

None of these conditions exist today. European countries have re-established their industries and are actively seeking export markets. Labour is both cheap and efficient. Japan, and to a lesser extent, Hong Kong, have established many new industries with modern machinery and cheap labour, and the products of these countries are making rapid inroads into the Canadian domestic market. There are now no shortages in the United States, where by mass production methods goods can be produced economically in almost unlimited quantities. The restrictions on imports imposed by Canada in 1947 were removed in part in 1951 and completely in 1952.

These world-wide changes have, of course, resulted in keener competition for the Canadian manufacturer in his home market. The products of low-wage and/or mass-production countries are being imported and sold to Canadian consumers in very large quantities. A number of Canadian textile mills have had to close down. Many other firms have discontinued manufacturing certain products which they formerly made both for home consumption and for export, and are using their facilities for the distribution of imported products in Canada. Despite the best efforts of Canadian manufacturers to reduce costs, increase efficiency and sell "Canadian", they are finding it increasingly difficult to remain competitive with imports.

There appears to be widespread recognition of the severe competitive problems faced by Canadian manufacturers and producers who pay their workers the second highest average wages in the world, and lack on the one hand the economic advantages of mass production for a large domestic market, which is enjoyed by United States manufacturers, and on the other hand of low wage rates enjoyed by many European and Asiatic industrial nations. We give in the table below details of average hourly wages earned in manufacturing in seven important countries in 1959:

In Canadian Dollars

Canada	1.72
U.S.A.	2.13
France	0.38
West Germany	0.54
Italy	0.34
Japan	0.25
United Kingdom	0.66

(Source: I.L.O. "Statistical Supplement, International Labour Review", December 1960)

The economic obstacle of high wage levels and a small, thinly spread domestic market is not likely to change in the foreseeable future; in this economic climate Canadian industry must strive to maintain maximum initiative, efficiency and technological progress. The measure of our industry's success in its efforts to overcome this obstacle is also dependent on the Government's ability to influence the economic climate of this country, and on the extent to which this power of the Government is exerted to encourage Canada's industrial growth.

Tariff Policy:

The object of Canada's tariff policy must be to provide the most profitable employment for the largest number of its citizens. Tariffs can contribute materially to this end by providing reasonable opportunity for efficient manufacturers to obtain a substantial share of the Canadian domestic market, sufficient to support operations on an economic scale. It is important, therefore, that an adequate customs tariff structure be established which is reasonable, balanced and in the national interest.