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NATIONAL AND GLOBAL
PERSPECTIVES
NATIONALES ET MONDIALES

Canadian
BUSINESS
LEADERS
speak

les
chefs
d'entreprise
CANADIENS
s'expriment

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

Quebec Premier Lucien Bouchard marked the first anniversary of the 1995 referendum with a social and economic summit that tried to build a consensus on strategies for job creation and growth in the province. We begin this issue of *Perspectives* with an excerpt from a report to the summit delivered by Imasco Limited President and Chief Executive Officer Brian Levitt, in his role as chairman of a committee of business leaders that was asked to take a frank look at the strengths and weaknesses of Montreal as a business centre. This excerpt is followed by remarks from three other members of the Business Council on National Issues on the challenges and opportunities facing Quebec in a global information economy.

Also in this issue, individual Council members offer their thoughts on technological change, the evolving nature of work, the renewed "brain drain" of skilled Canadians, tax policy, trade disputes, global climate change and reform of education and health care, as expressed in speeches made between August and November, 1996.

We hope that you find these comments stimulating and that they will provoke further discussion and debate on the challenges that face us as Canadians.

Le premier ministre du Québec, Lucien Bouchard, a marqué le premier anniversaire du référendum de 1995 par la tenue d'un sommet socio-économique qui visait à bâtir un consensus sur une stratégie de création d'emploi et de relance économique pour la province. Nous ouvrons ce numéro de *Perspectives* avec un extrait du rapport présenté à l'occasion de ce sommet par Brian Levitt, Président et chef de la direction de IMASCO Limitée, dont le mandat comme président d'un comité special de dirigeants d'entreprise fut d'examiner les attraits et les faiblesses de Montréal comme place d'affaires. Cet extrait est suivi par les commentaires de trois autres membres du Conseil canadien des chefs d'entreprise sur les défis et les opportunités qui attendent le Québec face à la globalisation et à l'économie de l'information.

Nous présentons également dans ce numéro des commentaires tirés de discours donnés par nos membres pendant la période d'août à novembre 1996 sur des sujets tels les changements technologiques, l'évolution de la nature du travail, l'«exode des cervaux» des Canadiens ayant une formation technique et universitaire, la politique fiscale, les disputes commerciales, le changement climatique, ainsi que la réforme de l'éducation et du réseau de la santé.

Nous espérons que ces réflexions et commentaires vous intéresseront et qu'ils sauront nourrir les discussions sur les grands défis qui nous attendent comme Canadiens et Canadiennes.

DAVID STEWART-PATTERSON
EDITOR/RÉDACTEUR



Members Quoted  Membres cités

- | | |
|--|---|
| Matthew W. Barrett
Bank of Montreal
page 8 | Mark W. Hutchins
Ford Motor Company of Canada, Limited
page 10 |
| Laurent Beaudoin
Bombardier Inc.
page 7 | Brian M. Levitt
IMASCO Limited
page 3 |
| Pierre Brunet
Lévesque Beaubien Geoffrion Inc.
page 4 | John T. Mayberry
Dofasco Inc.
page 11 |
| Brian A. Canfield
BC Telecom Inc.
page 12 | Jean C. Monty
Northern Telecom Limited
page 6 |
| L. David Caplan
Pratt & Whitney Canada Inc.
page 7 | Eric P. Newell
Syncrude Canada Ltd.
page 12 |
| Thomas P. d'Aquino
Business Council on National Issues
pages 10, 14 | Roger Phillips
IPSCO Inc.
page 13 |
| Paul Desmarais
Power Corporation of Canada
page 5 | Jocelyn Proteau
Fédération des caisses populaires Desjardins
de Montréal et de l'Ouest-du-Québec
page 4 |
| Anthony S. Fell
RBC Dominion Securities Inc.
page 9 | Guy Saint-Pierre
Groupe SNC-Lavalin Inc.
page 6 |
| A.L. Flood
CIBC
page 8 | Charles Sirois
Teleglobe Canada Inc.
page 7 |
| Claude A. Garcia
La compagnie d'assurance Standard Life
page 13 | Frederick H. Telmer
Stelco Inc.
page 11 |
| Paul G. Howes
Merck Frosst Canada Inc.
page 9 | |

Montreal and the New Economy/Montréal et la nouvelle économie*October/octobre 1996*

In a modern economy, big cities are the crossroads at which people with key skills and businesses meet. These people converge on big cities because that is where they find the jobs they are interested in. Businesses locate their strategic activities, the ones that generate jobs, in big cities, because that is where they can recruit the human resources they need, either locally or from other similar cities. [...]

