



**Notes For A Speech to the
Canadian Club**

February 27, 2007

Ottawa, Ont.

By

Barbara Stymiest

**Reaching Out to the World
as We Find it at Home**

***Nation Building as Business
Building in the 21st Century***

Good afternoon and thank you for that very kind introduction and for the warm welcome.

When I spoke to you last, nearly four years ago, I rooted my remarks inside two distinct questions that offered a choice.

Should Canada confront the new century by turning inward to remain focused on opportunities for growth described only by North America?

Or should Canada do what history suggests the country has always done and seek alternatives in the broader -- and multilateral -- world?¹

Those of you who follow these things know that, as President of TSX Group, I was eager to grow that business beyond traditional borders and, in fact, beyond traditional markets. I was confident that our new trading technology could easily sustain cross-border ambitions that contemplated mutual recognition of markets by regulators and investors in countries other than our own.

And I felt that as Canadians we were both economically ready and uniquely qualified to reach out to people of other countries, other cultures, who found themselves in the same business -- one of the oldest businesses in the world -- and with that effort establish a strong, lasting relationship between our markets and our nations.

Just a few years later, that very ambition is one that New York Stock Exchange President John Thain has chosen to pursue with apparent success, announcing their intention to open an office in China² and later using a 5 per cent stock purchase to formalize a new relationship with the National Stock Exchange of India in Mumbai.³

A short time later he turned to the other side of the world to do something less definitive but similar, announcing a strategic alliance with the Tokyo Stock Exchange, one that will see the two strengthen their relationship in a joint exploration of new opportunities in just about every aspect of their increasingly complex businesses.

All this of course is on top of Thain's successful merger with Europe's leading stock exchange. Euronext is a pan-European market born just a few years earlier at the beginning of the century when Amsterdam, Brussels and Paris chose to embrace the tenets of political union and become a single platform.

¹ Barbara Stymiest, Canadian Club, April 15, 2003

² NYSE Release, December 15, 2006

³ NYSE Release, January 10, 2007

Rapid change in the geographic configuration of markets is change facilitated by communications technology. I spoke about this when we met last. I recalled the impact the ticker tape had on stock trading when it was introduced in the 1860s and the telephone in the 1870s.

Today we are talking about the impact of high-speed digital communications that in the exchange space can complete a trade transaction in less than 5/100ths of a second.

And that impact is much greater than simply improving transaction speed in the exchange space. That impact is much more pervasive, bringing people together in ways that traditional maps and nation states and their statesmen and scholars never contemplated.

Or did they?

In the update to his best seller *The World is Flat*, Thomas Friedman suggests that today's "global village" isn't simply a philosophical concept through which shared ideas can find parallels in other countries.

For Friedman the world has become that village, essentially a shared community of different voices saying most of the same things wherever and whenever the discussion is taking place.⁴

Like global warming, the evidence is moving beyond theory into obvious developments. And it isn't simply an institutional phenomenon.

Recently, a young man offered a personal video on YouTube in which he holds up his cell phone and asks viewers simply to call him from wherever they are in the world. His number is clearly displayed. He asks viewers to clip and email his video to anyone who might not find it on YouTube. Encourage them to call as well.

In this video, he could be standing at the head of his class. His presentation is confident, warm and familiar; talking to and through YouTube to what he obviously believes is a worldwide audience.

And he's right. It is.

... And I am glad he isn't my child. The phone bill will be staggering.

I point to the exchange industry as an example with which I am familiar in demonstrating to you how traditional borders are being broken down by the rapid advances in technology and communications.

⁴ Thomas L. Friedman, *The World is Flat*, 2nd Edition 2006, pgs 234-258

I offer the exchange itself as a unique symbol of technical achievement and the banner of capitalism, the same capitalism that Marx and Engels described with apparently enormous insight as early as 1848.⁵

The Communist Manifesto was published ten years after two men, Alfred Vail and Samuel Morse exchanged the first dot-dash telegram with the message decoded to read, "A patient waiter is no loser."⁶ I wonder if Marx and Engels understood that they were publishing into a world that already was becoming smaller because of information technology?

Of course they did.

In fact, that new technical achievement may have supported a conviction that capitalism would ultimately break down traditional barriers and create a global market uniquely structured within the unimpeded dynamics of supply and demand: a market that in its relentless pursuit of profit would embolden labour, the proletariat, to the point of revolution.

In 1848 Marx was suggesting that capitalism would essentially reach around the world and in doing so diminish the characteristics that define our unique identities, particularly as individuals but also as nations.

