

contend that the past few years are devoid of achievement. In devising additional means of meeting the ultimate objective, the Association respectfully submits the following considerations:—

(1) Steadfast support should be given to existing international organizations and institutions in their efforts to solve the problems of world trade and finance. The most capable government, business and financial leaders are engaged in these efforts within the existing frame-work for international discussion, and Canada, together with the other nations of the North Atlantic Treaty Organization, should continue to give the utmost co-operation and avoid national policies which may jeopardize their success.

(2) Continuing study should be given to the most effective application of the principle that Canadian materials and resources should be processed as far as possible in this country, and that Canadian exports should comprise the highest possible proportion of "value added by manufacture". This includes more extensive and intensive utilization in Canada of indigenous materials, fuel (especially natural gas) and energy, and the greatest possible economic diversification of industry.

(3) According to a survey conducted by the Association covering the fiscal year 1951, Dominion and Provincial income taxes paid by 733 companies with net sales over \$5 billion amounted to two and one-half times the dividends paid to shareholders (which were themselves subject to income tax). For every dollar that manufacturing makes in net profit, Dominion and Provincial Governments take one dollar in income taxes. Some further relaxation of taxes would encourage modernization of plant and equipment and would go a long way towards improving Canada's competitive position in world trade.

(4) Canada has many industries, both large and small, which have developed under a policy of moderate tariff safeguards. Nevertheless, the Canadian customs tariff is at present a comparatively low tariff with an extensive free list. Under existing conditions, has not Canada gone as far as she can, safely, in giving access to her markets?

(5) Transportation and communication facilities within the country and those which connect its ports with foreign markets should be maintained and extended in such manner as to provide an adequate and reasonable service at reasonable rates. The importance of Canada's transportation policy remaining vital and flexible in all its ramifications, and, at the same time, co-ordinating various transportation media, using each to its best advantage is, we believe, recognized and should be continued.

(6) A positive and progressive immigration policy should be designed to encourage the acquisition of new skills from abroad to assist in the building of a well-balanced industrial economy and to strengthen the domestic market.

(7) The present policy of making Canada better known abroad by all available means should be continued and extended. More emphasis should be placed on manufactured products, expanding industrial and export facilities, newly-found resources and trade policies.

(8) An extension of token import plans would be helpful in re-opening markets of the British Commonwealth and Empire to a limited extent.

(9) Consideration should be given to means of realizing closer trade relations with the British countries of the Caribbean whose economy is, in many ways, complementary to that of Canada.

(10) Programs of aid to under-developed areas such as the Colombo Plan deserve effective support and encouragement.

All of which is respectfully submitted, Mr. Chairman.