

**"WILL CANADA BE *DOMINANT*, OR *DOMINATED* IN THE EIGHTIES"**

AN ADDRESS BY

**HAL E. WYATT**

**CHAIRMAN OF THE BOARD**  
*THE CANADIAN CHAMBER OF COMMERCE*

AND

**VICE-CHAIRMAN, WESTERN CANADA**  
*THE ROYAL BANK OF CANADA*

TO

**THE CANADIAN CLUB OF TORONTO**

ROYAL YORK HOTEL

TORONTO

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THANK YOU, MR. CHAIRMAN, AND GOOD AFTERNOON LADIES AND GENTLEMEN. ADDRESSING A GATHERING LIKE TODAY'S REPRESENTS AN UNDOUBTED CHALLENGE.

SELECTING A SUITABLE TOPIC IS EVEN MORE FORMIDABLE, BECAUSE YOU NUMBER AMONG YOUR RANKS SOME OF THE MORE PROMINENT PEOPLE IN ECONOMICS, FINANCE, MANAGEMENT, ENGINEERING, GOVERNMENT, BUSINESS AND INDUSTRY.

WHILE I WOULD NOT PRESUME TO PRESENT MYSELF AS AN EXPERT ON ALL THE PROBLEMS FACING CANADA, THERE ARE SOME THOUGHTS AND CONCERNS I WOULD LIKE TO SHARE WITH YOU, AND, SOME SOLUTIONS THAT I FEEL NEED TO BE ADDRESSED--AND ADDRESSED QUICKLY--IF CANADA IS TO FIND ITS PLACE IN THE SUN.

I SAY THIS BECAUSE UNLESS CERTAIN ATTITUDES AND TRENDS ARE REVERSED, AND SOON, I ANTICIPATE THAT 23 MILLION CITIZENS OF THIS FAIR LAND WILL FACE THEIR DAILY TOIL, OR SEEK THE JOYS OF LIFE, AS SECOND-CLASS CITIZENS OF THE WORLD.

IT'S THAT SIMPLE--AND ITS THAT URGENT!

WE ARE BECOMING ENGROSSED IN PERPETUATING AND ENTRENCHING AN ATTITUDE THAT APTLY SUMS UP THE SEVENTIES, AND WHICH SIMPLY SAYS "WHO CARES?"

WELL, I CARE. AND I'M SURE ALL OF YOU CARE. BUT THE ONEROUS TASK FACING US IS TRYING TO MAKE 23 MILLION OTHER DIFFIDENT SOULS JOIN A NATIONAL SELF-INTEREST GROUP--A GROUP DEDICATED TO KEEPING CANADA UNITED AND PROSPEROUS.

SO LET ME BRIEFLY REVIEW HOW WE ARRIVED AT OUR PRESENT IMPASSE, AND THEN OUTLINE SOME OF THE PURGATIVES NECESSARY TO

OUR PROBLEMS ARE NUMEROUS; THEY ARE COMPLEX; AND, MORE SIGNIFICANTLY, THEY WILL CALL FOR TOUGH-MINDED DECISIONS , BECAUSE, FRANKLY WE CANNOT AFFORD TO BE TIMID. OUR WHOLE SYSTEM CRAVES BOLD DECISIONS TO HELP EASE OUR ECONOMIC DISTRESS, AND GET US BACK INTO THE RACE.

OF ALL OF THESE CONCERNS OUR NUMBER ONE PROBLEM IS STILL INFLATION. IN SPEAKING WITH BUSINESSMEN FROM MOST REGIONS OF CANADA, IT APPEARS ALL SEGMENTS OF OUR ECONOMY ARE UNANIMOUS THAT THE SINGLE AGENCY MOST RESPONSIBLE FOR DOMESTIC INFLATION IS GOVERNMENT SPENDING.

OUR SECOND MAJOR CONCERN IS OUR ENORMOUS BUDGETARY DEFICIT WHICH, ON A PER CAPITA BASIS, IS THE LARGEST IN THE FREE WORLD. COMPARED TO THE U.S., OUR CURRENT DEFICIT, PROPORTIONALLY, IS THREE TIMES THE SIZE. THE NON-BUDGET NEWS LAST WEEK ADDS CREDENCE TO OUR ANXIETY.

OUR THIRD CONCERN IS OUR DEFICIT ON TRADE OF MANUFACTURED GOODS. WE MUST REPLACE IMPORTS WITH DOMESTIC PRODUCTION--AND DO A BETTER JOB OF EXPORTING SO WE CAN HELP WHITTLE DOWN THIS MUSHROOMING IMBALANCE.

