

REFERENCES

Chapter 1

- ¹ See Wm. C. Hood and Anthony Scott, *Output, Labour and Capital in the Canadian Economy*, 1957, a study for the Commission, Chap. 7, Appendix A, p. 497.
- ² See submission of Professor J. K. Galbraith, Harvard University, p. 5, (Exhibit No. 128).*

Chapter 2

- ¹ See evidence by Dr. F. A. Forward, University of British Columbia, p. 3058.
- ² See evidence by Mr. J. R. Notman, Canadair Limited, p. 4063.
- ³ See J. Robert Oppenheimer, *Science and the Common Understanding*, New York, 1953, p. 89.
- ⁴ See *Science in Industry*, E. I. du Pont de Nemours & Company, Wilmington, Delaware, 1957, p. 16.
- ⁵ For details about the amount of capital invested and the number of shift-workers in the Edmonton plant of the Canadian Chemical and Cellulose Company, Ltd., we are indebted to information provided in a letter from the Company's president, Mr. M. W. Mackenzie.
- ⁶ For further discussion of probable or possible technological changes see *Probable Effects of Increasing Mechanization in Industry*; *Canadian Energy Prospects*, Chap. 3; *The Outlook for the Canadian Forest Industries*, Chap. 10; *Mining and Mineral Processing in Canada*, Chap. 7; *The Canadian Electrical Manufacturing Industry*, Chap. 5; *The Electronics Industry in Canada*, Chap. 4; *The Canadian Primary Textiles Industry*, Chap. 7; *The Canadian Chemical Industry*, Chap. 6; *Transportation in Canada*, Section 4 — all studies prepared for the Commission.
- ⁷ This paragraph and Table 2.1 are based on a memorandum on "World Population Trends" prepared by Mr. George T. McColm of the Commission's staff.
- ⁸ See *The Colombo Plan for Co-operative Economic Development in South and South-East Asia*, Report by the Commonwealth Consultative Committee, London, 1950, p. 63.

Chapter 3

- ¹ See Irving Brecher and S. S. Reisman, *Canada-United States Economic Relations*, 1957, a study for the Commission, Chap. 1, pp. 2-3.
- ² See *ibid.*, Chap. 12, Table 32, p. 205.
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- ⁴ See John M. Duncan, *Travels through Part of the United States and Canada in 1818 and 1819*, Glasgow, 1823, Vol. II, p. 124.
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- ⁶ See Brecher and Reisman, *op. cit.*, Chap. 12, Table 33, p. 217 and Appendix E, p. 316 ff.
- ⁷ See W. W. Rostow, "The Take-Off into Self-Sustained Growth", *The Economic Journal*, March, 1956, p. 31.
- ⁸ See W. T. Easterbrook and Hugh G. J. Aitken, *Canadian Economic History*, Toronto, 1956, p. 396.
- ⁹ See D. H. Fullerton and H. A. Hampson, *Canadian Secondary Manufacturing Industry*, 1957, a study for the Commission, Chap. 6, p. 127.
- ¹⁰ See *ibid.*, Chap. 4.
- ¹¹ See submission of the Canadian Pulp and Paper Association, pp. 6-7 (Exhibit No. 111).
- * Copies of all the submissions made to the Commission and of the transcripts of evidence have been deposited in the Public Archives of Canada and in The Library of Parliament. They may also be consulted in the libraries of the University of Alberta, the University of British Columbia, Laval University, the Memorial University of Newfoundland and the University of Toronto.

Chapter 3 (continued)

- ¹² See, for example, the speech by Sir John A. Macdonald in the House of Commons, on March 7, 1878, in *Hansard*, pp. 851-863.
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- ¹⁴ See Brecher and Reisman, *op. cit.*, Chap. 13, p. 234.
- ¹⁵ See *ibid.*, Chaps. 2-5.

Chapter 4

- ¹ See United Nations *Monthly Bulletin of Statistics*, January, 1957, p. xi, for the growth of world trade; see *ibid.*, November, 1956, p. xviii, for the growth of world industrial production.
- ² See United Nations *World Economic Survey 1955*, New York, 1956, pp. 36-39.
- ³ See Roger V. Anderson, *The Future of Canada's Export Trade*, 1957, a study for the Commission, Chap. 1, p. 28.
- ⁴ See *ibid.*, Chap. 3, pp. 42-44.
- ⁵ See Henri Pirenne, *Economic and Social History of Medieval Europe*, Introduction and Chap. I.
- ⁶ See Irving Brecher and S. S. Reisman, *Canada-United States Economic Relations*, 1957, a study for the Commission, Chap. 11.
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- ⁸ See *ibid.*, July, 1954, p. 15; June, 1956, p. 24; and March, 1957, p. 16.
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- ¹⁰ See W. W. Rostow, *The Process of Economic Growth*, New York, 1952, Chap. X.
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- ¹² See Brecher and Reisman, *op. cit.*, Chap. 10.
- ¹³ See *Hearings before the Sub-Committee on Foreign Economic Policy*, Washington, D.C., 1955, p. 597.
- ¹⁴ See *Statistical Material presented during the Washington Negotiations* (Cmd. 6707), London, H.M.S.O., 1945, Appendix III and Appendix IV.
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- ¹⁶ See Central Statistical Office *Annual Abstract of Statistics 1956*, London, H.M.S.O., pp. 215-216; and *Monthly Digest of Statistics*, September, 1957, London, H.M.S.O., p. 83.
- ¹⁷ See, for example, J. G. Links, *The Book of Fur*, 1956, p. 10; and *The Beaver*, Winnipeg, September, 1948, p. 46.
- ¹⁸ See, for example, *Moose Fort Journals 1783-85*, London, The Hudson's Bay Record Society, 1954, Appendix D.
- ¹⁹ See *The Outlook for the Canadian Forest Industries*, 1957, a study prepared by the Commission's forestry study group, Chap. 4, p. 47.
- ²⁰ See John Davis, *Mining and Mineral Processing in Canada*, 1957, a study for the Commission, Chap. 5, Section O.

Chapter 5

- ¹ See H. A. Innis, *The Fur Trade in Canada*, New Haven, 1930, Chap. 6; and Donald Creighton, *Harold Adam Innis — Portrait of a Scholar*, Toronto, 1957, pp. 58-59.
- ² See Michael Barkway in *Proceedings of the Seventh Annual Conference of the Institute of Public Administration of Canada*, Toronto, 1955, pp. 25-26; and submission of the Province of Ontario, p. 38, (Exhibit No. 139).

Chapter 5 (continued)

- ⁸ See *Skilled and Professional Manpower in Canada, 1945-1965*, 1957, a study prepared for the Commission by the Economic and Research Branch, Department of Labour, Canada, Chap. 4, pp. 68-70.
- ⁹ See submission of the Aluminum Company of Canada, Ltd., p. 13, (Exhibit No. 196).
- ¹⁰ See submission of Hollinger-Hanna Limited, p. 6, (Exhibit No. 193).
- ¹¹ See Wm. C. Hood and Anthony Scott, *Output, Labour and Capital in the Canadian Economy*, 1957, a study for the Commission, Chap. 6, Appendix B, Table 6 B.7, p. 451.
- ¹² See submission of the Aluminum Company of Canada, Ltd., p. 10, (Exhibit No. 196).
- ¹³ See submission of Dr. E. W. R. Steacie, President, National Research Council, pp. 1-2, (Exhibit No. 262).
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- ¹⁵ See D. H. Fullerton and H. A. Hampson, *Canadian Secondary Manufacturing Industry*, 1957, a study for the Commission, Chap. 2.
- ¹⁶ See Bank of Canada *Annual Report to Minister of Finance and Statement of Accounts*, February 8, 1946, p. 9.
- ¹⁷ See *Employment and Income with Special Reference to the Initial Period of Reconstruction*, Ottawa, King's Printer, 1945.
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- ¹⁹ See submission of The International Nickel Company of Canada, Limited, p. 22, (Exhibit No. 134).
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Chapter 6

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- ⁷ See *Canadian Vital Statistics Trends*, *op. cit.*, Table 5.
- ⁸ See *Ibid.* p. 36.
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- ¹⁰ See *Report of the Royal Commission on Population*, (Cmd. 7695), London, H.M.S.O., 1949.

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- ¹⁴ See *Report of the Department of Citizenship and Immigration 1955-56*, Ottawa, Queen's Printer, p. 44.
- ¹⁵ See *Skilled and Professional Manpower in Canada, 1945-1965*, 1957, a study prepared for the Commission by the Economics and Research Branch, Department of Labour, Canada, Chap. 3, Table 7, p. 40, and Table 19, p. 59.
- ¹⁶ See Mabel F. Timlin, *Does Canada Need More People?*, Toronto, 1951, Chap. VI.
- ¹⁷ See Joseph J. Spengler, "Population Threatens Prosperity", *Harvard Business Review*, January-February, 1956, p. 94.

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- ¹ See John Davis, *Canadian Energy Prospects*, 1957, a study for the Commission, Chap. 10.
- ² See Edward S. Mason, *Energy Requirements and Economic Growth*, National Planning Association, Washington, D.C., 1955, pp. 20-23.
- ³ See Davis, *op. cit.*, Summary, p. 1.
- ⁴ See *The Price of Oil in Western Europe*, Economic Commission for Europe, Geneva, 1955, p. 10 ff.
- ⁵ See evidence by Mr. P. L. Kartzke, Canadian Petroleum Association, p. 2286.
- ⁶ See evidence by Mr. J. R. White, Imperial Oil Limited, p. 4728.
- ⁷ For the ownership and control of the oil industry in Canada, see Davis, *op. cit.*, Chap. 7, p. 143, ff.; and Irving Brecher and S. S. Reisman, *Canada-United States Economic Relations*, 1957, a study for the Commission, Appendix B, p. 278 ff.
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- ¹¹ See submission on behalf of the Dominion Coal Company Limited, Old Sydney Collieries Limited, Cumberland Railway and Coal Company Limited, p. 1, (Exhibit No. 8).
- ¹² See evidence by Mr. H. M. C. Gordon, Dominion Steel and Coal Corporation Limited, p. 439.
- ¹³ See submission of Imperial Oil Limited, p. 18, (Exhibit No. 125); and submission of The British American Oil Company Limited, p. 8, (Exhibit No. 126).
- ¹⁴ See supplement to submission of the Hydro-Electric Power Commission of Ontario, p. 3, (Exhibit No. 140A).
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- ²⁰ See John H. Dales, "Fuel, Power and Industrial Development in Central Canada", *American Economic Review*, May, 1953, p. 181, ff.
- ²¹ See *The Outlook for the Canadian Forest Industries*, 1957, a study prepared by the Commission's forestry study group, Chap. 10.