Montreal's poor economic performance is due in part to the continuing and serious hemorrhage of business activities dependent upon key people of this type, who are bypassing Montreal in favour of other North American cities. These departures have a direct impact on head office and regional office jobs, product design operations, sales centres and various industry specific and professional functions. Candidates for such positions are too often hesitant to continue working in Montreal or to move here. Montreal is not perceived to be a location of choice for North Americans with strategic skills unless they were born in Quebec or are French speaking. For a large city at the mercy of the rules of the new economy, this disinclination can be fatal, because these strategic functions are the key to employment growth. [...]

Businesses know that they must attract the best of such people and are therefore very attentive to their preferences. Such people have their own criteria for choosing the companies for which they work and the cities in which they wish to live. They prefer cities that offer good employment opportunities. They are also concerned about the general climate in the workplace. They are increasingly attentive to employment opportunities for their spouses.

Finally, if they have young children, they are very concerned about access to quality schooling. [...]

L'ubiquité de l'anglais sur le continent fait que la grande majorité de la population est et demeurera unilingue anglophone. Il appartient donc à la société québécoise d'assurer de façon générale les responsabilités de l'interface linguistique avec ses voisins.

Parce qu'elle est en concurrence avec les autres villes nord-américaines pour attirer des activités stratégiques créatrices d'emplois, Montréal doit faire une large place à l'anglais au sein des entreprises oeuvrant à l'échelle nord-américaine et accueillir des cadres qui ne parlent pas français. Ce nouveau contexte indique clairement que les pressions pour l'utilisation de l'anglais s'accroîtront et que pour attirer à Montréal des cadres nord-américains, il faut davantage de souplesse dans l'application des règles linguistiques en vigueur. [...]

Si Montréal veut concurrencer les autres grandes villes d'Amérique du Nord sur le plan des affaires, elle devra faire l'impossible pour être, et être perçue, comme une ville accommodante envers les Nord-Américains qui ne parlent pas français et qui sont invités à offrir à leurs enfants une instruction dans la langue de leur choix. Montréal devra aussi s'assurer que ces conditions d'accueil sont bien connues en Amérique du Nord, et plus particulièrement au sein des entreprises. Car les perceptions deviennent réalités.

**BRIAN M. LEVITT
IMASCO LIMITED**



Les défis et les opportunités*le 18 septembre 1996*

Dans l'ancienne économie, on a toujours dit que les sièges sociaux des entreprises avaient besoin d'un accès privilégié aux marchés pour expédier leurs marchandises. [...]

Dans la nouvelle économie, les entreprises ne s'installent plus nécessairement à proximité des réservoirs de ressources naturelles, mais sont en quête d'autres richesses comme la qualité de la main-d'oeuvre, la présence d'universités et de centres de recherche, la qualité de l'air et de l'environnement, une vie culturelle intense, une faible criminalité. Qui connaissait la ville de Redmond, dans l'État de Washington, avant que Bill Gates ne décide d'y installer les quartiers généraux de Microsoft? [...]

Depuis la Révolution tranquille, le Québec a accompli des progrès exceptionnels dans sa transition graduelle vers la nouvelle économie. Nous avons mis les bouchées doubles et nous avons été récompensés pour nos efforts. Je suis prêt à parier que la plupart de nos concitoyens ignorent que le Québec se situe à l'avant-garde de la nouvelle économie. Ce sont de bonnes nouvelles et nous avons toutes les raisons du monde d'en être fiers.

Cela dit, certains dangers nous guettent. Il apparaît de plus en plus évident que parmi les critères de choix des entreprises de la nouvelle économie, la disponibilité sur place de services spécialisés aux entreprises figure parmi les priorités. Or, depuis 10 ans, je le répète, l'infrastructure de services spécialisés au Québec se fissure de partout. Cette situation est dangereuse parce qu'elle pourrait compromettre l'essor de notre nouvelle économie.

Il ne s'agit pas de jouer ici au prophète de malheur et de prédire un exode des entreprises qui suivront leur cabinet d'avocats, leur expert-comptable ou leur banquier sous d'autres cioux. Je ne veux pas être alarmiste

pour le plaisir de l'être. Mais je pense que cette situation comporte le risque de ralentir la progression de la nouvelle économie au Québec, comme cela se produit depuis 1992. Il nous faut agir vite, avant d'être dépouillés de tout ce qui fait notre force.

