

## CAMPEAU CORPORATION LIMITED

NOTES FOR USE BY ROBERT CAMPEAU, PRESIDENT,  
CAMPEAU CORPORATION LIMITED, IN AN ADDRESS  
TO THE CANADIAN CLUB OF TORONTO, MONDAY,  
FEBRUARY 3rd, 1969.

I am delighted to have the opportunity today to outline to you our plans for the Toronto Waterfront Development and to express my own views on some of the problems faced by a developer embarking on a venture of this magnitude.

This morning I held a Press Conference to announce the details of our project. I am sure many people will be delighted by our announcement; others undoubtedly will criticize it. As far as we are concerned, that is par for the course. We must evolve plans for the concept before we proceed with it and we fully expect those plans to be criticized by one source or another. When the criticism is constructive, we are quite willing to look at it and indeed, as we have in the past, to change our plans. We feel however, that the project as announced this morning has been well planned and that it will have a tremendous impact on the future growth of Toronto, especially in the downtown area.

At the outset, I would like to commend the Harbour Commissioners for their foresight and leadership in having started to do something about the Toronto Waterfront. They already have started to make provision to move the port installation easterly. This will do much to remove the blight now existing in the general location of our own project. This plan however has been under consideration now for six or seven years.

We became interested in the project because of the planning that had been started by the Commissioners. However, since we have now bought this land, and since we have the resources and capabilities to develop it, we do not intend

to take years to start it. As a matter of fact, we intend to start the project this Spring. We will be seeking of course, the co-operation of all the Government bodies that are interested in the Waterfront in order that the final concept of our project will be one of which all the people of Toronto -- and for that matter all Canadians -- will be proud.

As you know, there has been a lot of interest in this piece of real estate. We are delighted to have it. Not only do we think that Toronto is one of the best cities in the world in which to invest, but we also think we have one of the best pieces of real estate in the world. There are other people in the business who share that view. Anglo American last week, as a matter of fact, put in front of the Harbour Commissioners a proposal to develop the balance of the land which is owned by the Commission. We hope that they are successful in their bid for the land. We wish them well. We would like to have them for neighbours.

If we go back in history a little way, we will find that the Waterfront extended at one time almost to Front Street, and that, in fact, the Waterfront of Toronto almost was responsible for starting the City of Toronto itself. I am told that the name "Toronto" in Indian means "meeting place", and indeed it has become quite a "meeting place". As I have said, the Waterfront area, what we look upon as a blight today, generated a lot of the activity in the Toronto of 35 or 40 years ago. A lot of industry located in Toronto because of its port facilities. However, as the City developed and grew, the Waterfront became less and less important, although the new facilities which are being built will continue to play an important role in the industrial development of the City. There is no doubt, however, that, now that the City has grown to its present size and more and more industry has located in the suburban areas, these to depend on truckage and train transportation rather than water, that the planning instituted a few years ago by the Harbour Commissioners to start the beautification of the Waterfront is both well conceived and well timed.

In other words, that land can be put to much more productive and efficient use today. That is the aim of our project. We believe it will be the catalyst which will speed up other developments, such as the CNR/CPR complex and Harbour City. Together, these projects will improve tremendously the tax base of the City of Toronto. Indeed, once they are completed, one might look to a reduction, or at least a stabilization in the municipal taxes. This may be wishful thinking, but I do not think that it is wishful to think that at least it should create stability in the tax rate of the City of Toronto.

As to public accessability to the Waterfront, we feel our plan will indeed improve the situation one hundred fold to what it is now. We will, in fact, open some 3,000 feet along the Waterfront for public use at grade level and on the podium which we plan to construct. It is our intention, as I stated this morning, to deed these areas to the City of Toronto so that they will become public lands and so that the City of Toronto will be able to supervise and maintain them.

In making our decision to buy this land, we had to consider, of course, the problems which are always involved in obtaining from the different authorities the necessary permission to proceed and the required changes of zoning. We have been through these procedures many times. We think at times that they are very cumbersome. We realize that the people endowed with protecting the citizens' rights have a function to perform, but sometimes we wonder if these authorities need to overlap as much as they do.

One of the greatest decisions we had to make, however, was this:- should we go ahead with this project at this time in the face of the current economic conditions and, more specifically, the inflationary pressures now at work in the country. It is becoming almost impossible to predict from month to month the rate of interest. Where one could make plans years ago and assume an interest rate for some time to come, one now has almost to guess at it on a monthly basis. The same situation applies to construction costs. Because of the many unrealistic demands that have been made in

recent years, these costs have soared to the point where it is again becoming almost impossible to predict them on a yearly basis.

