

A.S. LEACH - TORONTO SPEECH - MONDAY, OCTOBER 28, 1968

Mr. President, honoured guests, ladies and gentlemen; - This is not the first time that I have arisen in front of an illustrious group in Toronto and said a few words - but it is the first time that I have been invited and introduced!! On a previous occasion, many, many years ago, I was impudent because the referee knew the rules better than I; I was impotent because his ruling was not changed; and I was imprudent because a well-built burly male beside me, garbed in a sweater with several shades of blue, leaned over, put his hand on my knee and said "lissen, Buddy"! You may have guessed that the scene was a Grey Cup Game between the Toronto Argos and the Winnipeg Blue Bombers - and you can now understand why I referred to it being "many, many years ago"! However, perhaps sometime in the future the new order of recent years will give way, and we shall have a return to the old!

Having existed relatively on your door step since birth I suspect that my scheduled visit with you today is closely connected with my recent appointment as this year's President of the Canadian Chamber of Commerce. Under these circumstances I trust I will not be guilty of another fault, that of impertinence, when I use your Canadian Club Forum as an opportunity to talk about some of the views held by the Canadian Chamber of Commerce - particularly those which intrigued me very much at the Annual Meeting in Calgary early this month.

Some of you were at that meeting - many more of you are enrolled in one way or another in the Canadian Chamber - and I am sure that the great majority of you are all members of your very energetic, and effective, Toronto Board of Trade. To those who have heard some of this before I make an apology and hope that they will bear with me.

First, I would like you all to remember that the Canadian Chamber of Commerce is an Organization comprised of some 850 local Chambers of Commerce and Boards of Trade stretching from one end of Canada to the other, comprising different cultures and economic backgrounds, having no restrictions on race or creed, and representing communities large and small. As a matter of fact, about 600 of these Organizations stem from communities of 5,000 population or less. Such are the voting Organizations of the Canadian Chamber and in the democratic process the vote of a small rural Chamber has as much strength as that of either Montreal or Winnipeg. To this Organization is added the support, both financial and also in human resources and effort, of some 2,500 corporate and personal memberships. Thus it can truly be said that the Canadian Chamber does represent a wide cross section of our country.

The Canadian Chamber has two objectives: - one, to be of service and assistance to its various member associations helping them to strengthen themselves in their own communities and, secondly, to represent what is the general feeling across the country on the various national issues of the moment, as far as the community of industry, business, commerce and the professions are concerned. To perform this second function effectively it is most necessary that we keep ever to the fore the recognition of the national character of the Canadian Chamber Organization.

Many of us who have been attending annual meetings over the last 10 or 15 years found the last one to be unquestionably interesting and thought provoking. It was the largest with a record attendance of over 1,000 registrations, due considerably to the fact that Mr. Trudeau favoured us with a banquet address, and also to the fact that the City of Calgary is well-known across Canada for its famed hospitality. But there seemed to be a great deal more audience participation in the individual

3
meetings and the panels, and a more serious contemplation of the subject matter than perhaps had existed at other meetings. And also there seemed to be a "new look" coming into the Chamber through its interest in two specific subjects to which I will refer in greater depth later.

First and foremost the Chamber feels that the next twelve months, or even nine months, can be the most significant for Canada that we have experienced for a long time. This is because of having now a Government that is a majority - a Government that has the opportunity to determine what will be best for the country and the strength to affect it; - if it has the courage. At the same time we have an Opposition that can seriously assess its own responsibility - and hopefully determine whether its role is to be one that is constructive or destructive.

The deliberations, pronouncements and enactments of Ottawa, and the attitude of the Opposition, will have a tremendous effect on where or whether we go, teeter or fall.

Last week a very significant event occurred when Mr. Benson brought down his first budget under the Trudeau majority government. When asked to comment upon this budget, shortly after its publication, I characterized it as being "sobering, realistic, and reassuring". Since that time I have discovered from various press reports that I may not be ⁱⁿ complete harmony with other commentators on the budget - but I am still quite acceptable to living with what was my first impression.

In the first place I defend the word "sobering" as being quite applicable when one who originally contemplated a year ago a deficit of 40 million dollars, and then a month ago was gently led down the path that it would be 400 million dollars, and now is advised that the anticipated deficit of 730 million dollars will be reduced to 675 million. Surely this is a jolt to bring us all back to our senses - particularly when it follows a year where there was a reported 796 million deficit.

