

industrial policies and it is not surprising to see Democratic support for direct expenditure or grant-based industrial assistance. Again, the prospect of a post-trade agreement Canada abandoning its approach in incentives just as a resurgent Democratic party embraces a similar approach, possibly in violation of the spirit of the trade accord, is disturbing.

State Industrial Strategies

The Canadian provincial governments have been engaged in active industrial policies for much longer than their American counterparts. Most provinces have written industrial strategies. The Prince Edward Island Development Plan was approved in 1969 and is one of the most comprehensive documents of its kind. Since then, most other provinces have published documents as well. The movement toward supporting local business development as opposed to a concentration on industrial attraction appeared in Canada first as well. In part this was due to federal discouragement of foreign investment, which left provinces to focus on making the best use of local resources.

The surge in state development activity after the 1981-1982 recession was surprising to those Canadian counterparts who had become used to a relatively low level of activity on the part of most states. Instead of having to compete for investments with a few states, there were now dozens putting together packages and development tools. States were sending trade and investment missions to Canada when they had not done so before. Much of this activity was repetitive of what others had done, but