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Commission on Canada's Future

In the following pages, you are invited to consider your place in the Canada of the future.

What will that future bring? The Commission cannot, nor can anyone, predict that future with certainty.

But we can examine the clues about us to see where the present leads. We can try to understand the direction of changes already moving beneath us to see how they might alter the future.

And we can examine the means by which Canada might better respond to the opportunities, the shocks and the pleasant and not-so-pleasant surprises that, so much a part of the decade just past, seem destined to be the essence of the decades ahead.

It is that characteristic — the inevitability of the unexpected — that is at the crux of the Commission's work.

HOW CAN WE MAKE CANADA MORE FLEXIBLE, MORE ADAPTABLE, MORE RESILIENT TO CHANGE?

DO WE HAVE, IN OUR ECONOMIC AND POLITICAL INSTITUTIONS, SUFFICIENT CAPACITY TO DEAL WITH THE UNEXPECTED, TO TURN ADVERSITY TO ADVANTAGE, TO TRANSFORM OPPORTUNITY TO ACHIEVEMENT, TO TRIM OUR SAILS RAPIDLY TO CAPTURE THE BENEFITS OF THE WINDS OF CHANGE?

WHAT ECONOMIC GOALS CAN SERVE AS A BEACON TO GUIDE US PAST THE SURPRISES? WHAT POLITICAL MEANS CAN WE DEVELOP TO NAVIGATE US THROUGH THE UNCERTAINTIES OF THE FUTURE?

In that future, the year 2000 is a handy reference point — when one century and one millenium end and another century and another millenium begin — but it is only that.

On some things that matter a great deal, the relevant future is five years away and profound changes are rushing up, for good or ill. A new technology can render a healthy factory obsolete, or create a whole new realm of economic activity.

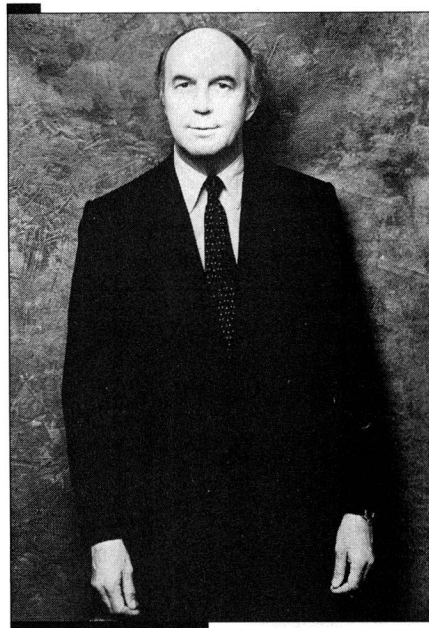
On others, the relevant future is 50 years away and beyond. The changes that will affect the retirement years of Canadians now in their teenage years are moving with glacial speed but with regular, inexorable and compounding effects — the patterns of safety and danger in factories and offices, the quality of the air and water, the nature of the economic base that will sustain a reasonable pension, the husbandry of the national legacy of resources.

Thus, there are many futures that the Commission must consider. But in all of them there is a central concern — the economic results we seek and the means by which we achieve them.

There are choices to be made both as to economic ends and political means.

How you can be part of defining these choices is set out on the pages that follow.

The Commissioners



HON. DONALD S. MACDONALD

A MEMBER OF PARLIAMENT FOR 16 YEARS, DONALD MACDONALD WAS APPOINTED AS PRESIDENT OF THE PRIVY COUNCIL AND GOVERNMENT HOUSE LEADER IN 1968, AND SERVED AS MINISTER OF NATIONAL DEFENCE, ENERGY, MINES AND RESOURCES, AND FINANCE. HE RETURNED TO HIS LAW PRACTICE AT THE FIRM OF MCCARTHY AND MCCARTHY IN TORONTO IN 1978. ASIDE FROM THE PRACTICE OF LAW, HE CONDUCTS A CLASS AT THE UNIVERSITY OF TORONTO LAW SCHOOL AND SERVES ON THE BOARDS OF A NUMBER OF CORPORATIONS AND OF CHARITABLE ORGANIZATIONS. AS WELL AS BEING CHAIRMAN OF THIS ROYAL COMMISSION ON THE ECONOMIC UNION AND DEVELOPMENT PROSPECTS FOR CANADA, HE IS ALSO CHAIRMAN OF THE INTERNATIONAL DEVELOPMENT RESEARCH CENTRE.

The Process

The Commission's mandate encompasses issues that have been at the centre of national debate for many years and they involve the most difficult — and often contentious — questions of national life.

Even with the best of good will, therefore, there is the risk of misunderstanding unless there is the fullest possible exchange of views and information between the Commission and the public.

Consequently, the Commission has planned not one but two sets of hearings prior to the preparation of its report.

The first hearings, in the fall of this year, to which this guide is directed, are to define the problems we face, the challenges to be met and the choices we have among realistic goals and among means to achieve those goals.

On the basis of these hearings, early in 1984 the Commission will publish a summary of what it has learned from the public and set out its initial views as to the challenges and the choices we face as a country.

This publication will form the basis for the second set of hearings.

At those hearings, the Commission will have two objectives.

The first will be to ensure that it has understood correctly what it has learned from the public. Have the problems been correctly defined? Are the choices realistic? Are the alternatives feasible? If the problems and the prospects are wrongly defined, the probability is high that the real problems will not be addressed, much less solved. In brief, the Commission wants to ensure that it has eliminated or reduced misunderstanding about the problems, the challenges and the choices.

The second objective will be to enlist the public's help in deciding which goals to endorse, which solutions to recommend and which constitutional and institutional changes are needed to ease our passage into the future.

To reinforce this public hearings process, the Commission has developed an extensive consultations process in order to gain the benefit of the work done on these questions by private groups and by governments at all levels.

As well, the Commission has initiated an extensive research program to draw together the thinking that has been done and systematically identify areas where new research and analysis might be required.

From these streams of work — public hearings, consultations, and research — the Commission will develop its recommendations following the second round of public hearings.

The success of this process, however, turns on the willing and active involvement of those who will live the economic and political future that is bearing down on us.

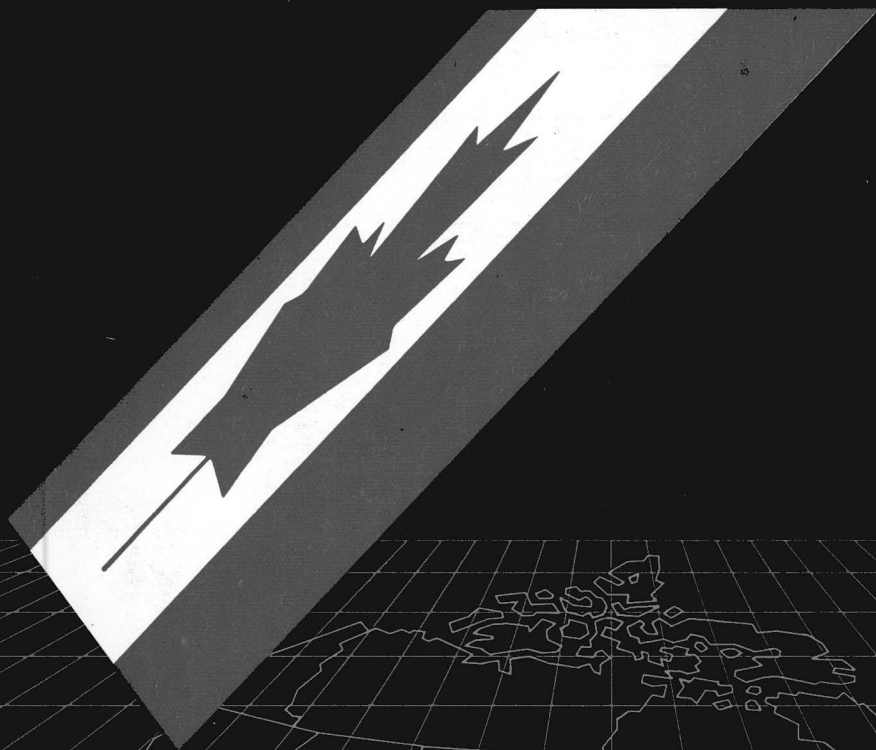
The Commissioners



DR. CLARENCE BARBER

DR. BARBER IS A PROFESSOR OF ECONOMICS AT THE UNIVERSITY OF MANITOBA. HIS PUBLICATIONS INCLUDE ARTICLES AND BOOKS ON UNEMPLOYMENT, TARIFFS, TRADE AND FISCAL POLICY. HE IS PAST PRESIDENT OF THE CANADIAN ECONOMICS ASSOCIATION AND A FELLOW OF THE ROYAL SOCIETY OF CANADA. HE WAS COMMISSIONER ON WELFARE FOR THE PROVINCE OF MANITOBA, A FEDERAL ONE-MAN COMMISSION ON FARM MACHINERY (1966-70) AND A UNITED NATIONS ADVISOR ON NATIONAL INCOME IN THE PHILIPPINES. HE WAS DIRECTOR OF RESEARCH FOR THE ROYAL COMMISSION ON FLOOD COST BENEFIT FOR THE PROVINCE OF MANITOBA.

A Commission on Canada's Future



Be part of it...

*Someone has to look beyond the rim of the saucer
in which most politicians are huddled together;
and tell them what happens beyond their local
or even national constituency, their term of
elective office, their necessarily — and at times
unnecessarily — restricted horizon.*

■ RALF DARENDORF

Royal Commission on the
Economic Union and
Development Prospects
for Canada



Commission royale sur
l'union économique et les
perspectives de développement
du Canada

Dates, Places & Procedures

On September 6, 1983, in Vancouver, British Columbia, the Commission will begin public hearings. In the course of the fall, sessions will be held in 27 communities across Canada. The hearings schedule appears following page 15. Further details will appear in local newspapers.

