



CANADA

STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 67/26

CANADA'S ECONOMIC DEVELOPMENT

An Address by the Honourable Robert H. Winters
Minister of Trade and Commerce to the Twentieth
International Banking Summer School, Kingston,
Ontario, August 24, 1967.

...In the hundredth year of our nationhood, Canadians have positioned themselves in the midst of a new and exciting phase of economic development. Changes now under way have far-reaching implications for the structure of our industry, the size and composition of our trade and for our economic well-being generally.

Two of the outstanding influences which have determined the nature of our economy are Canada's rich heritage of natural resources and our proximity to the United States. Our development as a nation depends in part upon our ability to hold the gap in our living standards, compared with those in the United States, to moderate proportions. Otherwise the attractions of that great and dynamic country are too great for Canadians to resist.

Our resource-based industries have required a scale of production far in excess of domestic needs, to enable us to achieve the level of productivity necessary to be competitive. The resulting surpluses have, for the most part, found a ready demand in foreign markets. Thus, from its beginnings, the Canadian economy has been heavily dependent on foreign trade, the exchange of raw and processed materials and food for goods we can't produce economically at home.

Even before our first permanent European settlement, Canada was known abroad as a source of fish and fur. Later, lumber, wheat, newsprint, base metals took turns in leading our economy. Today a sizeable portion of our production and exports are new products such as iron ore, petroleum, natural gas, uranium and potash -- all of which have come to prominence only in the last decade or two. And new and major additions to our resource industries loom on the horizon.

Canada's "National Policy" of 1879 made tariff protection one of the principal instruments in the development of our secondary manufacturing. The protection afforded by the tariff and later by the Commonwealth preferences assisted in the establishment of manufacturing plants, not only by Canadian companies but also by foreign suppliers, who have found it profitable to set up subsidiaries in Canada rather than to sell foreign-produced goods over the tariff wall. The two World Wars gave a renewed impetus to the development of manufacturing.