PIERRE BRUNET**LÉVESQUE BEAUBIEN GEOFFRION INC.****Faire connaître la réalité***le 12 novembre 1996*

Selon moi, le caractère français du Québec et de Montréal constitue un atout et non un handicap ici en Amérique du Nord. Aucune autre grande ville nord américaine ne peut prétendre offrir ce cachet particulier. À cet égard, il me semble y avoir consensus tant chez les francophones que chez nos compatriotes anglophones ou allophones.

Tout le monde reconnaît aussi la nécessité de protéger et développer ce caractère français tout en permettant au Québec et à Montréal d'occuper leur juste place dans une économie en évolution sinon en révolution.

Et c'est ici que le bât blesse. Pour un nombre de raisons sur lesquelles il serait trop long d'épiloguer, le Québec est l'objet de perceptions ou de préjugés pas toujours conformes à la réalité. [...]

Lors du dernier Sommet économique, il s'est donc dégagé un consensus sur la nécessité de corriger ces perceptions en rétablissant les faits. Bref, ce n'est pas d'un changement de loi ou de règlement dont nous avons besoins, mais d'un bon plan de marketing et de communication pour faire connaître la réalité linguistique de Montréal et du Québec.

JOCELYN PROTEAU**FÉDÉRATION DES CAISSES POPULAIRES DESJARDINS
DE MONTRÉAL ET DE L'OUEST-DU-QUÉBEC**

Industry and Competitiveness*September 1996*

We don't succeed today because we are American, German, or Japanese – or from Quebec. We succeed when we are able to meet the competition, wherever it may come from. We must therefore stimulate entrepreneurship, the willingness to take risks. We must encourage initiative and reward effort. This recipe is not new, but it remains the foundation of economic and social progress.

I share the opinion of those who believe that this generation of Quebecers will be able to accomplish great things here, and everywhere they will be given the chance to compete – that is, if their path is not blocked by old fears and attitudes which always threaten to return from the past.

The protectionist mentality, for example, is far from dead. One only has to look at the United States or certain European countries to see that the protectionist forces seem to be gathering strength. Protectionists often drape themselves in the cloak of protectors of the national identity. That attitude, however, sometimes hides negative motivations such as mistrust of foreigners, fear of change and uncertainty in the face of competition. We Quebecers are not any more immune from that reflex than our southern neighbours or our trans-Atlantic partners.

More than ever, we must form strategic alliances, find new partners, among Francophones of course, but also among our Anglophone compatriots who have greatly contributed to the economic development of Quebec for many generations. [...]

Of course, we must be ourselves, and the Quebec government must remain faithful to its responsibility and its duty to protect the French character of Quebec, notably by ensuring that

the language of the majority can shine forth. But we must also develop our knowledge of the English language which enables us, as citizens of Montreal, to position ourselves in the international mainstream. As a French-speaking island in the middle of an Anglophone sea, "prisoners of our geography" in a sense, we must build bridges, develop new links so that we may succeed throughout the continent.

I am convinced that by being exposed to two cultures, being familiar with two systems of values, being marked by both Anglo Saxon pragmatism and cool-headedness, as well as the rationality and the Latin aspect of our French origins, we Quebecers are considerably advantaged. We can act as a bridge between America and Europe. [...]

Time is in short supply, and the task ahead of us is great. The months and years ahead will be crucial for the future of Montreal. But we should never forget that we can count on major advantages. The awakening of entrepreneurship in Quebec about 20 years ago, what became known as Quebec Inc., signalled a willingness and an ability on the part of Francophones to play a greater economic role. Many of the companies that participated in this collective awakening today form the backbone of a renewed business sector. Some others did not succeed. That is the law of the market and the nature of business. But the path is now more open to all those who want to fulfil their potential and contribute to the economic progress of their community.

PAUL DESMARAIS
POWER CORPORATION OF CANADA



Power is Changing Hands*September 27, 1996*

Revolutions are not made by gadgets, but by a shift in the balance of power. Technology is the catalyst, not the cause.

When a system of national currencies run by central banks is transformed into a global electronic marketplace driven by private currency traders, power changes hands.

When a system of national economies linked by government-regulated trade is replaced – at least in part – by an increasingly integrated global economy beyond the reach of much national regulation, power changes hands.