Any group or individual proposing to submit a brief should advise the Commission by August 1, 1983. Those wishing to participate in the hearings are asked to notify the Commission at that time and to indicate the community where they wish to appear. The Commission staff will then plan individual hearings sessions.

Although every effort will be made to accommodate those wishing to appear, this may not always be possible because of the number of people who wish to be heard. For this reason, participation in the hearings will be by invitation and the invitation to participate will be conditional on the submission of a prepared brief at least two weeks prior

to the session at which it will be discussed. By way of example, briefs for the Commission's initial session in British Columbia must be received by August 23, 1983. All submissions must be received by October 31, 1983.

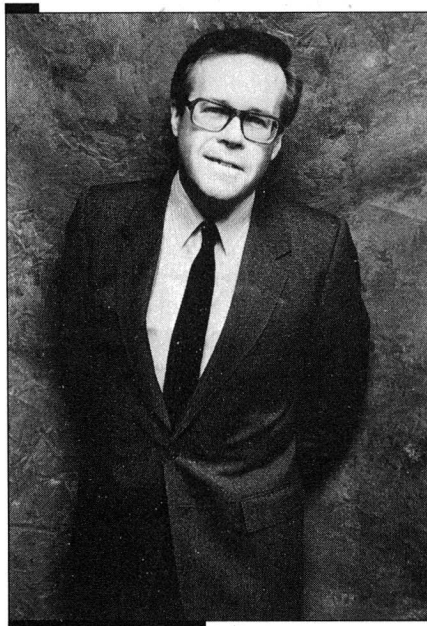
It is the Commission's intention to encourage debate and to develop public understanding of the issues involved in its inquiry. Unless otherwise agreed by the Commission, briefs therefore will be treated as public documents as of the time they are received by the Commission. They will be made available in the relevant communities and through the Commission office approximately one week before the hearings at which they are to be presented. Participants in the hearings process will not be expected to read their briefs at the hearings. Rather, they should be prepared to present their submissions and to discuss them with the Commission.

A one page summary should accompany all briefs. Those wishing to participate in the hearings are asked to indicate on the top right-hand corner of the summary page that they have asked to appear by writing in capital letters the name of the centre where they wish to appear.

Questions or requests for clarification and assistance on preparation of briefs should be directed to the Secretariat of the Commission at the following address:

SECRETARIAT
ROYAL COMMISSION ON THE
ECONOMIC UNION AND
DEVELOPMENT PROSPECTS FOR
CANADA
P.O. BOX 1268
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The Commissioners



DR. ALBERT BRETON

A GRADUATE OF THE UNIVERSITY OF MANITOBA AND COLUMBIA UNIVERSITY, DR. BRETON IS AN AUTHOR AND PROFESSOR OF ECONOMICS AT THE UNIVERSITY OF TORONTO. HE HAS FOCUSED HIS WRITING IN AREAS RELATED TO PROBLEMS OF THEORY AND POLICY IN ECONOMICS AND TO MATTERS OF SOCIAL AND INSTITUTIONAL CONCERN. HE HAS RECEIVED SEVERAL SCHOLARSHIPS AND AWARDS FOR HIS WORK FROM THE SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL OF CANADA AND THE CANADA COUNCIL. HE IS A MEMBER OF THE CANADIAN ECONOMIC POLICY COMMITTEE C.D. HOWE RESEARCH INSTITUTE. DR. BRETON WAS VICE-CHAIRMAN OF THE FEDERAL CULTURAL POLICY REVIEW (APPLEBAUM-HÉBERT) COMMITTEE FROM 1979-82.

The Commission's Mandate: *A Starting Point Toward Solutions*

The terms of reference, which are reprinted beginning on page 14, are the formal instructions to the Commission.

The principal instruction is "to inquire into and report upon the long-term economic potential, prospects and challenges facing the Canadian federation and its respective regions, as well as the implications that such prospects and challenges have for Canada's economic and governmental institutions and for the management of Canada's economic affairs."

As well, the Commission is to recommend "the appropriate national goals and policies for economic development" and "the appropriate institutional and constitutional arrangements to promote the liberty and well-being of individual Canadians and the maintenance of a strong competitive economy."

In doing this, the Commission is asked to examine such matters as our labor market and capital requirements, trends in productivity, standards of living and social progress, regional opportunities, constraints and aspirations, ways to improve relations among governments, business, labor and other groups, the allocation of fiscal and economic powers among levels of government, the way that Canadians are represented in national institutions and how they might be better represented.

Those who wish to make submissions are invited to examine the formal terms of reference from the perspective of their particular interests and the contribution they wish to make.

However, the core of the Commission's work lies in its principal instructions — to examine our economic goals in terms of our possibilities, in terms of the means by which we can achieve them and in terms of the other goals we have, whether as individual Canadians, as residents of a particular province or as members of a particular group or organization.

In terms of that central task, the Commission takes its terms of reference, not as the limits of its work, but, as a starting point.

That is, the terms of reference do not preclude the Commission from hearing submissions or making recommendations on whatever bears on the central question of how to better match our means to our ends.

And that is the broad test that the Commission will apply to submissions and to interventions at its hearings.

That test must be broad because the core of the Commission's work encompasses two vast and complex dimensions of Canadian life, our economic system and our political system.

HOW DO OUR ECONOMIC AND POLITICAL SYSTEMS INTERACT? What are the economic consequences of the way we make political decisions? Has the pace of economic change outstripped the present capacity of the political system to respond in a timely way?

IF THE PACE OF ECONOMIC CHANGE IS OVERLOADING OUR POLITICAL SYSTEM, HOW DO WE MAKE THE POLITICAL SYSTEM MORE FLEXIBLE, more adaptable, more resilient and more responsive to change in order to achieve better economic results? If the pace of political change is overloading our economic system, how do we make our economy more adaptable?

ARE THERE FLAWS IN THE WAY PRIVATE INTERESTS — BE THEY THE INTERESTS OF WORKERS, INVESTORS, PENSIONERS, THE POOR, CONSUMERS, MANAGEMENT, LABOR OR OTHER GROUPS — ARE REPRESENTED AND RECONCILED IN OUR PUBLIC INSTITUTIONS? Are there inadequacies in the way the public interest is represented in private decision-making? Is there a better way to ensure that provincial and regional interests are represented in national institutions and through federal-provincial bodies but, conversely, is there a better way to ensure that national interests are reflected in the decisions of provincial and local governments?

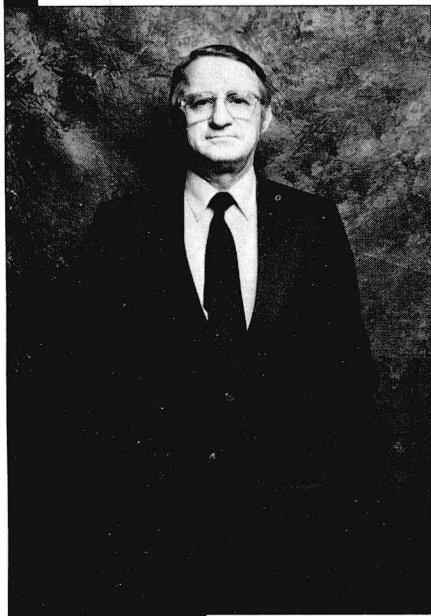
Consequently, while the Commission will welcome the broadest range of views, information and analysis on the separate elements of the mandate, to the extent that submissions bear on the Commission's central concern — how to make our economic and political systems work better together — they will be of immeasurable help in reaching beneficial conclusions.

The following material raises a number of questions in terms of the context the future will provide, the goals we may wish to establish and the means we may wish to employ to attain them.

To the extent that these questions raise other questions that is precisely what they are intended to do.

The Context: *Canada's Changing Future in a Changing World*

The Commissioners



GÉRARD DOCQUIER

GÉRARD DOCQUIER, NOW SERVING HIS SECOND TERM AS NATIONAL DIRECTOR OF THE UNITED STEELWORKERS OF AMERICA, IS A VICE-PRESIDENT OF THE CANADIAN LABOUR CONGRESS REPRESENTING BOTH THE CLC AND THE STEELWORKERS AT THE INTERNATIONAL CONFERENCE OF FREE TRADE UNIONS AND THE INTERNATIONAL LABOUR ORGANIZATION. HE IS ALSO THE CANADIAN STEELWORKERS REPRESENTATIVE ON THE CENTRAL COMMITTEE OF THE INTERNATIONAL METALWORKERS FEDERATION AND IS A MEMBER OF THE GENERAL COUNCIL OF THE QUEBEC FEDERATION OF LABOUR. FOUNDING PRESIDENT OF THE ST. JEAN CREDIT UNION AND HOUSING CO-OP, MR. DOCQUIER IS ACTIVE IN THE CO-OP MOVEMENT. BORN IN BELGIUM, HE SETTLED IN QUEBEC AFTER THE SECOND WORLD WAR.

The terms of reference of the Commission establish the context for its work squarely in the world and in the future.

They submit that "significant changes are occurring in the world economy, particularly in the sphere of industrial activity, the utilization of natural resources and movement of capital within and among countries, changes which will have important consequences for Canada."

WHAT CHANGES ARE OCCURRING? Where do they lead? What are the consequences for Canada? Is there a better way to manage the changes? Is there a better way to anticipate the consequences so as to reduce the disruption of surprise?

WHAT IS THE UNDERLYING CHARACTER OF THE CHANGES? Are they a product of economic cycles? Or do they represent a fundamental transformation in the world economy?