Chapter 8

- ¹ See evidence by Hon. J. H. Brockelbank, Government of the Province of Saskatchewan, p. 1479.
- ² See evidence by Mr. Roland Sutton, Nova Scotia Fruit Growers' Association, p. 372.
- ³ See W. M. Drummond and W. Mackenzie, *Progress and Prospects of Canadian Agriculture*, 1957, a study for the Commission, Chap. 1, pp. 24-25.
- ⁴ See evidence by Mr. Olaf Turnbull, Saskatchewan Farmers' Union, p. 1619.
- ⁵ See submission of L'Union Catholique des Cultivateurs, p. 11 and p. 15, (Exhibit No. 327).
- ⁶ See T. W. Schultz, *The Economic Organization of Agriculture*, New York, 1953, Chap. XI; and *Economic Stability in the Post-War World*, League of Nations, Geneva, 1945, Chap. V.
- ⁷ See Drummond and Mackenzie, *op. cit.*, Chap. 13, Table 83, p. 320.
- ⁸ See J. R. Bellerby, "The Relative Incidence on Agriculturists and on other Groups of the Benefits Arising from Technical Change in Agriculture", *Proceedings of the Ninth International Conference of Agricultural Economists*, p. 134, ff.; J. R. Bellerby, *Agriculture and Industry Relative Income*, London, 1956; and Schultz, *op. cit.*, Chap. X.
- ⁹ See Wilfred Malenbaum, *The World Wheat Economy*, Cambridge, Mass., 1953, p. 85.
- ¹⁰ See United Nations *Economic Survey of Latin America*, 1955, pp. 42-44.
- ¹¹ See "Population and Food Supplies in Asia and the Far East", United Nations *Economic Bulletin for Asia and the Far East*, Vol. VII, No. 1, p. 6.
- ¹² See *ibid.*, p. 8; and R. H. Kirby, "Japan Girds for Economic Expansion", *Foreign Agriculture*, January, 1957, United States Department of Agriculture, pp. 16-17.
- ¹³ See Drummond and Mackenzie, *op. cit.*, Chap. 2, p. 53.
- ¹⁴ See evidence by Mr. Roland Sutton, p. 365 and p. 371.
- ¹⁵ See *A Statement by the N.P.A. Agriculture Committee*, National Planning Association, Washington, D.C., 1956, p. 4.
- ¹⁶ See evidence by Mr. J. L. Dewar, Prince Edward Island Federation of Agriculture, pp. 687-688.
- ¹⁷ See Drummond and Mackenzie, *op. cit.*, Chap. 5, Table 43, p. 97.
- ¹⁸ See Vernon C. Fowke, "The Historical Setting", in *Report of the Royal Commission on the South Saskatchewan River Project*, Ottawa, Queen's Printer, 1952, pp. 94-97.
- ¹⁹ See submission of Saskatchewan Federation of Agriculture, p. 24, (Exhibit No. 138); and R. A. Hedlin, "Doubling Crop Production in Manitoba?" *Agricultural Institute Review*, October, 1955, p. 14.
- ²⁰ See Drummond and Mackenzie, *op. cit.*, Chap. 1, p. 22.
- ²¹ See *ibid.*, Chap. 9, p. 230.
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- ²⁴ See submission of Manitoba Federation of Agriculture and Co-operation, p. 5, (Exhibit No. 29); submission of United Grain Growers, p. 14, (Exhibit No. 64); and evidence of Mr. Ben S. Plumer, Alberta Wheat Pool, p. 2459.

Chapter 9

- ¹ See *The Commercial Fisheries of Canada*, 1956, a study prepared for the Commission by The Fisheries Research Board and The Economic Service of the Department of Fisheries of Canada, p. 112.
- ² See *Department of Fisheries, 26th Annual Report, 1955-56*, Ottawa, 1957, p. 65.
- ³ See R. D. Howland, *Some Regional Aspects of Canada's Economic Development*, 1957, a study for the Commission, Chap. 4.
- ⁴ See submission of the Government of the Province of Newfoundland, p. 64 ff. (Exhibit No. 1); and *The Commercial Fisheries of Canada, op. cit.*, p. 112.

Chapter 10

- ¹ See F.A.O., *Yearbook of Forest Product Statistics, 1956*.
- ² See *Possibilities for the Development of the Pulp and Paper Industry in Latin America*, F.A.O. and the Economic Commission for Latin America, New York, 1954.
- ³ See *The Outlook for the Canadian Forest Industries, 1957*, a study prepared by the Commission's forestry study group.
- ⁴ See *America's Demand for Wood*, Stanford Research Institute, pub. by the Weyerhaeuser Timber Co., Tacoma, Washington, 1954.
- ⁵ See *The Pulp and Paper Industry—1955*, Industry and Merchandising Division, Forestry Section, D.B.S. Total production is defined (page H-7) as follows:
 "If operations in the woods are taken into consideration, the total value to Canada of the industry as a whole may be considered as the sum of the values of pulpwood and pulp exported and the gross value of paper products. This removes any duplication that might arise by the inclusion of pulpwood used in Canadian pulp-mills and pulp used in Canadian paper-mills but makes no allowance for pulp that might be used in Canada for purposes other than the manufacture of paper . . ."
 Pulpwood exports have been deducted from the value figure used here, however, since they are treated separately in a later part of the chapter.
- ⁶ See evidence by Mr. V. E. Johnston, President, Canadian International Paper Company, pp. 4107-4108.
- ⁷ See Stanford Research Institute Study, *op. cit.*
- ⁸ See submission of Canadian Pulp and Paper Association, (Exhibit No. 111).

Chapter 12

- ¹ See evidence by Mr. J. M. Thompson, Vice-President and Comptroller, Canadian Westinghouse Company, p. 5755.
- ² See submission of Mr. J. G. Goss, President, Canadian General Electric Company Ltd., pp. 6-7.
- ³ See evidence by Mr. R. C. Berkinshaw, President of Goodyear Tire and Rubber Company of Canada Limited, p. 6226.
- ⁴ See D. H. Fullerton and H. A. Hampson, *Canadian Secondary Manufacturing Industry, 1957*, a study for the Commission, Chap. 4, p. 77.
- ⁵ See evidence by Mr. R. M. Sale, President, Ford Motor Company of Canada, Ltd., p. 5604; evidence by Mr. E. C. Row, President, Chrysler Corporation of Canada, Ltd., p. 5637; evidence by Mr. H. M. Turner, President, Canadian Electrical Manufacturers Association, p. 5715; and evidence by Mr. J. M. Thompson, Vice-President and Comptroller, Canadian Westinghouse Company, p. 5751.
- ⁶ See evidence by Mr. C. C. Thackray, President, Dominion Rubber Company Limited, p. 6236.

Chapter 13

- ¹ See *The Service Industries*, a study prepared for the Commission by The Bank of Montreal, Chap. 2, p. 12.
- ² See Wm. C. Hood and Anthony Scott, *Output, Labour and Capital in the Canadian Economy, 1957*, a study for the Commission, Chap. 2, Table 2.14, p. 38.
- ³ See Chap. 16 of this report for a discussion of the limited usefulness of conventional concepts of productivity when applied to the government and community services sector.
- ⁴ See P. W. Stewart, *Does Distribution Cost Too Much?* The Twentieth Century Fund, New York, 1939, Chap. 5.
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Chapter 14

- ¹ See J-C. Lessard, *Transportation in Canada*, Schedule 6A. Figures include passenger traffic.
- ² See *ibid.*, Schedule 6C. Note above.
- ³ See submissions of the Canadian National Railways, (Exhibit No. 113); and of the Canadian Pacific Railway, (Exhibit No. 114).
- ⁴ See submission of the Canadian Trucking Associations, Inc., (Exhibit No. 218).
- ⁵ See Canadian National Railways annual report for 1955.
- ⁶ See submission of the Canadian National Railways, p. 7, (Exhibit No. 113).
- ⁷ See J. A. McDonald, "Some Notes on the Economics of Transportation," *Canadian Journal of Economics and Political Science*, November, 1951.
- ⁸ See Lessard, *op. cit.*, Appendix A by Arthur Hailey, where this question is fully discussed.
- ⁹ See Lessard, *op. cit.*, Section 2.
- ¹⁰ See submission of the Maritimes Transportation Commission, (Exhibit No. 237).
- ¹¹ See Lessard, *op. cit.*, pp. 98-100; and Canadian Tax Foundation, *Taxes and Traffic*, p. 103.
- ¹² See submissions of La Chambre de Commerce de Québec, (Exhibit No. 329); and of The Chamber of Commerce of the District of Baie Comeau, supported by the Eastern and Western Chambers of "the North Shore", Saguenay County, Quebec; and also by the Chamber of Commerce of the South Shore, (Exhibit No. 264).
- ¹³ See G. T. Glazebrook, *A History of Transportation in Canada*, Toronto, 1938; and *Cheadle's Journal of His Trip Across Canada*, ed. A. G. Doughty & G. Lanctot, 1931.

Chapter 15

- ¹ See Anthony Adamson, "What is Planning?", *The Municipal World*, January, 1957, p. 11.
- ² See submission of Central Mortgage and Housing Corporation, p. 9, (Exhibit No. 247).
- ³ See Province of Saskatchewan, *Report of the Royal Commission on Agriculture and Rural Life*, (Exhibit No. 35), particularly *Rural Roads and Local Government*—Report No. 4, (Exhibit No. 35E).

Chapter 18

- ¹ See Dominion Bureau of Statistics, *Canada's International Investment Position 1926-1954*, p. 25.
- ² See, for particulars, Irving Brecher and S. S. Reisman, *Canada-United States Economic Relations*, 1957, a study for the Commission.
- ³ See C. D. Blythe and E. B. Carty, "Non-Resident Ownership of Canadian Industry", *The Canadian Journal of Economics and Political Science*, November, 1956.

Chapter 19

- ¹ See evidence by Dr. Charles Camsell on behalf of Northwest Power Industries Limited, pp. 2783-2784.
- ² See submission of the Commissioner of the Yukon Territory, (Exhibit No. 52).
- ³ See submission of the Commissioner of the Northwest Territories, (Exhibit No. 50).
- ⁴ See submission of the Municipal District of Yellowknife and Yellowknife Board of Trade, (Exhibit No. 51).

Chapter 20

- ¹ See Maurice Lamontagne, "The Role of Government" in *Canada's Tomorrow*, ed. by G. P. Gilmour, Toronto, 1954.
- ² See Neil H. Jacoby, "Thinking Ahead", *Harvard Business Review*, May-June, 1957.
- ³ See Bank of Canada *Annual Report to Minister of Finance and Statement of Accounts* for the year 1956.
- ⁴ See *ibid.*
- ⁵ See Preamble to the Bank of Canada Act.
- ⁶ See John J. Deutsch, "The Canadian Treasury and Monetary Policy", a paper given at the meeting of the American Economic Association, Cleveland, December 29, 1956.
- ⁷ See Maurice Lamontagne, *op. cit.*

Appendix I

- ¹ See *Report of the Royal Commission on Dominion-Provincial Relations*, Book III, Recommendations, pp. 137-138.
- ² See Dominion Bureau of Statistics, *National Accounts—Income and Expenditure*, 1926-50, and 1950-56.
- ³ See submission of the Canadian Federation of Mayors and Municipalities, Section O, "Municipal Finance and Taxation: Problems and Prospects", (prepared by Carl Goldenberg), (Exhibit No. 217).