H Some people may say "we don't need to be jolted back to our senses - they need to be brought back to theirs!" That comment is perfectly germane to those individuals who can honestly proclaim that they are not asking for anything more, either directly from Ottawa or indirectly through their own province. However, let some of the rest of us be rather honest, and evaluate what we do when it is our own ox that is being gored. The recent outcry of protest against the proposal of the Honourable Mr. Kierans to effect economies in the postal distribution system is typical of the outcry that can arise when a particular interest is involved. On this subject there no doubt were some very legitimate complaints - and which I suspect are going to be recognized, - but at the same time there were certainly some that were being raised purely because of particular self interest. Also, in an area rather close to my own business life, I noted very recently the question of financing the proposed National Grains Council. How easy it was for some interests to say "let the government do it" rather than say "if this is worth-while for ^{the} industry, let it be industry-controlled and financed, if not in all, at least in part," These are two examples of why I suggest that perhaps some of us in the public, as well as the government, were due for a jolt, and its accompanying processes, in the sudden revelation of just what our deficit might be.

The budget was realistic, to my mind in view of its recognition of the presence of inflation and the dangers of a continuing inflation. The Minister met head on the full realization that we could not continue to have deficits of the order of last year's, and this newly projected one for the current year, just continuing, and continuing, and continuing. Apart from having the supreme courage of doing something about Medicare, I do feel, and there are others who feel - as well as many others who disagree - that he has shown courage in his meeting of the problems that have been put upon the table at this moment. It took courage not to go back to the well of business-taxation generally. The Government's recognition that business in general is being taxed to its capacity should have some signs of comfort and hope for those who recognize that Canada's productivity for the future will depend so much upon our ability to put our goods into export markets at the lowest possible price. The acceleration of tax payments by corporations does, of course, lean on one of the resources of business, I grant, but a more heavy leaning process could have been possibly very damaging.

5/5
insurance in his own personal affairs, and one who hopes to pass something along to another generation in an estate, I am not unaware of the significance of the insurance and estate implications contained in last week's budget. However, such harshness is perhaps better today than to have possession, or pass along, at a later date some very badly-deflated, fixed dollars. Perhaps if after considerable studying it is ascertained that there is an excessive and harmful harshness then some re-adjustment can be made.

In calling it a reassuring budget, it is reassuring to have the Government trying to do something about the situation. Also it is reassuring, if one can share the Minister's confidence, that the 1969-70 budget will be balanced. For this "the proof of the pudding will be in the eating". At that time it will certainly be a case of "res ipsa loquitor!" - "the figures speak for themselves".

Quite obviously the Government is seeking sources of hitherto lesser-taxed revenue. No doubt this search will continue, and if the insurance tax resolutions are any criterion, it is possible that the proposed White Paper next spring may make steps into other areas. In the meantime, the Chamber will voice as loudly as possible to the Government that perhaps one of the best sources of tax revenues is a healthy business climate which affords viable enterprises to make a profit that serves as a tax base. Perhaps the hunger of the Government for revenue dollars will offset some of the legislative proposals that affect and restrain the most effective and economic utilization of business resources.

A short time ago I referred to Medicare. It is still the view of the Chamber that it is not too late to slow down on this most expensive proposal that we do not feel the country can afford. How can we swallow everything we have on our plate right now, and still take in stride this spectre that is coming down the road? Admittedly it would take courage for the government to change the rules of the game now - but it is my view that such courage would be amply rewarded by the applause

6 that would go across the country - and I suspect that the recognition of this applause and the very depth of feeling behind it, right down to the grass roots, would deter any Opposition from endeavouring to make political pie out of such a hard-faced appraisal of the situation. A revision of the concept to secure the benefits of a deterrent, or of a joint participation would still allow the basic principle of medical benefits for all those who required them to become a fact, and at the same time avoid so many of the expensive abuses that go hand in hand with universal, compulsory, and complete coverage.

Again we suggest that there are areas within the Government operation where economies can be effected and we are glad that attempts are being made in this direction. Some of our Crown Corporations, and services, could stand a cut in the area they are attempting to cover. Perhaps some Crown operations could be turned over to the private sector for their operation. Finally while recognizing that in a changing and developing country there can very properly be new areas of department interest, yet by the same token these same elements must mean that there is a redundancy, or "out of date" area of departments that can be closed down or consolidated. With modern computer and management techniques one might suggest a rule of thumb of two old departments being disbanded for every new one that comes onto the scene.

Our Government is a young Government and we have a relatively young Cabinet. With this we have no quarrel - as a matter of fact it is a good thing. However, we do suggest to them that beyond them is again a younger generation which will depend a great deal upon the present Cabinet's decisions as to whether today's 20 year old group are going to inherit a sound Canada.