NEXT, THE GOVERNMENT MUST TRY TO REDUCE THE LONG SHADOW OF ITS BURGEONING 'SOCIAL POLICY'. AS YOU AND I KNOW, THIS WAS AN AREA WHICH HELPED COIN THE PHRASE "THE SLOTHFUL SEVENTIES," AND THEY WERE INDEED WORTHY OF THAT TITLE.

WE CAN ALL RECALL THE GENEROUS UNEMPLOYMENT INSURANCE BENEFITS WHICH MADE IT EASY FOR PEOPLE TO ELECT NOT TO WORK. OR THE ESTABLISHMENT OF INDEXED PENSIONS FOR GOVERNMENT EMPLOYEES

LOSING OUT AT HOME IS BAD ENOUGH, BUT IT IS IN OFFSHORE MARKETS WHERE THE STORM CLOUDS ARE GATHERING. OUR SHARE OF EXPORT MARKETS IS DECLINING ALARMINGLY. WE ARE BEING OUT-HUSTLED, OUT-MUSCLED AND OUT-MANOEUVRED AT ALMOST EVERY TURN, AND FOR A NATION WHICH DEPENDS ON EXPORTS FOR ONE OUT OF EVERY FOUR JOBS THIS IS INDEED A SERIOUS MATTER.

BUT THERE ARE REASONS FOR OPTIMISM.

THE RECENT SPEECH FROM THE THRONE SUGGESTED AN INCREASING AWARENESS OF THE NEED TO STIMULATE EXPORTS. AND CANADA IS FORTUNATE IN HAVING A SKILLED TEAM OF TRADE REPRESENTATIVES STRATEGICALLY STATIONED AROUND THE WORLD--EAGER AND ABLE TO HELP.

PROVINCIAL GOVERNMENTS HAVE NOT BEEN ALOOF EITHER AS MANY HAVE LED MISSIONS TO SEEK OUT OPPORTUNITIES.

ORGANIZATIONS LIKE THE CHAMBER, C.M.A., CANADIAN EXPORT ASSOCIATION AND VARIOUS ACADEMIC LEADERS HAVE WORKED WITH GOVERNMENTS IN ENCOURAGING THEIR MEMBERS AND OTHER BUSINESSES AND ASSOCIATIONS TO BE MORE ACTIVE.

IT IS HIGHLY COMMENDABLE TOO, THAT MANY INDIVIDUAL BUSINESS LEADERS HAVE LED, OR PARTICIPATED, IN AN INCREASING NUMBER OF TRADE MISSIONS WITH PROMISING RESULTS.

OTHERS, BY EXAMPLE, HAVE SHOWN THE WAY TO A NUMBER OF COMPANIES, BOTH LARGE AND SMALL, BY ENCOURAGING THEM TO GET THEIR FEET WET: AND IDEAL EXAMPLES ARE ATCO AND NORTHERN TELECOM.

ALSO WE MUST MAKE PARTICULAR MENTION OF OUR COMPETENT ENGINEERING GROUPS WHICH HAVE LONG BEEN INVOLVED IN A SUCCESSION OF ENTERPRISES ABROAD. THEIR SUCCESS HAS A RIPPLE EFFECT WHICH

INTERESTS OF TIME I'LL RESTRICT MY REMARKS TO ONLY TWO.

THE FIRST IS PRODUCTIVITY.

PRODUCTIVITY IS THE KEY TO OUR ECONOMIC HEALTH. IT'S ONE OF THE MAIN FACTORS AFFECTING G.N.P. GROWTH, AND HAS A CLOSE RELATIONSHIP TO INVESTMENT, AND EXPENDITURES ON RESEARCH AND DEVELOPMENT.

PRODUCTIVITY IS VITALLY IMPORTANT TO ALL ENTERPRISES BECAUSE IF IT INCREASES, SO DO PROFITS, AND SUBSEQUENTLY, SALARIES AND WAGES--AND LIFESTYLES.

SO WHEN WE'RE TALKING OF PRODUCTIVITY I'M REFERRING TO THE WHOLE SPECTRUM OF EFFICIENT USE OF LABOUR, CAPITAL, RESOURCES, TIME AND ENERGY.

IT HAS BEEN ESTIMATED, BY THE NEW YORK STOCK EXCHANGE OFFICE OF ECONOMIC RESEARCH, THAT A 1% INCREASE IN PRODUCTIVITY CAN REDUCE INFLATION BY SEVERAL PERCENTAGE POINTS.

