

NOTES FOR AN ADDRESS

BY

THE RIGHT HONOURABLE

BRIAN MULRONEY

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You have invited me to speak about Canada in the 21st century. When it comes, I will have celebrated (I hope) my 60th birthday. Ten of those years will have been spent in Parliament, as national leader of my party, almost nine of them as Prime Minister. However my perspective on - the 21st century - has also been shaped by other experiences: by my boyhood on the north shore of the St. Lawrence River; by having attended university in Nova Scotia in the late 1950s, and in Quebec at the beginning of the Quiet Revolution in the 1960s; by a career in law and business in this country in the 1970s and 1980s; since 1993 by my activities in law and business internationally; by the biggest learning experience of all, the experience of parenthood and my concern for the country and world we are leaving to our children.

Canada's professional and corporate world, to which I returned after 1993, is far different from the one I left in 1983. In politics, my colleagues and I had been preoccupied with ensuring Canada's successful transition - Canada's dangerously belated transition - from the old economic environment to the new.

At one point in the early 1980s, the British weekly magazine The Economist had carried an editorial headline which read as follows: Wildcat Canada Resigns from the World.

The headline summarized the economic and fiscal policy against which my party, in Opposition, waged political battle, culminating in the election of 1984. The reference to "resigning from the world" was a bow to the phenomenon we have come to know as globalization. This new economic environment is so different, the change so great and the transition to it so wrenching, that some historians compare its impact to that of the Industrial Revolution some 200 years ago.

At such a time, people are gripped by anxiety and insecurity. It was no different in the 1980s. A resurgence of protectionist sentiment and policy arose in the Congress of the United States. And as The Economist noted, the previous federal government here had designed its own Canadian version of Fortress America.

Canada had to alter course. We had to make fundamental policy changes: a Free Trade Agreement with the United States. NAFTA. Abolishing the 13.5% manufacturers' sales tax and introducing a 7% consumption tax (the GST) to spur exports. Eliminating FIRA. Abolishing the National Energy Program, including the PGRT. Privatizing Crown assets from Teleglobe to Air Canada to Canadair and de Havilland to (partially) Petro Canada. This, along with operational efficiencies, resulted in 90 000 jobs being removed from the government payroll. The Patent Act was re-vamped to strengthen the pharmaceutical industry and attract \$ billions in new investment. On the fiscal side the average rate of growth of program spending was cut by 70%. Government spending on programs moved from \$1.23 for every dollar in total revenues to \$0.97 by 1993. An operating

deficit of \$16 billion per year was transformed into a \$6.6 billion surplus. As a percentage of GDP the federal deficit was virtually cut in half, from 8.7% in 1984 to 4.6% in 1990-91. The worldwide recession took a serious toll on that number but public finances were still left in a position significantly stronger than where we found them.

(I want to congratulate the present government on maintaining all of these policies in place - in spite of the fact they had voted against every single one of them while in Opposition!)

However, the success of those policies lies not in their embrace by the present government but rather in their contribution to Canada's economic progress. The groundwork was laid for a strong, export-driven recovery which has now come to pass. The day I signed the FTA with President Reagan, exports accounted for less than 25% of our GDP. Today, that number is 39% and rising swiftly.

By the time my government left office in June 1993, employment in Canada was up 1.4 million jobs from the September 1984 level. The prime rate was at 6%, the lowest in 20 years; our inflation rate was 1.5%, the lowest in 30 years and the United Nations had just reported that in terms of quality of life, as you have repeatedly heard, Canada was the No. 1 nation in the world. That was the Canada we turned over to our successors less than 4 years ago.

It needs to be emphasized that these policies, whether of free trade or of fiscal management, are not an end in themselves. They are a means to an end, which is the achievement of greater opportunity, higher incomes and better living standards for all Canadians.

In that context, the persistence of high unemployment - unemployment of recession levels long after the recession has passed - should be a matter of acute concern to all of us. The most urgent purpose of public policy today must be to offer hope and opportunity to all Canadians without jobs.

It also needs to be repeated, and remembered, that economic adversity and national unity problems usually exacerbate each other. The most divisive example of regional alienation in the past 20 years was that of western Canada, Alberta in particular, as a result of the economic dislocation caused by the National Energy Program. And, for more than 20 years, the uncertainty about Quebec in Confederation has cast a shadow over Canada's economic future.

