

government side, the national policy of Sir John A. Macdonald's day has been followed by successive governments irrespective of party, with the result that mid-way through the twentieth century we find ourselves one of the great industrial nations of the world.

Measured by income originating in manufacturing, Canada ranks sixth among the countries of the world, being surpassed only by the United States, the U.S.S.R., the United Kingdom, West Germany and France, all of which have populations greatly in excess of ours. Manufacturing contributes more to the Canadian economy than any other Canadian industry in terms of employment, income, export trade and capital investment.

Numbers Employed

According to the Dominion Bureau of Statistics, last year there were twice as many Canadians employed in manufacturing as in agriculture. Even more impressive is the figure which shows fifty per cent more people in manufacturing than in all the primary industries combined, that is, in agriculture, fishing and trapping, mining and quarrying and forestry operations. Many of those in the primary industries are dependent for their employment on the purchases of their goods and services by the manufacturers.

In 1958 the domestic manufacturing industry provided jobs for one-quarter of Canada's workers, contributed about 28 per cent to the nation's gross domestic product, accounted for almost two-thirds of the country's commodity exports and was responsible for about one-eighth of the nation's total expenditures on new capital facilities.

Problems of Industry

However, the Canadian manufacturing industry has not achieved its present eminent position in our economy without encountering difficulties. In the main these problems appear to be rising costs of production, increased foreign competition at home and abroad, the need for larger markets and the lack of adequate financing for export sales.

There is a belief in some quarters that rising costs are pricing Canadian manufactured goods out of world markets. This may be true in some particular fields but is not true as a generality; our export trade, which achieved a record in 1957, was maintained at practically the same dollar level in 1958 and with a slight increase in volume. For the first four months of 1959 our exports have approached the figures of the preceding year, and with the renewed tempo of activity are likely to establish a new record by the year's end. Fully manufactured and partially manufactured articles which account for about 67 per cent of our export trade are continuing to maintain their position.