7

At various times in the past ten years we have heard statements that "a little inflation, controlled, is not unhealthy" and similarly "boosting the economy is necessary to take care of the unemployment situation" and "covering a deficit by borrowing that is in line with the growth of our GNP should not be considered serious". At least it was refreshing to have Mr. Benson transmit the thoughts earlier voiced by the Prime Minister that we must control inflation and that we must return to balanced budgets. To many this statement of purpose and objective by the Government is of great significance. Perhaps many people have different ideas as to where the money is to come from - and likewise what particular areas of expenditure are to be shut down. Both of these activities must be carried on if the Government is serious in its pronouncements, and if it is going to be successful in attaining its goals and objectives in the next two years.

I do not profess to be enough of a specialist to determine, as quickly as this, the inequities and the errors that might appear - but I am old fashioned enough, and perhaps naive enough, to give some credence to a majority government that sets up some sensible mile-posts for their achievement.

This budget, with its stated aims and objectives, does give every individual and every organization an opportunity to present their views as to how the goal should be accomplished and presumably the promised White Paper next year will likewise give the public a chance to voice its thoughts. Willingness to live with a proposal, and to work constructively to meld it into better shape, seems to me to be a better stance at this time than to resist and "holler from the house tops" without presenting completely acceptable alternatives.

4
8

In Calgary, Mr. Trudeau put forth the suggestion that business might be willing to release some of its top men to work with Government for a period of two or three years each. He felt this would be an effective method of conveying the thinking and the philosophies of business into the government circles, and also that there would be a cross-fertilization in having means of conveying to business some of the problems of government that are not the easiest ones to solve. The Canadian Chamber is pursuing this subject more thoroughly with the Prime Minister and we will explore this and all other means of developing and maintaining a two-way communication.

One of the points that was stressed very strongly during the last annual meeting in Calgary was that with a majority government now in power the Chamber should attempt to be constructive in the development stages of any contemplated government actions rather than having to wait until the die was cast, and then going through a posture of deploring, condoning, or condemning. This we hope to accomplish through close liaison and a forward-looking presentation of our philosophies at a helpful and working level.

Naturally our concern with Canada and world trade in the future; Productivity; and Employer-Employee relations with the accompanying government legislation that is involved in this area, continues to be very intense indeed. However, all of you in this audience are unquestionably familiar with the Chamber's stand and ideals on these matters.

Therefore, in the balance of time available I would like to mention, as indicated earlier, two specific areas that caught the attention of the Chamber delegates in Calgary. The first was that of Youth Education. This is not necessarily a new subject for the Chamber, but the wide interest that was shown by the delegates certainly represented a deeper concern than in the past. There are three broad areas of the Chamber's interest in education. The first, one of some considerable years standing, is the attempt to have a greater degree of uniformity within the various provincial educational systems so that citizens transferring with their families from one province to another do not become penalized due to varying scholastic levels.

The second area of interest in the education field is the promotion of the teaching of economics in high schools. During the last two years the Chamber has carried out first a study and second a supporting program encouraging the provincial and local member organizations to push this forward. Also the Chamber is trying to encourage the development, from some qualified source, of an adequate standard textbook on economics which could be used at the high school level. At the same time, the Chamber has urged support of the Junior Achievement Program, which has so successfully in so many communities given high school boys and girls an opportunity to learn of the world of free enterprise and commercial practice.

10
The third area is that of the relationship of business and industry with the undergraduate students in our universities, and the image of business and industry on the campus. Last summer the Chamber, sparked by the recommendations of a Toronto-based Educational Committee, sponsored a Student Award Travel Tour for 30 young undergraduate men who were selected from institutions of higher learning all across the country, out of a group of 300 applicants. These boys travelled for three weeks from one end of the country to the other, being exposed to industry and businessmen in every place they stopped. In a report, which summed up the reactions of these boys, there seems to be no doubt about the very profitable and thrilling experience they enjoyed. But equally important has been the secondary reaction within Chamber members themselves. Those who were privileged to meet this group revived what might have been a faltering confidence in the younger generation. Those who heard the report of the one young man selected to speak for the group at Calgary realized that we as businessmen have right now a responsibility to communicate more closely with the undergraduate population--and that the learning resulting from any such dialogue can be twofold in value - for us as well as for them in understanding the other person's point of view. Also as a sidelight, many of us recognized that each year there are many thousands of undergraduates employed in summer jobs by member corporations and we are not utilizing this as a further means of communication to tell these boys what are the business objectives. The Chamber is studying a program to develop this ready-made market, or so-called "captive audiences".

It is my pleasure today ladies and gentlemen to make the formal announcement that a short time ago the Executive Council of the Canadian Chamber accepted the strong recommendation of the Toronto Education Committee that the Student Travel Tour be repeated again during the summer of 1969. This is tangible evidence of the Chamber's interest in those students who are seriously productive and getting the fullest benefits out of their university experience. I am sure the news of this decision will be very heart warming to so many of the Toronto Chamber community who have been so close to this project.

