

A FRESH START FOR CANADIANS

Notes of an Address by
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Canadian Club
and
Empire Club

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INTRODUCTION

I want first of all to thank you sincerely for the invitation to join you for lunch, and the opportunity to speak.

My purpose today is to talk to you about a FRESH START FOR CANADA - the need for a Fresh Start, and how it might be brought about as we approach the 21st century.

But knowing that members of the Canadian Club and the Empire Club have a keen appreciation of history, let me begin by reflecting upon some historical "fresh starts" from our past.

HISTORICAL PRECEDENTS

The history of every country includes periods of change, periods when change is consolidated, periods of stagnation, and periods of renewal - and Canada is no exception.

The post-war boom was a FRESH START for Canada, as we emerged from the 2nd World War, more industrialized and self-confident than ever before.

At the beginning of this century, following the death of Macdonald and the emergence of Laurier, Canada made a FRESH START based on the premise that "The Twentieth Century belongs to Canada."

Confederation itself - the birth of a nation - was a FRESH START, ending years of deadlock and stagnation in the parliament of the Old Colony of Canada, and laying a new foundation for the future.

And then there was one of the most significant FRESH STARTS of them all, in the pre-Confederation days, when Government by Colonial Executives and Family Compacts was replaced by Responsible Government accountable to legislatures and electors.

That FRESH START was bitterly opposed by all the defenders of the status quo - which included most of the administrative, business, and newspaper elites of colonial Canada.

But that FRESH START came about when the advocates of constructive change in Canada West (Ontario) led by Robert Baldwin, got together on a common agenda with the advocates of constructive change in Canada East (Quebec) led by Louis Lafontaine.

They got together to battle the entrenched defenders of the status quo, to change the governing system for the benefit of their generation, and in the process laid the foundations for the New Confederation which was to come.

Earl Grey, who later as Governor General of Canada gave us the Grey Cup, was the sympathetic Colonial Secretary who encouraged these changes. So it might be said that Earl Grey gave us two cups - the Grey Cup and the Cup of Responsible Government.

And perhaps the reason I find the FRESH START movement that led to responsible government so fascinating and instructive is that it was led by parties formed specifically for the purpose of CHANGE, the Reform Parties of Upper and Lower Canada.

KEY QUESTIONS

In a few minutes, we will have a question and answer period. But allow me to make the transition from the past to the present and the future by posing a few questions of my own to you.

1. Does this country not need a FRESH START as we approach the 21st century?
2. At least four times in the last 150 years, our ancestors and predecessors in government have had to make FRESH STARTS of momentous proportions.

Could it be that our generation is being called upon to do the same thing, so that our children can have a FRESH START for the next century?

3. With record numbers of Canadians unemployed or under-employed, working at jobs that are not secure, that are not suited to their skills and potential, that do not leave them with enough after-tax income to provide for themselves and their families - with the 1993 election promise of jobs, jobs, jobs now seen as a mockery by at least 8 million unemployed, under-employed, or insecure workers - do we not need a FRESH START on economic growth and job creation?
4. With the federal government \$600 billion in debt, \$100 billion of it added in just these last four years by the Chrétien government ... with federal interest payments (\$46 billion this year) now the largest single category of federal spending by far - with all this over-spending and over-borrowing translating into oppressive federal taxation - do we not need a FRESH START on financial responsibility in Ottawa?
5. With federal spending on health and social assistance down \$7 billion/year since Chrétien took office, with the disposable incomes of families down \$3,000/year since Chrétien took office, with the protection of the obscene MP pension plan a higher priority with the Liberals than CPP reform... do we not need a FRESH START on social fairness and social security?
6. With a 300% increase in violent crime since Trudeau first promised a Just Society, with victims' rights groups emerging all over the country, with citizens and businesses now spending billions directly on personal security, does Canada not need a FRESH START on public safety through criminal justice reform?
7. And after 30 years of Liberal/Tory mismanagement of the national unity issue - with a separatist government in Quebec City, with a separatist Official Opposition in Ottawa,

with the last referendum on secession coming within .6 of 1% of rupturing the country - does Canada not need a FRESH START on the structure and unity of the federation?