When an international communications system, incorporating technologies from mobile phones to communications satellites, deprives governments of the ability to keep secrets from the world, or from their own people, power changes hands.

This is not to say that sovereign power will disappear – it will not – but what it does mean is that no government, over time, can act alone, free of contradiction or the effects of contrary forces. The world looks and reacts and brings pressure to bear on issues ranging from the destruction of the rain forest and the disposal of toxic waste to the abuse of human rights anywhere on the planet.

The information revolution is quietly sweeping the globe. Powerful forces are shaking and remaking our world with little bloodshed or conflict. These forces profoundly affect the very foundation of modern society and international relations. And the business community is playing a pivotal role in the process.

JEAN C. MONTY
NORTHERN TELECOM LIMITED

**Le talent ne suffit pas***le 24 octobre 1996*

Bien sûr, nous avons découvert au fil des ans que la compétition se jouait sur d'autres plans que celui du seul talent. Nous avons dû améliorer nos capacités, pourtant déjà excellentes, en gestion de projets. Nous avons dû apprendre à maîtriser l'informatique et ce non seulement pour la conception, mais aussi pour le dessin. Nous avons dû raffiner nos compétences en estimation des coûts et des risques d'un projet, afin de pouvoir en établir, le plus justement possible, le coût réel. Nous avons dû apprendre à négocier avec des clients de différentes cultures. Nous avons dû devenir de véritables experts en financement international et en politique étrangère. Et nous avons réussi.

Ce dont nous avons besoin aujourd'hui, c'est d'un solide leadership qui nous permettra de miser sur nos capacités – indiscutables à mon avis – de saisir les nouvelles occasions d'affaires qui se présenteront, ici comme à l'étranger, au cours des prochaines années, et de canaliser les talents des ingénieurs canadiens pour répondre adéquatement aux nouveaux besoins du marché et améliorer ainsi notre compétitivité.

Pour les plus petites entreprises, il s'agit probablement d'apprendre les règles du jeu qui prévalent sur les marchés internationaux. Pour les plus grandes – et je le sais pour l'avoir vécu moi-même au cours des dernières années – il leur faut réapprendre ce jeu qui se joue dorénavant sur un nouveau tableau.

GUY SAINT-PIERRE
GROUPE SNC-LAVALIN INC.



Strategies for Growing Business*September 27, 1996*

We stand today on the threshold of yet another technological revolution. The forces of convergence are fueling tremendous growth in global communications and information technologies. Technological innovation has made it possible to separate services from infrastructure, thereby eliminating certain entry barriers and stimulating competition. With the commercialization of the Internet, the information highway is already transforming business as well as our daily lives. In addition, the industry is experiencing massive legislative and regulatory change, as governments around the world look to privatize state-owned telecom carriers and open up their markets.

Modern telecommunications tools such as videoconferencing, the Internet, ATM, Frame-relay, Voice-mail, ISDN and wireless services now allow us to build businesses in other countries virtually, never having to leave the secure confines of our national boundaries. The new networked economy uses Web pages as virtual showcases open 24 hours a day, 365 days a year, thus replacing trade shows and expensive marketing trips. Just as air travel has had a profound effect on globalization, modern telecommunications tools are revolutionizing commerce by bringing countries ever closer together.

Eight hundred million people in industrialized countries have access to four hundred million telephone lines – that's one telephone for every two people. However, in the developing world, only 4 in 100 people have a telephone. This low level of teledensity – that is the relationship between the number of phone lines and the total number of people – presents tremendous opportunities, particularly in the area of wireless communications.

CHARLES SIROIS
TELEGLOBE CANADA INC.

**Leadership With Vision***September 27, 1996*

Our knowledge society represents a great opportunity for management leadership with vision, for it is management that makes knowledge effective by inspiring people to perform together with common values and for common goals.

Management has several other prime tasks in this process. Management must ensure continued growth for the organization through training and development. It must provide the basis for communications and individual responsibility. It must emphasize measurable, ongoing improvements in financial results, market standing, innovation, productivity and quality. And management must measure its performance in terms of outside benchmarks.

L. DAVID CAPLAN
PRATT & WHITNEY CANADA INC.

**Worldwide Partnerships***August 26, 1996*

I myself still cannot help but marvel at the fact that the production of the Global Express can be spread out over three continents and that its major components can then be brought to de Havilland and put together to a perfect fit by our employees. [...]