APPENDICES

THE ORDER IN COUNCIL

P.C. 1955-909

*Certified to be a true copy of a Minute of a Meeting
of the Committee of the Privy Council, approved by
His Excellency the Administrator on the 17th June, 1955.*

The Committee of the Privy Council have had before them a report from the Prime Minister stating that it is desirable that the Canadian people should be more fully informed of the long-term economic prospects of Canada, and that it is in the national interest to initiate, examine and publish studies of Canada's economic potentialities, including developments in productive capacity, the growth and distribution of the population, the direction and nature of our internal and external trade, progress in standards of living and expanding requirements for industrial and social capital.

The Committee, therefore, on the recommendation of the Prime Minister, advise that:

Walter Lockhart Gordon, Toronto, Ont.;
Omer Lussier, Quebec, P.Q.;
Albert Edward Grauer, Vancouver, B.C.;
Andrew Stewart, Edmonton, Alta.; and
Raymond Gushue, St. John's, Nfld.

be appointed Commissioners under Part 1 of the Inquiries Act (Chapter 154 of the Revised Statutes of Canada, 1952), to inquire into and report upon the long-term prospects of the Canadian economy, that is to say, upon the probable economic development of Canada and the problems to which such development appears likely to give rise, and without limiting the generality of the foregoing, to study and report upon:

- a) developments in the supply of raw materials and energy sources;
- b) the growth to be expected in the population of Canada and the changes in its distribution;
- c) prospects for growth and change in domestic and external markets for Canadian productions;
- d) trends in productivity and standards of living; and

e) prospective requirements for industrial and social capital.

The Committee further advise:

1. That the Commissioners be authorized to exercise all the powers conferred on them by Section 11 of the Inquiries Act;
2. That the Commissioners adopt such procedure and methods as they may, from time to time, deem expedient for the proper conduct of the inquiry and sit at such times and in such places in Canada as they may decide;
3. That the Commissioners be authorized to engage the services of such counsel, staff, clerks and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the Treasury Board;
4. That the officers and employees of the departments of the Government of Canada render such assistance to the Commission as may be required for the inquiry;
5. That the Commissioners be directed to report to the Governor in Council; and
6. That Walter Lockhart Gordon be Chairman of the Commission and Douglas V. LePan be Secretary and Director of Research.

R. B. BRYCE,
Clerk of the Privy Council

ACKNOWLEDGEMENTS

THE BROAD nature of our task necessitated reliance on the assistance which could be made available by busy Canadians in many walks of life. That our efforts have borne fruit is due to the interest and co-operation of governments at all levels, of universities, of business, labour, professional, agricultural, social and other organizations, both national and local, and of the many individuals who took time from the rush of their daily activities to contribute the information, the opinions and the suggestions upon which the Commission's report is based.

We have journeyed across Canada, conducting hearings in all of the provinces and travelling through much of the Yukon and Northwest Territories and Labrador. Everywhere we were met with kindness, consideration and assistance and we should like to thank the very many people whose hospitality we were privileged to enjoy. Most of the 330 submissions which we received were presented to us during the course of our hearings. These submissions represent a contribution of inestimable value to our work. Prepared by provincial and municipal governments, by organizations and individuals engaged in all types of economic activity in the country, the generally high quality of these submissions provided us and our staff with a broad, yet detailed, view of the prospects and problems which may be expected in Canada's future development. It is our hope that all those who spent long hours in the preparation of these submissions in addition to their day-to-day routine have found the exercise to be of value to them and will realize the great importance which we attach to their contribution to our task. We are no less indebted to the more than 750 witnesses who appeared during the course of public hearings to present submissions and to give us the benefit of their views on probable developments within their particular fields of interest. We were most fortunate in obtaining publicly the views of provincial premiers, members and officials of their governments, of mayors and municipal officials, of outstanding representatives of business, industry, labour and of educational, social and other organizations. Many of those who appeared before us did so at real inconvenience to themselves not only in time but also in travelling considerable distances to give us their views. To all those who appeared before us and contributed so fully and frankly to our work the Commission is extremely grateful.

We should like to thank the governments of the provinces of Newfoundland, Ontario, Manitoba and Saskatchewan and the responsible

authorities in the cities of Halifax, Charlottetown, Fredericton, Edmonton, Calgary, Victoria and Quebec, as well as the University of Toronto and the President of the Exchequer Court of Canada for the fine arrangements which were made for the conduct of the hearings. We should also like to express our gratitude to the members of the press and to the news personnel of radio and television stations whose reporting of our activities has been most fair and whose suggestions have at all times been of value.

Complementing the public side of our inquiry we have had prepared a number of studies in which prospective developments in various sectors of the Canadian economy are examined. In this work we also relied upon the assistance of a large number of organizations and individuals. Many of those who presented submissions were approached by members of our staff for additional information on various phases of our work. Many industrial associations and particular companies in various fields have been most helpful in providing the information necessary for us to formulate our conclusions. Without exception, all of our inquiries have been met with sympathetic consideration and the utmost in co-operation. The many Federal Government departments and agencies which have provided information in connection with our studies have also been most co-operative in meeting our requests fully and promptly. We would particularly like to acknowledge our debt to Mr. Herbert Marshall, formerly the Dominion Statistician, to Mr. S. A. Goldberg, Assistant Dominion Statistician, and to the many members of the staff of the Dominion Bureau of Statistics, whose work in collating available material and preparing special statistical series has formed the basis for many of the studies. Their kindness and co-operation have not only facilitated, but indeed made possible, much of the work which we have undertaken.

Quite a number of the studies which are listed in Appendix C were prepared for the Commission by organizations and individuals who were not members of its staff. The names of these organizations and individuals appear in the appendix. To all of them we express our grateful thanks. In particular we are very deeply indebted to a number of organizations, which we shall refer to individually, which prepared studies for us, using entirely their own research personnel and without charge to us. Both of the predecessors of the Canadian Labour Congress have prepared studies for us. The former Trades and Labor Congress of Canada has contributed a study on *Labour Mobility*, and the former Canadian Congress of Labour, a study on the *Probable Effects of Increased Mechanization in Industry*. The Canadian Bank of Commerce has contributed a study on *Industrial Concentration*; The Bank of Montreal a study on *The Service Industries*; The Bank of Nova Scotia a study on *The Canadian Primary Iron and Steel Industry*; and The Royal Bank of Canada a study on *The Canadian Construction Industry*. A study of *The Canadian Automotive Industry* has been provided by The Sun Life Assurance Company of Canada. Mr. J. Grant

Glassco, F.C.A., of Clarkson, Gordon & Co., has contributed a study on *Certain Aspects of Taxation Relating to Investment in Canada by Non-Residents* and J. D. Woods & Gordon Limited has contributed a study on *The Canadian Agricultural Machinery Industry*. A study on *Skilled and Professional Manpower in Canada, 1945-1965* has been prepared by the Canadian Department of Labour, while the Fisheries Research Board and the Economic Service of the Canadian Department of Fisheries have prepared a study on *The Commercial Fisheries of Canada*. To all of these who contributed so much at considerable expense to themselves, the Commission would like to express its gratitude publicly.

The large task which has been ours would have been impossible without the very capable staff we were fortunate in assembling on short notice through the co-operation of governments, universities and other organizations which permitted members of their staffs to join in our endeavours. We would like to express our thanks to the University of Toronto for making available the services of Prof. Wm. C. Hood, to McGill University for the services of Prof. Irving Brecher, to the Ontario Agricultural College for the services of Prof. W. M. Drummond, to l'Université Laval for the services of Prof. Yves Dubé, to the University of Alberta for the services of Prof. W. Mackenzie and Mr. L. E. Poetschke, to the University of British Columbia for the services of Prof. Anthony Scott, to Queen's University for the services of Prof. D. W. Slater and to Yale University for the services of Prof. J. H. Young. We are grateful to the Standard Railway Equipment Manufacturing Co. (Canada) Limited for permitting Mr. J.-C. Lessard to serve as Transportation Consultant and to the St. Lawrence Seaway Authority, which kindly deferred work Mr. Lessard was to have undertaken at the time he agreed to assist us. We are also indebted to the Government of the Province of Nova Scotia for making available to us Dr. R. D. Howland; to the International Monetary Fund for letting Mr. Roger V. Anderson join our staff; to the United Nations Organization and the National Research Council for the services of Mr. G. T. McColm; to the Canadian and Catholic Confederation of Labour for the services of Mr. Maurice Sauv  ; and to Harris & Partners Limited for permitting Mr. D. H. Fullerton to serve on our staff and to Burns Brothers and Denton Limited for allowing Mr. H. A. Hampson time to assist us with the drafting of certain chapters of our report. We should also like to express our gratitude to the Railway Association of Canada which permitted Mr. W. G. Scott to contribute to the study on *Transportation in Canada*, as well as to the Canadian National Railways for the services of Mr. J. D. Howe and to Trailmobile Canada Limited, which permitted Mr. Arthur F. Hailey to participate in this study. We are also indebted to the Canadian Pulp and Paper Association for the services of Mr. J. M. Smith, not only in connection with the study on *The Outlook for the Canadian Forest Industries* but also in preparing a study on *Canadian Economic Growth and Development from 1939 to 1955*; to the Canadian International Paper Company for the services of

Dr. D. A. Wilson in connection with the study on the forest industries; to the Canadian Federation of Agriculture which permitted Dr. E. C. Hope to assist in preparing the study on *Progress and Prospects of Canadian Agriculture*; to Central Mortgage and Housing Corporation for the services of Mr. J. V. Poapst; and to Clarkson, Gordon & Co. for the services of Mr. M. A. Mackenzie. In addition, we should like to acknowledge the assistance provided by the many Canadian Government departments which made available members of our staff on a full or part-time basis. Particular thanks are due to the Bank of Canada for putting at our disposal the services of several members of its research department and for affording us much further help and advice.

Mr. B. M. Erb, Editorial Consultant to the Commission, has done a remarkably fine job for us in editing the reports and studies and in processing them through the printers. We are very grateful to the Queen's Printer and to the Bureau of Translation for their close co-operation in the large task of publishing our report and studies.

Finally, we should like to acknowledge the very competent work done by the staff of the Commission including the research, administrative, secretarial and clerical personnel. Their patience and persistence throughout many long hours has permitted us to accomplish in some measure the task that was set before us.

