
NATIONAL AND GLOBAL
PERSPECTIVES
NATIONALES ET MONDIALES



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

Winter ♦ hiver
1994 - 1995

**BUSINESS COUNCIL ON NATIONAL ISSUES
CONSEIL CANADIEN DES CHEFS D'ENTREPRISE**



Perspectives is a quarterly publication of the Business Council on National Issues (BCNI) featuring the statements and opinions of individual Council members.

During the period from October 1994 to early January 1995, members of the BCNI spoke out on many important themes including national unity and regional diversity, fiscal responsibility, international competitiveness, the information highway and innovation, trade both within North America and beyond, the environment, as well as corporate philanthropy and the global challenge facing 21st century capitalism.

We are pleased to share these thoughts with you.

Perspectives est une publication trimestrielle du Conseil canadien des chefs d'entreprise (CCCE) qui présente les déclarations et les opinions individuelles des membres du Conseil.

Entre les mois d'octobre 1994 et janvier 1995, les membres du CCCE se sont prononcés sur plusieurs thèmes importants, tels que l'unité nationale et la diversité régionale, les finances publiques, la compétitivité internationale, l'autoroute de l'information et l'innovation, les échanges commerciaux en Amérique du Nord et ailleurs dans le monde, l'environnement, ainsi que l'administration des entreprises et les défis qui confrontent le capitalisme du XXI^e siècle à l'échelle du globe.

Il nous fait plaisir de partager ces idées avec vous.

ALISON SINCLAIR
EDITOR/ÉDITRICE



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Un Canada prospère

le 7 décembre 1994

Le Canada a tiré parti du vingtième siècle de façon extraordinaire. Je ne suis pas sûr que nous réalisons pleinement la qualité de notre performance collective depuis que le premier ministre Laurier a affirmé que ce siècle serait celui du Canada. Nous avons la terre et les ressources; les bras, les têtes et les capitaux ont naturellement suivi, pour former une combinaison parfaitement adaptée aux exigences du vingtième siècle. Économiquement, politiquement et socialement, notre réussite est indéniable.

Toutefois, chez les peuples comme chez les individus et les organisations, le succès porte en lui-même sa propre menace : celle de perpétuer des façons de faire au-delà de leur vie utile, sans tenir compte des changements qui se produisent autour de nous. [...]

C'est pourquoi le passé ne peut à lui seul se porter garant de l'avenir. Et c'est pourquoi les Canadiens doivent sans attendre rajeunir leurs structures et leur culture en fonction des exigences du monde qui se refaçonne sous nos yeux.

GUY SAINT-PIERRE
GROUPE SNC-LAVALIN INC.

«Trente millions de Canadiens qui travaillent étroitement ensemble ont tous les moyens de propulser le Canada vers la prospérité au XXI^e siècle, et d'accueillir la diversité croissante dans le pays.»

COMMUNIQUÉ DE PRESSE DU CCCE
11 janvier 1995

Three Wishes for Canada

November 24, 1994

First, help us to come to grips with the obvious dichotomy between our fundamental values and our behaviour. We must abandon the notion of entitlements and champion thrift, self-reliance and character.

Second, help us to celebrate success – to take pride in excellence and in our achievements.

And third, help us to champion Canada – a Canada with strong national institutions and regionally responsive and responsible governments.

Above all, we need leadership. Leadership to deal with our fiscal and governmental baggage. A broad consensus to tackle this problem exists – from coast to coast. I don't believe our governments can or will fail to act. Leadership to ensure that Canadians seize the opportunities of the 21st Century. We are among the most fortunate and most envied nations on earth. We simply cannot and must not squander our heritage.

While the twentieth century may not have completely fulfilled Laurier's prophecy, our nations progress has been remarkable. Now we stand at the gates of a new millennium. While some handicappers and bookmakers may be offering somewhat longer odds on our success, in the next 100 years, I, for one, ... intend to continue to bet on Canada.

L.R. WILSON
BCE INC.



