

AN ADDRESS

BY

GUY SAINT-PIERRE

MINISTER OF INDUSTRY AND COMMERCE - QUEBEC

TO THE

CANADIAN CLUB -- TORONTO

ON

APRIL 2ND, 1973

I was happy to receive an invitation to meet with you today and I am delighted with this opportunity to outline Quebec's rightful aspirations and then to identify some present and foreseeable social-economic conditions.

I find my visits to Ontario, particularly to the Toronto Metropolitan area, invigorating and challenging. A good job of work has been done here and Ontarians deserve top marks. These visits inevitably enable me to renew old friendships and to make new friends. This is a fringe benefit which I really enjoy.

For the record, I entered public life some three years ago, after several years of association as a professional engineer with one of Canada's leading consulting services' corporations. As you can see, I am relatively unspoiled as a politician. I am addressing you as "a Quebecer and a genuine and confirmed Canadian" possessing both professional and political backgrounds. I speak on behalf of industrial and commercial Quebec and on behalf of your great sister province which is defining herself progressively and has reached maturity. It is gratifying to conclude that the invitation you extended me expresses your interest in "people and things" Quebec.

.../

The Canadian Clubs' objective is, in part, as follows: "...to foster patriotism by encouraging the study of the institutions, history, arts, literature and resources of Canada and endeavouring to unite Canadians..."

It is essential for Canada as a whole that the Canadian Clubs achieve their goal. If this is to come to pass, Ontarians, Quebecers and their fellow Canadians in all areas of Canada must face conditions with maturity and with sagesse in order to see these conditions as they actually exist and not as they wish to see them. In some respects, we must discontinue appearing so confused as to be confusing.

I am convinced that we must have many more of these occasions when an individual in public life is granted the opportunity to "reflect aloud" before a representative group of leading senior executives of private enterprise who are both neighbours and members of the same association.

.../

In reflecting upon the subject that I will deal with today, I discovered there were none as important as talking about ourselves and the tremendous evolution all around us. Most of these national and international changes are excellent and the world as a whole will be better for them. However, for Canada there are some key conditions likely to give rise to serious internal and external problems.

For the first time in their history, Canadians might find themselves without their traditional sentimental trading friends because England has entered the Common Market and the United States have become once again economically defensive, even toward our country. The consequences for Canada are obvious. Canadians must fend for themselves, perhaps, for the first time in our history.

Therefore, it is natural that I speak about Canada, particularly about Ontario and Quebec.

After examining the Canadian position, I propose to ask you whether under this new environment, we might advisably consider a different economic concept which would correspond to the developing international situation at hand and recognize the differences between various areas of our country.

.../

Here, I propose to refer to conditions and problems of mutual interest to Ontarians and Quebecers touching particularly on implications affecting the political, social and economic fields.

Let me start with the condensed viewpoint of Ontario as interpreted by Quebecers. Quebecers feel Ontario benefited a great deal from Canadian Confederation. To begin with, Ontario possesses considerable natural advantages with rich arable land and a softer climate. Take the advantage to the growers and the manufacturers in the food industry alone -- do you know that 16 percent of the entire land mass of Ontario is arable, whereas Quebec's is only 5 percent. With extensive mineral and renewable resources, as well as proximity to the technologically progressive industrial heartland of the United States, Ontario has been endowed with many very attractive assets. Just think of the advantages you hold in the shorter line of communications to these great markets.

Add to this the fact that its people awoke to the economic realities before Quebec and enjoyed, right from the first years of Confederation, a momentum which has served it and continues right up to the present. You were the first

.../

to see the light of opportunity and you have turned it on with great brilliance.

Easy access to substantial capital resources has benefitted your progress. In addition, new federal programs have favoured the development of your industry at a time when the remainder of Canada had not yet arrived at the position where it could evaluate its needs and develop its programs.

For example, the Automobile Pact has been beneficial to Canadians; first as an improvement of the trade balance with the United States, and second, as an increase in the investments in this sector.

Ontario, in 1970, produced 90.7 percent of all the automobiles in Canada and 97.7 percent of all the parts and accessories. Quebecers alone own 26 percent of all automobiles in Canada -- and yet we account for only 10 percent of all the Canadian production. This is only one instance of many of this nature.

Per capita, Ontarians are the richest and, in terms of employment statistics, the most secure among Canadians.

Today, Ontario enjoys highly-developed and balanced economic activities. In addition to large operations in the major categories, many industries are sophisticated

operations often supplied by nearby component manufacturers; the whole, based on advanced technology.

