont je ne veux pas ce soir analyser les raisons. Mais c'est un fait qui a accru l'insécurité culturelle de la majorité québécoise, qui a réagi par l'adoption de toute une série de lois pour promouvoir l'usage de la langue française et même pour l'imposer, dans certaines circonstances, à l'école, au travail et dans l'affichage public.

Ces lois ont produit leurs effets. Aujourd'hui, l'usage du français au Québec est beaucoup plus répandu qu'il y a quelques années. En

dehors de l'île de Montréal, la province est quasiment unilingue française. Les immigrants, de plus en plus, s'intègrent à la majorité francophone. Cela se fait par l'école, par les milieux de travail, par le bon voisinage, par les mariages, et de mille autres façons. La petite minorité de réactionnaires qui ne pouvait pas accepter le caractère français du Québec a déjà quitté la province. Ceux qui restent se sont complètement faits à l'idée que le Québec est une province française. Toutes les statistiques d'ailleurs démontrent que l'unilingue anglophone est une chose du passé.

Alors, au vu du progrès accompli à ce sujet au cours des 30 dernières années, est-ce réellement vrai que la culture du Québec est plus vulnérable au sein de notre régime fédéral actuel? Je ne le crois pas.

JACK V. MASTERMAN. . . an important crossroad in our history

(Address to the Annual Meeting of the Mutual Life Assurance Company of Canada, Waterloo, Ontario, March 28, 1991)

As a nation, we stand at an important crossroad in our history. The direction we take now will impact the entire country for generations. We can enter the 21st century a stronger, more united Canada and retain our place on the world stage, or we can limp into the future as a collection of irrelevant minor states....

My first point is that the Canada we all know is worth saving....Those who think that Quebec or the rest of Canada would be better off going its separate way are naive about the economic viability and the international implications of either operating on a smaller base. Our strength is in unity while recognizing we are a multi-faceted

JUNE 1991

PAGE 18

country of two major cultures....

This brings me to my second point -- major changes must be made in the division of powers between the federal and provincial governments. A fresh look is required. But a fresh look alone is not enough; we need a fresh attitude! We will continue to experience frustration and failure if we approach this question from the perspective of putting regional differences first. Now, more than ever, we need statesmen at both the national and the provincial levels -- people who are prepared to debate with dispassionate logic and open minds. The goal must be to determine a workable allocation of powers suitable for our "one country/many people" status in a modern setting....

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.

Some of the less obvious

allocations will be very contentious. In which area, for example, does health belong? How important are national health standards? We Canadians value our health insurance system; some would suggest that universal medical care is an integral part of the Canadian identity. But I believe health care is a provincial issue....

Monetary policy is another sensitive issue. In my view, there is no doubt that this power must remain with the national government, possibly with some additional regional input. But as long as we have a single currency, monetary policy must be controlled by a single entity. The demands from Quebec and the western provinces for some control over interest rate policy, for instance, if adopted, would lead to financial turmoil. The Bank of Canada must retain its authority to set monetary policy, as do the central banks in other western countries....

As my third point, I urge a more workable process for amending the constitution. The Meech Lake experience exposed at least three flaws in the ratification process.

First, public consultation was sought only at the eleventh hour when there was no real opportunity for change....

The second problem was the constitutional requirement for unanimity....Although unanimity has some appeal from the perspective of everyone having an

JUNE 1991

PAGE 19

equal voice, it should be replaced with a more practical system which relies on a combination of regional vetoes and population size. The Victoria charter developed in 1971 serves as a useful model.

Under such a system, Quebec would have a veto over constitutional amendments. This is something it believes is essential. But, other provinces or combinations of provinces would also have vetoes....

The third flaw was the three year ratification timetable. It's simply too long!...

I humbly suggest that there are some lessons to be learned from the operations of national companies that could be applied to the constitutional question. I believe it's time for business leaders to join with all other Canadians in the public debate on this critically important issue.