We wish to make special mention of the services of Dr. John Davis, Mr. D. H. Fullerton, Professor Wm. C. Hood and Mr. S. S. Reisman, the four Assistant Directors of Research. Dr Davis was responsible for the various studies made of the resource industries and of the primary manufacturing industries. In addition to other responsibilities he was the principal adviser to the Commission on the sources and prospective demands for energy and prepared for us a study on this subject, *Canadian Energy Prospects*. Professor Hood was responsible for the statistical framework of the inquiry and the main aggregate forecasts. In addition he is preparing for us a study entitled *Financing of Economic Activity in Canada*. Professor Hood's high professional qualifications and leadership qualities made a considerable contribution to the work of the staff. Mr. Fullerton was responsible for the studies made of the secondary manufacturing industries. Mr. Reisman was responsible for the studies made of Canada's international economic relations. In addition to these broad responsibilities, all four of the Assistant Directors made other contributions of great value to the work of the inquiry as a whole. We wish to make special mention also of Professor D. W. Slater, whose name appears on two of the Commission's studies and who returned to give us valuable assistance in the closing months of our endeavours.

We are grateful to Major N. A. Lafrance, our Administrative Secretary, to Mr. J. B. Claxton, our Counsel, and to Mr. W. A. MacKay, Assistant

Secretary to the Commission, who were responsible for making most of the arrangements for the hearings. They were extremely thoughtful in dealing with the problems of transportation and accommodation, and in arranging the order in which the witnesses should appear. Mr. MacKay also rendered valuable service to the Commission by preparing research memoranda which are reflected at a number of points in this report. We are also grateful to Mr. Maurice Sauvé, Assistant Secretary to the Commission, for helping to arrange the hearings in Quebec and Montreal and for supervising the heavy work of translating our voluminous documents. It is due to him that we have been able to publish English and French texts of our reports and studies concurrently and without delay.

Finally, we wish to express our appreciation of the splendid work done by Mr. D. V. LePan, who has filled the double post of Secretary and Director of Research and about whom much of the work of the Commission has revolved. Mr. LePan, by his industry, patience and good humor, his sound judgment and rare intelligence, has made a contribution of the highest order to the conduct of our enquiries, to the planning of the research programme, to the co-ordination and completion of the studies and to the preparation of the report. To our great regret, because of illness he was not able to complete the task of drafting the whole of the report. However, throughout the preparation of the report, we were indebted to his broad understanding and sensitive appreciation of social and economic forces; and his great literary talents are reflected in the first eight chapters. We express our deep gratitude for his immensely valuable services and extend to him our best wishes in the career which lies ahead of him.

**STUDIES FOR THE COMMISSION
TO BE PUBLISHED SEPARATELY**

- Output, Labour and Capital in the Canadian Economy —
by Wm. C. Hood and Anthony Scott
- Canadian Energy Prospects —
by John Davis
- Progress and Prospects of Canadian Agriculture —
by W. M. Drummond and W. Mackenzie
- The Commercial Fisheries of Canada —
by The Fisheries Research Board and The Economic
Service of The Department of Fisheries of Canada
- The Outlook for the Canadian Forest Industries —
by John Davis, A. L. Best, P. E. Lachance,
S. L. Pringle, J. M. Smith, D. A. Wilson
- Mining and Mineral Processing in Canada —
by John Davis
- Canadian Secondary Manufacturing Industry —
by D. H. Fullerton and H. A. Hampson
- The Canadian Primary Iron and Steel Industry —
by The Bank of Nova Scotia
- The Canadian Automotive Industry —
by The Sun Life Assurance Company of Canada
- The Canadian Agricultural Machinery Industry —
by J. D. Woods & Gordon Limited
- The Canadian Industrial Machinery Industry —
by Urwick, Currie Limited
- The Canadian Electrical Manufacturing Industry —
by Clarence L. Barber
- The Electronics Industry in Canada —
by Canadian Business Service Limited
- The Canadian Primary Textiles Industry —
by National Industrial Conference Board (Canadian Office)
- The Canadian Construction Industry —
by The Royal Bank of Canada
- The Canadian Chemical Industry —
by John Davis
- The Service Industries —
by The Bank of Montreal

- Probable Effects of Increasing Mechanization in Industry —
 by The Canadian Congress of Labour, now
 The Canadian Labour Congress
- Labour Mobility —
 by The Trades and Labor Congress of Canada, now
 The Canadian Labour Congress
- Skilled and Professional Manpower in Canada, 1945-1965 —
 by The Economics and Research Branch, Department
 of Labour, Canada
- Transportation in Canada —
 by J-C. Lessard
- Industrial Concentration —
 by The Canadian Bank of Commerce
- Housing and Social Capital —
 by Yves Dubé, J. E. Howes and D. L. McQueen
- Financing of Economic Activity in Canada —
 by Wm C. Hood, including A Presentation of National
 Transactions Accounts for Canada 1946-1954
 by L. M. Read, S. J. Handfield-Jones and
 F. W. Emmerson
- Certain Aspects of Taxation Relating to Investment in
 Canada by Non-Residents —
 by J. Grant Glassco of Clarkson, Gordon & Co.,
 Chartered Accountants
- Consumption Expenditures in Canada —
 by David W. Slater
- Canada's Imports —
 by David W. Slater
- The Future of Canada's Export Trade* —
 by Roger V. Anderson
- Canada - United States Economic Relations* —
 by Irving Brecher and S. S. Reisman
- Canadian Commercial Policy* —
 by J. H. Young
- Some Regional Aspects of Canada's Economic Development —
 by R. D. Howland
- The Nova Scotia Coal Industry —
 by Urwick, Currie Limited
- Canadian Economic Growth and Development from
 1939 to 1955 —
 by J. M. Smith

* Prepared under the direction of S. S. Reisman.

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MEMBERS OF THE STAFF

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Administrative Secretary

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*E. C. Hope
*M. A. Mackenzie
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*J. B. Rutherford
W. G. Scott
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A. L. Best
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*W. E. Haviland
R. D. Howland
G. T. McColm
J. V. Poapst
L. M. Read
Anthony Scott
*J. M. Smith
*A. W. Watson

* Part or limited time

HEARINGS

THE COMMISSION held public hearings in 14 cities throughout Canada, including the capitals of all of the ten provinces. Of the submissions filed with the Commission, 260 were presented during the course of these hearings, which extended over a total of 50 days.

In addition, members of the Commission travelled extensively in the Yukon Territory, the Northwest Territories and in Labrador, and through informal discussions with residents and officials in these areas learned at first hand about prospective developments in the Canadian North.

Public hearings of the Commission were conducted in the following cities:

St. John's	October 18, 1955.
Halifax	October 19-21, 1955.
Charlottetown	October 24, 1955.
Fredericton	October 26-27, 1955.
Winnipeg	November 14-16, 1955.
Regina	November 17-18, 1955.
Edmonton	November 21-23, 1955.
Calgary	November 24-25, 1955.
Victoria	November 28, 1955.
Vancouver	November 30 - December 2, 1955.
Quebec	January 16, 1956.
Montreal	January 18-20, 1956.
Toronto	January 23 - February 3, 1956.
Montreal	February 20-24, 1956.
Ottawa	February 27 - March 9, 1956.

SUBMISSIONS RECEIVED

THE COMMISSION received some 330 submissions plus a number of supplementary documents which were received and filed as exhibits with the original submissions. Opinions in writing were also received from a number of other organizations and individuals supporting particular submissions or presenting their own views informally and to these, as well as to those who prepared and submitted briefs, the Commission is indebted for assistance.

The following is a complete list of submissions received and filed as exhibits by the Commission. Each is listed by exhibit number and by the name of the person and organization that presented it.

- Ex. 1 — Hon. J. R. Smallwood, Premier, and Mr. H. Carl Goldenberg, Counsel, the Government of the Province of Newfoundland.
- Ex. 2 — Mayor L. A. Kitz, The City of Halifax.
- Ex. 3 — Mr. A. R. Harrington, Assistant General Manager, Nova Scotia Light and Power Company, Limited.
- Ex. 4 — Hon. H. D. Hicks, Premier, and Hon. W. T. Dauphinee, Minister of Trade and Industry, The Government of the Province of Nova Scotia.
- Ex. 5 — Mr. Stanton Sandford, President, Nova Scotia Federation of Agriculture.
- Ex. 6 — Mr. Roland Sutton, Secretary, Nova Scotia Fruit Growers' Association.
- Ex. 7 — Mr. A. C. Carter, Director and General Manager, Cossor (Canada) Limited.
- Ex. 8 — Mr. L. A. Forsyth, President, Dominion Steel and Coal Corporation, Limited, on behalf of Dominion Coal Company Limited; Old Sydney Collieries Limited; Cumberland Railway and Coal Company; Acadian Coal Company Limited.
- Ex. 9 — Mr. L. A. Forsyth, President, Dominion Steel and Coal Corporation, Limited, — Memorandum in connection with the Primary Iron and Steel Industry of Nova Scotia.
- Ex. 10 — Mr. L. A. Forsyth, President, Dominion Steel and Coal Corporation, Limited, — Past, Present and Future Prospects of the Transportation Factor in the Movement of DOSCO's Products from Its Nova Scotia Operations.
- Ex. 11 — Mr. Ben O'Neil, President, Local Union 1064, United Steelworkers of America.
- Ex. 12 — Mr. Thomas MacLachlan, President, District 26, United Mine Workers of America.
- Ex. 13 — Mr. J. K. Bell, Secretary-Treasurer, Maritime Marine Workers' Federation.
- Ex. 14 — Hon. A. W. Matheson, Premier, The Government of the Province of Prince Edward Island.
- Ex. 15 — Mayor J. David Stewart, The City of Charlottetown.
- Ex. 16 — Mr. J. L. Dewar, Secretary, The Prince Edward Island Federation of Agriculture.
- Ex. 17 — Mr. L. F. Macdonald, President, The Prince Edward Island Teachers' Federation.
- Ex. 18 — Hon. Hugh John Flemming, Premier, The Government of the Province of New Brunswick.
- Ex. 19 — Mayor H. S. Wright, The City of Fredericton.
- Ex. 20 — Mr. Nelson Mann, Executive Manager, The Atlantic Provinces Economic Council.
- Ex. 21 — Mr. D. A. Elliot, President The New Brunswick Council of Labour, C.C.L.
- Ex. 22 — Mr. E. H. Brewer, 1st Vice-President, The New Brunswick Teachers' Association.

