

FEDERAL-PROVINCIAL CONFERENCE  
OF  
FIRST MINISTERS

Statement  
by  
The Honourable A. B. Campbell  
to the  
First Ministers Conference  
on  
T H E E C O N O M Y

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MR. CHAIRMAN, COLLEAGUES:

ECONOMIC STATISTICS CLEARLY SHOW THAT CANADIANS HAVE NEVER BEEN BETTER OFF. AVERAGE PERSONAL INCOMES ARE HIGHER THAN EVER BEFORE - TOTAL DISPOSABLE INCOME SURPASSES ANYTHING IN THE PAST - PERSONAL SAVINGS ARE AT A RECORD HIGH - ACCUMMULATED MATERIAL GOODS IS UNPRECEDENTED. GIVEN THESE FACTS, ONE MIGHT WELL ASK WHY WE ARE HERE TODAY.

YET, DESPITE THIS STATISTICAL AFFLUENCE, FEW POLITICIANS TODAY WOULD DARE TO SUGGEST TO THEIR ELECTORATE THAT CANADIANS ARE WELL OFF. MOST POLITICIANS KNOW, AS DO SO MANY OTHER CANADIANS, THAT THERE IS AN UNEASE, A CONCERN, AN UNHAPPINESS WITH THE CANADIAN SITUATION.

MR. CHAIRMAN, WE ARE IN THE MIDST OF VERY TROUBLED AND PERPLEXING TIMES. DESPITE UNPRECEDENTED CANADIAN AFFLUENCE, WE ARE SURROUNDED BY UNHAPPY, DISCOURAGED AND DISAPPOINTED PEOPLE. DESPITE OUR APPARENT WEALTH, WE HAVE RECORD-HIGH UNEMPLOYMENT, AND CRUSHING INFLATION ALONG WITH INCREASED ALIENATION AND DISSATISFACTION AMONG CANADIAN CITIZENS.

WHAT HAS HAPPENED TO THE GREAT CANADIAN DREAM? WHERE HAVE WE GONE WRONG? HOW DO WE EXPLAIN THESE ECONOMIC AND SOCIAL CONTRADICTIONS? WHY HAS OUR DRIVE FOR MATERIAL PROSPERITY AND THE GOOD LIFE NOT PROVIDED US WITH A QUALITY OF LIFE WE SO MUCH DESIRE?

THERE ARE NO READY AND EASY ANSWERS TO THESE TROUBLING QUESTIONS. MANY CANADIANS EXPERIENCE AND ARTICULATE THE UNEASE, BUT FEW CAN DEFINE THE PRECISE NATURE OF THEIR CONCERN.

IN THE ABSENCE OF A CLEAR UNDERSTANDING OF THE PROBLEMS OF THE PRESENT AND A MASSIVE UNCERTAINTY ABOUT THE FUTURE, MOST PRIVATE AND PUBLIC INSTITUTIONS CONTINUE TO PURSUE AVENUES AND REMEDIES WHICH ARE BASED ON THE IMPLICIT ASSUMPTION THAT THE FUTURE WILL MIRROR THE PAST: THE ASSUMPTION THAT THE ECONOMIC FORCES AND INSTITUTIONS NOW IN EXISTENCE (GOVERNMENT, LABOUR, BUSINESS) WILL CONTINUE ON IN THEIR SAME FORM INDEFINITELY, BECOMING BIGGER, MORE POWERFUL, AND MORE INFLUENTIAL: ALL THIS DESPITE MOUNTING EVIDENCE THAT THEIR VERY LARGENESS AND INFLUENCE THREATEN TO UNDERMINE, EVEN DESTROY, THE VERY BENEFITS FOR WHICH THEY WERE ORIGINALLY DESIGNED.