Canada: Building on Success

January 16, 1995

Critical though our public finances are, our political future is even more important. Canadians in all provinces need to ask themselves, has federalism worked? Has being a member of this federation, as it stands today, added to our prosperity, our freedom, our quality of life? We all need to ask that question and reflect on it, because our answer will determine our attitude toward the referendum in Quebec, as well as our attitude toward making any adjustments that may be required in future.

I think the evidence ... suggests very strongly that Canadian federalism *has* worked, that it has worked outstandingly well, and that it can do even more for us in future. [...]

We often talk in this country as if we were uniquely disadvantaged, having to deal with diversity. But one brief look around the world would surely show that Canada is among the most fortunate of nations. Name me one country on this planet that isn't debating adjustments to its constitutional and/or political and/or social institutional arrangements. Name me one that isn't struggling to redefine internal arrangements and its relationship with the world. Name one. I can't.

Of course no country has built Utopia, and Canada is far from doing so. But our difficulties, important and fundamental as they are, by world standards are eminently manageable. In the real world, the life of every country is a journey, a work-in-progress. There is no once and for all solution, no silver bullet. Countries must continuously re-shape themselves, adapting to the changing world around them. So it has been for us. The key reason why Canada has been so successful is that from 1867 to this day, we have been adjusting our federalism to changing needs

and changing times. We shall go on doing that. Let's not let political frustration drive us into misguided or precipitous actions.

... Canadian unity has been integral to our national success. For Canada the loss of Quebec would be a terrible self-inflicted wound. It would be the dismantling of a powerful national entity and the breakup of a family whose roots go back more than 200 years. We have a shared history. We have built a great country together, indeed one of the universal success stories. In a world beset by tensions and rivalries, Canada's achievement stands out as a beacon of moderation and accommodation. We owe it to ourselves, we owe it to succeeding generations – not to mention the world community – to ensure that our federation endures. And each of us – in this room and elsewhere – has a part in preserving Canada.

There is a paradox in our condition. As the 20th century draws to a close, Canadians are in an immensely enviable state. Enormous opportunities are on our doorstep. Clearly we have the ability to grasp them. The question is, will we? [...]

The other over-arching matter is the answer Quebecers give in their referendum. I believe the people of Quebec will opt for Canada. I believe that Canadians everywhere will reach out to Quebec and keep our country united, for practical reasons and also from a deep national pride. All Canadians can influence the outcome by our attitudes, our traditional civility and moderation, our sense of great things done together and greater things yet to do. I have supreme confidence in the wisdom of the people of Quebec. I have supreme confidence in the wisdom of all Canadians.

MATTHEW W. BARRETT
BANK OF MONTREAL





A Perspective on Canada

November 1, 1994

I'm not an expert on Canada. A year in a new place – even a year spent talking to literally thousands of people in government and business, in taxis and pubs – is nowhere near enough to claim any expertise.

But I can see that Canada starts with some terrific assets. In my travels, I've found a country that:

- has deeply shared values, especially on the environment, the value of education and national pride;
- has a highly educated business community;
- is profoundly multicultural and somewhat bilingual;
- is far ahead of the U.S. on environmental work;
- and has a world-class information infrastructure;

But I've also seen some unresolved issues:

- we are somewhat insecure about our economy and we view the rest of the world with a sense of wide-eyed wonder;
- in business, we are still struggling to accept women and minorities in corporate cultures that tend to be conservative and reactive;
- And I wonder – and I put the question to all of us – who is looking to the future for Canada in any meaningful way?

DIANE E. MCGARRY
XEROX CANADA LTD.

North America and the Global Economy

November 30, 1994

It is important to remind ourselves what it will take for North America to remain a leader economically well into the 21st century. The gurus of competitiveness have pronounced on this subject over and over again and I would interpret the consensus around five simple principles.

First, we must once again become the world's best educators of our children, and the skills of our workers – from the boardroom to the shop floor – must be second to none.

Secondly, we must build a culture of self-reliance, entrepreneurship and innovation, we must encourage savings, and reward merit.