- Ex. 23 — Mr. J. L. G. Cassidy, Director, New Brunswick Vocational Institute.
- Ex. 24 — Hon. D. L. Campbell, Premier; Hon. R. D. Turner, Minister of Industry and Commerce; Hon. R. D. Robertson, Minister of Agriculture; The Government of the Province of Manitoba.
 Ex. 24A — The Government of the Province of Manitoba — (supplementary submission — “Processing of Agricultural Products in Manitoba”).
 Ex. 24B — The Government of the Province of Manitoba — (supplementary submission — “Financing of Small Business in Manitoba”).
- Ex. 25 — Alderman Charles Simonite, Chairman, Finance Committee of the Council, The City of Winnipeg.
 Ex. 25A — Mr. M. S. Bubbis, General Manager, Greater Winnipeg Water District and Greater Winnipeg Sanitary District.
- Ex. 26 — Mr. W. J. Parker, President, Manitoba Pool Elevators
- Ex. 27 — Mr. E. L. Brown, President and Managing Director, Sherritt Gordon Mines Ltd.
- Ex. 28 — Mr. F. D. Shepherd, Executive Vice-President, The Mid-West Metal Mining Association.
- Ex. 29 — Mr. J. D. Wilton, President, The Manitoba Federation of Agriculture and Co-operation.
- Ex. 30 — Mr. J. N. Galonsky, Secretary-Treasurer, The Manitoba Farmers' Union.
- Ex. 31 — Mr. A. S. Leach, Chairman of the Board, The Winnipeg Grain Exchange.
- Ex. 32 — Mr. C. F. Greene, Honorary Secretary, Manitoba Division, Community Planning Association of Canada.
- Ex. 33 — Mr. E. W. Thrift, Director, Metropolitan Planning Commission of Greater Winnipeg.
- Ex. 34 — Mayor J. H. Chipperfield, Minnedosa; President, Manitoba Urban Association.
- Ex. 35 — Hon. T. C. Douglas, Premier; Hon. I. C. Nollett, Minister of Agriculture; Hon. J. H. Brockelbank, Minister of Natural and Mineral Resources; Hon. C. M. Fines, Provincial Treasurer; The Government of the Province of Saskatchewan.
 Ex. 35A — Hon. I. C. Nollett, Minister of Agriculture, The Government of the Province of Saskatchewan — (supplementary submission — “Saskatchewan's Agricultural Resources”).
 Ex. 35B — The Government of the Province of Saskatchewan — (supplementary submission — Royal Commission on Agriculture and Rural Life — report — “2. Mechanization and Farm Costs”).
 Ex. 35C — The Government of the Province of Saskatchewan — (supplementary submission — Royal Commission on Agriculture and Rural Life — report — “1. The Scope and Character of the Investigation”).
 Ex. 35D — The Government of the Province of Saskatchewan — (supplementary submission — Royal Commission on Agriculture and Rural Life — report — “3. Agricultural Credit”).
 Ex. 35E — The Government of the Province of Saskatchewan — (supplementary submission — Royal Commission on Agriculture and Rural Life — report — “4. Rural Roads and Local Government”).
 Ex. 35F — The Government of the Province of Saskatchewan — (supplementary submission — Royal Commission on Agriculture and Rural Life — report — “5. Land Tenure”).
- Ex. 36 — Mayor L. H. Lewry, City of Moose Jaw.
- Ex. 37 — Mayor L. H. Hammond, City of Regina.
- Ex. 38 — Mr. L. B. Thomson, Director, P.F.R.A., Canada Dept. of Agriculture.
 Ex. 38A — Mr. L. B. Thomson, Director, P.F.R.A., Canada Dept. of Agriculture (supplementary submission).
- Ex. 39 — Mr. Olaf Turnbull, Director, Saskatchewan Farmers Union.
- Ex. 40 — Mr. R. J. Henderson and Mr. I. E. Moore, Saskatchewan Federation of Labour (C.C.L.) and Saskatchewan Provincial Federation of Labour (T.L.C.).
- Ex. 41 — Mr. E. J. Goos, Manager, The Prince Albert Chamber of Commerce on behalf of The Council of the City of Prince Albert.
- Ex. 42 — Mr. E. J. Goos, Manager, The Prince Albert Chamber of Commerce.
- Ex. 43 — Mr. J. H. Wesson, President, The Saskatchewan Wheat Pool.
- Ex. 44 — Mr. M. A. MacPherson, Counsel, Saskatchewan Rivers Development Association.
- Ex. 45 — Mr. Alex Aitken, Manager, The Regina Chamber of Commerce, and Mr. H. A. Purdy, Executive Secretary, Saskatchewan Board of Trade.
- Ex. 46 — Mr. W. E. Simpson, Counsel, Government of the Province of Alberta, Special submission by the Government of the Province of Alberta.

- Ex. 47 — Hon. E. C. Manning, Premier, and Hon. A. R. Patrick, Minister of Economic Affairs, Government of the Province of Alberta.
 Ex. 47A — Mr. J. J. Frawley, Special Counsel, Executive Council of Alberta, Government of the Province of Alberta — (supplementary submission).
- Ex. 48 — Mr. C. J. Anderson, Manager, on behalf of the Board of Trustees, Eastern Irrigation District, Brooks, Alta.
- Ex. 49 — Mr. M. W. Mackenzie, President, Canadian Chemical & Cellulose Company, Ltd.
- Ex. 50 — Mr. R. G. Robertson, Commissioner of the Northwest Territories.
- Ex. 51 — Mayor G. A. Allen, Yellowknife, Municipal District of Yellowknife and Yellowknife Board of Trade.
- Ex. 52 — Mr. F. H. Collins, Commissioner of the Yukon Territory.
- Ex. 53 — Mr. C. E. White, General Manager, United Keno Hill Mines Ltd.
- Ex. 54 — Mr. Harold Hine, Counsel and Director, The Board of Trade of the City of Whitehorse, Yukon Territory.
- Ex. 55 — Mr. Roy Marler, President, The Alberta Federation of Agriculture.
- Ex. 56 — Mayor Wm. Hawrelak, The City of Edmonton.
- Ex. 57 — Mr. L. Gertler, Director and National Counsellor, The Community Planning Association of Canada, Alberta Division.
- Ex. 58 — Dr. R. Hilton, President, Edmonton Branch, Alberta Institute of Agrologists.
- Ex. 59 — Mayor D. H. MacKay, City of Calgary.
- Ex. 60 — Mr. Lawrence E. Kindt, Lawrence E. Kindt & Associates, Consulting Economists.
- Ex. 61 — Mr. P. L. Kartzke, Chairman, Board of Governors, Canadian Petroleum Association.
 Ex. 61A — Canadian Petroleum Association — (supplementary submission "Income Tax Applicable to the Oil and Gas Industry in Canada").
- Ex. 62 — Mr. E. D. Loughney, Vice-President, Canadian Gulf Oil Company.
- Ex. 63 — Mr. W. C. Whittaker, Managing Director, The Coal Operators' Association of Western Canada.
- Ex. 64 — Mr. J. E. Brownlee, President, United Grain Growers Limited.
- Ex. 65 — Mr. R. S. Munn, President, Burns & Co. Limited.
- Ex. 66 — Mr. Ben S. Plumer, Chairman, Alberta Wheat Pool.
- Ex. 67 — Mr. S. B. Slen, President, Lethbridge Branch, Agricultural Institute of Canada.
- Ex. 68 — Mr. Charles Weir, Alberta Representative, Edmonton & Calgary Metal Workers, International Union of Mine, Mill and Smelter Workers (Canada).
- Ex. 69 — Mr. Travers Smith, President, Cardston and District Sheepmen's Association.
- Ex. 70 — Mr. E. A. Hutchinson, The Calgary House Builders Association.
- Ex. 71 — Mr. Glenn E. Neilson, President, Husky Oil & Refining Ltd.
- Ex. 72 — Mr. Knut Magnusson, Fogelvik Farms, Innisfail, Alberta.
- Ex. 73 — Hon. W. A. C. Bennett, Premier, and Hon. R. W. Bonner, Attorney General, Government of the Province of British Columbia.
 Ex. 73A — Government of the Province of British Columbia — (documentary submission).
- Ex. 74 — Mayor C. L. Harrison, The City of Victoria.
- Ex. 75 — Mayor Geo. Muir, Nanaimo, and Mr. D. M. Greer, Nanaimo Chamber of Commerce, The Corporation of the City of Nanaimo and Nanaimo Chamber of Commerce.
- Ex. 76 — Mr. G. F. Dunn, President, The Victoria Chamber of Commerce.
- Ex. 77 — Mr. J. W. Casey, Reeve, The Municipal Council of the Corporation of the District of Saanich.
- Ex. 78 — Mr. J. R. Tolmie, Counsel, Northwest Power Industries Limited.
- Ex. 79 — Mayor F. J. Hume, The City of Vancouver.
- Ex. 80 — Mr. R. A. Mahoney, Management Research (Western) Ltd., Consultant for Forest Industry Associations of British Columbia, comprised of the following:
 British Columbia Loggers Association;
 British Columbia Lumber Manufacturers Association;
 Canadian Pulp & Paper Association (Western Division);
 Consolidated Red Cedar Shingle Association;
 Interior Lumber Manufacturers Association;
 Northern Interior Lumbermen's Association;
 Plywood Manufacturers Association of British Columbia;
 The Truck Loggers Association.
- Ex. 81 — Mr. P. R. U. Stratton, The Vancouver Housing Association.
- Ex. 82 — Mr. B. Patterson, Planning Officer, The Municipal District of West Vancouver.
- Ex. 83 — Mr. W. T. Lane, Chairman, The British Columbia Division of the Community Planning Association of Canada.