IN RECENT MONTHS WE HAVE SEEN HOW OUR PRIVATE AND PUBLIC INSTITUTIONS HAVE RESPONDED TO THE CHALLENGE. IN LARGE MEASURE, THE TIME HONOURED ECONOMIC REMEDIES HAVE BEEN SIMPLY DUSTED OFF, GIVEN A NEW COVER AND PRESENTED AS THE MEANS TO MAINTAIN OUR MOMENTUM AND PUMP ANOTHER FEW DROPS OUT OF A RAPIDLY DRYING WELL. I EXPECT THAT IF WE CAN CONTINUE TO AFFORD THE SUPPORT SERVICES OF SOCIAL WELFARE PROGRAMS, SUCH ACTION CAN SERVE TO STAVE OFF THE INEVITABLE AND EFFECTIVELY DAMPEN THE

GENERAL CANADIAN UNREST. BUT SUCH AN APPROACH CAN, AT BEST, BE VIEWED ONLY AS A STOP-GAP MEASURE WITH LIMITED LIFE.

FOR TWELVE YEARS NOW I HAVE PARTICIPATED IN A GREAT NUMBER OF ECONOMIC AND SOCIAL CONFERENCES. THE SIMILARITY OF SOLUTIONS OVER THAT TWELVE YEAR PERIOD IS REALLY QUITE ASTOUNDING. ESSENTIALLY, THE SAME SOLUTIONS HAVE BEEN ADVANCED AS THE CURE FOR OUR AILMENTS. BUT STRANGELY OUR ILLNESS GROWS PROGRESSIVELY WORSE.

SOMETHING IS DESPERATELY WRONG!

THE GREAT CANADIAN DREAM IS FADING - WE NEED DESPERATELY TO AWAKEN AND DREAM ANEW.

CAN WE AFFORD TO CONTINUE TO PLAY THE GLOBAL GAME OF ECONOMIC CHESS? MUST WE CONTINUE TO BE MANIPULATED BY MASSIVE EXTERNAL FORCES AND FOREIGN CONTROLS? IS IT ABSOLUTELY NECESSARY THAT CANADA BE CONSTANTLY BUFFETED BY THE FLUXUATING AND SEEMINGLY RUDDERLESS WORLD ECONOMY? AND MUST CANADIAN DIRECTION AND DEVELOPMENT BE TIED TO THE MULTINATIONAL ETHIC? OR, CAN WE, OVER THE NEXT SEVERAL DECADES, REDUCE OUR VULNERABILITY. ADJUST OUR SOCIETY TO CONDITIONS MORE REPRESENTATIVE OF THE PHYSICAL AND SOCIAL LIMITS WITHIN WHICH WE EXIST, AND BUILD A SOCIETY TRULY REFLECTIVE OF CANADIAN HOPES AND DREAMS?

SUCH AN EFFORT IS ONLY POSSIBLE AT THE NATIONAL LEVEL AND MUST HAVE NATIONAL LEADERSHIP. NO SINGLE PROVINCE, NO ONE CANADIAN REGION, CAN MOUNT THE REQUIRED SUPPORT AND EFFORT NEEDED. WORKING TOGETHER, WITH A NATIONAL WILL, AND A NATIONAL DIRECTION AND COMMITMENT, WE CAN ACHIEVE A MEANINGFUL, STABLE AND PURPOSEFUL SOCIETY.

IN THE GENERAL AREA OF ECONOMIC POLICY, INCLUDING THE CONCEPT OF PRODUCTIVITY, WE MUST COME TO THE CONCLUSION THAT TODAY'S INFLATION, UNEMPLOYMENT AND GENERAL UNEASE IS DIFFERENT FROM ANY WE HAVE HAD BEFORE. THE RISE IN PRICES IS INCREASINGLY DUE TO RESOURCE DEPLETION, THE TRANSLATION OF ENVIRONMENTAL AND SOCIAL COSTS INTO NATIONAL ECONOMIC COSTS, AND THE EFFORT ON THE PART OF THE LABOUR FORCE TO REPLACE AN INCREASINGLY UNDESIRABLE WORK EXPERIENCE WITH INCREASED INCOME.

UNDER SUCH CIRCUMSTANCES, TRADITIONAL ECONOMIC RESPONSES ARE NO LONGER EFFECTIVE.