The reason I am speaking to you about this today, is to underline my view that this is a real problem in our economy, probably the most urgent one facing all Canadians. I am not at all satisfied that we do realize these facts. As a matter of fact, I am wondering if we have not begun to accept inflation as a way of life. It is a serious disease, but I think we increasingly are willing to accept it rather than to fight it. As a matter of fact, I read an editorial in the Montreal Gazette a couple of weeks ago which not only agreed with the idea that inflation was becoming accepted as a way of life in Canada, but also questioned the attempts by the Government to control it through interest rates. We are told by the experts that the best way to combat inflation is to raise interest rates, the theory being that in raising interest rates we will slow down the machine. It also means that we will create some unemployment. The politicians do not want to admit that we will create unemployment, but this is, in fact, the philosophy behind this procedure. The truth of the matter is that real unemployment --- or at least real economic hardship --- is not created because we have now evolved in this country a wide-ranging social welfare system. Therefore these people, who have become unemployed, either go on unemployment insurance or on social welfare. They continue to receive dollars which allow them to purchase goods. Therefore, the demand for goods remains strong. Unfortunately, however, because of the fact that these people are unemployed, the productivity of the country has been reduced. This is disastrous. If productivity declines in our economy, but if the demand for goods remains strong, what we get is inflation and more inflation. And higher interest rates only propel additional inflation. Nevertheless, we are told by experts that this is the way to combat this problem.

I say to you, gentlemen, that this is an antiquated approach that simply is not doing the job. As a matter of fact, these same experts are beginning to sound

to me like a "bunch of sophisticated rhetoricians inebriated by the exuberance of their own verbosity". That description, I should point out, was offered almost one hundred years ago by Desraeli, in criticizing the Government of Britain which was then in power under Gladstone. In my view, it is still true today, at least in regards to these so-called economic experts.

We are told that two percent is a healthy inflation factor. Some experts say perhaps it should be three and one-half. The other day I read a report that stated that perhaps six percent was an acceptable factor in our economy. I ask you where does it stop. I have no easy solution to give you today. And I also know that the problem is a difficult one. But, if we cannot combat inflation by raising interest rates the only other way that I know of is by "freezing" our economy. To me that is only the lesser of two evils. Given the two of them, a choice between a frozen economy and rampant inflation, I would choose a frozen economy.

In a private enterprise system and as a business man, I realize the effect on my position in advocating such a step. But unless we can find some other means of curbing inflation, I do not think we have any other alternative. This will take courage on the part of Governments and business people to accept it, and indeed for the Canadian people as a whole to accept it. We all know, however, what inflation does. We know, in fact, that it can go as far in the extreme as making it necessary for us to carry our money around in wheel barrows. This actually happened in Germany. Perhaps this is why the German people today are so careful with inflation.

We know the people that suffer the most from inflation; they are the people who work for the minimum wage of \$1.25 to \$1.50 per hour. When you compare these wages to that of a plumber earning around \$6.00 plus fringe benefits, you realize the great disparity between the two. Then we have the old age pensioners which have to live on a fixed income. If we were to attempt to raise the minimum wage, say to \$2.50 per hour, do you realize what this would create in demands from the strong unions? We would have a raffle of demands overnight, the likes of which we have never seen. On the other hand, if our economy was frozen and if the Canadians

were prepared to accept this and if, at the same time, we were to raise our productivity, it might not take too long to stabilize the economy. Then we should be able to raise the minimum wages in some cases, allowing the industries affected to raise their prices accordingly. I realize that what I am suggesting is not new and that to many it is not palatable. I only want to repeat that it is the lesser of two evils. Gentlemen, the choice is ours. If we want to see our country develop to be a great nation, we must act now.

To those few people that go around the country side preaching that the racial problem is the main one in this country I say they are very foolish. We have, above all, an economic problem. I do not know whether to laugh or cry when I see people like Mr. Cardinal last week having his comedy with "Le Grand Charles" in France. I hope Mr. Cardinal realizes that he is not doing the Province of Quebec any good by carrying on as he did in France, and indeed, as a Canadian, he is not doing his country any good either. I would hope that this was not done out of mere ego or political ambition, but rather because of a lack of judgment.

We certainly need to protect the French culture in our country. It is a heritage which we must conserve. But it must be conserved in the context of our Confederation. I, for one, am sure that, in the end, common sense will prevail, and we will do just that. But what we must do, first and foremost, is to rectify our economic problems. If that is done, these other things, I am sure, will fall into place.

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