KEY QUESTIONS FOR THE LEADERS OF TORONTO AND ONTARIO

And if your answer to any or all of those questions is YES, let me ask two more questions especially relevant to this audience:

1. If Canada truly does need a FRESH START, what are the people of courage and conviction in Ontario - the largest province of Canada, the elder sister of Confederation - what are the you going to do to bring that FRESH START about?
2. More specifically, if Canada truly does need a FRESH START, what are people of courage and conviction in Toronto - the largest city in the country - what are you and the leaders of tomorrow from this community, going to do to bring that FRESH START about?

WESTERN FRESH START INITIATIVES

In Western Canada, the drive for a FRESH START has been under way for almost ten years - the strong support for free trade, the new interest in the Pacific Rim, the deregulation of transportation and diversification of agriculture, the emergence of the Reform Party, the new vigour in Calgary and Vancouver, the Klein revolution in Alberta, the rejection of traditional federal parties and policies in the 1993 election.

These initiatives are changing the future prospects of our part of the country, and are having some impact on the national scene. But they need to be joined with a strong FRESH START effort in Ontario.

In fact, I would go so far as to say that, without your help, energy, and support, the changes required to give Canada a FRESH START will not come about with sufficient speed and depth to be successful.

BRINGING THE COMMON SENSE REVOLUTION TO OTTAWA

The encouraging thing is that you have already taken a giant step toward giving Canada a FRESH START, by supporting the new fiscal and economic strategy offered by Mike Harris and the Ontario provincial Conservatives.

When the Reform Party of Canada first began, it pledged to respect "the common sense of the common people" including the common-sense notion that governments, like individuals and families and businesses, must ultimately "live within their means."

Of course, no province or party has a monopoly on common sense, and we do not claim to have invented common sense. But we do claim to be the federal party best able to tap into it, to understand it, to speak to it and for it, and to bring the common-sense ideas and abilities of Canadians into the task of building a better country.

Mike Harris and his provincial party have understood and taken much the same approach.

They incorporated these ideas into a platform - the Common Sense Revolution, won public support for that platform in a general election, and are now in the process of implementing those ideas as the Government of Ontario.

In doing so, they overcame initial indifference, media disdain, disrespect, third-party status, low polls, establishment opposition, and disregard (until they were successful) from their own cousins in the old-line Tory establishment. But with support from many of you, they overcame!

Balancing the provincial budget as quickly as possible is now a formal objective of the Ontario Government, not as an end in itself, but so that the benefits of balanced budgets can be realized. Those benefits are debt repayment, secure financing for social services, and most importantly of all, consumption-stimulating, job-creating tax relief for the over-taxed people of Ontario.

Next year, six provincial governments will have achieved or surpassed the goal of balanced budgets and be in a position to discuss with their people how best to use future surpluses.

It is the federal government - the biggest government of them all - that is furthest away from giving Canada a FRESH START on economic growth and job creation because of its failure to balance its budget quickly.

Notwithstanding all the propaganda to the contrary streaming from Mr. Martin's office, the facts are that the Chrétien Liberals have added over \$100 billion to the federal debt, incurred a \$28.6 billion deficit last year, have reduced spending mainly on the backs of the provinces, have increased tax revenues by \$23 billion/year, and will not balance the federal budget until the next millennium.

Because it has been so slow to balance its budget, the Liberal Government is incapable of delivering broad-based federal tax relief until some far and distant future date. Which is why the Prime Minister admitted here in Toronto six weeks ago that Canadians can expect no broad-based tax relief from his administration.