MR. CHAIRMAN, WE NEED A NEW VISION. THE ONE WE HAVE HAD FOR CANADA IS WRONG. THE FORECAST WE HAVE HAD ON THE GREAT MAJORITY OF CANADIANS LIVING IN THREE METROPOLITAN AREAS OF MONTREAL, TORONTO, VANCOUVER, IS WRONG. IT IS A HARMFUL VISION. THE SOCIAL AND ECONOMIC WOES OF SUCH GROUPINGS ARE APPALLING.

I PROPOSE THAT WE, THE LEADERS OF GOVERNMENTS, CONCEIVE OF A NEW VISION. ONE THAT REVITALIZES THE SMALLER TOWNS AND CITIES OF THIS NATION WHERE PEOPLE CAN LIVE AND GROW BOTH ECONOMICALLY AND SPIRITUALLY. I SEE THESE COMMUNITIES MADE UP OF INDUSTRIOUS, SELF RELIANT, CONSERVING PEOPLE, EMPLOYING HIGH TECHNOLOGY TO MANUFACTURE USEFUL GOODS.

THERE ARE, AMONG OTHERS, FOUR MAJOR ELEMENTS THAT ARE BASIC TO THIS KIND OF CANADIAN SOCIETY.

THE FIRST ELEMENT IS A FUNDAMENTAL ONE; WE MUST ALWAYS BE CAPABLE OF PROVIDING OURSELVES WITH THE BASICS OF LIVING, THAT IS FOOD, CLOTHING AND ENERGY. NO SELF RESPECTING NATION SHOULD BE VULNERABLE IN THESE AREAS.

IT IS NOT WELL KNOWN THAT CANADA IS NOT SELF SUFFICIENT IN ALL FOOD PRODUCTS. IN ONLY THREE COMMODITIES, WHEAT, FEED AND DAIRY PRODUCTS, HAVE EXPORTS BEEN HIGHER THAN IMPORTS. OUR DEPENDENCE UPON TRADE FOR OUR SUSTENANCE HAS BEEN INCREASING RAPIDLY. IMPORTS OF SUGAR, DAIRY PRODUCTS, AND MEAT PRODUCTS WERE MORE THAN THREE TIMES HIGHER IN 1973 THAN IN 1969, IMPORTS OF FRUITS AND VEGETABLES WERE NEARLY DOUBLE. CLEARLY, WE MUST DO MORE TO PROVIDE FOR OURSELVES.

THE SECOND ELEMENT RELATES TO THE CONCEPT OF, A CONSERVING SOCIETY THAT IS CONSCIOUS OF THE PRINCIPLE OF STEWARDSHIP. THIS MEANS THAT RATHER THAN EXPLOIT AND WASTE OUR NATURAL RESOURCES, WE PASS ON TO OUR CHILDREN AS WELL CARED FOR AN ESTATE AS WE INHERITED.

THIRDLY, A NEW VISION OF CANADIAN SOCIETY MUST FOCUS UPON AN EVER INCREASING LEVEL OF TECHNOLOGY. THIS IS THE KEY TO HIGHER PRODUCTIVITY, JOB CREATION, SELF RELIANCE AND EXPORT CAPABILITY. THIS HIGHER TECHNOLOGY CAN NO LONGER BE BORROWED AS WAS DONE DURING THE FIRST HALF OF THIS CENTURY. IT IS TOO VALUABLE. IT IS NOT BEING LOANED FREE OF CHARGE. IT MUST BE HOME GROWN. OTHERWISE, OUR ECONOMY WILL SINK TO THE THIRD STEP OF A STAGNANT ECONOMY: THAT IS FROM AN OWNERSHIP ECONOMY (WHERE WE ARE NOW), THROUGH A BRANCH PLANT ECONOMY, TO THE WAREHOUSE ECONOMY.