The terms of reference further submit that "existing economic relationships among countries and among individuals within countries are characterized on the one hand by increasing interdependence and at the same time by intensified competition."

WHAT ARE THE IMPLICATIONS FOR CANADA OF INCREASED INTERDEPENDENCE WITH THE WORLD? Does it mean Canadians have a greater need for a strong and integrated national economy in order to confront world instability? Or does it mean Canadians need depend less on each other?

WHAT DOES GLOBAL INTERDEPENDENCE IMPLY FOR CANADIAN INDEPENDENCE? Does it give us more room to manoeuvre among world opportunities? Or does it make us more vulnerable to world instabilities and, thus, more dependent on a few stable markets?

These are the bare bones of the context the Commission must flesh out with understanding, so as to advise on what goals Canadians want and are prepared to work for, what goals can be attained, what means we have, what means we must create and what obstacles we must surmount to attain them.

We need to define an approach to the world. We need to define an approach to the future. They are, in the end, different sides of the same coin, but they are fundamental to setting realistic goals and adaptable means of achieving them under the great pressures of change.

How do we deal with the world?

Since well before Confederation, we have had to grapple with the reality of being a vast territory with a comparatively small population, dependent to some degree on world events for our well-being and vulnerable to changes generated elsewhere.

At the same time, we have taken decisions of national importance that have also forced change upon the world.

Confederation itself established the limits of American political and economic expansion in the U.S. Northwest. The construction of the trans-continental railroads, vital to the development of a national economy, was also a geopolitical event of great significance, providing a new link between Asia and Europe, opening new resources to exploitation and new lands to farming and settlement.

We enjoy the benefits and grapple still with the consequences of many of these past approaches that defined our place in the world.

But much has changed and it is changing faster as progressive waves of technology transform occupations, industries and economies with new tools to overcome distance, time and space and, in the process, create new wealth and eliminate old jobs.

WHAT WILL DEFINE OUR APPROACH TO THIS NEW WORLD? What do we offer that world? What will establish for the world our capacity for quality? Who are our competitors? What will be the character of that competition? How will we organize ourselves to meet it? What alternative strategies can we employ?

DO OUR POSSIBILITIES LIE IN OUR CAPACITY TO DISCOVER AND DEVELOP OUR OWN TECHNOLOGIES? Or do they lie in improving our capacity to transform the ideas of others to our own uses?

If there are opportunities for Canadians to initiate and implement changes that can be felt throughout the world, the capacity of the world to provoke changes requiring Canadians to adjust is greater still. So, as we may seek to be the source of the kind of changes we choose, we must be equally concerned with how we respond to the changes that are imposed on us.

WHICH WAY ARE WE TO TILT THE BALANCE OF GOVERNMENT POLICIES AND ENTREPRENEURIAL SKILLS? In an outward looking direction, toward the opportunities the world offers? Or in an inward looking direction, toward improving our ability to adjust rapidly to changes that others have originated?

ARE WE TO BE MORE OPEN TO THE WORLD, IN ORDER TO SECURE OUR OPPORTUNITIES ABROAD? Or are we to be more closed to insulate ourselves from the effects of instabilities in a more interdependent world? And if we are to be more open or closed, what are we to be more open or closed to? Goods? Services? Technology? People?

DO WE CONCENTRATE OUR INTERNATIONAL EFFORTS ON PRESERVING A RELATIVELY OPEN INTERNATIONAL TRADING AND FINANCIAL SYSTEM AS A CONTINUING BASIS FOR OUR ECONOMIC POLICIES? Or do we shift our emphasis toward the development of a major trading bloc in order to reduce our vulnerability to the shocks transmitted through the open international system?

If that is the approach, what are the high-growth economies on which we should concentrate?

These questions bear directly on Canada's basic external relationship, with the United States.

DOES OUR BEST COURSE LIE IN GREATER ACCESS TO U.S. TECHNOLOGY, IDEAS, CAPITAL, MARKETS AND EXPERTISE — THAT IS, IN A HARNESSING OF OUR INTERESTS TO AMERICAN ECONOMIC STRENGTHS? Or does it lie in greater distance so as to insulate ourselves from the instabilities the United States itself creates for the Canadian economy and the world, and so as to acquire greater room for manoeuvre in dealing with other economies?

Has the very openness and complexity of the Canada-U.S. relationship created too great a dependence on one market for Canada to have much room for manoeuvre toward economic performance significantly better than the U.S.? Are there ways to create, over time, more room for manoeuvre? What are the costs and are we prepared to bear them?

Equally, these questions raise the complex of issues concerning our relationship with developing countries.

The International Labor Office estimates that between 1980 and 2000, some 36 million people a year on average will enter the world's labor force and some 85 per cent will be from the developing countries.

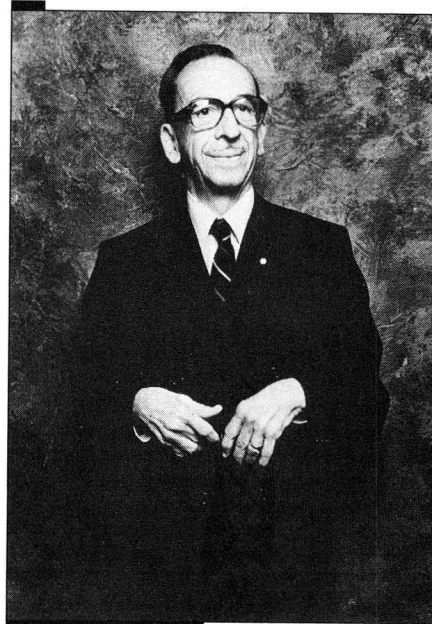
A number of very important developing countries have become both powerful rivals to our traditional industries and valued customers for our technology and expertise. Yet others have an equally powerful claim to help in alleviating growing human suffering.

HOW DO WE SQUARE THE INTERSECTING CIRCLES OF COMPASSION, THE FEAR OF LOSING JOBS IN SOME INDUSTRIES AND THE PROMISE OF GAINING THEM IN OTHERS?

WHAT KIND OF RELATIONSHIP DO WE ESTABLISH WITH THE DEVELOPING COUNTRIES, PARTICULARLY THOSE WHOSE DYNAMISM NOW EXCEEDS THAT OF ANY INDUSTRIAL COUNTRY?

HOW DO WE ENSURE THAT THOSE WHO LOSE THE JOBS IN TRADITIONAL INDUSTRIES TO THESE NEW COMPETITORS ARE EQUIPPED TO GAIN NEW JOBS IN HIGH-GROWTH INDUSTRIES? And how do we minimize the human burden, to individuals, families, communities and regions?

The Commissioners



HON. WILLIAM HAMILTON

MR. HAMILTON WAS THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE EMPLOYERS' COUNCIL OF B.C. FROM 1972-83. HE WAS ELECTED TO PARLIAMENT IN 1952 AND SERVED AS POSTMASTER-GENERAL FOR FIVE YEARS IN THE DIEFENBAKER GOVERNMENT PRIOR TO HIS BUSINESS CAREER IN VANCOUVER. THE RECIPIENT OF MANY HONOURS AND AWARDS, HE IS CHAIRMAN OF FIDELITY LIFE ASSURANCE COMPANY AND CENTURY INSURANCE COMPANY OF CANADA AS WELL AS A DIRECTOR OF, AMONG OTHER ORGANIZATIONS, THE INSTITUTE FOR RESEARCH ON PUBLIC POLICY AND THE INVESTMENT DEALERS ASSOCIATION OF CANADA.

How do we deal with the future?

In the year 2000, the children being born today will be leaving high school and preparing to enter the work force or university.

The students of today will be in their peak earning years.

Those now in the peak earning years of their work life will be nearing retirement age.

BUT WHAT WILL THE STUDENTS OF THAT YEAR BE STUDYING? What occupations will provide the peak earnings? In what industries? In what regions? With what technologies? Or is that the right set of questions? Will the workers best equipped to prosper and advance be trained in one occupation or trained to move easily between occupations in their work life? If the workers of the future must move easily between careers, how must we change our education system to ensure that they are prepared for a flexible future?

In the year 2000, on present projections, the median age of Canadians will increase by eight years compared to 1980, principally reflecting the aging of the Baby Boom Generation as it moves across the decades. In the early years of the 21st century, the children of the Baby Boom will be entering the retirement years.

WHAT KIND OF ECONOMY WILL BE IN PLACE TO SECURE THE RETIREMENT YEARS OF A FAR LARGER PROPORTION OF THE POPULATION THAN IN THE PAST? What kind of pension systems? What kind of social support programs? Do we wish to increase immigration, in order to increase over time the size of the work force needed to sustain the larger number of people likely to be dependent on the ability of the economy to finance social support programs?

This relates directly to Canada's evolving relationship with the world. By the year 2000, there will be some six billion people on earth, 28 million Canadians among them.

Although nine-tenths of Canada's territory is uninhabited, Canada is not immune from population pressures. Indeed, with our population pressed into cities, the pressures of people against forests and farmland, against water resources and recreation areas, can already be felt, although not on the scale felt in some other parts of the world.

WHERE WILL FOUR MILLION ADDITIONAL CANADIANS — MORE THAN THE PRESENT POPULATION OF ALL BUT TWO PROVINCES — SETTLE? What kind of pressures will there be to allow more immigration? How will we preserve the quality of basic national assets nearest to urban centres — farmland, cropland, forests and marine waters? How will we preserve and enhance the quantity and quality of water resources that will be under pressure because of the direct needs of Canadians but also because of the indirect pressures from a more crowded world needing more Canadian resources and food?

