



STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/20

STRENGTHENING CANADA'S INDEPENDENCE

Address by the Honourable Mitchell Sharp,
Minister of Finance, to the Association of
Canadian Advertisers, Toronto, May 4, 1966.

As Minister of Finance, you would expect me, when speaking on the subject strengthening Canada's independence, to concentrate on the financial and economic aspects of this urgent task. I shall do so, but I'd like to set my comments in the wider cultural and political context - using "political" in its broad sense, not in its party sense! Indeed, how we Canadians address ourselves, as a society, to the difficult questions of fiscal and financial policy, of commercial policy, and of economic policy, is in large part a function of how our whole national society sees itself. I, for one, have never thought of these matters, for which I now have some responsibility as Minister, as mere technical questions, requiring for their solution only the supply of enough expertise. They go to the very heart of our nationhood.

Let me begin by stating an obvious but key fact about Canada's independence. We live in a world dominated by the changing relations between the two super-powers. How the two great centres of world power - the United States and the U.S.S.R. - react to each other, and how they each react to the emerging fact of China, sets limits to the scope of independent action of other nations. Even Japan, Britain and the major continental European countries - great powers by our standards - find their freedom of action sharply curtailed by the fact of super power.

If these great nations find that their room for independent action is defined and confined by the existence of two centres of world power, then surely we in Canada must accept that our independence is limited by the fact that both the two super-powers are there, and that they are our next-door neighbours.

A second key fact, which we ignore only at a high cost, is the fact of growing interdependence between nations and regions. The great force making for increased economic interdependence is technological change. The impact of technological change is virtually all in one direction - toward larger units of production, toward lower costs, and toward mass production. Articles that ten to 15 years ago were made for local markets, in small plants, are now made for mass markets, in perhaps only two or three plants on each continent. This is, on the one hand, the inevitable answer of industrial technology to changes in the demands of consumers and,