It is the fulfilment of a Canadian vision and the celebration of true entrepreneurship, inventive Canadian engineering and global collaboration.

The unveiling of this aircraft is also a forceful illustration of partnering as a way of the future for the aerospace industry, in a globalised economy.

LAURENT BEAUDOIN
BOMBARDIER INC.



Technology and Financial Services*October 28, 1996*

I believe we are on the brink of a fundamental transformation in the financial services industry. The changes that will occur over the next five to ten years could well set the pattern for the industry and its place in the world to the middle of the next century.

New technologies and entrepreneurial creativity are bringing tremendous new opportunity. There is now and there will be more choice and more competition than ever before for Canadian consumers and Canadian businesses.

But this new technology also ushers in a period of potential risk – risk to the stability and security of our financial system – qualities we have come to take for granted. There is also new risk to personal privacy and to Canadian jobs. Ultimately, it could affect the ability of Canadians to control their own economy.

On the other hand, if we manage this change well, there will be tremendous benefits for consumers and for Canadian business. More competition will bring even greater choice and lower prices. There will be new, better paying jobs for Canadians. Canada, and Toronto in particular, can continue to be a financial centre of excellence in North America. Canadians will continue to distinguish themselves in world markets.

A. L. FLOOD
CIBC

**How Banks Help Canada***October 2, 1996*

In short, Canadian banks do business in an environment of intense and rapidly increasing competition. Anyone who still thinks that banks earn their profits by lending to large corporations must have spent the last 25 years on the island with Robinson Crusoe. Corporate loans now account for only 26 percent of our lending business at Bank of Montreal; consumer loans, domestic mortgages and small business lending represent a total of 50 percent, and the figures for our competitors are much the same. And it should be of interest that at our bank, the amount we lend to personal and commercial customers almost exactly equals the amount we hold in retail deposits. In other words, every dollar we raise from Canadians is lent to Canadian individuals and Canadian small and medium-sized businesses – every dollar. [...]

Nor have our profits been earned off our employees' backs. Technological advance has certainly brought widespread change to the workplace, but it has also created thousands of new, highly-skilled and well-paid jobs, and fostered a culture of learning that makes banks among the most progressive employers in the country.

Again, Canadian banks not only emphatically do pay taxes – they are the most heavily taxed section of the economy. In this financial year alone, banks will contribute something like \$6 billion in taxes and levies to the public coffers. That's almost enough to pay the whole cost of federal transfers to the provinces for health care – no small investment in Canada's well-being.

MATTHEW W. BARRETT
BANK OF MONTREAL



Tax Rates and Job Growth*September 16, 1996*

The U.S. economy is the strongest, most competitive and most vibrant in the world. It is instructive to ask ourselves why the U.S., just a few miles to our south, can be so buoyant while our own domestic economy remains sluggish.

As a matter of fact, why is the U.S. economy so much more vibrant than any G7 country and why has the U.S. unemployment rate dropped by almost half in the past fifteen years while Germany, France, Italy, the United Kingdom and Canada continue to be plagued with high unemployment and slow growth?

In my view, the vibrancy of the U.S. economy compared to Europe and Canada is directly related to the fact that the U.S. has less government regulation, more flexible labour markets and most important of all, the U.S. has lower rates of personal income tax, which provide a far greater incentive to work and a more favourable environment for entrepreneurship. [...]

Canadian governments have done an excellent job in spending and deficit reduction, reducing inflation, lowering interest rates and increasing exports, but the job is not yet finished.

We must now move forward with further reductions in government spending to provide scope to reduce sky-high marginal tax rates.

I realize we cannot change our marginal tax rates overnight and what we are talking about is policy options over the next several years as government finances continue to improve.

A vote for high marginal tax rates is a vote for high unemployment and a vote for an ongoing brain drain out of our country.

ANTHONY S. FELL
RBC DOMINION SECURITIES INC.

**Promoting Research & Development***October 29, 1996*

Clearly, the most critical internal factor in attracting world mandates is a firm's upstream capabilities, i.e., research and development, and manufacturing. Not only do we have to compete against other pharmaceutical firms, but we must also prove our abilities within our company's global operations. As a result, it is doubly important that we undertake the internal investments necessary to competing in today's global economy. This means investing in research facilities, manufacturing capacity, and in the human capital necessary to create value in a knowledge economy. [...]