WHAT ARE THE PROBLEMS OF PRODUCTIVITY THAT WE IN CANADA FACE?

FIRST, WE HAVE ONE DISADVANTAGE BEFORE WE GET INTO THE STARTING GATES, THE FACT WE DO NOT HAVE FREE AND UNCONSTRAINED ACCESS TO A LARGE DOMESTIC MARKET. IN FACT, WE ARE THE ONLY MAJOR INDUSTRIALIZED NATION, OTHER THAN AUSTRALIA, THAT DOES NOT HAVE FREE ACCESS TO A MARKET OF 100 MILLION PEOPLE OR MORE.

BY ITSELF THAT IS HANDICAP ENOUGH.

BUT DURING THE MID-SEVENTIES WE COMPOUNDED THIS WITH OUR BLEAK PRODUCTIVITY RECORD WHICH WAS SOME 20% LOWER THAN IN THE U.S., WHILE AT THE SAME TIME WAGES IN CANADA WERE 10% HIGHER. IN

CURRENT ISSUE OF 'TIME' SHOWED CANADA'S PERCENTAGE RISE IN OUTPUT-PER-HOUR WORKED AS 4.7 PER CENT. IT WAS EXCEEDED ONLY BY SWEDEN AND JAPAN, AND WAS BETTER THAN BRITAIN, WEST GERMANY, BRAZIL AND U.S. WHICH RECORDED 0.6 PER CENT--BUT, AS A CAUTIONARY NOTE, WE HAD A MUCH LOWER BASE TO BEGIN WITH.

IN THE INTERESTS OF TIME, LET ME FOCUS MY REMARKS ON A NEGLECTED AND CONTENTIOUS SIDE OF PRODUCTIVITY--LABOUR RELATIONS.

GIVEN OUR RECORD OF BEING ONE OF THE WORST COUNTRIES IN THE FREE WORLD FOR DAYS LOST DUE TO LABOUR STRIFE, 7.3 MILLION DAYS IN 1978, AND AN EVEN WORSE PENCHANT FOR ABSENTEEISM, 83 MILLION DAYS IN '78, AT A COST OF \$7.7 BILLION, ISN'T IT TIME TO FACE UP TO THE NEED FOR A FRESH APPROACH TO LABOUR RELATIONS IN CANADA?

IN SUGGESTING THIS I AM NOT EXPRESSING AN ANTI-LABOUR BIAS--INDEED, THOSE WHO KNOW ME BEST, ARE AWARE OF MY FAMILY'S INVOLVEMENT WITH THE LABOUR MOVEMENT.

IN MY EXPERIENCE, BOTH BUSINESS AND PERSONAL, I KNOW FIRST-HAND OF THE BENEFITS GAINED BY LABOUR, THROUGH DEMOCRATIC UNION ACTIVITY--LED BY RESPONSIBLE LEADERS.

I ALSO KNOW OF OTHERS WHO HAVE NOT ACTED IN THIS WAY, AND HAVE SEEMED BENT ON BRINGING OUR COUNTRY TO ITS KNEES--'A LA' BRITAIN.

TO BE FAIR, IT MUST ALSO BE RECOGNIZED THAT BUSINESS HAS NOT ALWAYS ACTED RESPONSIBLY, OR WITH THE PUREST OF INTENTIONS TOWARDS ITS EMPLOYEES.

THE RESULT IS--WE SEEM TO ASSUME THAT LABOUR AND MANAGEMENT CAN ONLY FUNCTION IN AN ATMOSPHERE OF DISTRUST AND CONFRONTATION.

PRESENT SYSTEM CREATES FOR ALL.

IT SIMPLY CANNOT GO ON!!

AGAIN, LET ME EMPHASIZE--IT IS NOT A WITCH HUNT I AM URGING--BUT AN OPEN FORUM TO DISCUSS OUR PROBLEMS AND DISCOVER NEW SOLUTIONS.

I HAVE NO DOUBT THE QUESTIONABLE ACTIVITIES OF SOME EMPLOYERS WILL BE REVEALED. SO WILL THE IRRESPONSIBLE ACTIVITIES OF SOME LABOUR UNIONS--AND, MOST LIKELY, THE INADEQUACIES OF OUR VARIOUS GOVERNMENTS--BUT ONLY BY LANCING THE INFECTED AREA, CAN WE HOPE FOR A CURE.