All of these questions turn not just on the capacity of the economy to preserve assets, produce employment and wealth and improve our well-being, but on the kind of political system and on the effectiveness of private organization.

WHAT WILL BE THE CHARACTER OF THE POLITICAL SYSTEM THAT WILL DECIDE THESE QUESTIONS THROUGH TO THE 21ST CENTURY AND ON INTO ITS EARLY DECADES? Will it be characterized by conflict or co-operation? Will it command support or resistance? Will it draw diverging interests to the pursuit of common purposes or fragment the capacity of Canadians to concert their efforts?

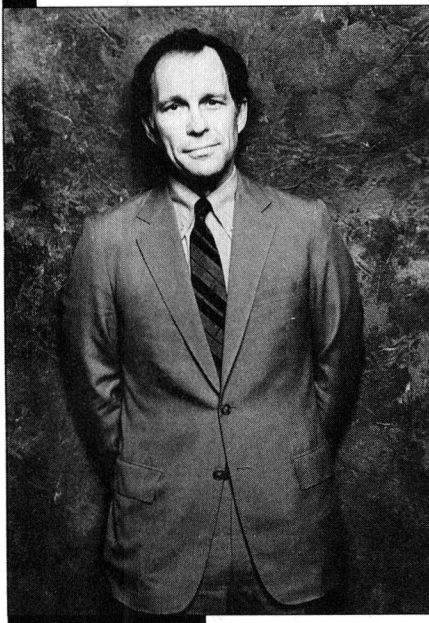
HOW, IN THE YEAR 2000, WILL WE RECONCILE DIFFERENCES AMONG THE YOUNG AND THE OLD, THE EXPORTER AND IMPORTER, THE MINER AND THE COMPUTER PROGRAMMER, UNION AND MANAGEMENT, PROFESSOR AND PLUMBER?

HOW, IN THAT YEAR, WILL WE RECONCILE DIFFERENCES AMONG FEDERAL AND PROVINCIAL GOVERNMENTS, AND AMONG INDIVIDUAL RIGHTS, REGIONAL ASPIRATIONS AND NATIONAL INTERESTS? What differences need to be resolved? Differences on ends? Or differences on means?

These questions indicate that the context of the Commission's work — the world of the future — is a vast and uncertain dominion. But it is to that future that the Commission has been asked to look and asks in turn that those who wish to contribute look to as well.

WHAT KIND OF COUNTRY DO WE WANT? What must we do to create it? What choices do we have? What strategy can we pursue to get from here to there?

The Commissioners



JOHN MESSER

MR. MESSER HAS BEEN BOTH A FARMER AND BUSINESSMAN BUT IS PERHAPS BEST KNOWN AS A FORMER MEMBER OF THE GOVERNMENT OF SASKATCHEWAN. BEFORE HIS RESIGNATION IN 1980, HE HELD THE CABINET PORTFOLIOS OF AGRICULTURE, INDUSTRY AND COMMERCE, AND ENERGY AND RESOURCES. AS WELL HE WAS CHAIRMAN OF A NUMBER OF SASKATCHEWAN RESOURCE AND PUBLIC UTILITY CORPORATIONS AND A MEMBER OF THE CROWN INVESTMENT CORPORATION AND THE SASKATCHEWAN TREASURY BOARD. MR. MESSER SERVES ON THE BOARDS OF A NUMBER OF CANADIAN COMPANIES AND IS A PRINCIPAL IN A WESTERN CANADIAN INVESTMENT AND RESOURCE DEVELOPMENT COMPANY.

The Goals: *What do we want? How do we achieve it?*

The Commission's terms of reference instruct it to examine and report on "appropriate national goals and policies for development."

The instructions include consideration of a range of concerns including "regional economic development opportunities and constraints in a national economic framework" and "the integrity of the Canadian economic union as it relates to the unity of Canada and the ability of all Canadians to participate in increased economic prosperity."

The Commission is asked to proceed on the basis that "Canadian economic policy must be assessed in the context of its relationships to Canadian political and economic independence and to the broader aspirations of Canadians as must be reflected in the responsibilities of governments."

The Canadian economy is the most complex relationship Canadians have with each other, with their country and with the world. But it is not the only relationship. Nor are economic aspirations the only aspirations of Canadians.

As the terms of reference make clear, it is the task of the Commission to recommend economic goals with reference to these other aspirations, and to the other essential relationships of life in Canada.

The economic relationship that links Canadians to each other, their country and the world has been under great stress from the constant changes of the last decade, with no period of stress more intense than the last year.

The numbers that sum up economic performance — the unemployment rate, the consumer price index, real growth — sum up an unsatisfactory performance.

The sums, however, are but an averaging of the much greater changes in the fortunes of individuals, families, towns and regions.

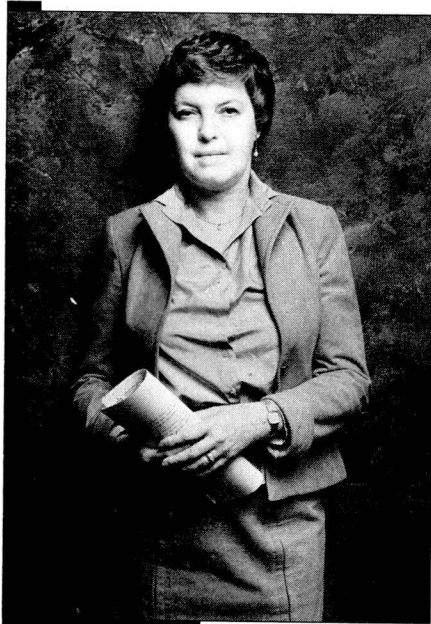
The Commission's task, in light of the results, is to determine why, not in order to apportion blame but in order to establish a hard, long-sighted basis for better economic performance in the future.

Equally, with the evidence in full view that the burden of recession has fallen unevenly, the Commission's task is to seek — as the terms of reference also set out — the means to ensure that there is a "fair distribution of the advantages and burdens of national development."

In terms of setting realistic goals, the terms of reference put two basic questions to the Commission:

WHAT GOALS ARE TO BE ESTABLISHED, GIVEN OUR ECONOMIC POTENTIAL, PROSPECTS AND CHALLENGES? What policies and programs must be put in place to set us on the path to achieving them?

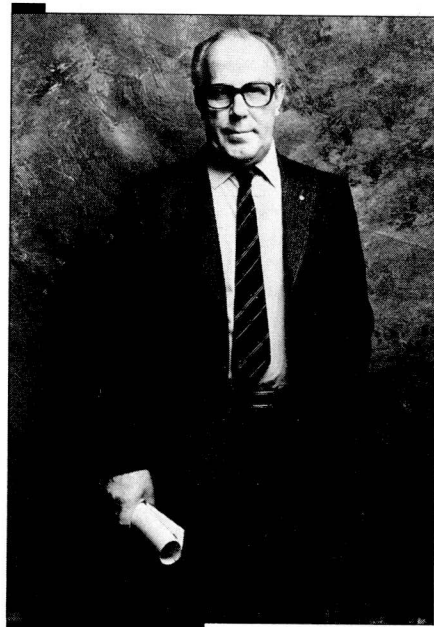
The Commissioners



ANGELA CANTWELL PETERS

BORN AND RAISED IN NEWFOUNDLAND, ANGELA PETERS IS CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF BOWRING BROTHERS LTD., ST. JOHN'S. SHE IS A DIRECTOR OF CENTRAL TRUST AND A MEMBER OF THE PRIME MINISTER'S COMMITTEE ON PUBLIC SECTOR COMPENSATION. SHE STUDIED ADVANCED BUSINESS MANAGEMENT AT HARVARD UNIVERSITY, SERVED AS A MEMBER OF MEMORIAL UNIVERSITY'S BOARD OF REGENTS FOR FIVE YEARS AND WAS CHAIRMAN OF THE FINANCE COMMITTEE FOR THREE OF THE FIVE YEARS. SHE IS A PAST DIRECTOR OF THE ST. JOHN'S BOARD OF TRADE.

The Commissioners



But there is also a prior question:

How are goals set in Canada and by whom?

This question goes to the heart of the Commission's work — to better understand the effect of the way we make economic decisions on our ability to achieve the results we seek.

IS ONE OF THE SOURCES OF PRESENT ECONOMIC DIFFICULTY THE LACK OF GOALS OR THE WRONG GOALS? Or is it that we do not have the means to establish any goals that can command the support of those who ultimately must implement them, even if they are the appropriate goals?

If our problem is the lack of goals or the wrong goals, then the answer lies in setting goals appropriate to the economic realities we face.

But if the source of our difficulty is not the goals but an unwillingness to accept any goals, then the answer may lie in the way we decide goals, and how Canadians are involved directly in the decisions they must implement through the actions they take in their day-to-day lives.

The Commission has been instructed to involve "all provincial and territorial governments as well as interested Canadians from all walks of life and all regions of the country" in its task of recommending economic goals.

But once the Commission has recommended the goals it believes Canadians share, it will then pass responsibility for endorsing and achieving those goals to governments, to private organizations and to individual Canadians. More importantly, those goals will not be immune to exactly the kind of pressures from rapid change and altered circumstance that require every other element of Canadian society to prepare itself to adapt.

BEYOND THE LIFE OF THE COMMISSION, WHAT MEANS WILL BE IN PLACE TO ADAPT GOALS TO CHANGE AND ALTERED CIRCUMSTANCES, REASSESS THE POSSIBILITIES AND TO ENSURE THAT THE GOALS — OR THE POLICIES AND PROGRAMS TO ACHIEVE THEM — CONTINUE TO COMMAND THE BROAD SUPPORT ESSENTIAL TO THEIR ACHIEVEMENT?