- Ex. 84 — Mr. J. C. Oliver, City Engineer of Vancouver and Member, The Technical Committee for Metropolitan Highway Planning (British Columbia).
- Ex. 85 — Mr. C. D. Ovans, General Secretary, B.C. Teachers' Federation.
- Ex. 86 — Mr. E. J. Irwin, President, British Columbia Automobile Association.
- Ex. 87 — Mr. Russell Baker, President and General Manager, Pacific Western Airlines Ltd.
- Ex. 88 — Mr. C. J. Rogers, Managing Director, The White Pass and Yukon Corporation Limited.
- Ex. 89 — Mr. G. F. Edwards, President, Senior Citizens' Association of British Columbia.
- Ex. 90 — Dr. H. V. Warren, British Columbia & Yukon Chamber of Mines.
- Ex. 91 — Mr. G. W. G. McConachie, President, Canadian Pacific Air Lines Ltd.
- Ex. 92 — Mr. S. Jenkins, President, Marine Workers and Boilermakers' Industrial Union, Local 1, for the Committee of Maritime Unions, comprised of the following:
Shipyard General Workers Federation;
Grain Elevator Workers, Local 333;
International Longshoremen's and Warehousemen's Union, Locals 501, 507, 509.
- Ex. 93 — Mr. Charles N. Woodward, Vice-President, Woodward Stores Limited.
- Ex. 94 — Mr. E. L. Harrison, Vice-Chairman, The Fisheries Association of British Columbia.
- Ex. 95 — Mr. Alan H. Williamson, Vice-President, Wood, Gundy & Company Ltd.
- Ex. 96 — Mr. R. K. Gervin, General Secretary-Treasurer, Vancouver, New Westminster and District Trades and Labour Council.
- Ex. 97 — Mr. Homer J. Stevens, General Secretary-Treasurer, United Fishermen and Allied Workers Union.
- Ex. 98 — Mr. J. W. Wilson, Executive Director, The Lower Mainland Regional Planning Board of British Columbia.
- Ex. 99 — Mr. G. Sleath, Better B.C. Institute.
- Ex. 100 — Mr. Neal Harlow, Librarian, The Library, The University of British Columbia.
- Ex. 101 — Mr. S. J. Hammitt, President, Western Canada Steel Limited.
- Ex. 102 — Mr. D. A. B. Murray, President, Downtown Business Association of Winnipeg.
- Ex. 103 — Mr. I. Graham, President, Property Owners Association of Calgary.
- Ex. 104 — Mayor W. Hamel, The City of Quebec.
- Ex. 105 — Mr. J. Peter Nadeau, Director, Dairy Technicians Association.
- Ex. 106 — Hon. C. Vaillancourt, Manager, Fédération des Caisses Populaires Desjardins de Québec.
- Ex. 107 — Mr. F. G. Ferrabee, President, The Machinery and Equipment Manufacturers Association of Canada.
- Ex. 108 — Mr. T. R. McLagan, President, Canada Steamship Lines Ltd.
- Ex. 109 — Mr. T. R. McLagan, President, The Canadian Shipbuilding and Ship Repairing Association.
- Ex. 110 — Maj. Gen. G. B. Howard, Executive Vice-President and General Manager, Canadian Industrial Preparedness Association.
- Ex. 111 — Mr. R. M. Fowler, President, Canadian Pulp and Paper Association.
- Ex. 112 — Mr. E. Howard Smith, President, Howard Smith Paper Mills Limited.
- Ex. 113 — Mr. Donald Gordon, Chairman and President, Canadian National Railways.
- Ex. 114 — Mr. N. R. Crump, President, Canadian Pacific Railway Company.
- Ex. 115 — Mr. G. R. McGregor, President, Trans-Canada Air Lines.
- Ex. 116 — Mr. W. G. Miller, President, Montreal Locomotive Works, Ltd.
- Ex. 117 — Mr. E. J. Cosford, President, Canadian Car & Foundry Company Limited.
- Ex. 118 — Mr. A. P. Shearwood, Chairman and Chief Executive Officer, National Steel Car Corporation, Limited.
- Ex. 119 — Mr. J. G. Notman, President and General Manager, Canadair Limited.
- Ex. 120 — Mr. A. L. Stein, Counsel, The Montreal Dress Manufacturers' Guild.
- Ex. 121 — Mr. Vernon E. Johnson, President, Canadian International Paper Company.
- Ex. 122 — Mr. F. G. Gardiner, Chairman of the Council, The Municipality of Metropolitan Toronto.
- Ex. 123 — Mayor Nathan Phillips, The City of Toronto.
- Ex. 124 — Dr. Solomon Barkin, Director of Research, Textile Workers Union of America, — C.C.L. - C.I.O.
- Ex. 125 — Mr. J. R. White, President, Imperial Oil Limited.
- Ex. 126 — Mr. M. S. Beringer, President, British American Oil Company Limited.
- Ex. 127 — Mr. D. W. Ambridge, President, and General Manager, Abitibi Power & Paper Company Limited.
- Ex. 128 — Prof. J. K. Galbraith, Harvard University.
- Ex. 129 — Mr. V. C. Wansbrough, Vice-President and Managing Director, Canadian Metal Mining Association.
- Ex. 130 — Mr. M. S. Fotheringham, Director, Ontario Mining Association.

ROYAL COMMISSION ON CANADA'S ECONOMIC PROSPECTS

- Ex. 131 — Mr. H. L. Roscoe, Vice-President, Noranda Mines, Limited.
 Ex. 132 — Mr. F. M. Connell, President, Conwest Exploration Limited.
 Ex. 133 — Mr. H. S. Scott, Chief Geologist, Aeromagnetic Surveys Limited.
 Ex. 134 — Mr. H. S. Wingate, President, The International Nickel Company of Canada, Limited.
 Ex. 135 — Mr. T. Lindsley, Chairman of the Board, Ventures Ltd.
 Ex. 136 — Mr. James Stewart, President, The Canadian Bank of Commerce.
 Ex. 137 — Prof. Vincent Bladen, University of Toronto.
 Ex. 138 — Mr. J. F. Brown, Secretary, The Saskatchewan Federation of Agriculture.
 Ex. 139 — Hon. Leslie M. Frost, Prime Minister, Government of the Province of Ontario.
 Ex. 140 — Dr. Richard L. Hearn, Chairman, Hydro-Electric Power Commission of Ontario.
 Ex. 140A — Dr. Richard L. Hearn, Chairman, Hydro-Electric Power Commission of Ontario. — (supplementary submission).
 Ex. 141 — Mr. S. M. Blair, President, Canadian Bechtel Limited.
 Ex. 142 — Mr. C. H. Millard, Canadian Director, United Steelworkers of America.
 Ex. 143 — Mr. C. S. Jackson, President, District 5 Council, United Electrical Radio and Machine Workers of America, (U.E.) — Canadian Section.
 Ex. 144 — Mr. W. F. McLean, President, Canada Packers Limited.
 Ex. 145 — Mr. Donald G. Smith, Field Secretary, Credit Union National Association.
 Ex. 146 — Mr. C. W. McInnis, President, Ontario Hog Producers' Association.
 Ex. 147 — Mr. David S. Holbrook, Executive Vice-President, Algoma Steel Corporation, Limited.
 Ex. 148 — Mr. H. G. Hilton, President, The Steel Company of Canada Ltd.
 Ex. 149 — Mr. A. G. Wright, President, Dominion Foundries & Steel Ltd.
 Ex. 150 — Mr. Gordon Hamblin, President, Confectionery, Chocolate & Cocoa Industries of Canada.
 Ex. 151 — Mr. James S. Duncan, Chairman and President, Massey-Harris-Ferguson Limited.
 Ex. 152 — Mr. R. B. Bradley, President, International Harvester Company of Canada, Limited.
 Ex. 153 — Mr. N. R. Crawford, President, Dow Chemical of Canada, Limited.
 Ex. 154 — Mr. W. M. V. Ash, President, Shell Oil Company of Canada Limited.
 Ex. 155 — Mr. R. M. Sale, President, Ford Motor Company of Canada, Limited.
 Ex. 156 — Mr. E. C. Row, President and General Manager, Chrysler Corporation of Canada, Limited.
 Ex. 157 — Mr. J. M. Pigott, President, Pigott Construction Company Limited.
 Ex. 158 — Mr. L. J. McGowan, Vice-President and General Manager, The Foundation Company of Canada Limited.
 Ex. 159 — Mr. P. N. Gross, President, Gypsum, Lime and Alabastine, Canada, Limited.
 Ex. 160 — Mr. G. T. Klager, President and Managing Director, Dominion Woollens and Worsteds Limited.
 Ex. 161 — Mr. H. M. Turner, President, Canadian Electrical Manufacturers Association.
 Ex. 162 — Mr. J. H. Goss, President, Canadian General Electric Company Limited.
 Ex. 163 — Mr. J. M. Thompson, Vice-President and Comptroller, Canadian Westinghouse Company Ltd.
 Ex. 164 — Mr. O. W. Titus, Vice-President and General Manager, Canada Wire & Cable Company Limited.
 Ex. 165 — Dr. W. H. Watson, Director, The Computation Centre, University of Toronto.
 Ex. 166 — Mr. J. G. Glassco, Clarkson, Gordon & Co.
 Ex. 167 — Mr. E. G. Burton, President, Simpsons Limited.
 Ex. 168 — Mr. F. H. Kortwright, President, The Conservation Council of Ontario.
 Ex. 169 — Mr. D. N. Kendall, President, The Photographic Survey Corporation Limited.
 Ex. 170 — Dr. G. Ross Lord, The Association of Professional Engineers of the Province of Ontario.
 Ex. 171 — Mr. J. S. Duncan, Chairman, The Dollar Sterling Trade Council.
 Ex. 171A — The Dollar Sterling Trade Council — (supplementary submission, summary of brief).
 Ex. 172 — Mr. P. J. Chadsey, Chairman, The Security Analysts' Association of Toronto.
 Ex. 173 — Mr. J. D. Cowan, President, Canadian Importers and Traders Association, Inc.
 Ex. 174 — Mr. Irving Fairty, General Counsel, Toronto Transit Commission on behalf of Canadian Transit Association.
 Ex. 175 — Mr. G. B. Smith, Manager and Secretary, The Rubber Association of Canada.
 Ex. 176 — Mr. R. C. Berkinshaw, President and General Manager, The Goodyear Tire & Rubber Company of Canada, Limited.
 Ex. 177 — Mr. Crawford Gordon Jr., President and General Manager, A. V. Roe Canada Limited.
 Ex. 178 — Mr. Harold Evans, President, The Canadian Machine Tool Builders Association.

