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IN SEARCH OF A FRESH CANADIAN INDUSTRIAL POLICY

An Address by the Minister of Finance,
the Honourable John N. Turner, to the
Canadian Club of Toronto, April 4, 1972.

Recently, there has been a great deal of public discussion about the need for Canada to develop an industrial policy for the 1970s. There appears to be widespread agreement that Canada should formulate an industrial strategy or "game plan" for the future. But there is far less agreement about what form it should take or how far it should go.

Some of the discussion of the issue has been in terms which suggested that establishing an industrial policy would be something new for Canada. Some has been in terms which suggested that simply by establishing the right kind of industrial policy Canada would be presented with a miraculous cure for all of its economic problems. Both such suggestions are nonsense.

Canadians have always had a pretty good idea about what their industrial objectives should be. They have also had a pretty good idea about how they could best go about trying to achieve them under the circumstances prevailing at the time. There have, of course, been differences of opinion over what the priorities should be at any given point in time and about the means that should be adopted to achieve them. As a general rule, however, there has been a broad measure of agreement about where the national interest lay.

At one time the focus has been on opening up our frontier and developing a transportation system to help populate the nation and bind it together from coast to coast. At other times we have put more weight on developing our natural resources or our industrial base. The National Policy of 1879, for example, established a very clear plan for fostering the growth of manufacturing industry in Canada. The basis of that policy was high tariff protection for Canada's infant industries. It was complemented by policies welcoming capital investment from abroad and encouraging a heavy inflow of immigrants to provide a market for the output of the manufacturing industries in Canada.

At the time it was proclaimed, the National Policy was not regarded even by the Government of the day as the most ideal means of achieving the nation's objectives. It was accepted as a second-best policy. But it was also believed to be the best option Canada had open to it in light of the consistent refusal of the United States to move toward freer trade between the two countries.