

that have to be made between industries. This is where you get down to the "nitty-gritty" of making an industrial policy work. No country, least of all Canada, has the resources to do everything it wants to do. We have to concentrate our efforts, to select our targets. We have to decide, at any point in time, which industries are most deserving of support. We only have so many chips to play with and we can't afford to scatter them across the broad range of industry. As Darcy Mckeough, Ontario's Provincial Treasurer, pointed out in a speech in Toronto only last week, it means that we have to face up to some hard choices. We have to concentrate on doing those things we can do best.

I am suggesting that the important thing is to have the right "mix", the right emphasis, in our development pattern. The emphasis must be on the growth industries, the high-technology industries, the knowledge industries of the future, the ones which present possibilities of "spin-offs". Often these will be industries where the pay-off prospects are so promising that they may require little or no Government assistance. So much the better. Frequently, however, they may need help in getting started. And it seems to me that these are the areas in which Government assistance should be concentrated. In some cases, this may include a concerted and co-ordinated effort by the Federal Government to ensure that the output of such industries is granted fair access to the markets of other countries. I recognize that the process of change will often require the restructuring or the phasing-out of some existing industrial operations, in which case out adjustment-assistance programs will have an important part to play.

Finally, I think we have to decide on what the balance should be between manufacturing industries, resource industries and the service industries. They all have an important role to play in economic development - all offer important employment opportunities. It is not an "either-or" proposition, as some people seem to suggest. As I see it, it is a question of balance and of emphasis. In my view, we need to give a high priority - at least during the next few years - to creating jobs in the goods-producing industries. These jobs, of course, will generate more work in other sectors. This is the only way to get the number of new jobs we need to take care of our rapidly growing labour force. It is also the only way we are going to maintain our relative position in world export markets.

The question of export markets is fundamental. An industrial policy must be realistic. It is not what we should like to do that counts -- it is what we can do. And this will depend in part on the success of our trade and commercial policies and of the impact on Canadian exports of the commercial policies of other countries. We just do not have the option open to us of doing it alone.

As I said earlier, the world around us is changing very rapidly. With the world divided into large trading blocs, there may be a greater disposition among the leading powers - the Common Market, the U.S. and Japan - to engage in market-sharing arrangements instead of continuing to move towards true liberalization of trade. Furthermore, tariffs are not now the only, or even the main, barrier to international trade. As tariffs are reduced further, and particularly