

(g) The Canadian secondary manufacturer is repeatedly being exhorted to get out in the export market. It is not always appreciated that the first requirement for strengthening the export field in manufactured products is volume in the domestic market at prices that show a reasonable margin of profit. Increased participation by Canadian secondary manufacturers in the Canadian domestic market could, therefore, greatly improve their position in the export market.

SPECIFIC RECOMMENDATIONS

We believe Government policy must be declared with respect to the type of economy for Canada's future. We would hope that it would be a diversified, well-balanced economy, not merely dependent on the relatively few employment opportunities provided by the export of our raw materials and resource industries. We believe that positive encouragement must be given to the growth of manufacturing industries in Canada to employ our growing population and to encourage increased immigration to Canada; otherwise, we are merely attempting to re-distribute our present growing labour force over an ever-decreasing number of job opportunities.

Manufacturing has become the most important element in the Canadian economy, contributing nearly three times as much as agriculture to the national income in the years 1946-1956 (\$52.6 billion as against \$18.9 billion). It is the employment and income provided by the manufacturing industries which maintains a high level of activity in the lumbering industry, the construction industry, the retail trades, and many sectors of agriculture.

Obviously any check in the development of secondary manufacturing in Canada would have a serious effect on the employment of the present labour force, as well as the creation of job opportunities for those joining the labour force annually.

BUY CANADIAN

These are very potent reasons why the development of our secondary manufacturing industries is not only in the interest of the country as a whole but in the final analysis in the interest of agriculture and our primary exporting industries as well. This being so, there is a great urgency that our economic policies be directed to removing those factors that have held up the development of secondary industry and have led to an increasing percentage of the country's demand for manufactured goods being imported rather than manufactured here in Canada. Some of the corrective measures that are necessary are as follows:

- (i) A more general appreciation in all segments of our society of the advantages to our economy of buying Canadian manufactured goods in preference to imported goods. The BUY CANADIAN program of trade associations and the efforts of individual manufacturers are presently being directed to this end.
- (ii) It is to be hoped that the Government would initiate throughout its various departments and purchasing agencies, a policy of procuring Government requirements from Canadian sources. We believe that a public pronouncement to this effect would be desirable, and that possibly such a policy could be recommended to provincial and municipal governments and other public bodies.

TARIFFS

Tariff protection for secondary manufacturing industry has been progressively reduced over the last 25 years by the treaties of 1936 and 1938 with