Consequently, our company places a very high premium on attracting the best and brightest medical researchers, as it is their skills and knowledge which allow us to develop new and innovative medicines. While the quality and excellence of our industry's work force in Canada is internationally recognized, as a nation we can do more.

For example, the government of Quebec is looking at building more dynamic, long-term relationships between universities and our industry to fill shortfalls in certain specialty areas. [...] The federal government may want to look at the income tax system with the goal of facilitating Canadian companies of all kinds to not only attract the best people from abroad, but to keep our home grown talent from moving to greener pastures. This problem is especially acute for Canada given the allure of lower personal taxes and competing, state-of-the-art research facilities in the United States. Unfunded academic scientists have a habit of drifting south.

PAUL G. HOWES
MERCK FROSST CANADA INC.



Avoid Major Tax Cuts Now*October 23, 1996*

The Business Council has been on the record for some twenty years in its advocacy of the lowest possible tax rates as an incentive to investment, growth and job creation. Our relentless war on deficits and debt has always had as one of its main goals tax relief for individuals and companies alike. But in this quest, we have been singularly unsuccessful. Canadians today are saddled with an oppressive and mounting tax burden. A ten percent rise in the tax share of personal income since 1988 will cost the consumer some \$15.5 billion of purchasing power this year alone.

Why then do we oppose at this time calls for major, across-the-board tax cuts? Very simply because Canada's public debt problem remains so serious a threat to the economic health of Canadians. It is worth repeating – as we write to you – the debt-to-GDP ratio is *rising* and as a country we remain extremely vulnerable. We would do well to remind ourselves that Canada has the highest external debt-to-GDP ratio of all seven leading industrialized countries.

Credible, effective and sustained debt reduction must be the first priority of fiscal policy and to start the ball rolling, the federal government must plan to dedicate the lion's share of its surpluses to this end for a long time to come. At the same time, the attainment of tax relief must be a central goal of economic policy in Canada and a constant preoccupation of legislators.

THOMAS P. d'AQUINO
BUSINESS COUNCIL ON NATIONAL ISSUES

**The Threat To The Auto Pact***October 21, 1996*

The Auto Pact – and the resulting commitment by the Big Three automakers – has enabled Canada, with a population of only 29 million, to become the producer of five percent of the world's automobiles. The agreement has allowed Canadian parts manufacturers to emerge as world leaders in production quality and technology.

The benefits of this long-standing trade policy have extended far beyond the 502,000 men and women in Canada whose livelihood is directly tied to the industry.

Fundamentally, the agreement has made possible the development of a world-class, high-tech manufacturing and automotive parts industry in Canada ... an industry that has largely carried the Canadian economy over the past few years. [...]

It's going to take a lot of hard work, innovation, and a continuously improving competitive position for Canadian plants to obtain and retain product mandates ... not unlike the qualities that characterized the founding of Ford of Canada ninety two years ago.

It's also going to take well thought-out and constructive federal government trade policies ... trade policies that continue to recognize the enormous benefits of the investments and jobs made by the Big Three these past thirty years, rather than policies that could cost Canada more jobs than they create ... and trade policies that are based on multilateral negotiations, not unilateral initiatives with individual manufacturers or countries.

MARK W. HUTCHINS
FORD MOTOR COMPANY OF CANADA, LIMITED



Stop the Economic Insanity

October 29, 1996

If one accepts that part of the rationale for a Free Trade Area is to improve the global competitiveness of its participants, then the way the NAFTA is currently structured becomes all the more incomprehensible, especially when you look at the success of the Canada-U.S. Auto Pact. Since the latter's inception in 1965, auto assemblers and auto parts makers have rationalized their operations to the point where they now operate as if the Canada-U.S. border did not exist.

The consequences of not having common trade rules as well as the degree to which trade has become a politicalized process have been clearly demonstrated by acrimonious disputes involving steel, automobiles, softwood lumber, wool suits, pork bellies, wine, beer, shakes and shingles and, yes, even peanut butter. [...]

If NAFTA is to mean anything and fulfil the purpose for which it was originally designed, there must be an eventual end to the economic insanity of producers in an integrated North American economy slapping antidumping actions on each other. The development of a mechanism that will permit a clear differentiation to be made between fairly and unfairly-traded imports remains, therefore, an obvious priority.

The need to create trade rules that will facilitate the smooth flow of products and services between the participating NAFTA nations becomes all the more essential as automotive, appliance and other manufacturers continue to rationalize their facilities in the North American marketplace. The NAFTA will never be able to match the economic clout of the European Union if what is fundamentally one marketplace is going to be considered as three separate production locations by any of its three partners.