IS THAT A TASK FOR PLANNING EXPERTISE? For governments? For organizations related to but separate from governments like the Economic Council of Canada and provincial economic councils? For Parliaments and Legislatures? For First Ministers and the bureaucratic structures that provide their advice?

OR DO WE NEED SIGNIFICANTLY GREATER DEMOCRATIZATION OF ECONOMIC DECISION-MAKING, BOTH PUBLICLY AND IN PRIVATE ORGANIZATIONS? If so, how do we do it?

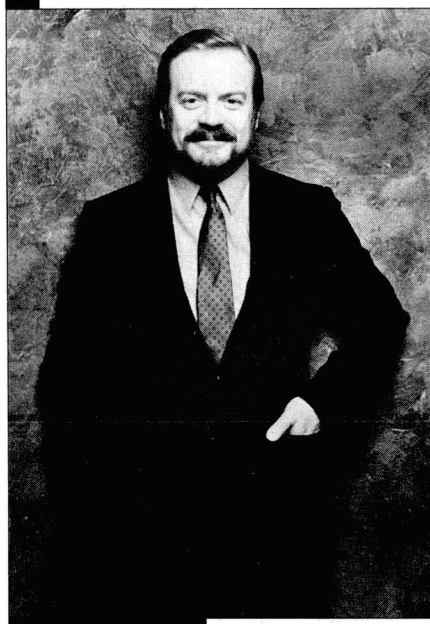
OR DOES OUR GREATER PROBLEM LIE IN THE LACK OF EFFECTIVE MEANS TO CO-ORDINATE THE ECONOMIC ACTIONS OF GOVERNMENTS IN ORDER TO ACHIEVE ACCEPTED GOALS? If so, how do we acquire those means?

OR DOES OUR INABILITY TO EITHER DEFINE GOALS OR ACHIEVE THE RESULTS WE WANT REFLECT SPECIFIC, IDENTIFIABLE FLAWS IN A BASICALLY SOUND SYSTEM OF PUBLIC AND PRIVATE DECISION-MAKING, CONSTITUTIONAL ARRANGEMENTS, LAWS AND REGULATIONS? If so, what are the flaws? How are they to be repaired?

The Commissioners

◀ LAURENT PICARD

BORN IN QUEBEC CITY, MR. PICARD HOLDS DEGREES IN PHILOSOPHY, APPLIED SCIENCE (PHYSICS) AND BUSINESS ADMINISTRATION. HE BEGAN HIS CAREER IN THE ACADEMIC WORLD AS DIRECTOR OF THE BUSINESS ADMINISTRATION DEPARTMENT, AND AS ASSOCIATE DEAN AT L'ÉCOLE DES HAUTES ÉTUDES COMMERCIALES AT THE UNIVERSITY OF MONTREAL, RETURNING TO IT IN 1978 AS DEAN OF THE FACULTY OF MANAGEMENT OF MCGILL UNIVERSITY, MONTREAL. AT PRESENT A DIRECTOR OF SEVERAL COMPANIES, HE WAS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CANADIAN BROADCASTING CORPORATION, THE FIRST PRESIDENT OF THE COMMONWEALTH BROADCASTING ASSOCIATION, A COMMISSIONER ON THE INDUSTRIAL INQUIRY COMMISSION ON ST. LAWRENCE PORTS AND PRESIDENT OF THE RESEARCH COMMISSION ON THE SHOE INDUSTRY OF QUEBEC. MOST RECENTLY HE SERVED AS A COMMISSIONER OF THE ROYAL COMMISSION ON NEWSPAPERS.



MICHEL ROBERT

THE FOUNDING PARTNER OF HIS OWN LAW FIRM IN MONTREAL, MICHEL ROBERT HAS BEEN A MEMBER OF THE LEGISLATION AND LAW REFORM COMMITTEE OF THE CANADIAN BAR ASSOCIATION. AS ONE OF CANADA'S SENIOR CONSTITUTIONAL LAWYERS, HE REPRESENTED THE CANADIAN GOVERNMENT AS COUNSEL ON THE PATRIATION OF THE CONSTITUTION. HE ALSO REPRESENTED THE GOVERNMENT OF CANADA BEFORE THE JEAN F. KEABLE COMMISSION WHICH INQUIRED INTO POLICE OPERATIONS IN THE PROVINCE OF QUEBEC AND EARLIER THE COMMISSION OF INQUIRY INTO CERTAIN ACTIVITIES OF THE ROYAL CANADIAN MOUNTED POLICE. A PAST PRESIDENT OF THE PROFESSIONAL TRAINING COMMITTEE FOR THE QUEBEC BAR AND PAST PRESIDENT OF THE FEDERATION OF LAW SOCIETIES OF CANADA, MR. ROBERT WAS BATONNIER FOR QUEBEC IN 1976.

What goals? What policies and programs?

The question of what goals to set is as thorny as the question of how to set them and how to adjust them on an ongoing basis to changing circumstances.

ARE THE GOALS TO BE LONG-TERM IN NATURE OR SHORT-TERM, OR A SET OF SHORT-TERM TARGETS LEADING TOWARD A LONG-TERM RESULT? For example, what year-by-year targets would Canada have to meet to double its share of world trade in the next decade?

ARE THE OBJECTIVES TO BE SPECIFIC AND QUANTIFIABLE OR GENERAL AND DIRECTED TO ESTABLISHING AN APPROACH OR STRATEGY RATHER THAN A SPECIFIC RESULT? For example, is the goal a precise percentage increase in growth, inflation, productivity, output or employment? Or is the goal to shift from a resource-exporting to a technology-exporting, or an energy-based to an information-based, or a production-based to a service-based economy?

ARE THE OBJECTIVES TO BE BASED ON OUR PERFORMANCE RELATIVE TO OUR PAST PERFORMANCE, ON REGIONAL PERFORMANCE RELATIVE TO OTHER REGIONS, OR NATIONAL PERFORMANCE RELATIVE TO OUR COMPETITORS?

DO WE NEED ONE SET OF GOALS FOR THE NATIONAL ECONOMY AND A STRATEGY TO ACHIEVE THEM, TEN SETS OF GOALS AND TEN STRATEGIES OR NATIONAL GOALS INCORPORATING REGIONAL OBJECTIVES?

IF WE AGREE ON GOALS, CAN WE AGREE ON WHICH AMONG THEM SHOULD HAVE HIGHER OR LOWER PRIORITY?

As to the goals themselves, one set of objectives clearly relates to the relationship of the Canadian economy to the world economy and particularly to the U.S. economy.

WHAT ARE THE PRESENT GOALS OF EXTERNAL ECONOMIC POLICY? Are they appropriate to the conditions ahead? If they are not, what are the goals that would be appropriate?

Are they directed toward achieving a stable dollar, enhanced trade performance or internal monetary stability?

DOES A CANADIAN DOLLAR TIED TO THE U.S. DOLLAR PROVIDE A STABLE BASIS FOR A MORE DYNAMIC RESPONSE TO CHANGING ECONOMIC FORCES? Or does it place too much of the burden of adjustment on domestic interest rates, employment or particular regions or industries?

WHAT ARE CANADA'S TRADE GOALS?

Are they directed to maintaining Canada's current trade through case-by-case reaction to the pursuit by others of more aggressive trade objectives? Or are they directed to improving Canada's share of world trade in specific industries, specific countries or overall? If we lack trade goals that command support and a strategy to implement them, what trade goals will command support?

WHAT ARE OUR GOALS IN TERMS OF CAPITAL? Do we want to emphasize investment in Canada by Canadians? Do we need foreign capital to create the kind of flexible industrial structure we may require in the future? If we do, how do we preserve Canadian control of the economy?

ARE THERE WAYS IN WHICH WE CAN DIVERSIFY OUR SOURCES OF FOREIGN CAPITAL? Or does our best chance lie in becoming a capital exporter?

These questions related to world objectives intersect with another set of objectives, the way our regional economies relate to each other and to the national economy through the working of Canada's economic union in a world context.

HOW DO OUR EXTERNAL GOALS AFFECT OUR DOMESTIC GOALS IN TERMS OF DEVELOPING REGIONAL OPPORTUNITIES AND IN TERMS OF THE WORKING OF THE ECONOMIC UNION?

DOES A GREATER FOCUS ON COMPETING FOR FOREIGN MARKETS IMPROVE THE CHANCE FOR BALANCED GROWTH WITHIN THE FEDERATION? Or does it create imbalances, favoring those already heavily committed to export competition while hurting those competing against imports?

DO WE NEED SEPARATE GOALS FOR THE EXPORT ORIENTED REGIONS AND FOR THOSE UNDER PRESSURE FROM IMPORTS? If we have separate regional economic goals and strategies, how do we integrate them into a clear set of goals for the national economy?

HOW DO INTERNAL BARRIERS AFFECT OUR ABILITY TO IMPROVE OUR INTERNATIONAL PERFORMANCE AND MEET THE GOALS WE SET? How do they affect our ability to achieve balanced growth throughout the economy? Do these barriers prevent the development of world-scale industries? Should it be a basic goal to remove the explicit barriers that exist?

WHAT ARE THE HIDDEN BARRIERS TO THE EFFECTIVE OPERATION OF THE ECONOMY IMPLICIT IN NATIONAL POLICIES, PROVINCIAL POLICIES AND LOCAL POLICIES WITH REGARD TO STANDARDS OF SAFETY, INCENTIVE GRANTS AND TAX PROVISIONS? Do we need to harmonize policies that may unintentionally prevent us from embracing economic opportunities? What is the balance to be drawn between the need to improve our economic performance on a concerted basis and the need to preserve a healthy diversity?