Thirdly, we must think and act globally and recognize that protectionism can only lead to a reduced standard of living.

Fourthly, we must demand and receive from those we elect excellence in government and the restoration of discipline in our public finances.

And fifthly, we must champion the highest civic virtues in preparing our societies for the 21st century.

THOMAS P. d'AQUINO
BUSINESS COUNCIL ON NATIONAL ISSUES



Realizing Our Potential

November 8, 1994

Entrepreneurship had to come early to Québec, large organizations were not there in sufficient abundance to create the wealth and take up the leadership that is so necessary to an economy. Quebecers needed to celebrate even the smallest of success, and from this celebration emerged their appetite for exploration, innovation and love of technology. These new experiments brought about immense change in Québec's society.

Today, Québec is undoubtedly Canada's leader in non-traditional Canadian trade. Quebecers have embraced the FTA and the NAFTA as a community already accustomed to this new oxygen.

[...] we, as Canadians, must come to a very rapid and very practical resolution as to our own domestic identity. The window of global opportunity open to us should not be missed. Quebecers' determination not to act like the rest of the Canadian family should be looked at as a needed part of change and not as an obstacle. [...]

What will entice Quebecers away from separation is leaders that have the courage to question everything, and the vision to guide all Canadians to realize their real potential.

PHILIP M. O'BRIEN
DEVENCORE LTD.



1995 – A Pivotal Year

December 7, 1994

Let's not pretend this debt is the government's – it's ours! The politicians are just running it up in our names. We pay for that debt every day – through our taxes. The cost of paying the interest – as a percentage of personal disposable income ... is over 12%!

To say we need swift and decisive action at both levels of government is an understatement.

Solutions? At the surface level, it seems obvious to me that rather than tax hikes, we need spending cuts – major spending cuts – and we need them now.

Having said that, we see the federal government taking some action – but it's not enough. I doubt we can get out of this without displeasing somebody – but so be it! What's needed is the commitment of all of us, to support government efforts, and to encourage them to go further.

Many of the costly government programs relate to the social safety net. I don't care what your politics or your personal philosophy are – those programs need redesigning!

The principles behind those programs may be sacrosanct – the implementation methods certainly aren't! We need social welfare, education, workforce training and so on, redesigned to fit today's realities, today's needs – and above all – today's pocketbook.

JOHN T. MAYBERRY
DOFASCO INC.





Facing Choices

November 29, 1994

The heart of my [personal] recommendations is simple:

1. The target reduction in the federal deficit set by the present government to 3% of GDP or approximately \$25 billion by 1997 is a necessary, but not sufficient, step in salvaging our fiscal credibility, and in postponing an impending fiscal and economic crisis. But a reduction of this magnitude is simply not sufficient to do the job of responding to our present fiscal crisis. The government should now both accelerate this reduction in the federal deficit, and continue that reduction in years after 1996/97, so as to reduce the federal deficit to negligible proportions by 1998/99.

2. The necessary reduction in the deficit should be achieved primarily through cuts in government spending, not tax increases. In order to so substantially reduce the present \$120 billion a year of federal program spending, it will be necessary for the government to re-examine not only how it carries out its operations – the efficiency and effectiveness of its processes – but to rethink what the government is seeking to accomplish in its spending programs – the very purpose and philosophy of government in our society. In this process, the federal government should work in consultation with the provinces and other governments in Canada to set a cooperative framework for a fundamental rethinking of what we as Canadians should expect from governments, both as to benefits and as to responsibilities. [...]

No matter how hard the choices now facing us seem to be, they will be less hard than the alternatives we will have to deal with in the future if we do not put our fiscal house in order now. Canadians, with appropriate leadership, are capable of rising to the challenge of full employment, so that we achieve our objective of leaving our children a legacy, not of despair and division, but of hope and opportunity.

ROBERT D. BROWN
PRICE WATERHOUSE

Why should the Minister [of Finance] be more ambitious?