And because the Chrétien Liberals are incapable of delivering broad-based federal tax relief, they are incapable of stimulating the consumer spending and private-sector job creation required to deliver on the promise of Jobs, Jobs, Jobs.

REFORM'S FRESH START PLATFORM

Since there will be no FRESH START on economic growth and job creation from the federal Liberals - just more of the same - a FRESH START for the economy is dependent on bringing key elements of the Common Sense Revolution to Ottawa through some other vehicle.

The vehicle for doing that is not the federal Conservative Party. The federal Conservatives had nine years to balance the federal budget and did not do so. In fact, in their last year of office they ran up the largest single deficit ever incurred by any government in Canada. The federal Conservatives had nine years to plan and deliver federal tax relief, and did not do so. In fact, they were responsible for 71 federal tax increases, and brought in the GST, the most hated tax in Canada.

While Mike Harris toiled away in obscurity putting together the Common Sense Revolution, the federal Tories ignored him, even ridiculed him. Only after he was electorally successful did they seek to get on the Common Sense band wagon.

The vehicle, therefore, for bringing key elements of the Common Sense Revolution to Ottawa is not the federal Progressive Conservative Party.

The only vehicle for bringing key elements of the Common Sense Revolution to Ottawa is the Reform Party of Canada and its FRESH START platform.

The fiscal plan contained in our Fresh Start platform has three elements:

1. Focus/reduce size of federal government by \$15 billion/year.
2. Balance the federal budget by 1999, and achieve surpluses thereafter.
3. Apply the surpluses as follows:
 - Tax relief starting as soon as the budget is balanced, and growing to \$15 billion per year by 2001;
 - \$4 billion more per year in the priority areas of health and education spending;
 - \$5-10 billion as an initial down payment on the national debt, built up by 30 years of Tory and Liberal mismanagement.

The seven specific federal tax relief measures we propose are:

For all Canadians

- Increase basic personal exemption by \$1,500 to \$7,900
- Eliminate Tories' 3% surtax

For Families*

- Increase spousal exemption by \$2,500 to \$7,900
- Convert child-care deduction of \$3-5,000/child to a credit
- Extend this credit to all parents of children 12 years of age or younger, including those who choose to raise children at home

*Works out to \$2,000 per year by year 2000 for average family of 4 earning average income.

For Job Stimulation

- Cut capital gains taxes in half
- Eliminate Tory 5% surtax on higher incomes
- Reduce employers' UI premiums (payroll taxes) by 28%

BOTTOM LINE:

\$5.4 billion/year in federal tax relief for the people of Ontario, resulting in increase incomes and job opportunities.

A FRESH START ON NATIONAL UNITY

Time does not permit me to elaborate on the other elements of our FRESH START platform. (Make sure you take a copy with you as you leave, and give us your thoughts on it.)

But let me say that all our platform proposals for a FRESH START on strengthening the family, on repairing the social safety nets, on public safety and criminal justice, on accountability of politicians - all these will be but chaff in the wind if this country fails to make a genuine FRESH START on the reform of the federation itself.

If there is no FRESH START on reform of the federation - leading to new and more positive relations among the provinces and territories and the central government - all our other FRESH START efforts will be crippled by the uncertainties and distractions of national dis-unity.

Reformers therefore are convinced that a New Vision of Canada and a new federal unity strategy are required if we are to move forward into the next century as a united federation.

The Liberal/Tory view of Canada is the 19th-century, ethno-centric model of a partnership of two founding peoples maintained by a dominant central government.

This model has never been accepted enthusiastically by Canadians outside central Canada, or by many immigrants, because it treats the West, Atlantic Canada, and the North as peripheral and relegates 12 million Canadians of non-French, non-English extraction to second-class status.

But now that this model is also being rejected by a majority of one of the founding groups, its days are clearly numbered.

