

Why manufacturing matters

by FRANK STRONACH

Made in China.

It's the label you see on most products sold in stores throughout the country. The odd time, you'll see a product manufactured in some other country. But you almost never see a product that's made here in Canada any longer.

We used to make fridges and phones and TVs in Canada not too long ago. We even built the world's fastest fighter jet ? I once worked in a factory that made parts for the supersonic plane.

When we were a manufacturing powerhouse, our living standards were the envy of the world. Today, as our manufacturing sector shrivels, our living standards are likewise dropping.

China, on the other hand, is a rapidly rising economic and military super-power. They used to buy their fighter jets and aircraft carriers from other countries ? now they mostly make their own.

Back in the 1990s and early 2000s, it was popular for economists to say that advanced economies like Canada and the US no longer needed to manufacture products. This work, they argued, could be offshored to countries where it could be done more cheaply.

In the meantime, they said, we should focus instead on building wealth through software and the knowledge economy ? products and services that didn't require physical input or materials like steel and plastic.

According to the experts, we'd all end up being highly skilled knowledge workers creating software and manipulating data, and we'd be much better off, no longer needing to dirty our hands digging minerals from the earth and toiling on factory assembly lines.

I never believed that line of thinking ? and not just because I worked in the so-called ?old economy? of manufacturing. To me, a country that abandons its manufacturing is doomed to fall behind and decay.

The manufacturing industry and its supply base jointly develop a vast array of technologies and products ? everything from sophisticated electronics to new composite metals and plastics. For example, when I was Chair of Magna International, our mirror systems unit and Apple jointly developed the touch-screen glass technology on the new iPhone.

The technologies incubated in the manufacturing sector have applications not only in a wide range of industries but also in the defence industry, which is vital for the safeguarding of our freedom and the protection of democracies around the world.

At the end of the day, the continued deterioration of the manufacturing sector in North America and Europe will impact a wide range of other industries, including defence, and it will rob us of one of our chief engines of technological innovation.

What can we do to halt this erosion?

For one, we need to first work on restoring our technical skills base. That means training hundreds of thousands of skilled tradespeople across Canada through the creation of technical trade centres in every province focused on every industry from mining to manufacturing.

It's a major reason why technical trades training is one of the principles contained in the proposed economic charter of rights I believe Canada needs to adopt. Technical skills will give us the foundation to rebuild our manufacturing, revitalize our economy, and restore our prosperity.

But if we don't protect and foster our manufacturing base, then years from now we shouldn't ask: How did China become so strong?

The real question we should ask is: Why did we stand idly by and watch the dismantling of the industries that made us prosperous in the first place?

To learn more about how an economic charter could help revitalize our economy and raise the living standards of young Canadians, contact info@economiccharter.ca.