HOW DO WE OVERCOME THE BARRIERS THAT ARE AN INEVITABLE PART OF CANADA — THE GEOGRAPHICAL DISTANCES, THE LINGUISTIC DIFFERENCES, AND THE REGIONAL DIFFERENCES — SO AS TO ENHANCE OUR ECONOMIC PROSPECTS? How do we better employ the creative possibilities of these same differences so as to gain greater advantage from diversity?

The Means: *Public Policies/ Private Actions*

The Commission's terms of reference ask it to recommend "institutional and constitutional arrangements to promote the liberty and well-being of individual Canadians and the maintenance of a strong and competitive economy . . ."

Within that principal instruction, the Commission is asked to look at three specific areas:

- means to improve relations among governments, business, labor and other groups;
- the appropriate allocation of fiscal and economic powers, instruments and resources among governments and administrations;
- changes that would make the institutions of national government better able to take account of the views and needs of all Canadians and regions and to encourage the further development of the Canadian economic union.

The Commission is instructed to take account of and respect "the spirit of the Constitution of Canada and assume a continuing Canadian federal structure not significantly different from its present form."

But what is the "spirit of the Constitution of Canada?"

While the question verges on the metaphysical, it bears directly on the question of how to improve relations among governments and private interests, to both preserve the diversity of Canadian life and enhance our ability to achieve common purposes.

If one "spirit of the Constitution" drives the national government in one economic direction and a second spirit drives the provinces in another, the chances are excellent that we will wind up going in neither direction. An oil well will not be drilled. A trade deal will not be signed. We will have two plants doing badly what one would do well and no plants to do what could amply occupy many.

The question is central to the Commission's task because, if the way we deal with each other affects the economic results we get, the way we govern ourselves will be a basic determinant of our economic future.

How do we govern ourselves?

Canada's democracy was built on two pillars, parliamentary supremacy and federalism, bridged by the principle of the division of powers between federal and provincial governments. But that does not answer the question.

Whatever the intentions of those who put Canada together, our system has evolved, adapted and changed under the pressure of events, examples, ideas, aspirations and ambitions.

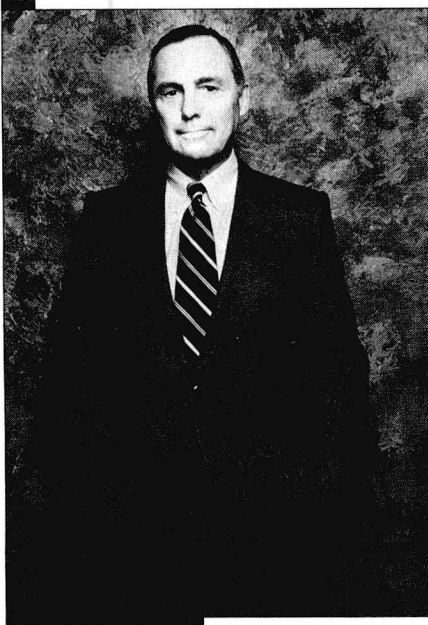
It can be argued that the evolution of our governing system has reflected the evolution of Canada, but has it?

At one level, local government administration has no constitutional status, yet local governments fundamentally influence everything from the volume and pace of home construction to education to the patterns of economic development. Moreover, virtually all of the population growth of the last 30 years — some 10 million people — has been absorbed in urban areas.

At another, the original means for representing regional interests in national institutions — the Senate — has not reflected the evolution of democratic values, away from acceptance of decisions by appointed representatives toward the demand for accountability, through elections. Similar concerns relate to the way Canada's northern territories are governed and the way northern interests are represented.

At yet another, the concept of the division of powers has been blurred by change, innovation, overlapping and the development of complex inter-connections between what is done at one level of government and what is done at another.

The Commissioners



DARYL KENNETH SEAMAN

BORN AND RAISED IN SASKATCHEWAN, "DOC" SEAMAN IS CHAIRMAN OF THE BOARD AND A DIRECTOR OF BOW VALLEY INDUSTRIES, A WORLDWIDE EXPLORER AND DEVELOPER OF ENERGY RESOURCES. HE IS ALSO A DIRECTOR OF SEVERAL OTHER RESOURCE COMPANIES. AN ENTHUSIASTIC SPORTSMAN, HE IS A FORMER GOVERNOR OF THE HOCKEY CANADA FOUNDATION AND IS ONE OF THE OWNERS OF THE CALGARY FLAMES HOCKEY CLUB. A GRADUATE OF MECHANICAL ENGINEERING, MR. SEAMAN WAS AWARDED AN HONORARY DOCTOR OF LAWS DEGREE FROM THE UNIVERSITY OF SASKATCHEWAN IN 1982. MR. SEAMAN OWNS AND OPERATES A WORKING RANCH IN THE FOOTHILLS OF ALBERTA.

The Commissioners



THOMAS SHOYAMA

BORN IN KAMLOOPS, B.C., MR. SHOYAMA BEGAN HIS CAREER AS A JOURNALIST BEFORE JOINING THE CANADIAN ARMY INTELLIGENCE CORPS. A LONG AND DISTINGUISHED CAREER IN THE PUBLIC SERVICES OF SASKATCHEWAN AND CANADA INCLUDED APPOINTMENTS WITH THE ECONOMIC COUNCIL, AS DEPUTY MINISTER OF ENERGY, MINES AND RESOURCES AND DEPUTY MINISTER OF FINANCE. HONOURED WITH THE OUTSTANDING ACHIEVEMENT AWARD OF THE PUBLIC SERVICE OF CANADA, MR. SHOYAMA RETIRED FROM THE SERVICE IN 1978. IN 1979 HE BECAME CHAIRMAN OF ATOMIC ENERGY OF CANADA, AND SERVED AS CONSTITUTIONAL ADVISOR TO THE PRIVY COUNCIL OFFICE. CURRENTLY HE IS VISITING PROFESSOR, UNIVERSITY OF VICTORIA, A TRUSTEE OF THE DONNER CANADIAN FOUNDATION, AND A DIRECTOR OF SEVERAL COMPANIES INCLUDING PETRO-CANADA AND HAWKER SIDDELEY CANADA INC.

DO WE KNOW ANY LONGER HOW WE GOVERN OURSELVES AND, IF WE DO NOT, WHAT ARE THE CONSEQUENCES OF THAT CONFUSION? What are the possibilities of eliminating that confusion? Or is that confusion in itself the essence of governing a complex society marked at once by great distances and by growing interdependence?

IS IT POSSIBLE TO IMPOSE GREATER ACCOUNTABILITY ON GOVERNMENTS AND BUREAUCRACIES WHEN IT IS NOT CLEAR TO TAXPAYERS EITHER WHO IS RESPONSIBLE FOR WHAT OR WHO IS DOING WHAT WHETHER RESPONSIBLE OR NOT?

DOES THE CONFUSION LEAD TO ECONOMIC POLICIES THAT CANCEL EACH OTHER OUT AND TO UNACCEPTABLE COSTS TO CANADA'S ECONOMIC PERFORMANCE? Does it destroy our ability to establish shared objectives and agree on how to attain them?

What changes are needed?

But the Commission's mandate is broader than understanding and quantifying adverse economic effects. It is to recommend the best way to govern Canada, given what confronts us in the next five to fifty years.

Precisely that issue — the best way to govern Canada — has been at the forefront of national debate and regional concern for at least two decades focussed around the issues of constitutional powers and fiscal relations between governments. Out of that debate have developed various views as to the best way to govern Canada. The differences need to be resolved.

WITH A METHOD NOW IN PLACE TO AMEND THE CONSTITUTION, WHAT AMENDMENTS NEED TO BE MADE? Do we need to alter the division of powers so that Canadians can clearly equate which government is taxing with the spending that government does, so that it can become clear again who is responsible for what, who is to be blamed and who is to be credited?

CAN CONFLICTS OVER SHARED COST PROGRAMS BE ENDED BY TRANSFERS OF POWERS BETWEEN GOVERNMENTS, BY THE DELEGATION OF POWERS, OR BY THE USE OF CONCURRENT POWERS BY BOTH LEVELS OF GOVERNMENT?

ARE SMALL CHANGES REQUIRED, ONE AMENDMENT AT A TIME ON THE MERITS? Or do we need a major renegotiation of powers and responsibilities to bring our constitutional structure in line with modern problems and future needs?

OR DOES OUR DIFFICULTY ARISE FROM GOVERNMENTS CIRCUMVENTING TOO EASILY A WORKABLE DIVISION OF POWERS IN THE WAY WE ESTABLISH, FINANCE AND ADMINISTER PROGRAMS TO PROVIDE BASIC SERVICES SUCH AS HEALTH, EDUCATION AND WELFARE? Is there a way out of this entanglement and the periodic conflict it creates that would enhance, rather than diminish, the quality of the services themselves?

OR DOES THE CONFUSION ARISE FROM THE FAILURE OF SOME INSTITUTIONS TO ADAPT OR TO ADAPT AS QUICKLY AS OTHERS?

CAN THE SENATE BE CHANGED SO THAT IT CAN BETTER RECONCILE REGIONAL INTERESTS WITH INDIVIDUAL RIGHTS ON THE ONE SIDE AND NATIONAL NEEDS ON THE OTHER THROUGH THE PARLIAMENTARY SYSTEM? Should provincial governments be represented through the Senate or should it be people, voting directly on who will represent their regional interests?

SHOULD SUCH REPRESENTATION BE BASED ON THE EQUALITY OF THE PROVINCES? Should it reflect the differing interests of French Canadians on the one hand and English Canadians on the other? Or can we give equal representation to the provinces and, as well, protect the interests of cultural and linguistic minorities and, in particular, the special interests of Quebec?