Because by the time he brings down his budget next February, Canada's economic recovery will be approaching the four year mark and that of the United States its fifth. By 1998, if not sooner, it is quite conceivable that Canadians will face another economic downturn. Then the deficit would begin once again its climb, Canada's debt would continue to soar, and any hope of solving the debt crisis would evaporate.

**BCNI SUBMISSION TO
THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
October 27, 1994**



The Changing Role of Business in Atlantic Canada

October 18, 1994

I suggest that there are five "givens" which we need to understand – five "drivers" which business should address. These are: that the information highway presents an opportunity to truly get into global markets; that education – at all levels – is our sole ticket to success; that our trade opportunities are not in the traditional east-west patterns of yesteryear, but in the north-south linkages which we have not yet truly begun to exploit; that we will be forced to be more entrepreneurial; and finally, that government will get meaner. [...]

Remember, as we consider the changing role of business: No one owes us anything! We have to earn it. Through innovation, price, service, commitment, vision, understanding, and anticipation of where the information highway can take us, we can at long last put to rest the argument that we are disadvantaged because of our geography. [...]

Businesses' role can, and should, be that of leaders in exploring the new frontiers presented to us by the information highway. We must do this through the adoption of new approaches to learning, through strategic alliances, and with our eyes wide open to markets we've never had the opportunity to explore before.

TERENCE C. BIRD
BRUNCOR INC.



Interactive Service Delivery

October 14, 1994

There are a number of different platforms over which new services will be delivered to the customer. The two main ones are the television (using an intelligent set-top box) and the home computer, (using high-speed cable modems). Which platform is most appropriate for the new services? [...]

Interactivity will change the nature of services that are delivered to the TV. It will also change the nature of direct marketing and advertising. Consumers will interact with advertisements. With the click of a button, consumers can get free coupons, a free sample, have more information sent to their home, or request a customer service agent call them at home. Set-top boxes will also have the ability to print a coupon, or a receipt.

Interactive advertisements for personal computers will probably be different than interactive ads for TV. Television viewers are used to having advertisements forced on them. Ads delivered to PC users will probably be much less "intrusive". In other words, a customer will have to choose to view the ad. But if they do choose the ad there could be substantial interaction between the customer and the ad. The user could ask for more information, choose a colour or style, and ultimately "fulfil" the order by entering their credit card.

EDWARD S. ROGERS
ROGERS COMMUNICATIONS INC.





A National Telecom Policy and Regulatory Framework

October 12, 1994

It is clear that classic protectionism as it has been pursued for decades in the telecommunications sector is no longer a realistic long-term option for countries such as Canada, whose future prosperity depends on competing successfully in the international arena. Canada requires a telecom strategy that reflects the changing dynamics of world markets. [...]

[The benefits] include:

- providing export-oriented Canadian businesses in all sectors with a competitive advantage in the form of high-quality, competitively-priced information links to global markets;
- optimizing opportunities to export the "information know-how" of a broad spectrum of Canadian companies, ranging from software developers to service-providers and financial institutions;
- maintaining sovereignty and maximizing the use of Canada's extensive domestic and international telecommunications network; and
- maintaining Canada's ability to act independently and exercise a measure of control over its vital links to the global information highway.

ANDRÉ LEBEL
TELEGLOBE CANADA INC.

NAFTA Requires A Trilateral Meeting of Minds

November 14, 1994

In my view, what Canada and the United States must strive for is a trading approach that facilitates the development of an overall rationalized production system that, like the Auto Pact, allows production to take place in the most appropriate segment of the integrated North American marketplace. This system must protect a commodity manufactured on both sides of the border from unfairly traded imports. At the same time, it must create an environment within which natural north-south trade can continue to be enhanced, especially through allowing business to invest in production facilities wherever these make the most economic sense.

The great challenge facing NAFTA is to match the economic clout of a steadily expanding European Economic Community and other global trading blocs. It will not be able to accomplish this if what is fundamentally one North American marketplace is nevertheless going to be considered as three separate production locations by any of the three participants.