Harvard's Michael Sandel is a political theorist drawn into this debate by Friedman. He connects this thinking to very real cautions in a world determined to develop a perfect global market. Sandel points to our unique institutions, our habits, our cultures and our traditions. These are the things he says we most often cherish as citizens.

The obvious technical argument that suggests nationalism and citizenship are "obstacles to a frictionless global market..." speaks for itself. But Sandel goes further, suggesting that as inefficient as these touchstones may be, they are necessary.⁷

Like others who look out across the changing demographic and fear the loss of a sense of place, Michael Sandel believes that we will all be much poorer if we let these distinctions and practices slip away in the face of a search for more seamless trading opportunities. He is not alone.

I think Andrew Cohen feels much the same way if only in terms of Canada's loss of its unique sense of place in the coming years. But he didn't really say it in that manner and certainly not in reaction to rapid change in the world at large.

⁵ ibid

⁶ Inventor of the Week Archive, Lemelson-MIT Program, Cambridge Mass.

⁷ Thomas Friedman, The World is Flat, pg 234

Cohen teaches at Carleton University and he is a journalist and author whom many of you will recognize.

Last July, he wrote a piece for the Toronto Star entitled *Imagining Canada's 153rd Birthday*. This was his contribution to the Star's broader focus on Canada in 2020.⁸

In this article he looks out into a future captured from the vantage point of an informed observer, an understanding shaped by his experience through to adulthood, as a man who I assume has grown up here in Canada.

Cohen offers more of a lament for a nation than a fear of world citizenship. Nothing like George Grant's important work of the same name that in the mid-60s imagined a culture lost to "continentalism" and what he saw as the irresistible influence of the United States.⁹

As he imagines activities that might fill Canada Day celebrations in 2020, Cohen looks out on "the new complexion of Canada: black, tan and yellow."

He writes that Canadians in 2020 have become the most moderate of people, "tolerance is their vocation," he suggests; a country rich in resources but no longer of unique definition, reduced to "an area code and an email address", "a comfort station on the road to somewhere else."

I came away from the article profoundly sad. Mr. Cohen's obviously unhappy view of Canada in the years ahead "as a great mingling of races from the corners of the earth", a nation that "roams around under a cloud of amnesia." isn't how I believe we will see ourselves in the future.

And certainly, as a senior officer of a major Canadian company that has embraced diversity as a touchstone of those values we believe will support our growth and success in the future, I can say with confidence that this is not how RBC sees Canada in the years ahead.

But I won't ignore the facts that remain hidden behind the rhetoric. None of us should.

Everyone is talking about looming demographic change. And with statistics that suggest that by 2011 it will be immigration alone that will account for all net labour force growth in Canada, it is hard not to recognize the tableau painted by this observer.¹⁰

⁸ Andrew Cohen, *Imagining Canada's 153rd Birthday*, June 30, 2006

⁹ *Lament for a Nation: George Grant, 1970*, Carleton University Press

¹⁰ Statistics Canada, www.immigrate.net/law

If the American experience is any kind of an indication understand this: In 1960 half of all American men dropped out of high school to look for unskilled work. Now more than 40 years later less than 10% drop out.¹¹

Who will do the work in this new century?

My family started to “mingle” with those who ultimately would become Canadians shortly after the American Revolution. Like so many other United Empire Loyalists before them, the Stymiests headed north in 1783, essentially refugees traveling first by boat to St John harbour from Gravesend, Long Island, to settle in Tabusintac, Alnwick Parish, up in New Brunswick’s Northumberland County.

You will recognize the area more easily if I simply say, along the Miramichi.

Ben Stymiest was the first.¹²

Our relationship with New Brunswick today is deep and filled with unquestioned pride. It is a relationship that was forced upon us at a time of enormous political upheaval on this continent. A time when many of the scenes being played out today among the refugee communities in war torn states of a modern world were being played out not so much down east, but not far from here, around the walls of Fort Niagara in northern New York state.

In the late 1700s several thousand European-Loyalist families and dispossessed native people were forced from their homes along the Mohawk Valley. They sought protection and shelter through a most miserable winter in a refugee community that sprang up outside the fort.¹³

It is a bitter story of disease and starvation that would frankly bore you with its weary familiarity. If there is a difference it may only be that it took place on the shores of Lake Ontario. Gratefully, things like that aren’t happening down there too much anymore --- although it still snows heavily, as you know.