- Ex. 179 — Hon. C. E. Mapledoram, Minister of Lands and Forests, Ontario, and Mr. G. C. Wardrope, M.L.A., on behalf of Northwestern Ontario Associated Chambers of Commerce, Northwestern Ontario Municipal Association, and Northwestern Ontario Development Association.
- Ex. 180 — Mayor Jean Drapeau, The City of Montreal.
- Ex. 181 — Mr. H. R. Crabtree, President, Primary Textiles Institute.
- Ex. 182 — Mr. G. B. Gordon, President, Dominion Textile Company Limited.
- Ex. 183 — Mr. L. C. Bonnycastle, President, Canadian Cottons Limited.
- Ex. 184 — Mr. Drummond Giles, President and General Manager, Courtaulds (Canada) Limited.
- Ex. 185 — Mr. Gerald L. Bruck, President, Bruck Mills Limited.
- Ex. 186 — Mr. François E. Cleyn, Managing Director, Leach Textiles Limited.
- Ex. 187 — Mr. Gordon R. Ball, President, Bank of Montreal.
- Ex. 188 — Dr. R. H. Common, The Canadian Food Technologists Association.
- Ex. 189 — Dr. Come Carbonneau, Gourd-Riverin Syndicate.
- Ex. 190 — Mr. Sam Steinberg, President and Managing Director, Steinberg's Limited.
- Ex. 191 — Mr. Raymond Dupuis, President and Managing Director, Dupuis Frères, Limitée.
- Ex. 192 — Mr. Bruce A. C. Hills, Vice-President, The Canadian Management Council.
- Ex. 193 — Mr. W. H. Durrell, General Manager, Hollinger-Hanna Limited, on behalf of: Iron Ore Company of Canada; Hollinger North Shore Exploration Company Limited; Labrador Mining and Exploration Company Limited.
- Ex. 194 — Mr. A. L. Penhale, President and Managing Director, Asbestos Corporation Limited.
- Ex. 195 — Mr. Bernard Shane, Vice-President, International Ladies' Garment Workers' Union.
- Ex. 196 — Mr. R. E. Powell, President, Aluminum Company of Canada, Ltd.
- Ex. 197 — Mr. W. Taylor-Bailey, President and Managing Director, Dominion Bridge Company, Limited.
- Ex. 198 — Mr. Roger Regimbald, Director, L'Association Professionnelle des Industriels.
- Ex. 199 — Mr. G. Harold Fiske, President, The Canadian Forestry Association.
Ex. 199A — Mr. J. L. Van Camp, General Manager, Canadian Forestry Association (supplementary submission).
- Ex. 200 — Mr. J. M. Breen, President and General Manager, Canada Cement Company Limited.
- Ex. 201 — Mr. W. N. Hall, Executive Vice-President, Dominion Tar & Chemical Company, Limited.
- Ex. 202 — Dr. J. R. Donald, President, J. T. Donald & Co. Limited.
- Ex. 203 — Mr. H. H. Lank, President, Du Pont Company of Canada Limited.
- Ex. 204 — Mr. H. Greville Smith, President, Canadian Industries Limited.
- Ex. 205 — Dr. R. S. Jane, Vice-President, Shawinigan Chemicals Limited.
- Ex. 206 — Mr. Eliot S. Frosst, President, Charles E. Frosst & Co.
- Ex. 207 — Mr. F. R. Deakins, President, RCA Victor Company, Ltd.
- Ex. 208 — Mr. R. D. Harkness, President, Northern Electric Company Limited.
- Ex. 209 — Mr. K. R. Patrick, President and Managing Director, Canadian Aviation Electronics Ltd.
- Ex. 210 — Mr. S. M. Finlayson, President, Canadian Marconi Company.
- Ex. 211 — Mr. D. G. Schacter, Chairman, National Federation of Canadian University Students Scholarship Committee of Sir George Williams College.
- Ex. 212 — Mr. Fridolin Simard, President, L'Union des Municipalités de la Province de Québec (preliminary submission).
Ex. 212A — L'Union des Municipalités de la Province de Québec.
- Ex. 213 — Mr. Roméo Martin, President, Le Conseil de la Coopération du Québec.
- Ex. 214 — Mr. Claude Jodoin, President, The Trades and Labor Congress of Canada and Mr. A. R. Mosher, President, the Canadian Congress of Labour (joint submission).
- Ex. 215 — Mr. H. V. Lush, Vice-President, The Canadian Manufacturers' Association.
- Ex. 216 — Mr. J. R. Hughes, President, The Investment Dealers' Association of Canada.
- Ex. 217 — Mr. J. David Stewart, Mayor of Charlottetown, P.E.I. and President, Canadian Federation of Mayors and Municipalities.
- Ex. 218 — Mr. W. C. Norris, Chairman of the Board and President, Canadian Trucking Associations, Inc.
- Ex. 219 — Mr. Camille Archambault, Assistant to the President and Director of Public Relations, L'Association du Camionnage du Québec Inc.
- Ex. 220 — Mr. Roy Halliday, President, The Canadian Lumbermen's Association.
- Ex. 221 — Mr. J. W. B. Sisam, President, The Canadian Institute of Forestry.

ROYAL COMMISSION ON CANADA'S ECONOMIC PROSPECTS

- Ex. 222 — Mr. Walter C. Koerner, President, Alaska Pine & Cellulose Limited.
 Ex. 223 — Mr. R. L. Weldon, President, Bathurst Power & Paper Company Limited.
 Ex. 224 — Mr. J. G. Crean, President, The Canadian Chamber of Commerce.
 Ex. 225 — Mayor Charlotte Whitton, The City of Ottawa.
 Ex. 226 — Miss Charlotte Whitton, Mayor, City of Ottawa (personal submission).
 Ex. 227 — Mr. C. A. Pollack, President, Radio-Electronics-Television Manufacturers Association of Canada.
 Ex. 228 — Mr. R. M. Brophy, President, Philips Canadian Industrial Development Company Limited.
 Ex. 229 — Mr. Harry D. Greb, President, The Shoe Manufacturers' Association of Canada.
 Ex. 230 — Mr. W. J. LeClair, President, Canadian Federation of Property Owners' Associations.
 Ex. 231 — Dr. J. C. Griffin, General Director, Canadian Mental Health Association.
 Ex. 232 — Mr. W. Gordon Wood, First Vice-President, Canadian Tourist Association.
 Ex. 233 — Mr. R. F. Legget, Chairman, Associate Committee on the National Building Code, National Research Council.
 Ex. 234 — Mr. J. Norman Hyland, President, Fisheries Council of Canada.
 Ex. 235 — Mr. Ralph S. Staples, President, The Co-operative Union of Canada and Mr. Leo Bérubé, Secretary, Le Conseil Canadien de la Coopération (joint submission).
 Ex. 236 — Mr. Peter Martin, President, N.F.C.U.S. and Mr. Harry Arthurs, Chairman, National Scholarship Committee of the National Federation of Canadian University Students.
 Ex. 237 — Mr. A. M. MacKay, Chairman, The Maritimes Transportation Commission.
 Ex. 238 — Mr. R. F. Chisholm, Chairman, Canadian Conference on Wholesale Distribution.
 Ex. 239 — Mr. Leslie Morris, Organizational Secretary, Labour-Progressive Party.
 Ex. 240 — Mr. H. H. Hannam, President and Managing Director, The Canadian Federation of Agriculture.
 Ex. 241 — Mr. Lloyd Jasper, President, The Ontario Federation of Agriculture.
 Ex. 242 — Mr. H. K. Leckie, Secretary, The Meat Packers Council of Canada.
 Ex. 243 — Mr. Arthur May, Managing Director, The Institute of Edible Oil Foods.
 Ex. 244 — Mr. Lewis J.-B. Forbes, President, The Canadian Association of British Manufacturers and Agencies.
 Ex. 245 — Dr. J. R. Mutchmor, Secretary, Board of Evangelism and Social Service, The United Church of Canada.
 Ex. 246 — Mrs. H. R. Kemp, Vice-President, The Canadian Association of Consumers.
 Ex. 247 — Mr. Stewart Bates, President, Central Mortgage and Housing Corporation.
 Ex. 248 — Mr. A. G. Bailey, Vice-President and Director, Bailey Selburn Oil & Gas Ltd.
 Ex. 249 — Mr. Nels Thibeault, President, International Union of Mine, Mill and Smelter Workers in Canada.
 Ex. 250 — Dr. W. A. Mackintosh, Chairman, Finance Committee, The National Conference of Canadian Universities.
 Ex. 251 — Mr. T. W. Eadie, Chairman, The Trans-Canada Telephone System.
 Ex. 252 — Mr. E. M. Henry, Consultant, The Township of Trafalgar, Ontario.
 Ex. 253 — Mr. E. C. Gill, President, The Canadian Life Insurance Officers' Association.
 Ex. 254 — Mr. A. Turner Bone, President, The Canadian Construction Association.
 Ex. 255 — Mr. W. A. Dempsey, Regional Supervisor, Ontario Division, Community Planning Association of Canada.
 Ex. 256 — Mr. J. L. Van Camp, The Canadian Conservation Association.
 Ex. 257 — Mr. Gilbert A. LaBine, President, Gunnar Mines Limited.
 Ex. 258 — Mr. G. G. Croskery, Secretary-Treasurer, Canadian Teachers' Federation.
 Ex. 259 — Mr. Ernest Smith, General Representative, A.U.C., and Chairman, C.A.R., Amalgamated Unions of Canada and Canadian Association of Railwaymen.
 Ex. 260 — Mr. L. A. Wright, General Secretary, The Engineering Institute of Canada.
 Ex. 261 — Mr. J. A. Wilson, Chairman, Board of Governors, The Canadian Tax Foundation.
 Ex. 262 — Dr. E. W. R. Steacie, President, National Research Council.
 Ex. 263 — Professors G. E. Britnell, V. C. Fowke, Mabel F. Timlin and K. A. H. Buckley, University of Saskatchewan.
 Ex. 264 — Mr. T. B. Fraser, The Chamber of Commerce of the District of Baie Comeau, supported by the Eastern and Western Chambers of "the North Shore", Saguenay County, Que. and also by the Chamber of Commerce of the South Shore.
 Ex. 265 — Prof. Albert Faucher, The Committee on Industrial Development for the Federation of Abitibi Chambers of Commerce.
 Ex. 266 — Mr. H. V. Lush, Chairman, Council of Profit Sharing Industries.
 Ex. 267 — Miss Gladys J. Sharpe, President, Canadian Nurses' Association.
 Ex. 268 — Prof. V. C. Fowke, President, Canadian Association of University Teachers.
 Ex. 269 — Mr. H. G. Dustan, Chairman, Newfoundland Fisheries Development Authority.