So, how did you like the referendum results? Probably not very much. The sight of a great country coming within an inch of self-destruction is hardly reassuring.

Canadians probably were surprised. They had after all in the weeks before, been told not to worry - a persuasive victory was at hand. A few years

earlier, Canadians had been soothed by statements from some of the same people to the effect that the failure to ratify a signed constitutional agreement was of little consequence - "Don't worry" the Solons said, "Quebecers will get over their disappointment".

Those statements were not true then and are not true now. Forget a separatist Premier. There will never be a federalist Premier of Quebec who will sign the 1982 Constitution without changes that include reasonable provisions for the uniqueness of Quebec in Confederation, and hence for the security of the French language and culture in the Canada of the 21st century. The plain fact is that if Canada and Canada's Constitution cannot help guarantee that security in the next century, many Quebecers would rather try to achieve it as an independent state.

But today, renewed federalism beats sovereignty as the majority preference of Quebecers every time a poll is held.

Unfortunately, there is no proposal for renewed federalism from either provincial or federal governments at this time - nor, apparently, any in progress. Such a proposal could win a referendum in the year 2000 by attracting Quebec federalists, including the hundreds of thousands who have reluctantly concluded that such an effort will not soon be made. If it came early enough, such a proposal might even eliminate the prospect of a referendum by helping to elect a federalist government at the next provincial election.

For many reasons, including understandable fatigue after past battles, much of public opinion in English Canada is completely uninterested: "If they're not satisfied, let them go" is the statement often heard. Do we continue this ill-tempered drift towards inevitable crisis? Or do we try to find the common ground that will enable Canada's federalists to enter the next millennium with today's uncertainty dispelled?

How is this achieved? With political leadership that is not fearful of public opinion but is resolved to lead it.

It would help clear the air if people were told the simple truth about plan A and plan B. Plan B appeals to a lot of people because it allows us to say "Boy, did we ever show them". Show them what? Plan B, brought to its natural conclusion, really means that Canada will be destroyed in an orderly, legalistic manner on a Friday rather than a more disruptive fashion on a Wednesday.

Then what? We would be left with a country with a hole in its heart.

Plan A therefore was, is and always will be the only plan for a united Canada. The pursuit of our unity must be executed thoughtfully, persistently, courageously - we do not have energy and talents to waste on deciding how separation will take place. We must use all our skills and resources to ensure it never happens.

Ten years ago this month as Prime Minister, I convened the meetings that culminated in the Meech Lake Accord.

Why was this done? Because a careful approach to this end had been strongly endorsed by Canadians everywhere in the 1984 general election and because the Premiers of Canada in August 1986 decided unanimously that, with the election of a federalist government in Quebec, it was now time to secure Quebec's signature on the 1982 constitutional agreement that, at the time, both Liberals and Péquistes in the National Assembly had rejected.

Most Canadians knew the 1982 arrangement was incomplete. Can you imagine a major constitutional amendment in place in Canada that did not bear the signature of the Premier of Ontario? Of course not.

Most Premiers who had participated in that process urged action to remedy the deficiency. So did many others. In September 1983, former Privy Council Clerk and newly-appointed Senator, Michael Pitfield, made the following observation:

"We won the referendum, we said we would give Quebec a new deal and we have not delivered a new deal. If we don't move soon they're (Quebecers) going to reconsolidate into a nationalist vein".

On December 18, 1984, Le Soleil reported:

"Mr. [Jean] Chrétien believes the new Conservative Prime Minister has a unique chance to succeed where Mr. Trudeau failed. The former Minister spoke of an historic occasion presently offered to Mr. Mulroney to correct grievances for which Quebec will always blame Ottawa, if they are not resolved."

Mr. Chrétien was right to urge action to bring Quebec into the constitutional fold. We proceeded with great prudence and the agreement was concluded only 2 1/2 years later. That day there was joy across the land. One of Canada's most accomplished political leaders and public servants, the Right Honourable J.W. Pickersgill best summed it up:

"On the eve of that meeting, I would not have given the First Ministers one chance in 10 of success. I was excited and delighted when they reached accord...once I read the document, I was satisfied it met the requirements of Quebec without in any way reducing the jurisdiction of the Parliament of Canada."