TO MY MIND WE NEED TO BE MORE OPEN WITH ALL OUR PUBLICS, NOT JUST EMPLOYEES AND EMPLOYERS, BUT SUPPLIERS, CLIENTS AND CONSUMERS, WHO ARE ENTITLED TO KNOW:

1. THE CRUCIAL IMPACT OF LABOUR RELATIONS ON THEM AS INDIVIDUALS, AND ON OUR COUNTRY'S ECONOMY.
2. WHY NEW INDUSTRIAL TECHNOLOGY IS REQUIRED? THEY SHOULD BE FULLY AWARE HOW MANAGEMENT PLANS TO INVOLVE THE AFFECTED WORKERS IN ITS INTRODUCTION. THEY SHOULD BE INFORMED EARLY OF WHETHER IT WILL IMPROVE JOBS, DELETE JOBS, CREATE MORE WORK, MAKE US MORE COMPETITIVE.
3. WHAT IS AT STAKE WHEN THERE ARE STRIKES IN ESSENTIAL SERVICES? SHOULD THE GENERAL PUBLIC BE HELD TO RANSOM AS NURSES, TEACHERS, POSTAL WORKERS, LONGSHOREMEN, POLICE AND FIREMEN WITHHOLD THEIR SERVICES? IF WE CANNOT EXIST WITHOUT THESE ESSENTIAL SERVICES, WHAT MUST BE DONE TO ASSURE THE NURSES, TEACHERS, AND OTHERS THAT THEIR GRIEVANCES WILL BE

UNDERSTANDING AND MORE TRUST.

MANAGEMENT NEEDS TO BE FAR MORE OPEN IN COMMUNICATING WITH EMPLOYEES ON A WHOLE NEW RANGE OF SUBJECTS WHICH IMPACT ON THEIR JOBS--TECHNOLOGY, CORPORATE GOALS, THE ECONOMICS OF THE BUSINESS, AND THE MORALITY OF THE COMPANY.

NOT ONLY WILL THIS ENSURE BETTER UNDERSTANDING AND SUPPORT BY THE WORKERS, BUT WILL RESULT IN IMPROVED FEEDBACK FROM THEM, AS TO PROBLEM AREAS WITHIN THE BUSINESS, AND WORTHWHILE SOLUTIONS.

STRANGE AS IT SEEMS--BOTH PARTIES HAVE A STAKE IN THE SURVIVAL AND SUCCESS OF THE COMPANY BUT IT DOES NOT SEEM TO HAVE BEEN ENOUGH TO PREVENT CONFRONTATION. YET, THE ESSENTIAL FACT IS--LABOUR AND MANAGEMENT HAVE EVERY REASON TO BE PARTNERS, AND VERY LITTLE REASON TO BE OPPONENTS.

SURELY THEN, WITH CHANGE AND UPDATING OF OUR SYSTEM, WITH IMPROVED COMMUNICATION AND UNDERSTANDING OF THE ISSUES BY ALL--NOT JUST LABOUR--NOT JUST MANAGEMENT--BUT ALL THOSE AFFECTED, WE CAN GENERATE A BETTER CLIMATE THAT WILL BENEFIT ALL CANADIANS.

FOR EXAMPLE, A STRIKE BY AIRLINE PILOTS IS NOT JUST A DISPUTE AFFECTING MANAGEMENT AND THE PILOTS IN CANADA--IT DISRUPTS JUST ABOUT EVERYONE. WHY--BECAUSE WE HAVE FEW ALTERNATIVES TO REPLACE THIS ESSENTIAL SERVICE!

WHAT I'M SAYING IS THAT LABOUR RELATIONSHIPS CAN BE IMPROVED, AND MUST BE IMPROVED IF WE EVER HOPE TO ACHIEVE THE PRODUCTIVITY GAINS SO URGENTLY NEEDED.

WELL, I'VE LAID OUT A FEW OF THE PROBLEMS THAT WE, AS

BECOME KNOWN AS JUST ANOTHER QUAIN T LITTLE PLACE TO VISIT.

WITH OUR RICH RESOURCES OF LAND, SEA AND FOREST WE ARE THE ENVY OF MANY LESS FORTUNATE COUNTRIES AROUND THE WORLD.

LET'S MAKE CANADA A LAND IN WHICH WE AND OUR CHILDREN CAN BE JUSTIFIABLY PROUD. WITH THE RIGHT ATTITUDE AND WILL--WE CAN ENSURE THAT DURING THE NEXT DECADE CANADA WILL INDEED BE DOMINANT--AND NOT DOMINATED.