Under the Chrétien Liberals, the strategy for national unity (based on the old model) is as follows:

- to maintain the status quo if at all possible (resist change!);
- to emphasize special status rather than equality;
- to substitute symbolic change ("distinct society") for real change; and
- to tell the rest of Canada that "distinct society" is symbolic, and means nothing, while telling Quebecers that it means everything.

And what has this model and the Liberal/Tory strategy given us? Thirty years of debilitating wrangling, two separatist parties (the PQ and BQ) in Quebec, and two referendums on secession - the last of which came within 50,000 votes of rupturing the federation.

Reform believes that this country desperately needs a FRESH START ON UNITY. That FRESH START must be rooted in a Fresh Vision of Canada, and it must offer real change rather than symbolic change.

Instead of offering the deceptive rhetoric of "distinct society," let us respond to the desire for real change in the federal system - a desire which obviously exists inside Quebec, but also exists in the rest of the country.

Reform proposes a five-fold response:

1. Reduce the size and cost of the federal government, and re-focus its powers on ten areas of national and international importance.
2. Reform federal institutions to make them more democratically accountable and sensitive to regional interests, including the creation of a Triple-E Senate.
3. Decentralize other governmental powers, including jurisdiction over language and culture, to give all provinces the freedom and resources to develop as their citizens choose.
4. Define terms and conditions which Canada will insist upon if any province should democratically choose to secede.
5. And most importantly, offer to all Canadians, including Quebecers, a Vision of a New and Better federation so compelling that no one would want to leave.

Earlier I asked the question, What are the people of courage and conviction in Toronto and Ontario prepared to do to give Canada a FRESH START for the 21st century? And on no issue is your response to that question more crucial than on this issue of national unity.

As you well know, voters in Quebec are still polarized between the status quo Liberals and the separatist parties, the PQ and BQ.

But there is a large group "in the middle" - "discontented federalists" who are increasingly dissatisfied with the status quo federalism of the federal Liberals and Tories, but have no place

to go - and "soft sovereigntists" who really want change rather than separation, but who would vote for separation if the only other option was the status quo.

When I visit Quebec, I have been seeking spokespersons and possible candidates who represent a Third Option - *un troisième voie* - a Third Option for Quebec but also a Third Option for Canada beyond the polarization of sovereignty (as represented by the PQ and BQ) and status quo federalism as represented by the Liberals and Tories.

To revert to a historical analogy, I ask, *Ou est Lafontaine?* - the leaders, the people, who want fundamental change in the federal system but who do not want to dismember the federal system?

I am pleased to tell you today that we are experiencing a little history in the making. I am starting to find some Lafontaines. Today, seated at our table, is Mr. Gilles St. Laurent who will be the first Quebecer to seek a Reform nomination in a general election in Quebec.

Mr. St. Laurent is a teacher of the law at Laval University. He is a respected barrister and citizen of Quebec City who has taken the lead for us - starting right in the soul of Quebec, in Quebec City - where all eleven federal ridings are currently represented by members of the BQ.

For Gilles and his colleagues to be successful in convincing Quebecers that there is a Third Option for Quebec - something other than the emptiness of both separation and the status quo - a reformed federation, a New Canada in which Quebec will feel truly at home - he and others like him need a signal - a clear and unmistakable signal that the rest of Canada is prepared to support fundamental change in the federal system.

Not a one-sided, top-down constitutional package like the Charlottetown Accord - hatched at a First Ministers' Conference without public support. Both Quebec and the rest of Canada rejected that.

Not dishonest double-talk about distinct society, not symbolic change, not administrative tinkering - Quebec is far beyond that.

But substantive change for all of Canada - a fundamental re-balancing of the federal and provincial powers that focuses Ottawa on national and international matters, and gives every province the tools it needs, including jurisdiction over language and culture, to develop the unique and distinctive features of their economies and societies.

The West has sent its signal that it wants fundamental change in the federation. It did so in the 1993 election, when it sent over 50 Reformers to Ottawa, almost the same number of MPs as Quebec sent to signal their displeasure with the status quo.