A new provision 38 of the 1982 amendments provided provinces with a three year delay in which to ratify this and some took full advantage of it. Others, - some separatists, some federalists, - attacked Meech. Meech died in June 1990 - unlamented in some quarters, mourned in others - when, despite signatures, it went unratified in two legislatures.

What did Meech contain that justified its death? It contained concepts and clauses that had all been offered at different times, in different forms in the past by the previous government of Canada. Essentially, Meech Lake offered the additional security Quebec needed to sign the 1982 Constitution and resolve once and for all the question of Quebec's place in Canada.

All of the provisions of Meech - but one - were offered to and accepted by all the provinces. The only provision unique to Quebec was that which allowed for the recognition of that province as a "distinct society within Canada". This was simply a recognition of reality that added no new powers to the National Assembly of Quebec nor removed any from Ottawa. It was an interpretative clause that would guide the courts in their assessments of Canadian reality.

In fact, the "distinct society" provision was one half of a new interpretative clause. The other half, largely forgotten by the critics, was the recognition, for the first time by eleven governments, that "linguistic duality" - the English-French dimension - is a fundamental characteristic of Confederation.

But Meech's opponents conjured up ominous and apocalyptic predictions of how such a provision would be interpreted by the courts suggesting the destruction of Canada was at hand - and many Canadians assumed this would happen.

Well, last June, the Right Honourable Brian Dickson, the distinguished former Chief Justice of the Supreme Court of Canada discussed precisely that:

"I know that this issue [distinct society] remains a matter of some controversy in Western Canada. But let me say quite directly that I have no difficulty with the concept. In fact, the courts are already interpreting the Charter of Rights and the Constitution in a manner that takes into account Quebec's distinctive role in protecting and promoting its Francophone character. As a practical matter, therefore, entrenching formal recognition of Quebec's distinctive character in the

Constitution would not involve a significant departure from the existing practice in our court". (my underlining)

So much for the judicial calamity some had forecast.

Ironically, because of federal government commitments in recent years, the provisions of Meech are today almost all in effect - not constitutionalized, but in effect.

Imagine that: the big bad Meech Lake Accord so vigourously rejected by some 10 years ago has or had been largely accepted in Canadian practice - with no unfortunate consequences for the federation. In other words, we got all of the anguish and none of the benefits. And we lost the opportunity to destroy the most powerful and compelling separatist argument in the last referendum - namely, the visible lack of Quebec's signature on the constitution.

Are there lessons to be learned from this and other experiences?

1. Canadians, and especially some of their provincial political leaders, must stop taking for granted the advantages that all of us derive from belonging to one, united Canada. Depending on where we live, the difference between a united Canada and a Canada fractured in perhaps five or six pieces is a brutal drop in our standard of living and an immediate evaporation of our influence in the world. Even the most prosperous and self-reliant regions, are greater for being parts of the greater union that is Canada. Our futures are all diminished by disunity.

(2) It follows that in all parts of Canada, we and our leaders must stop treating constitutional issues as a zero-sum game in which an improvement for one part of Canada implies a loss for other parts of the country.

(3) Compromise in Canada is not a sign of weakness. It is both honourable and essential to keep our country together.

(4) Unnecessary discord among federalists on this issue, whether generated by political partisanship, rigid doctrine or vanity, play into the hands of the separatists who argue that Canadians cannot agree on anything except the status quo. They are counting on us doing nothing again.

(5) This focus on Quebec is temporary and does not in any way lessen the importance of the rest of Canada. It simply means that Canada agrees to solve this problem now so that together, collectively, all Canadians can deal with urgent economic and social problems tomorrow in an atmosphere of political stability and predictability.

(6) If there is a lack of leadership at the national level, the provincial Premiers must fill the vacuum (as John Robarts did with the Confederation of

Tomorrow initiative in 1967). The constitutional amendment process can be initiated not just in Parliament but in any provincial legislature

Can this challenge be solved in terms that are fair for all Canadians? The answer is clearly yes. I will believe until my dying day that a seminal opportunity for Canada was missed in 1990. But, for all its reasonableness and simplicity, the time has come to put Meech aside.

Among federalists, on this vital question of national unity and constitutional reform, let us begin again. Let us wipe the slate clean of partisanship and find a new formula, vocabulary and timetable for renewal so that, for our children and their generation, this matter will be resolved.