The result is a highly developed economy that has all the capacity for self-generation and which supplies its citizens with an attractive living standard above that available at present in almost every other region of Canada.

In many respects, Ontario has arrived at the point where it is in a position to provide valuable stimulus to other regions of Canada actively engaged in the process of elaborating depth and diversity in the industrial area of this economy.

.../

Turning to the reality of Quebec today, I am sure you can understand that most Quebecers have long felt close and binding ties with the land on which they have lived for close to three centuries and for which they have a total commitment and affection. Innumerable Quebecers over the past many decades, have believed in the importance of Quebec in Canada, and concentrated on building a Canada upon the foundation of a revised and equitable pact.

Social development in Quebec over the last few years has progressed at lightning speed and has reached a stage when I can affirm, without hesitation, my belief that Quebec would be the most suitable and best partner for Ontario.

I wonder if we shouldn't remind ourselves how the real founding spirit of a nation must overcome the sense of belonging to another country. It may surprise you to hear me re-affirm that all through the history of Canada, the French Canadian has made a sincere effort toward the attainment of a united Canada.

From the very origin of Confederation, there have been large numbers of sincere francophone nationalists

.../

who have been determined to make Canada a bilingual nation. The appearance of the multi-national corporation in a shrinking world (in which, nevertheless, a diversity of languages will continue to exist) suggests that Canadians must strive for every economic advantage available to them. It is therefore time to expand our horizons and to develop familiarity with a second language and a second culture as a first step to participation in an international context, as well as for the re-enforcement of our own domestic existence.

Thus, it is just as appropriate for French to be the working language in an enterprise in Lac St-Jean where less than 5 percent of the personnel have English as their mother tongue, as the use of English in a factory in South West Ontario regardless of the national origin of the work force.

By the same token, no mature Canadian can foresee a day in Quebec when the language in the boardrooms of large industries would have to be French.

National attitudes and language, positive factors in themselves, have been taken out of context and assume the dimension of myths. These myths interfere every day

.../

in many ways with the resolution of the serious considerations which must be solved if we are going to survive in our changing economic environment.

Today, Quebec is very much awake. Its economy is expanding rapidly as demonstrated by current statistics. In 1972, the GNP in Quebec grew by more than 11.5 percent while productivity increased 4 percent. This is even more extraordinary when we identify the degrees of apprehension expressed by some Ontario industrialists with regard to Quebec.

A study commissioned by my department and carried out by the Fantus Corporation has revealed there is much greater reticence by Ontarians with respect to investing in Quebec than among Americans. It is important to note that Quebec, with a population of six million, has a trade deficit of 300 million dollars with Ontario, which has a population of eight and a half million.

Ontario and Quebec together can accomplish much through genuine domestic sharing and partnership.

In contributing to this partnership, Quebec is gearing itself for such an active and effective participation. While the effort focuses on the expansion of existing industry, Quebec today needs substantial new investment at the manufacturing level to achieve a more stable and balanced position.

Quebec needs industrial investments to a much greater degree than Ontario, especially in large employment-generating manufacturing industries. This does not appear to correspond to the situation experienced in Ontario. Since Quebec cannot raise the capital it requires in Canada, the policies of the government of Canada must leave Quebec the freedom to obtain these funds outside Canada.

My colleague the Minister of Financial Institutions has stated that the government of Quebec can only subscribe to a policy that will respect the diversity of the Canadian reality and the responsibilities of the provincial governments.

To support such expansion, Quebec can provide experienced manpower resources whose record for

.../

productivity is fully recognized, particularly by international companies with production operations in Quebec.

Adding to its productivity, Quebec labour in the manufacturing sector has continued to demonstrate a substantially lower number of man-days lost through strikes than, for example, has been the experience in Ontario; in 1971, for instance, Quebec, with 40 percent fewer manufacturing workers had 70 percent less time lost on an absolute basis as compared to Ontario. Indeed, labor management relations at the plant level are excellent and workers generally give preferred attention to product quality over the obtaining of unreasonable benefits.

In addition to diversified investment in the manufacturing sector, Quebec needs a stimulus for technological development. It is important to note that of the 1.4 billion dollars spent annually in Canada, only 150 million dollars come into Quebec. Of 260 million dollars spent in research by the government of Canada, 200 million dollars go to Ontario, while only 13 million dollars are spent in Quebec. And everyone realizes the multiplier effect provided by research in terms of industrial development.