SIMILARLY, THE CONCEPT OF COMPARATIVE ADVANTAGE AMONG COUNTRIES MUST BE RE-EXAMINED. ENLIGHTENED NATIONS ARE NOT LIMITED BY NATURAL ENDOWMENTS. RATHER, THEY CREATE THEIR OWN COMPARATIVE ADVANTAGE. GOOD PLANNING AND ADVANCE TECHNOLOGY CAN ENABLE US TO CONSTRUCT THE COMPARATIVE ADVANTAGES OF THE FUTURE.

IN FACT, THE GOVERNMENT OF PRINCE EDWARD ISLAND IS SO CONVINCED THAT INDUSTRIAL RESEARCH AND DEVELOPMENT IS FUNDAMENTAL TO THE SOLUTION OF OUR PROBLEMS, THAT MY GOVERNMENT INTENDS TO GRANT SUBSTANTIAL TAX CREDITS TO FURTHER ENCOURAGE RESEARCH AND DEVELOPMENT IN OUR PROVINCE.

A FOURTH ELEMENT NECESSARY TO A MORE DESIRABLE SOCIETY IS THE REVERSAL OF THE PROCESS OF CENTRALIZATION. THE COSTS OF CENTRALIZATION TO CANADIANS HAS, IN A WORD, BEEN ENORMOUS, BOTH SOCIALLY AND ECONOMICALLY.

THE TOTAL COST OF EXCESSIVE URBANIZATION AT A NATIONAL LEVEL PRESENTS A VERY SERIOUS DRAIN ON OUR NATIONAL RESOURCES. FOR EXAMPLE, IT HAS BEEN SHOWN THAT IT IS FAR CHEAPER TO SUSTAIN A SMALL POPULATION IN SMALL TOWNS AND VILLAGES THAN IN LARGE CITIES. THE COST OF PUBLIC WELFARE IN TOWNS LESS THAN 10,000 PEOPLE IS ABOUT 12 DOLLARS PER CAPITA WHILE IN LARGE CITIES SUCH AS NEW YORK IT IS OVER 190 DOLLARS. THE COSTS OF POLICE PROTECTION IN THE SMALL TOWN IS LESS THAN SIX DOLLARS COMPARED TO 52 DOLLARS IN A LARGE CITY.

TO SUM UP, WE HAVE ALL SUFFERED FROM A NUMBING OF POLITICAL SENSITIVITY. BECAUSE WE WERE AFFLUENT ENOUGH TO PROVIDE OUR PEOPLE WITH SOCIAL BENEFITS SUCH AS UNEMPLOYMENT INSURANCE, WE DID NOT BECOME ALERT TO THE MESSAGE THAT HIGH UNEMPLOYMENT WAS GIVING US - A MESSAGE THAT WE HAD A STRUCTURAL ABNORMALITY IN OUR ECONOMY.

COLLEAGUES, SIGNALS ARE BEING GIVEN BUT WE KEEP RESPONDING INAPPROPRIATELY. WE MUST TAKE A NEW DIRECTION. WE MUST BUILD A ~~BALANCED~~ SOCIETY. WE MUST NOT BECOME A HYPER-INDUSTRIALIZED, HYPER-CENTRALIZED SOCIETY NOR AM I SUGGESTING WE RETURN TO A VINE AND FIG TREE SOCIETY. RATHER, WE MUST CREATE A SOCIETY WHICH IS MORE DECENTRALIZED AND SUSTAINS ITSELF THROUGH INDUSTRIOUSLY EMPLOYING APPROPRIATE TECHNOLOGY AND IN WHICH HUMAN VALUES HAVE A HIGHER PRIORITY THAN PRODUCING TRINKETS FOR AN ARTIFICIALLY CREATED MARKET. WE MUST RECOGNIZE THAT WHAT IS GENUINELY "PRODUCTIVE" MAY NOT ALWAYS BE QUANTIFIED. SIMILARLY, WHAT IS OFTEN DEEMED PRODUCTIVE BECAUSE IT CAN BE MEASURED MAY BE OF LITTLE VALUE TO REAL HUMAN NEEDS. WE MUST CHANGE, BUT LET US NOT FEAR CHANGES BUT WELCOME THEM AS OPPORTUNITIES.