SHOULD WE REFORM THE WAY WE ELECT MEMBERS OF PARLIAMENT SO THAT POLITICAL PARTIES, AS IMPORTANT INSTITUTIONS IN THEMSELVES, CAN GAIN OR REGAIN A NATIONAL CHARACTER AND THE CAPACITY TO RECONCILE THE DIVERSITIES OF CANADA IN THEIR INTERNAL DELIBERATIONS?

OR SHOULD WE LOOK TO THE TRADITIONS OF PARLIAMENT AND EXAMINE WHETHER PARTY DISCIPLINE HAS CREATED RIGIDITIES THAT PREVENT GOVERNMENTS AND OPPOSITIONS ALIKE FROM DETECTING THE UNDERCURRENTS OF CHANGE THAT MEMBERS OF PARLIAMENT, UNDER LESS DISCIPLINED CIRCUMSTANCES, MIGHT BETTER REFLECT?

OR IS THERE A NEED FOR NEW INSTITUTIONS, REFLECTING OUR NEED TO EVOLVE WORKABLE ARRANGEMENTS, NOT IN PARLIAMENT, BUT IN THE FEDERAL/PROVINCIAL DIMENSION OF CANADIAN LIFE?

Another set of questions intersects these questions. These questions federal, provincial, territorial or municipal — relates to the private economy and, through government, the way other diverse preferences and aspirations — social, cultural, environmental, humanitarian — relate to our economic objectives.

WHAT IS THE ROLE OF GOVERNMENT? What is the “unique mixture” of public and private sector activity on which the Canadian economy is founded?

CAN WE MEASURE A PRECISE PERCENTAGE OF GOVERNMENT INVOLVEMENT THAT IS THE “RIGHT” MIXTURE, A PERCENTAGE WHICH CAN SERVE AS A GOAL AND A GUIDE FOR GOVERNMENTS AND A STANDARD BY WHICH GOVERNMENT CAN BE MEASURED BY INDIVIDUAL CANADIANS? Is there a “right” sharing as between federal, provincial and municipal governments?

IF THERE IS NOT, IS THERE A SET OF PRINCIPLES WHICH CAN DEFINE THE APPROPRIATE ROLE OF GOVERNMENT GIVEN SHIFTING ECONOMIC CIRCUMSTANCES, PREFERENCES AND NEEDS?

DOES THE BEST COURSE INTO THE FUTURE INVOLVE A CLEAR SEPARATION OF THE PUBLIC AND PRIVATE SECTORS? Or does it involve a closer partnership? Are there ways for government and the private sector to keep each other better informed? If such a partnership is undesirable in terms of the domestic economy, does intensified competition abroad require a greater concerting of public and private resources in foreign markets?

Within the questions concerning the relationship between governments and the private sector lie another set of questions related to the way the bureaucratic systems of the private sector on the one side and of government on the other affect the capacity of our national industrial structure to adapt.

HAVE THE STANDARDIZED TECHNIQUES OF MANAGEMENT IN BOTH PRIVATE AND PUBLIC ORGANIZATIONS BECOME A SIGNIFICANT IMPEDIMENT TO CHANGE?

If these techniques of private and public management were appropriate to an industrial system based on standardized mass production, are they appropriate to a period where success may flow from flexibility, adaptability, specialization, creativity and the ability to move quickly among opportunities?

HAVE PUBLIC AND PRIVATE BUREAUCRACIES BECOME OF SUCH SIZE THAT THEY ARE PREOCCUPIED WITH RECONCILING INTERNAL DIFFERENCES TO THE EXCLUSION OF OUTSIDE INTERESTS? Can business bureaucracy be made more responsive to the markets? Can public bureaucracies be made more responsive to the public? Can educational and labour bureaucracies be made more responsive to the needs of the broader society?

ARE THERE WAYS IN WHICH THE ECONOMIC, SOCIAL, POLITICAL AND OTHER IMPULSES OF BROADER CANADIAN SOCIETY CAN BE BETTER BROUGHT TO BEAR SO AS TO BREAK DOWN SUCH RIGIDITIES AS HAVE BEEN CREATED? ARE THERE WAYS TO REFORM AND ADAPT THE INDUSTRIAL STRUCTURE TO THE FUTURE WITHOUT ALSO REFORMING AND RENDERING MORE ADAPTABLE THE ADMINISTRATIVE SUPPORT SYSTEMS?

These questions intersect with the question of decision-making in private organizations.

DO WE NEED FUNDAMENTAL CHANGES IN THE WAY LABOR AND MANAGEMENT REACH AGREEMENT? Do we need to provide new institutions to ensure that major economic groups — labor, management, co-operatives, consumer associations and other interests — are brought to the table and involved in public policy decisions affecting their members? Or do we need to find better ways to involve the members directly? What means are available? What means do new information technologies offer?

IF WE NEED BETTER WAYS TO REPRESENT PRIVATE INTERESTS IN PUBLIC DECISIONS, DO WE ALSO NEED BETTER WAYS TO REPRESENT THE PUBLIC INTEREST IN PRIVATE DECISIONS?

OR IS THE PROBLEM REPRESENTATION AT ALL, AS OPPOSED TO THE CONSEQUENCE OF TOO GREAT A CONCENTRATION OF TOO MUCH ECONOMIC POWER IN TOO FEW PLACES AND CONTROLLED BY TOO FEW PEOPLE?

IF THAT IS A SOURCE OF RIGIDITY AND CONFLICT AS TO ENDS AND MEANS, DOES THE ANSWER LIE IN REGULATION, IN CODES OF ECONOMIC CONDUCT OR IN THE ENCOURAGEMENT OF MORE COMPETITION SO THAT THOSE WITHOUT POWER OR ACCESS TO POWER ARE GUARANTEED CHOICES AND ALTERNATIVES?

Finally, there are questions related to the dynamic growth of quasi-governmental agencies, boards and corporations at the federal, provincial and municipal levels of government.

IS THE SOURCE OF THIS GROWTH THE NECESSITY TO MEET NEEDS THAT ARE NOT MET BY THE PRIVATE ECONOMY? Does the impetus for growth emerge from federal/provincial competition and the desire of each to control specific economic areas and exclude those areas from control, from regulation and from taxation by the other level of government?

ARE CROWN CORPORATIONS, AS ECONOMIC INSTITUTIONS OF GROWING IMPORTANCE, SUFFICIENTLY UNDER THE CONTROL OF GOVERNMENT? Or have they become economic rogue elephants, operating in the private economy with the impunity of the Crown? Should they be subject to the same rules as private sector companies with which they compete? Do they add to our economic adaptability or impede it because they are not subject to the rigors of market discipline?

DO MARKETING BOARDS ADEQUATELY REFLECT THE DIVERGENT AND LEGITIMATE INTERESTS OTHER THAN THE PRODUCERS OF THE COMMODITY BEING REGULATED? Are they adequately accountable for their decisions to those affected by those decisions?

DO REGULATORY AGENCIES ADD TO OUR ABILITY TO RESOLVE CONFLICT BETWEEN COMPETING INTERESTS? Or do they reduce flexibility and adaptability because the large numbers of rulings and the complexity of the issues prevent timely decisions that allow opportunities to be taken when they can be taken? Is the answer less regulation, more regulation or better regulation?

Terms of Reference

14

The Committee of the Privy Council have before them a report from the Prime Minister, the Right Honourable Pierre Elliott Trudeau, submitting:

That Canada is a country of tremendous opportunity, committed to the sustained economic and social progress of its people, to the reduction of economic and fiscal disparities between regions, and to a fair distribution of the advantages and burdens of national development;

That significant changes are occurring in the world economy, particularly in the sphere of industrial activity, the utilization of natural resources and movement of capital within and among countries, changes which will have important consequences for Canada;

That existing economic relationships among countries and among individuals and groups within countries are characterized on the one hand by increasing interdependence and at the same time by intensified competition;

That to respond to the challenges of rapid national and international change in order to realize Canada's potential and to secure sustained economic and social progress, it will

be of importance to achieve greater understanding of the aspirations of the regions of Canada, greater co-ordination between actions of governments in Canada and greater support for the Canadian economic union.

Therefore, the Committee of the Privy Council, on the recommendation of the Prime Minister, advise that the Honourable Donald Stovel Macdonald together with such other persons as may be named from time to time be appointed Commissioners under Part I of the Inquiries Act to inquire into and report upon the long-term economic potential, prospects and challenges facing the Canadian federation and its respective regions, as well as the implications that such prospects and challenges have for Canada's economic and governmental institutions and for the management of Canada's economic affairs.