But my point is that the United Empire Loyalists came to Canada for reasons that are relatively easy to understand, reasons that parallel the motivations of so many who fill the lists of new immigrants who arrive in our country filled with extraordinary courage and tireless hope in search of something more, in search of safety and of opportunity.

¹¹ Immigration Nation, Tamar Jacoby; Foreign Affairs, November/December 2006

¹² UEL Association of Canada, Directory of Loyalists

¹³ Refugees of Niagara 1779-1780, Timothy Shaw 2004

And perhaps more often today in search of something that isn't quite like the United States of America, while recognizing that it certainly can't be anything like what invariably they were obliged to leave at home.

And it may be that Mr. Cohen has uncovered why these many different peoples have chosen to come. Maybe they have chosen to come because we do not ask them to be who they are not.

We ask them to abide by our laws and respect our values but we do not ask them to deny their histories.

We do not ask them to forget their language.

We do not ask them to forget their stories and the men and women who populate those stories but lie now in ground in some other part of the world.

But for his part and only indirectly, Cohen seems to lament the absence of a single and, for me, dated notion of nationhood; one that sees immigrants urgently transformed in the face of a unique democratic proposition that is somehow overwhelming and wonderful.

Certainly, this is an American point of view. The idea is that immigrants come to the country to be part of something larger and in doing that surrender, almost as fair exchange, understandings and traditions from the past.

Or that's the theory.

It is a theory that has been around for a long time and captured best in a play written by Israel Zangwill, a Jewish immigrant from England who came to America in the earliest days of the last century.

He called his piece *The Melting Pot* and it opened in Washington in 1908 during a period when America was absorbing millions of new immigrants – Irish, Germans, Italians, East Europeans, Catholics and Jews – some 18 million between 1890 and 1920.¹⁴

It is a theory that has been contested intellectually since its introduction -- Patrick Moynihan's book *Beyond the Melting Pot* written in 1963 comes to mind.

And it is a theory that will be tested by the stark mathematics reflected best in a US Census bureau report a few years ago, which suggested that the relative number of "white" Americans was dropping quickly, moving from 73% of the population in 1997 to an estimated 53% in 2050.

¹⁴ One Nation, Indivisible: Is It History? William Booth, Washington Post, Feb 22, 1998

Politicians on both sides of the border argue that far from being a crisis or something to fear, immigration is an absolute boon to our countries. And without any of the narcissism that Mr. Cohen attaches to the particular brand of multiculturalism that's reflected in our immigration policies and our generous view of new Canadians, so do I.

One of the striking differences in the workday one confronts in a move from the TSX Group and Canada's largest equity market to RBC, Canada's largest financial institution, is quite simply the difference in reach, specifically into the lives of people: in our case more than 14 million worldwide.

Exchanges reach unseen with increasingly less effort between markets every day pushing new geographic boundaries with the help of technology and facilitating new trading volumes in the process.

And financial institutions reach with increasingly less effort into an ever-widening circle of clients everywhere in the world. To be most effective at doing that, to be successful in a lasting way, we need to understand well where we come from and where in the world we want to grow.

Increasingly these places are connected.

Communication technology enables much of this. But so does an employee base that is as culturally deep as our country itself, the kind of country that Canada, rich in talent as well as resources, has become in a world of complex citizenship.

The notion of diversity we embrace at RBC is rooted in our confidence as Canadians, our self-respect and our genuine belief in the value, the honest contribution, most new entrants to this country want to make not simply as an investment in a new land, but as an investment in themselves and the families they are eager to see prosper here. Invariably in making this commitment they seek the support of the community in which their new lives have been established. And we are determined to be a part of that community.

When they were challenging the melting pot theory back in 1963, Moynihan and co-author Nathan Glazer pointed to the unwillingness of the Irish to give up their unique sense of community.¹⁵ The fact of the matter is that the existence of ethnic enclaves isn't a Canadian phenomenon nor is it a myth in those nation-states that would dream of, if not insist on, a melting pot of cultures.

To the degree that Canada's relative youth encouraged us to accept the opportunity of multiculturalism earlier than many other nations might give us a leg up, but it doesn't make us unique.

¹⁵ Beyond the Melting Pot, 1970, 2nd edition, Nathan Glazer and Daniel P. Moynihan

I noted with some amusement but some concern the new debate about being British in the United Kingdom. In a late January issue of the Economist magazine it is reported that the annual British Social Attitudes Survey offers evidence that a decreasing number of residents of the Island of Great Britain now regard “British” as being their national identity.¹⁶

The Scots and the Welsh are keen to talk about themselves in more independent terms and this explains some of this trend but not all. In an earlier survey it was reported that only 9% of ethnic minorities strongly identify with England, Scotland or Wales.