Meech was not the only casualty in Canada's search for unity. Fulton Favreau was never accepted. The 1971 Victoria formula failed and the 1982 amendments, as noted, passed without Quebec. Charlottetown did not receive sufficient public support.

I believe it was a mistake for the Government of Quebec to reject Victoria. It contained most of the elements long sought by Quebec and other provinces. It was a good deal for Canada.

I believe it was a mistake for the Government of Canada to proceed with patriation over the objection of the Quebec National Assembly. We changed the rules of the game affecting Quebec without Quebec's consent. The British North America Act had served us pretty well for 115 years. Surely, we could have waited awhile for the election of a federalist Quebec government because, as Senator Ernest Manning predicted in 1981 in arguing against proceeding, "There is no real profit in gaining a new constitution if in the process you lose a nation."

I believe it was a mistake for certain signatories of Meech in 1990 not to secure its ratification as agreed.

So, how many mistakes does a country get to make? At what point does the insistence on perfection become the enemy of the good? Some 200 years ago, Thomas Jefferson said:

"I confess that there are several parts of this Constitution which I do not approve, but I doubt whether any other convention may be able to make a better Constitution. For when you assemble men to have the advantage of their joint wisdom, you inevitably assemble all their prejudices, their passions, their errors of opinion, their local interests, their selfish views. From such an assembly can a perfect production be expected? I consent to this Constitution because I expect no better and because I am not sure it is not the best."

Jefferson didn't get his way fully - but he saw no reason to disparage or reject the efforts of others because of that. And the history of the United States has proved him right.

So what course will it be for Canada in the 21st century?

The referendum results were:

- 1) 60%-40% in 1980
- 2) 50.6%-49.4% in 1995

The case for Canada carried by 6/10ths of a percentage point - or 52,448 votes.

What would you wager about next time?

In the eyes of many, constitutional reform is a tar baby and no one wants to touch it. To do so is both unfashionable and unpopular.

But Prime Ministers are not chosen to seek popularity. They are chosen to provide leadership. There are times when Canadians must be told not what they want to hear but what they have to know.

And what they have to know is that, of the various problems that confront Canada, only one - the Quebec problem - has the potential to break up the country. They have to know that the problem cannot be solved without a constitutional initiative, and that if our leaders, federal and provincial, persist in putting it off, we will fight another referendum with a hand and a half tied behind our backs.

There is nothing we can do that will attract the support of convinced separatists. But the majority of Quebecers remain attached to Canada. If we can make the reasonable constitutional changes that will secure their place in the Canada of the 21st century (and which threaten no one else's place) French Canadian Quebecers will respond strongly to reclaim those golden opportunities from a country they explored and settled in the cold and brutal winters of their youth, over 350 years ago.

We have to confront the problem of our disunity for what it is - a completely unnecessary impediment to our future prosperity. Canada's Prime Minister - whoever holds that office after the next election - must engage the provinces and summon the people of Canada to weigh what we have to gain from resolving this problem and what we have to lose from failure. Before Canadians will be able to fully enjoy the promise of the 21st century, they must deal with a problem, created and unresolved, in the 20th century.

It is too late for the tiny, timid steps of incrementalism. In the Peace Tower in Ottawa there is inscribed a quotation from the Book of Proverbs: "Where there is no vision, the people perish".

Before the turn of the century, the Prime Minister must place before Canadians - in the window of history - a compelling vision of our future together. The promise of that future will heal our divisions. It will create the solidarity and sense of purpose needed for great achievement. And it will restore the pride and unity that define a great nation.

As we approach a new millennium the Prime Minister must assume the role of "rassembleur" - to attract the support of a strong majority of Quebecers for a united Canada through an approach that is generous, a policy that is sound and a dream that will inspire.

I believe such an approach will deal a body blow to the cause of separation. As essayist Mark Helprin has written "in the life of a nation, risk is sometimes more prudent than caution".

To people outside this country, Canada is the very model of a successful nation - federal, bilingual, multicultural, diverse, prosperous and at peace.

In the new century almost upon us, no country has more to offer to its own people and to the people of the world. The only question now is whether this generation of Canadians - we and our leaders - have vision and courage equal to the task.