FREDERICK H. TELMER
STELCO INC.



It's A Jungle Out There

October 26, 1996

I dispute the statement that NAFTA is well on the way to integration. We didn't properly finish the job of establishing the rules for NAFTA. We don't have an integrated market. What we do have is a continuing legal struggle – in steel, in agriculture, in softwood lumber, in beer, in TV advertising – to mention only a few.

Having said that, NAFTA still represents opportunity for all of us if approached properly. But it's important that, as we go along, all three participants assess their differences, cooperate to achieve mutually beneficial programs, and move swiftly and simply – to resolve conflict when it occurs. Unfortunately it hasn't happened yet – and isn't likely to, because competitors in the U.S. are completely inward focused and protectionistic. [...]

To summarize my outlook for North America's steelmakers in today's and tomorrow's global environment: Yes, there's opportunity – inside and outside our mature economy...yes, internationalization and globalization are to be celebrated...and yes, some of us are doing enough to not only survive but succeed...but it's appropriate to add – that because it's a jungle out there, only the strong will survive.

JOHN T. MAYBERRY
DOFASCO INC.



Choices and Lifelong Learning*October 17, 1996*

I learned very early in my career that life is nothing but a series of individual choices. At 17, I made the decision not to go to university. Because of that decision I've had to make another important decision – to be committed to lifelong learning.

And throughout my career, I've seen thousands of people successfully make technological transitions. From manual switchboards to analog technology and now to digital technology, satellite technology and fibre-optics. Given the opportunity, anyone who is sufficiently motivated can learn new skills and new ways of doing business. But as I said, the responsibility for education is a shared responsibility. [...]

We must work together to ensure young people come into the job market with skills – skills that have currency in the future.

It used to be that we would hire hundreds of summer students as our commitment to youth. Today, our commitment to young people is more tangible and longer lasting. For example, we're working in partnership with post-secondary schools like Simon Fraser University to ensure new graduates have skills which will enable them to get and hold jobs in the future.

But our focus isn't restricted to post-secondary students. We're working with school districts to link schools to the information highway. Students around the province are now able to share information over the Internet and learn collaboratively, even though they're in separate classrooms and separate schools. And we're also working with teachers to help them understand and use technology in the classroom.

Furthermore, we've invested millions of dollars to help universities and colleges

around the province provide distance education – so learners of all ages and in all locations can have equal access to education.

BRIAN A. CANFIELD
BC TELECOM INC.

**A Community Responsibility***October 26, 1996*

I'm proposing a community approach to what is essentially a community problem. An approach that was common across the prairies years ago, when a neighbors' home or barn needed to be built and everybody pitched in.

Well, if the community pitches in today toward the goal of greater access to education, we'll see much the same outcome: individual self-reliance and more self-reliant, caring communities. [...]

These days, skills and knowledge are the only sources of sustainable strategic advantage for any economy. And any company that aims for economic success had better be prepared to make long-run investments in skills, education and knowledge. That means investments in their current employees and the young people who will be their employees in the future.

The skill sets that the new economy requires are radically different from those needed in the past. And investing in them does pay-off. In fact, I've seen studies that show how the rates of return on skills investments are more than twice those of investments in plant and equipment. That's one of the reasons I am here today to advocate shared responsibility amongst all the stakeholders in education.

It's a community responsibility. And it requires a community partnership.

ERIC P. NEWELL
SYNCRUDE CANADA LTD.



The Health Care Crisis*November 1, 1996*

Medicare in Canada was an early success because it was based on what in the private sector would be illegal, a sort of "pyramid selling" scam. The situation was this – we had a growing population, fuelled chiefly by births and the immigration of working age people. The ratio of young to old was increasing and real incomes were rising quickly. This larger number of younger wage earners could easily pay the government enough, through taxes, to handle their relatively modest health care needs with ample left over to look after health and medical costs for the older generation. [...]

Today, however, things have just about hit the wall. Not only has government operated health care suffered from the inherent inefficiencies of any system which lacks the discipline of individual cost/benefit decision makers, but instead of a scam, where many wage earners subsidize relatively few old persons, we now have fewer and fewer workers relative to retirees. Tax increases are counterproductive and, thus, won't solve the problem. [...]