The debate over who we are and what we will become as united peoples in distinct nations seems to be heating up almost at the same time as technical achievement alone shifts the dialogue from serious drama to wistful comedy. I cannot blame Andrew Cohen.

For years, Britain’s Chancellor of the Exchequer, Gordon Brown has been calling for a national debate on what the Union flag represents. On the fringes of that discussion there is an undertone of racism in early comments such as that attributed to former Tory chairman Lord Norman Tebbit who said, “The question is about foreigners and how foreigners are persuaded to adopt British customs and styles.”¹⁷

And in such quite different worlds as the United States and Sweden the immigration debate as it attaches to being or in some way becoming American or Swedish is painfully similar.

You may have read Margaret Wenté’s challenging article in the Globe and Mail last month in which she details the circumstances of Muslims living in Rosengrad, Sweden. She closes with a comment from a Swede who, ignoring evidence to the contrary, genuinely hopes for more effective assimilation of these immigrants in the years ahead. “The Swedish idea is that we will transform them,” Wenté writes.¹⁸

As the world shrinks in the face of the irresistible influences of communications technology, these dreams of creating lasting emotional attachments to new addresses among immigrants are naïve and frankly misplaced.

Satellites, the internet, emerging video, broadband telephone adapters, global packet radio systems -- these technologies have lifted most central issues beyond the local or national level, almost forcing an urgent search for global solutions.

¹⁶ Economist, January 27, 2007, British Identity: Waning

¹⁷ What is “Britishness” Anyway, BBC News Service, 10 September 2002

¹⁸ Margaret Wenté, Meet the New Swedes, The Globe and Mail, Focus, January 6, 2007

More and more, the nation-state is dwarfed as single spokesperson offering views unique to geography or to the cultural heritage rooted in the personal past of a founding father. Unavoidably this must influence how we see ourselves and each other.

It must also remind us to be vigilant at home; wary of views that isolate the immigrant population we seek out in the increasingly competitive search for the qualified labour, the men and women whom we desperately need in our drive for continued national growth.

Most obviously I refer to a shop-worn view that suggests people come to our country to be unemployed. I don't believe that. People come to this country to work.

And increasingly they are doing that with the support of a communications technology that in its complete accessibility reaches around the world and "pamphlets" our national ambitions from one kitchen to another to another and another – often to many in a single transmission.

As walls breakdown and young people reach through the computer screen and the Internet to speak to each other regardless of nationality or race or colour or sexuality remember that they are not reaching out to simply talk to strangers.

They are reaching out to talk to friends and families too. Folks back home. And in doing this they are facilitating labour flows by simply sending emails that point to unskilled job vacancies in rural Alberta, tree planters in northern Ontario, road construction in British Columbia or house construction in Quebec.

I wonder if Marx and Engels factored immigration into their theory?

Of course they did.

It is the power of communications technology they might have misjudged, the unavoidable presence of a global reality that less and less will accept narrow definitions of both political and cultural leadership, particularly those described only in geographic terms and offered from the point of view of "who got there first".

In fact as prescient as Marx and Engels may have been it appears they failed to understand the impact of sociopolitical culture if only in this unique area: the manner in which technology would rise up to protect the individual from cultural obscurity.

It is this back and forth through cyberspace that, without the benefit of any empirical data, allows me to believe that one of the central drivers of the success of Toyota and Honda has been immigration.¹⁹

I speculate that people, who immigrate to North America from countries in the world where for decades these have been dominant auto manufacturers, will choose one or other of these brands when it comes to buying a new car in their new country.

How can this be you might ask? After all, how long ago was it that high-five status was conferred upon an immigrant to America with the purchase of a new Cadillac? Well I think it has to do with this notion of constant electronic return to one's homeland.

People new to the country recall easily the performance and reliability of the brand and they remember it fondly. It's reinforced on the telephone.

They remember the status associated with that vehicle, the sense of accomplishment it might have conveyed on the streets where they were first young. They can revisit those streets instantly with Google Earth technology.

It isn't that they don't like Chevrolet or Ford. It's that they know Honda or Toyota like the corner store or the school yard and attach these brands to the dreams of a success measured finally within the earliest of their childhood learning and a past with which they stay connected.