You will note that the Chamber has stayed away, in the Education field, from any attempts to become involved in the structuring or the blueprint organization of universities. Also we have not felt it our prerogative to become involved in disputes concerning either the curriculum, or the absence or presence of students and/or faculty on the various governing bodies of the institutions. We felt that perhaps these were regional, and even local matters. However, we do urge the members of local Chambers to take an interest in university matters and in that fashion give the institution the benefit of their experience.

Generally speaking, we hope that during the coming year there will be more attention paid both by the press and on the campus to those voices which represent a more moderate level of thought than some of the dramatic and bizarre incidents that have been put before us in this country and others.

12

Another subject that evoked considerable interest and support, and which was a little out of the run of the ordinary affairs generally discussed by the Chamber, was the question of Canada's participation in the Pacific Basin Economic Co-operation Committee. The development of this group is significant in demonstrating the changing pattern of our Canadian thinking, and the future possibilities that it opens up are challenging and even exciting. The concept of a grouping together of the Pacific Rim countries first came from the Australian Manufacturers' Association in 1960. During the earlier years the idea was vigorously pursued by Japan, given tacit support by New Zealand, and was temporarily "sidelined" by the United States. We in Canada had decided to "wait and see" and continued to concentrate across the Atlantic for off-continent markets for our manufactured goods. About one year ago, however, representatives of the United States Chamber of Commerce and the American Manufacturers' Association indicated their interest in exploring the possibility of participating in Pacific Rim discussions and then Canada was again extended an invitation to be the fifth Charter Member of such a group. This, in due course, was accepted by the Canadian Chamber of Commerce and the Canadian Manufacturers' Association and we now represent one of the five founding countries.

Let it be understood that there is no government connotation in this particular activity. It is all done on the business and commerce basis, with a very strong free enterprise overlay. The first plenary meeting of representatives of the five countries was last May in Sydney, Australia, at which time I had the interesting opportunity of being a member of a very small Canadian group. Actually, Canadians numbered only six, as compared with the allowable 20 delegates each from Australia and New Zealand, 15 from the United States, and 20 delegates, 20 observers, and 15 male secretaries from Japan.

The objectives of the Pacific Basin Economic Co-operation Committee are basically

the promotion of economic collaboration among the member countries and co-operation with those developing countries around the Pacific Rim in their efforts to achieve self-sustaining economic growth. While it has been stated that this does not necessarily mean a free trade bloc, nevertheless one cannot overlook that this could be a subject of great interest.

When this entire matter, and the question as to whether or not there should be sponsorship and participation, was brought before the Canadian Chamber last February there was quite a change in outlook as compared with the thinking of four or five years ago. This year those representing the Chamber on the Executive - some of the same as in former years, as a matter of fact - felt that it was most desirable that Canada have some eyes and ears / participating in the discussions that would take place and that we have some opportunity to know what was going on. Hence it was approved that the Canadian Chamber, in conjunction with the Canadian Manufacturers' Association, should encourage a joint Pacific Basin Committee to represent Canadian industry and commerce.

We should realize that today/the total trade that is conducted by the United States, Canada, Japan, Australia and New Zealand, 43% is conducted amongst these five countries themselves - and each year the amount of trade done between these five countries is increasing roughly 13% per year. To the opportunity of expanded trade within this group has to be added the excitement of participating in the development of those other countries and the possibility later of expanded mutual trade with them.

This subject caught the imagination and the fancy of a large number of the delegates at the Calgary meeting. It is my sincere hope that when the next meeting of the Pacific Basin Economic Co-operation Committee takes place in San Francisco in May that there will be a good representation on the Canadian side with full support from senior individuals identified either with the Canadian Manufacturers' Association or the Canadian Chamber of Commerce. Each one of you representing your own business and industry can secure further information from either of these groups.

In attempting to give you some idea of the Canadian Chamber of Commerce, and perhaps portray some of its Momentum, I did touch upon the economic and governmental backdrop in today's scene, reviewed in varying degrees of depth some of our thoughts on traditional subjects that occupy the interest of the Chamber and developed two specific areas that have not in the past been as widely known or recognized as being Chamber interests - namely a broadening interest in various aspects of education, and the interest newly created/in the Pacific Rim. Also, I mentioned what I hoped would be the technique and approach of our relationship with Ottawa. For me, the opportunity to participate in the activities of the Chamber for the coming year is a most interesting and challenging prospect. For you, in your capacity as members of the Canadian Club, I hope you will feel later that most of the implied promises in today's visit have been fulfilled, when the box score for the Canadian Chamber is tallied again next year.