FREDERICK H. TELMER
STELCO INC.



Trade and Environment Problems

October 28, 1994

The interplay of trade and environmental interests holds a number of potential issues, not necessarily to our advantage. The recent ban on shipments of hazardous waste, including aluminum UBCs and other scrap, from OECD to non-OECD countries, was the result of environmental interest groups pressing sympathetic governments in a United Nations forum (the UN Basel Convention). Those interest groups would like to see a total ban on all transborder movement of such wastes, including aluminum scrap. It may seem a remote concern, a matter for international bureaucrats, not business people. Yet if business is not continually watchful, does not intervene early in the process to protect its reasonable interests, it will lose a series of such skirmishes and find itself seriously constrained in pursuing its legitimate opportunities.

JACQUES BOUGIE
ALCAN ALUMINIUM LIMITED

We believe that a voluntary industry program must form a cornerstone of Canada's national action plan on climate change. We are convinced that regulation alone is not the answer to address an issue that has such widespread implications for business and consumers. A voluntary program offers flexibility to industry to develop lower cost options and explore the potential for innovative new technologies. We believe that it will be the most effective route to achieve both Canada's environmental and economic objectives.

*BCNI TASK FORCE ON THE ENVIRONMENT
November 1994*

The "China Opportunity"

November 8, 1994

We probably wouldn't be in China today if we didn't believe more change and liberalization of foreign participation in the economy were forthcoming. We are probably more sensitive than most companies about the importance of what I call the "Confidence Factor". This is driven by the nature of our business. Our type of business calls for huge capital outflows that ordinarily have a payout stretching over years. Also, the facilities we build are not moveable, and they have a useful life of 40 or 50 years, or even much longer. ... In other words, when we commit we do so for the long haul.

GERALD J. MAIER
TRANSCANADA PIPELINES

Our involvement in the first wheat sales to China began in the early 1950s. At that time, the United States companies were prohibited from trading with mainland China yet the country needed to purchase grain. Transactions to follow were initiated by my father who shook hands on an agreed trade Nothing regarding the sale was ever recorded. When the wheat was available we shipped it and when the Chinese were called for payment, they responded very promptly. I believe that our evidence of good faith on these transactions did a great deal to establish our relationship and friendship with the Chinese.

HARTLEY T. RICHARDSON
JAMES RICHARDSON & SONS, LIMITED



21st Century Capitalism

January 12, 1995

One of the triumphs of the closing period of the 20th century is the almost universal acceptance of the virtues of economic liberalism. Buttressed by a global information revolution, and a powerful thirst in many countries for democracy, market forces are at work everywhere knocking down barriers to growth and human advancement.

But the triumph I speak of, will be short-lived if the benefits of this extraordinary economic transformation are not broadly shared. Nowhere is this imperative more evident than in two countries that I have visited recently that together make up 40% of the world's population -- China and India. Within our own hemisphere, the imperative is most urgent in Mexico and other parts of Latin America.

The central challenge to 21st century capitalism, and ultimately to the world order itself, is to ensure that the opportunities and rewards of this explosion of enterprise are shared with literally billions of people.

THOMAS P. d'AQUINO
BUSINESS COUNCIL ON NATIONAL ISSUES

The Company and Society: Investing in the Future

November 9, 1994

The new corporate philosophy of giving ... has been distilled into three key principles:

First, such support is one of the facets of responsible corporate citizenship. It is now an expectation of society at large. Canadians believe a reasonable level of corporate philanthropy is an important responsibility for profitable corporations, and a mark of good management.

Second, the company's business success is tightly linked with the economic health and social conditions of the communities in which it operates. Accordingly, it makes long-term business sense to invest in the organizations which underpin community vitality.

And third, even in the short term, there are significant benefits in corporate community investment programs and the encouragement of employee giving and volunteering. They can enhance the company's reputation, and improve employee morale, skills and commitment to the firm.

ALLAN R. TAYLOR
ROYAL BANK OF CANADA
