

Prince Philip then attended a service at St. Paul's Anglican Church after which "the Britannia" set sail for the Saguenay district.

Port Alfred on the Saguenay River was reached early in the afternoon of June 22. The Royal party went by car to Chicoutimi, long a centre of the lumber industry, and then to Arvida, where a tour was made of the aluminum plant. This plant was built in 1926 by the

Aluminum Company of Canada to utilize the vast hydro-electric resources of the Saguenay River and was, at that time, the world's largest aluminum smelter.

"The Britannia" sailed from Port Alfred early in the evening and docked on the morning of June 23 at Wolfe's Cove. That day was spent in Quebec City. The programme for the day in Quebec was in the Bulletin of June 3.

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## THE MANUFACTURING INDUSTRY

Mid-way through the twentieth century Canada finds herself one of the great trading nations of the world, Mr. Gordon Churchill, Minister of Trade and Commerce, said at the eighty-eighth annual meeting of the Canadian Manufacturers' Association, on June 8 at St. Andrews-by-the-Sea, New Brunswick.

Mr. Churchill went on to say:

"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.

"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.

### DIFFICULTIES 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.

"I notice that your programme has provided for a discussion of this problem of costs and that your Association recognizes that there can be no sharp division between the management side and the labour side in this matter. There should be a clear understanding that our fortunes hinge upon keeping our economy competitive, for, with one out of every five Canadians dependent for livelihood on our export trade, we are all concerned.

"In foreign markets, opportunities open to Canadian manufacturers have been limited during the entire postwar period by a variety of factors beyond the control of our exporters. Continuing exchange difficulties have required foreign countries to restrict the import of dollar goods in an effort to conserve their exchange holdings and to protect the value of their currencies. Other factors that have placed Canadians at a disadvantage in world trade have been the arrangements by various nations of barter deals by state-trading agencies, more liberal export financing facilities, the extensive use of subsidies for exports, along with lower labour rates and increased manufacturing activity.

"Foreign competition has been felt not only in the export field; the home market has also been affected. New modern plants built since the war, the use of the latest techniques resulting from intensive research, lower labour rates and large volume runs have enabled manufacturers in West Germany, the United Kingdom, The Netherlands and Japan to invade successfully the domestic markets of both Canada and the United States.

"This challenge of foreign competition has been met by a response by Canadian industry and government.