

The "Buy Canadian" principle has particular significance in federal government purchasing which, in itself and by its example, exerts an important influence on the market for manufactured goods. It is logical that this principle should be espoused unreservedly by government whose purchases are not motivated by personal tastes and preferences, and whose tax revenues benefit when purchasing is directed into domestic channels which "keep Canadians working". It is urged that every federal government department, agency, board and commission, and every crown corporation should be instructed to "Buy Canadian" in its purchases and in its contracts for production, construction and services.

It is recognized that to a certain extent this is already the policy of the Canadian Government but its effective implementation demands more vigilance to ensure compliance by sub-contractors as well as contractors. It is fundamental that "Buy Canadian" principles should guide, in the first instance, those who have responsibility for drawing up purchase and contract specifications, particularly where there is a tendency to identify requirements by the use of proprietary trade names. To be effective, a "Buy Canadian" policy requires a parallel "Specify Canadian" precept.

At the same time it is recommended that the Canadian Government should use its great influence to publicize as well as practise "Buy Canadian" principles, making known the Government's whole-hearted support, based on the knowledge that "Buying Canadian" creates and maintains employment for Canadians. In particular, the Government should issue a pointed appeal to provincial and municipal governments to adopt "Buy Canadian" principles in their purchasing and contracting, and to support the "Buy Canadian" programme by every means at their disposal. Certainly the government of the people should set the example in this regard.

It is further recommended that compliance with "Buy Canadian" principles be a prime condition governing expenditures from federal government grants by other levels of governments, institutions and organizations. It is obvious that the Canadian Government's winter works programme, for example, will fall far short of its job-creating potential if its administrators fail to insist that wherever possible only materials and equipment of Canadian manufacture be incorporated in the works.

APPENDIX "H"

DEFENCE PROCUREMENT

It is recommended that to the greatest extent possible defence stores be developed and produced in Canada and that government purchasing policy be so directed.

The Association submits that defence procurement policies should be so designed as to maintain and expand Canada's defence production potential which is an integral part of the nation's second, if not first, line of defence. A greater degree of self-sufficiency in all items of defence material is regarded as wise from the point of view of national security as well as having obvious implications for employment in Canada.

Admittedly defence preparedness is costly, just as war is costly, but its economic cost is lessened when defence stores are developed and produced to the greatest possible extent in Canada, contributing to the employment of Canadians, contributing to Canada's store of technical knowledge and experience, and returning a part of its cost, directly and indirectly through taxation, to the treasury. This calls for positive measures designed to ensure that Canada's