

In view of the growing size and complexity of Canadian manufacturing operations, it would be desirable to increase the number of officials in the federal government service having some detailed knowledge of manufacturing industry.

The administration of the Restrictive Trades Practices Commission should be restudied.

Commercial Policy

Conclusions

Every industrial nation has a tariff. Canada is no exception although her economy is a relatively open one and the level of tariff protection in this country has been declining. It seems apparent that tariff protection at some level will be continued. There is no satisfactory way of estimating the true cost of the Canadian tariff in economic terms. And there is no satisfactory way of evaluating the advantages to the economy of having domestic manufacturing industries which can exist only because they have a certain amount of tariff protection.

A moderate increase or decrease in the tariff would not have any appreciable effect upon the average standard of living in Canada. More than a moderate change, either way, is not likely to be acceptable.

There are no grounds for expecting reduction in existing restrictions to world trade in the immediate future.

Suggestions

Under the circumstances, Canada should hold the present tariff line on the average for the time being. However, the tariff structure should be revised and simplified.

The Tariff Board should be strengthened, particularly if it is to carry out an extensive revision of the tariff structure.

The Customs Division of the Department of National Revenue should take on more staff to investigate values for duty. Section 35 of the Customs Act should be applied promptly to prevent dumping.

Reciprocity with the United States on any broad basis should not be regarded as a practical proposition now or in the foreseeable future.

Transportation

Conclusions

The costs of transportation have always posed problems for Canada of a profound and continuing nature and the manner in which these problems have been resolved has had a direct bearing upon our national unity.