.../

Measures such as the "Borden Energy Line" with respect to petro-chemical products, has had the effect of promoting the development of this industry in Ontario. However, this artificial demarcation line has been a major handicap for producers in and around Montreal, who are thus prevented from competing in your substantial Ontario Market.

Let me say a word on socialism. Socialism -- and capitalism -- are almost out-dated expressions today for concepts adrift in the past.

In reality, the only Canadian political party which claims to be socialistic -- or, more accurately, "socio-democratic" -- is the <sup>New</sup> National Democratic Party, and the NDP appears to have sung its swan song in Quebec city two weeks ago. Quebec is one of the few provinces where socialism draws such little public attention or support during election campaigns.

This in no way indicates that Quebec, through its government, has any intention of neglecting its duties and restrict its areas of intervention. To the contrary, and as practised by other modern and contemporary governments, including yours, the Government of Quebec intervenes as required in the public interest, in some affairs of its corporate or individual citizens. Quebec is a private enterpriser and perhaps the expression "controlled capitalism" is appropriate to its socio-economic system.

.../

The majority of Quebecers provides evidence of great stability. These people maintain a middle-of-the-road or "centrist" position and they keep rejecting the leftist invitation extended to them at electoral periods.

Quebec is developing its cities. Its population is spread over an immense area. Cities such as Montreal and Quebec are experiencing a period of major, healthy and progressive growth.

New projects are underway and others are on the drawing boards in the Montreal metropolitan area.

In the Greater Montreal area alone, well over one billion dollars are being spent in these projects mostly in private, industrial and commercial enterprises.

A convention center, of a quality and size second to none in Canada, will soon be in operation in Quebec City. It is located in one of the most outstanding pictorial areas in North America.

Quebec has undertaken development of the hydro-electric resources of James Bay. This huge project is unique in North America and will only be surpassed in some 15 years time by the completion of the last stage of Grande Coulee in the United States.

.../

The Olympic Games, a project which received recently the stamp of approval of the Canadian Chamber of Commerce, will bring a multitude of visitors to Canada. Undoubtedly, especially after the brilliant performance of your athletes at the recent USSR-CANADA games in Montreal, Ontario will be deeply interested and involved in these Games.

I would like to express my warm congratulations to all the Ontario athletes who participated in these recent Russia-Canada events in Montreal. The success of Louise Hanna, Abigail Hoffman, Sue Turpin, Debby Van Kiekebelt, Grant McLeod and Bruce Simpson marks an outstanding and long-awaited turn of events in Canadian athletics.

Turning to Canada, I would like to point out certain types of problems which might be difficult to differentiate or to classify by province.

Some appear to constitute what I consider "problems of civilization". Among these are problems of environment, regional development, social organization, housing, mass transportation and, others which are also faced by the so-called industrialized countries. The feminist movement may also be within this group.

The others are likely structural and political problems peculiar to Canada. Among these, there is the great dependence of Canada on the United States, England's entry into the Common Market, then those regional disparities which alienate some areas of the country from others, the scarcity of secondary industries and also the lack of "esprit de corps" which has inevitably accompanied various stages of Canadian development. I should also mention the different aspirations of various groups: the urban and rural population, and then the farmers, the skilled and unskilled workers, the intellectuals, the entrepreneurs, the industrialists -- and scores of other job classifications.

.../

In reflecting upon the problems which are typical of our country, we should keep in mind that in Canada, on occasion, the Maritimes turn toward the South and toward the East; B. C. looks South toward California and toward the markets of the Orient. Ontario trades South with the Americans.

.../

indeed, our entire country.

As you no doubt have heard, Quebec is establishing an information centre in Toronto to get to know you better and, for our part, to work in harmony for our mutual benefit.

.../

Let me leave you with a possibility which, at first glance, may seem somewhat surprising.

In terms of economic reality, should Canada -- at least as a first step and in the format of several regions -- perceive itself not as an integrated homogenous economy, but rather as a collectivity which is mainly political and wherein there are several distinct economies, each having its own cohesiveness?

I cannot say here and now how many regions of this nature Canada could effectively include. However, as far as we are concerned today, Ontario and Quebec obviously constitute two such regions.

The question which arises today for you and for us is on what basis we could establish the cooperation required between our two regions and harmonize our development activities.

As a conclusion, I trust that what I have said to you today will stimulate a keen awareness of each other's potential and bring about a fresh and positive approach to a cooperative, united all-Canadian effort, without the old

.../

apprehensions and without the myths that first started in the ancient and misinformed history books.