My proposal comes down to this:

1. We should abolish universal health care.
2. In its place we should substitute a plan to cover catastrophic medical coverage for all and government supported coverage for low income and welfare recipients. [...]

What would this change bring about? The medical care system would become more competitive as practitioners took into account the fact that their patients were paying. General tax revenues would only bear the costs for low income earners and catastrophic level care.

ROGER PHILLIPS
IPSCO INC.

**Les nouveaux périls des compagnies d'assurances***le 10 octobre 1996*

Aucun de nous n'ignore la publicité, des plus négatives et persistantes, qu'ont entraînée aux États-Unis une série de poursuites en justice engagées par des titulaires de polices alléguant avoir été victimes de pratiques commerciales répréhensibles.

Aux États-Unis, on a vu des amendes de dizaines de millions de dollars. Quant aux recours civils, ils peuvent entraîner des coûts s'élevant à des centaines de millions de dollars, et ce, pour une seule société. De plus, c'est souvent la société qui subit la publicité négative et non l'agent ou le courtier ayant fait souscrire le contrat. En fait, dans au moins un cas, l'agent en cause s'est joint aux rangs des demandeurs sous prétexte qu'il avait lui-même été trompé par sa société.

Quant au Royaume-Uni, [...] l'écrasant fardeau administratif qui est imposé à l'industrie dans ce pays (qui oblige les agents à passer plusieurs heures avec chaque nouveau client pour assurer une divulgation complète de renseignement) découle directement de la perception qu'ont les responsables de la réglementation du pays, qui croient que les pratiques commerciales répréhensibles sont monnaie courante dans l'industrie.

Au Canada, nous n'avons évidemment pas connu de problèmes aussi graves, tant s'en faut. Toutefois, les ennuis de nos homologues des États-Unis et du Royaume-Uni font ressortir l'ampleur que pourrait prendre chez nous cette question.

CLAUDE A. GARCIA
LA COMPAGNIE D'ASSURANCE STANDARD LIFE



Global Climate Change

November 6, 1996

We think that the Canadian government should be playing a constructive role in leading the international community to a sounder and more realistic agenda on climate change, one that recognizes the long-term nature of the issue and the necessity of ensuring an equitable contribution from all countries, both developed and developing, and all sectors of society, business and consumers. [...]

The current proposals on the table for significant short-term reductions are neither realistic nor achievable. They do not provide sufficient flexibility to ensure that the solutions are cost-effective on a global basis, and in addition, they are inconsistent with fostering national and international prosperity. Indeed this must be the standard by which we judge any policy – one that achieves maximum effectiveness in terms of dollars spent per ton of greenhouse gases, and that does not compromise legitimate desires for economic and social progress. [...]

We should set new commitments in a framework which recognizes that countries have differences in starting points, in economic structure and in energy intensity and energy mix, and must set policies and goals that are consistent with other national priorities. This is of course true for the developing countries, but substantial differences also exist between developed countries. [...]

Any new commitments clearly must include the developing countries, although for equity reasons this may need to be on the basis of differentiated commitments. As I have noted above, a global solution is not possible without their eventual involvement. Establishing a longer timeframe for commitments could provide the mechanism to bring them on board at a later date. But we

should not expect this to happen without some corresponding commitments from developed countries. [...]

The full creativity of business and the marketplace must be harnessed. This is the only way to ensure that measures chosen are ones that will achieve real benefits relative to their costs. Indeed, the Framework Convention itself states that “policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible costs.” Creative market devices such as emissions trading must be examined to see if such a scheme can bring about results in a lower cost manner. [...]

The business community must demonstrate its commitment to cost-effective actions to limit greenhouse gas emissions. Accordingly, we must broaden the voluntary challenge and encourage our suppliers, customers and competitors to become involved. [...]

Business must support the Canadian government in developing a position that argues for a longer timeframe for commitments. As I indicated earlier, one of the biggest advantages of adopting a longer timeframe is that it takes advantage of the natural turnover in energy consuming capital stock. When allowed to run its natural course, capital stock turnover can bring substantial economic and environmental benefits, because it leads to industrial modernization and such equipment usually uses less energy and has fewer emissions. [...]

Closely linked to the longer term agenda, are innovative policies that promote flexibility in the timing of actions. Cumulative emissions targets or emissions budgets would allow countries to set reduction pathways that make sense for their individual circumstances.

THOMAS P. d'AQUINO
BUSINESS COUNCIL ON NATIONAL ISSUES