The Committee further advise that the study include an examination of and a report on:

(a) the appropriate national goals and policies for economic development, including consideration of the following:

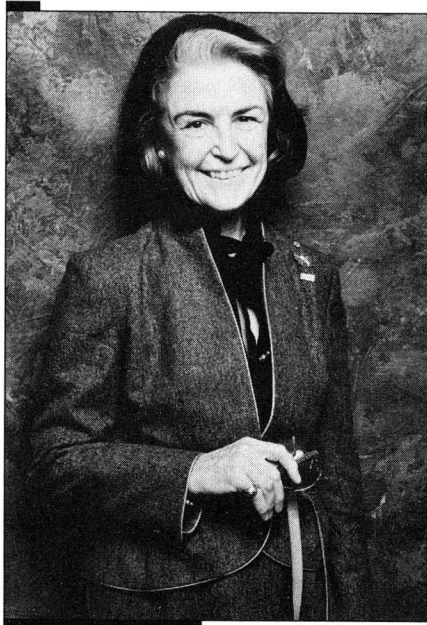
- trends in labour market requirements and conditions;

- developments in the supply of raw materials, including energy sources;
- capital requirements and the cost structure in a highly competitive, technologically-sophisticated and interdependent world environment;
- trends in productivity, standards of living and social progress;
- industrial adjustment and growth;
- regional economic development opportunities and constraints in a national economic framework;
- the integrity of the Canadian economic union as it relates to the unity of Canada and the ability of all Canadians to participate in increased economic prosperity;

(b) the appropriate institutional and constitutional arrangements to promote the liberty and well-being of individual Canadians and the maintenance of a strong and competitive economy including consideration of the following:

- means for improving relations between governments, business, labour and other groups in Canadian society;

The Commissioners



JEAN WADDs

MRS. WADDs HAS RECENTLY RETURNED FROM A DISTINGUISHED TERM AS CANADA'S HIGH COMMISSIONER IN LONDON, ENGLAND. IN 1958, SHE WAS ELECTED TO THE HOUSE OF COMMONS. SHE SERVED AS A MEMBER OF CANADA'S DELEGATION TO THE UNITED NATIONS, AS PARLIAMENTARY SECRETARY TO THE MINISTER OF HEALTH AND WELFARE, AS A MEMBER OF COMMONS COMMITTEES ON AGRICULTURE, BROADCASTING, CIVIL SERVICE AND EXTERNAL AFFAIRS. FROM 1975-79 SHE WAS A MEMBER OF THE ONTARIO MUNICIPAL BOARD. SHE HOLDS SEVERAL HONORARY DEGREES AND RECEIVED THE FREEDOM OF THE CITY OF LONDON, ENGLAND IN 1981 AND WAS INVESTED WITH THE ORDER OF CANADA IN 1982.

- the appropriate allocation of fiscal and economic powers, instruments and resources as between the different levels of governments and administrations;
- changes in the institutions of national government so as to take better account of the views and needs of all Canadians and regions, and to encourage the further development of the Canadian economic union.

The Committee also advise that in pursuing such inquiry and preparing the report, the Commissioners proceed by reference to the following principles:

- (a) the Canadian economy is founded on the enterprise and productivity of individual Canadians supported by a unique mixture of public and private sector activity that reflects the traditional values of Canadian society;
- (b) Canadian economic policy must be assessed in the context of its relationships to Canadian political and economic independence and to the broader aspirations of Canadians as must be reflected in the responsibilities of governments;
- (c) the Government of Canada has the primary responsibility for managing the national economy, for encouraging reasonably balanced economic growth among the various regions of the country and for ensuring that fiscal

disparities among provinces are reduced, while at the same time the provincial governments also have important responsibilities in the development and carrying out of economic and social policy;

- (d) the report should take account of, and respect, the spirit of the Constitution of Canada and assume a continuing Canadian federal structure not significantly different from its present form.

The Committee also advise that the Commissioners:

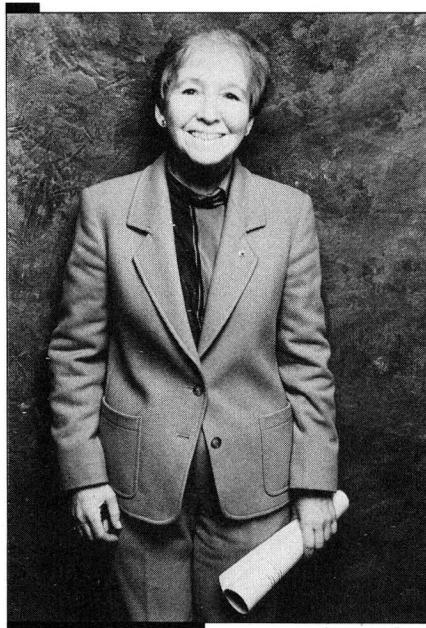
1. be directed, within the ambit of their work, to seek the views of all provincial and territorial governments as well as interested Canadians from all walks of life and all regions of the country;
2. be authorized to establish such advisory bodies of prominent Canadians as they deem desirable to assist them in the examination of any aspect of their terms of reference;
3. be authorized to adopt such procedure and methods as they deem appropriate for the proper conduct of the inquiry;
4. be assisted by the officers and employees of the departments and agencies of the Government of Canada as may be required for the conduct of the inquiry, particularly in having access to written material;
5. be authorized to sit at such times and in such places in Canada as may be required;

6. be authorized to exercise all of the powers conferred upon them by section 11 of the Inquiries Act;
7. be authorized to engage the services of such staff and technical advisers, including counsel, as they consider necessary or advisable to aid them in the conduct of the inquiry at rates of remuneration and reimbursement as may be approved by Treasury Board;
8. be authorized to rent office space and facilities for public hearings in co-operation with the federal Department of Public Works as they may deem necessary at such rental rates as are consistent with the policies of the Department of Public Works;
9. be authorized to publish special studies as may be appropriate from time to time;
10. be directed to submit their report to the Governor in Council with all reasonable dispatch but not more than three years from now;
11. be directed to file with the Dominion Archivist the records of the inquiry as soon as reasonably may be after the conclusion of the inquiry.

The Committee further advise that the Honourable Donald Stovel Macdonald be the Chairman of the Commission.

5 NOVEMBER, 1982

The Commissioners



DR. CATHERINE T. WALLACE

A MASTERS AND PH.D. GRADUATE IN LITERARY CRITICISM, DR. WALLACE BECAME THE FIRST PRINCIPAL OF NOTRE DAME HIGH SCHOOL IN VANCOUVER IN 1953 AND WENT ON TO JOIN THE FACULTY OF MOUNT ST. VINCENT UNIVERSITY IN HALIFAX AS A PROFESSOR OF ENGLISH. SIX YEARS LATER, IN 1965, SHE WAS APPOINTED THAT UNIVERSITY'S PRESIDENT. FROM 1974-82 SHE WAS CHAIRMAN OF THE MARITIME PROVINCES HIGHER EDUCATION COMMISSION IN FREDERICTON. AT PRESENT, SHE IS A MEMBER OF THE STEERING COMMITTEE OF THE CANADIAN CONFERENCE ON HIGHER EDUCATION. DR. WALLACE'S DIRECTORSHIPS INCLUDE THOSE OF THE CANADIAN BANK OF COMMERCE AND MARITIME TELEGRAPH AND TELEPHONE. SHE WAS AWARDED THE ORDER OF CANADA'S MEDAL OF SERVICE IN 1972, THE CANADIAN SILVER JUBILEE MEDAL IN 1977, AND HOLDS 11 HONORARY DEGREES FROM CANADIAN UNIVERSITIES.

Commission Hearings — Fall 1983

Start of Hearings	Deadline for Briefs
■ BRITISH COLUMBIA	
Prince George, Vancouver, Victoria	
SEPTEMBER 6	AUGUST 23
■ PRAIRIES	
ALBERTA — Calgary, Edmonton, Lethbridge	
SASKATCHEWAN — Regina, Saskatoon	
MANITOBA — Thompson, Winnipeg	
NOVEMBER 7	OCTOBER 24
■ ONTARIO*	
Ottawa/Hull, Sudbury, Toronto	
Windsor, Thunder Bay	
OCTOBER 17	OCTOBER 3
DECEMBER 5	OCTOBER 31
■ QUÉBEC*	
Chicoutimi, Montréal, Québec	
St-Georges-de-Beauce, Hull-Ottawa	
OCTOBER 24	OCTOBER 10
NOVEMBER 28	OCTOBER 31

*PUBLIC HEARINGS DIVIDED INTO TWO PARTS

Start of Hearings	Deadline for Briefs
■ ATLANTIC	
NEW BRUNSWICK — Moncton, Fredericton	
NOVA SCOTIA — Halifax, Sydney	
PRINCE EDWARD ISLAND — Charlottetown	
NEWFOUNDLAND — St. John's	
SEPTEMBER 26	SEPTEMBER 12
■ YUKON — Whitehorse	
SEPTEMBER 13	AUGUST 30
■ NORTHWEST TERRITORIES — Yellowknife	
SEPTEMBER 13	AUGUST 30

Audiences publiques, automne 1983

Début des audiences	Date limite pour réception des mémoires
■ COLOMBIE-BRITANNIQUE	
Prince George, Vancouver, Victoria	
6 SEPTEMBRE	23 AOÛT
■ LA PRAIRIE	
ALBERTA — Calgary, Edmonton, Lethbridge	
SASKATCHEWAN — Regina, Saskatoon	
MANITOBA — Thompson, Winnipeg	
7 NOVEMBRE	24 OCTOBRE
■ ONTARIO*	
Ottawa-Hull, Sudbury, Toronto	
Windsor, Thunder Bay	
17 OCTOBRE	3 OCTOBRE
5 DÉCEMBRE	31 OCTOBRE
■ QUÉBEC*	
Chicoutimi, Montréal, Québec	
St-Georges-de-Beauce, Hull-Ottawa	
24 OCTOBRE	10 OCTOBRE
28 NOVEMBRE	31 OCTOBRE
■ L'ATLANTIQUE	
NOUVEAU-BRUNSWICK — Moncton, Fredericton	
NOUVELLE-ÉCOSSE — Halifax, Sydney	
ÎLE-DU-PRINCE-ÉDOUARD — Charlottetown	
TERRE-NEUVE — St. John's	
26 SEPTEMBRE	12 SEPTEMBRE
■ YUKON — Whitehorse	
13 SEPTEMBRE	30 AOÛT
■ TERRITOIRES DU NORD-OUEST	
Yellowknife	
13 SEPTEMBRE	30 AOÛT

*INDIQUE DEUX SÉRIES D'AUDIENCES