Toyota's careful positioning of assembly plants in North America remains among the most insightful development plays in the same global market that Friedman captures in his suggestion that we are all in this together.

Both Honda and Toyota live the urgent new corollary that if you want to succeed here you better plan on succeeding there first.

It is in reaction to these developments that I believe it is impossible to do business beyond our borders, beyond North America, without first understanding this incredible country and the limitless possibilities that connect Canadians, particularly as they have increasingly become, to the peoples of the world, wherever in the world those people are found.

In this respect I apologize to Mr. Cohen. I am okay with the fact that the Canada of tomorrow will not be the country of my father, or of John A. Macdonald, Mackenzie King, John Diefenbaker, Lester Pearson, Pierre Berton, etc.

¹⁹ Keith Naughton, Newsweek International, May 9 2006

Frankly, I am not sure it is today.

And as much as I may have worried about expansion, I don't wish for the days when the NHL was composed of the Montreal Canadiens, the Toronto Maple Leafs, the Chicago Black Hawks, the Boston Bruins, the New York Rangers and the Detroit Red Wings.

Most of you folks don't either. After all, expansion brought the Senators back.

No, I have moved on, believing that the luxury of sitting around and wishing we were enjoying a time long past is just a little too, well... early-Canadian for me. It's not who we are anymore. And besides, you can't stay on the starting line forever.

Successful international business strategies will increasingly rest on how well we do in establishing meaningful relationships in other countries, countries that have offered up young and old alike to come and live here with us, through us and yes, because of us --- all the while never stopping to be who they are.

I remain convinced that strengthening the relationships we have with Canadians however they have come to share our flag will serve us best in a search for new opportunities abroad. In this respect, Michael Sandel is right. We will be poorer if we fail to embrace our several but unique distinctions, particularly as we find them at home today and in the year 2020.

These connections will help us to better understand, better learn the small things that guarantee every citizen of the world a unique sense of identity wherever they live or may have lived. More than anything, it will help us become who they need us to be in their journey to realize the promises life can offer.

And they will depend on how honestly we balance our growth ambitions with the emerging ambitions that we certainly have at RBC in the area of corporate responsibility and the ever-widening circle of partnership that success demands in a market that is truly global. This is diversity extended. Respect transported beyond our simple borders.

It is in the demonstrated confidence and certainty of this that I am so impressed with the outreach of the New York Stock Exchange as it positions itself to serve the world. Its future couldn't possibly be more bright or exciting.

Communications technology will continue to narrow gaps between cultures with a speed that can be best measured by the number of telephone calls that young man on YouTube has received since I have been standing here.

He will have heard from every language. He will have heard from almost every culture. Diminished by traditional measurement he will become instantly huge in his understanding of the scope of his new citizenship.

Business needs to reach out in this way. But business needs first to reach into the communities of our country, the ethnic enclaves that deepen the rich colours, the texture of a nation finally mature. And when this effort is made, when the connection is made, then business is ready to be the business of the world as Marx and Engels predicted almost 160 years ago, revolution aside, communication enriched.

As they have for centuries, artists work to capture the things that give our social framework some dimension and form. Constant communicators, often teachers, I think we can all agree that in one medium or another we can usually see ourselves.

Certainly in the opening moments of his award winning play, *Angels in America*, Tony Kushner offers his audience a plea to protect the history, the unique culture that only determination and courage can understand...

Rabbi Isidor Chemelwitz offers a recollection of Sarah Ironson, speaking to a small gathering of family at her funeral.

He admits to not knowing this old woman but in fact he does because she is like so many others he has known, "... a whole kind of person," he says, "the ones who crossed the ocean, who brought with us to America the villages of Russia and Lithuania ...how we struggled, and how we fought, for the family, for the Jewish home, so that you would not grow up here, in this strange place, in the melting pot where nothing melted."

The Rabbi goes on to connect the old world with the new by saying, "... descendents of this immigrant woman you do not grow up in America. You do not live in America. No such place exists. Your clay is the clay of the some Litvak shtetl, your air is the air of the steppes – because she carried the old world on her back across the ocean, in a boat, and she put it down on Grand Course Avenue, or in Flatbush, and she worked that earth into your bones, and you pass it to your children, this ancient, ancient culture and home."

And finally he tries to remind them of the value of their cultural history by saying, "... You can never make that crossing she made, for such voyages in this world do not any more exist. But every day of your lives the miles that voyage between that place and this one you cross. Every day. In you that journey is."

And with that I close suggesting to you that every day in all of us that journey is.

Many thanks.