

industries would make Canadians rich by drawing workers out of traditional activities like agriculture and fishing into modern spheres of endeavour where a more dynamic and innovative atmosphere prevailed. It would make Canada strong — that is, ensure its independence as a nation — by providing the basis for employing a lot of people, both native-born and immigrant, who would be gathered in great cities where the elements of a forceful cultural identity could be forged. It would unite the country by encouraging the interregional exchange of central-Canadian finished goods for eastern and western primary produce, an integrative symbiosis from which all would benefit.

There has been no change in the goals, obviously. What is more to the point, in the present context, is whether the requirements of contemporary conditions call for a similar effort by government to guide and foster industrial development, pursued not only through conventional import protection but through additional mechanisms capable of distorting international trade, investment, and other exchanges.

Today's goals

Given that the labour force of any developed country is, by definition, almost entirely employed in the modernized sectors of the economy, there is no longer any significant scope for enhancing efficiency and thus national wealth by attracting workers into manufacturing industry. Instead, efficiency is generally held to be adversely affected by any attempt to protect or otherwise sustain secondary industrial enterprises that cannot compete in world markets on their own. The argument most often heard nowadays in favour of special policy measures favouring industrial employment as a means of maximizing wealth — or, at least, as stimulating the potential for greater wealth creation in the future — is rather different. It suggests that the rewards of economic endeavour are especially large in the case of high-technology industries, so that governments will be well advised in effect to channel resources saved by the present generation into technological development that may pay off for the next. Thus the industrial policies of this day and age stress aid for research and development, tax incentives for high-technology innovations, and comparable devices.

The importance attached to technological competence is also a prime focus of the modern-day search for national strength and independence. Whereas in earlier times it seemed necessary to increase the number of Canadians — perhaps, in the ultimate extreme, to provide sheer manpower for an army — today the essence of nationhood appears to be a capacity for noteworthy technological achievement. Ours is a civilization based on scientific and technical excellence; *ergo*, any self-respecting nation must have its own cadres of brainy people able to contribute to the wonders of nuclear physics or electronic microcircuitry.

Disentangling the mystique of such notions from the real significance of technological capability for nation states and their peoples is one of the great challenges currently facing political economy. The problem is expressed very largely in terms of the role of highly sophisticated industrial technology in the growth of so-called multinational firms, which are seen as potent instruments for the dissemination of cultural influences and the perpetuation of unsymmetrical interdependencies between “metropolitan” countries (where multinationals have their headquarters) and “peripheral” ones (where branches and subsidiaries are located). This perception of affairs causes governments in countries like Canada to introduce machinery for the screening of foreign investments and motivates many people to advocate the establishment of state corporations in key industries to keep them under domestic control.

The continuing goal of national unity, as it presents itself in contemporary Canadian affairs, still has implications strongly reminiscent of those justifying the National Policy. However, the basis of the original position — namely, that Ontario and Quebec would constitute the nation's industrial heartland and the east and west its sources of primary goods — no longer seems to be workable. On one hand, Quebec is falling behind as a manufacturing centre for all except the more labour-intensive, standard technology products; on the other, western provinces are seeking to develop their own manufacturing capacity, at least as it concerns further processing of raw materials for export and possibly with respect to other items of various kinds. These conflicting trends explain the emergence of provincially sponsored efforts at industrial policy-building, which the federal government is desperately trying to accommodate in some sort of grand strategy of its own.

International aspect

Should these national goals, and the industrial-policy devices engineered to achieve them, be accepted as legitimate by the international community? In regard to the goals themselves there can be little quarrel. Although, in an interdependent world, there may be a *prima facie* implication that human welfare at the national level is indivisible from peace, progress, and prosperity among all nations, it is obvious that individual countries do often gain or lose, relative to some international average, from the outcome of economic events as determined by market forces. Because the citizen inevitably looks to his national government — and, in federal countries, also to his regional one — for the management of so many aspects of affairs influencing the milieu in which he lives, it is clear that such governments must always attempt to further those interests perceived as benefiting the electorate as a whole. Pursuit of national goals, therefore, is an intrinsic part of the nation-state system, which for