The media and liberal establishment in Ottawa and Quebec have done everything possible to make sure that our signal is distorted beyond recognition or prevented from reaching the Quebecers altogether.

In the next election, we will do everything possible to correct that, namely by having the Reform message communicated by Quebecers to Quebecers through Reform candidates in Quebec and by inviting Quebecers to send their own Reformers to Ottawa, not to tear apart this country but to rebuild it.

But there is another equally important signal that Quebecers - especially those looking for a Third Option - need to receive.

Just as I have looked and gone to Quebec asking *ou est Lafontaine* - where are the spokes-persons for fundamental changes to the federation in Quebec - Gilles and his colleagues will be looking to Ontario, asking, Where is Baldwin? Where are the Ontario advocates of a fundamental change in the federation - where are the Ontario advocates of a re-balancing of the powers?

And if they exist, would they be willing to run for the next Parliament - there to join together with Reformers from Quebec just as Baldwin and Lafontaine did so many years ago - there to meet Reformers from the West already in Parliament demanding reform of the federation - there hopefully to be joined by Reformers from Atlantic Canada as well - there to bring constructive changes to the federal system as a whole and to lay the foundations of the New Confederation of the 21st century!

If I might be so bold as to make a prediction on this matter, it would be this:

If Ontario comes down hard on the side of the status quo - by sticking with Chrétien or Charest and hoping that symbolic change and the dishonest rhetoric of distinct society will be enough to patch things up until the next crisis - you will be sending precisely the wrong signal to both Quebec and the West, and will be contributing as much to the break-up of Canada as the BQ and the PQ.

On the other hand, if Ontario were to come down hard on the side of reform - reform of the federation - common sense applied to the unity issue as well as the fiscal issue - if Ontario were to send 50-60-70 Baldwins to the next Parliament - you would tip the balance decisively, away from separatism and the status quo, toward the New Confederation of the 21st century.

CONCLUSION

Now in conclusion, I came here today to urge you to help give Canada a FRESH START for the 21st century.

The next federal election will be a battle between the defenders of the status quo - led by Mr. Chrétien and Mr. Charest - and the advocates of reform led by myself and other leaders prepared to join the fray.

So I have come - formally and officially and in all sincerity - to invite you to make Reform the voice and force for constructive change that this country needs at the federal level.

We are all Canadians here - and polite to a fault - we rarely tell each other what we really think. So let me say what some of you are thinking but may be too polite to say.

You may be thinking, many of these Reform ideas are sound - yes, the federal budget needs to be balanced quickly; yes, tax relief is necessary; yes, the federation needs to be reformed - but is the Reform Party of Canada the vehicle? Are they not too regional? Do they not have too many rough edges? Have not the media and the Liberals told us they are too extreme? Where will they get the candidates to represent Ontario? To represent multicultural Toronto? To run a government?

And my response to you is to say, I hear your objections. I understand your reservations, and no one is more committed than I am to do whatever it takes to overcome them.

To those who would say we are too regional, I say fine, I hear what you're saying - then give me quality candidates and representatives from Ontario.

To those who would say we are not broad and inclusive enough, I say fine, I accept that criticism - then join us and make us more inclusive.

To those who would say our platform and principles are sound but no one knows about them - all they hear is the Liberal/Tory attacks and the media spin, I say fine, I accept that - then help us get the funds to communicate our FRESH START platform directly by TV and publication to 10 million voters before next spring.

I hear your objections and reservations - but I say respectfully, it is as much within your power to remedy those deficiencies as it is within mine.

I have been at this for ten years. Our goal is a New and Better Canada. We are at war with the politics of the status quo. Reform has a base in the West. A solid beachhead in Ontario. Advance operations in Quebec and Atlantic Canada. But we have a long way to go.

Ontario is all-important and we need your help. Give us the tools - the candidates, the funds, the votes - and we will finish the job!