- Ex. 270 — Mr. Eric Harvey, Secretary Manager, The Newfoundland Fish Trades Association of Newfoundland.
- Ex. 271 — Mr. L. R. Brooks, Assistant Manager, Newfoundland Associated Fish Exporters Limited.
- Ex. 272 — Mr. Arthur Edgecombe, Chairman, Newfoundland Branch, Canadian Manufacturers' Association, Inc.
- Ex. 273 — Mr. Arthur Johnson, The Vice-President for Newfoundland of Atlantic Provinces Economic Council.
- Ex. 274 — Mr. H. Herlof Smith, Industrial and Port Commissioner, The Saint John Board of Trade.
- Ex. 275 — Mr. Leander Manley, Secretary Manager, Canadian Pulp and Paper Association (Western Division).
- Ex. 276 — Mr. J. A. Cameron, President, Western Canada Reclamation Association.
Ex. 276A — Mr. G. O'Shaughnessy, Secretary-Manager, Western Canada Reclamation Association, on behalf of British Columbia Section, Western Canada Reclamation Association.
- Ex. 277 — Mr. R. H. A. Lacey, Executive Secretary, The Medicine Hat Chamber of Commerce.
- Ex. 278 — Mr. E. Knutson, President, Saskatchewan Motor Dealers' Association.
- Ex. 279 — Mr. C. K. Bantock, Manager, The British Columbia Chamber of Commerce.
- Ex. 280 — Mr. R. E. Walker, Manager, Retail Merchants' Association (Saskatchewan) Incorporated.
- Ex. 281 — Mr. R. T. Rose, General Manager, The Vancouver Board of Trade.
- Ex. 282 — Mr. J. Schulz, Chairman, The Interprovincial Farm Union Council.
- Ex. 283 — Mr. Cecil Lamont, President, The North-West Line Elevators Association.
- Ex. 284 — Mr. Charles Crate, Corresponding Secretary and Research Director, The Yellowknife District Miners' Union, Local 802, International Union of Mine, Mill and Smelter Workers (Canada).
- Ex. 285 — Mr. G. L. Knox, President, The California Standard Company.
- Ex. 286 — Mr. D. C. Campbell, President, The Canadian Association of Equipment Distributors.
- Ex. 287 — Mr. Hugh T. Lemon, Secretary-Treasurer, The Town Planning Institute of Canada.
- Ex. 288 — Mr. H. J. Badden, Secretary-Treasurer, The Canadian Truck Trailer Manufacturers' Association.
- Ex. 289 — Mr. J. Fewlry, General Secretary, Committee Examining Need for Engineering Society proposed to be called "The Chartered Engineers of Ontario".
- Ex. 290 — Mr. J. P. Nowlan, Vice-President, McPhar Geophysics Limited.
- Ex. 291 — Mr. Jules Breton, Manager, L'Association Forestière Québécoise, Inc.
- Ex. 292 — Mr. L. Z. Rousseau, La Faculté d'Arpentage et de Génie Forestier et Le Fonds de Recherches Forestières de l'Université Laval.
- Ex. 293 — Mr. T. J. Allard, Executive Vice-President, The Canadian Association of Radio and Television Broadcasters.
- Ex. 294 — Mr. J. Mitchell, President, The Canadian Industrial Traffic League (Incorporated).
- Ex. 295 — Mr. W. A. Wecker, President, General Motors of Canada, Limited.
- Ex. 296 — Mr. R. Davidson, General Manager, National Association of Master Plumbers and Heating Contractors of Canada, Inc.
- Ex. 297 — Miss E. G. MacGill, Consulting Engineer, Toronto, Ont.
- Ex. 298 — Messrs. T. R. Bleiler and J. W. Goodall, Fort Simpson, N.W.T.
- Ex. 299 — Mr. E. L. R. Williamson, Consulting Economist, Brockville, Ont.
- Ex. 300 — Mr. R. P. Sparks, Tariff Consultant, Ottawa, Ont.
- Ex. 301 — Messrs. Geo. Bevington and H. E. Nichols, Edmonton, Alta.
- Ex. 302 — Mr. P. J. Perry, Winnipeg, Man.
- Ex. 303 — Mr. Walter K. Gross, Vancouver, B.C.
- Ex. 304 — Mr. W. T. House, West Gravenhurst, Ont.
- Ex. 305 — Mr. C. M. Campbell, Consulting Mining Engineer, Vancouver, B.C.
- Ex. 306 — Mr. D. F. MacRae, Director, Department of Industrial Research Services, Ontario Research Foundation.
- Ex. 307 — Mr. David Peddie, Vancouver, B.C.
- Ex. 308 — Mr. P. Ackerman, Consulting Electrical Engineer, Montreal, P.Q.
Ex. 308A — Mr. P. Ackerman, Consulting Electrical Engineer, Montreal, P.Q. (supplementary submission).
- Ex. 309 — Messrs. C. Ross Anderson, Frank R. Chapman Jr. and associates, Toronto, Ont.
- Ex. 310 — Mr. Dan McCallum, Vancouver, B.C.
- Ex. 311 — Mr. W. M. Mercer, President, Wm. M. Mercer Limited.
- Ex. 312 — Miss Marion Gilroy, Convenor, Libraries and Creative Arts Committee, The Canadian Federation of University Women.
- Ex. 313 — Mr. P. R. Robinson, Manager, The Canadian Food Processors Association.

ROYAL COMMISSION ON CANADA'S ECONOMIC PROSPECTS

- Ex. 314 — Mr. F. G. Ardouin, President, The Professional Institute of the Public Service of Canada.
- Ex. 315 — Mr. André Scipio, Chairman, Committee for Brief on Canada's Economic Prospects, Canadian Exporters' Association.
- Ex. 316 — Mr. George Mansfield, Manager, Periodical Press Association.
- Ex. 317 — Mr. G. R. Fanset, Industrial Commissioner, The Industrial Development Board of Greater Winnipeg.
- Ex. 318 — Mr. D. S. Keen, Secretary, The Canadian Institute of Stove and Furnace Manufacturers.
- Ex. 319 — Mr. R. W. Nesbitt, Secretary, The Mining Association of British Columbia.
- Ex. 320 — Mr. W. E. Hobbs, Winnipeg.
- Ex. 321 — Mr. F. H. Hall, Chairman Negotiating Committee, Associated Unions Representing Non-Operating Railway Employees.
- Ex. 322 — Mr. J. R. Kidd, Director, Canadian Association for Adult Education.
- Ex. 323 — Mr. H. T. Renouf, Manager, The Newfoundland Board of Trade.
- Ex. 324 — Dr. C. H. Goulden, President, Agricultural Institute of Canada.
- Ex. 325 — Mr. S. W. Eakins, Executive Secretary and Treasurer, Association of Ontario Mayors and Reeves.
- Ex. 326 — Mr. André Gariépy, Head of the Secretariat, L'Union des Mutuelles-Vie Françaises d'Amérique.
- Ex. 327 — Mr. J.-B. Lemoine, General President, L'Union Catholique des Cultivateurs.
- Ex. 328 — Mr. Fridolin Simard, President, La Chambre de Commerce de la Province de Québec.
- Ex. 329 — Mr. I. C. Pollack, Chairman, Committee for preparation of Brief, La Chambre de Commerce de Québec.
Ex. 329A — La Chambre de Commerce de Québec (supplementary submission — maps and graphs).
- Ex. 330 — Mr. P. Grenier, Industrial Commissioner, Le Conseil d'Orientation Économique, Saguenay-Lac St-Jean.

DIVISION OF MANUFACTURING CLASSIFICATION BY SUB-GROUPS

<i>Primary</i>	<i>Secondary</i>	
		<i>Foods and beverages</i>
x		Canning and processing
x		Dairy products
x		Grain mill products
x		Meat products
	x	Bakery products
	x	Beverages
	x	Other food industries
		<i>Tobacco and tobacco products</i>
	x	Tobacco, cigars and cigarettes
	x	Tobacco processing and packing
		<i>Rubber products</i>
	x	
		<i>Leather products</i>
	x	Footwear, leather
	x	Gloves and mittens, leather
	x	Leather tanning
	x	Other leather industries
		<i>Textile products (except clothing)</i>
	x	Cotton goods
	x	Woollen goods
	x	Synthetic textiles and silk
	x	Other primary textiles
	x	Other textile industries
		<i>Clothing (textile and fur)</i>
	x	Men's, women's and children's clothing
	x	Knitted goods
	x	Miscellaneous clothing
		<i>Wood products</i>
x		Saw and planing mills
	x	Furniture
	x	Other wood industries
		<i>Paper products</i>
x		Pulp and paper
	x	Boxes and bags, paper
	x	Roofing paper
	x	Miscellaneous paper goods
		<i>Printing, publishing and allied industries</i>
	x	Commercial printing
	x	Engraving, stereotyping and allied industries
	x	Printing and publishing

Primary Secondary (Continued)

Iron and steel products

x	Agricultural implements
x	Boilers, tanks and platework
x	Bridge building and structural steel
x	Castings, iron
x	Hardware, tools and cutlery
x	Heating and cooking apparatus
x	Machinery, household, office and store
x	Machinery, industrial
x	Machine shops
x	Machine tools
x	Primary iron and steel
x	Sheet metal products
x	Wire and wire goods
x	Miscellaneous iron and steel products

Transportation equipment

x	Aircraft and parts
x	Bicycles and parts
x	Boat building
x	Carriages, wagons and sleighs
x	Motor vehicles
x	Motor vehicle parts
x	Railway rolling stock
x	Shipbuilding

Non-ferrous metal products

x	Non-ferrous metal smelting and refining
x	Aluminum products
x	Brass and copper products
x	Jewellery and silverware
x	White metal alloys
x	Miscellaneous non-ferrous metal products

Electrical apparatus and supplies

x	Batteries
x	Radios and radio parts
x	Refrigerators, vacuum cleaners and appliances
x	Machinery, heavy electrical
x	Miscellaneous electrical apparatus and supplies

Non-metallic mineral products

x	Abrasives, artificial
x	Cement, hydraulic
x	Salt
x	Stone products
x	Asbestos products
x	Clay products from domestic clay
x	Clay products from imported clay
x	Concrete products
x	Glass and glass products
x	Gypsum products
x	Lime
x	Sand-lime brick
x	Miscellaneous non-metallic mineral products

Products of petroleum and coal

x	Coke and gas products
x	Petroleum products
x	Miscellaneous products of petroleum coal

*Primary Secondary (Concluded)**Chemicals and allied products*

x		Acids, alkalis and salts
x		Fertilizers
x		Primary plastics
	x	Medicinal and pharmaceutical preparations
	x	Paints, varnishes and lacquers
	x	Soaps, washing compounds and cleaning preparations
	x	Toilet preparations
	x	Vegetable oils
	x	Other chemical industries

Miscellaneous industries

	x	Brooms, brushes and mops
	x	Clocks, watches and watch cases
	x	Fountain pens and pencils
	x	Musical instruments
	x	Plastic products
	x	Scientific and professional equipment
	x	Sporting goods
	x	Toys and games
	x	Typewriter supplies
	x	Other miscellaneous industries

If the above classification is applied to manufacturing industry statistics for the year 1953, the following totals are obtained:

Total employees (thousands)	Total earnings (\$ million)	Value-added (\$ million)	Gross Value of Production (\$ million)
<i>Primary</i>			
285.2	851.0	2,017.0	5,495.0
21.5%	21.5%	25.2%	30.9%
<i>Secondary</i>			
1,042.3	3,106.0	5,976.0	12,290.0
78.5%	78.5%	74.8%	69.1%

TAXATION OF THE OIL AND GAS INDUSTRY

THE COMMISSION did not undertake an exhaustive study of the effects which taxation of personal and corporate incomes have had and are having upon investment in primary and other industry in Canada. However, we did arrange for a study, *Certain Aspects of Taxation Relating to Investment in Canada by Non-Residents*, to be prepared, and this may be referred to by those interested in these matters. A number of qualified witnesses appeared before us in the course of our public hearings and expressed views on this and related subjects. It seems clear from the evidence that taxation of personal and corporate incomes at present rates does create problems respecting investment by Canadians in Canadian industry. This seems to be true in particular in the oil and gas industry, on which we heard many submissions and proposals. While, therefore, we do not propose to offer suggestions or to comment upon taxation policies in general, it may be helpful if we report our conclusions respecting the taxation of this one industry, the potential growth and importance of which seems hardly yet to be realized by many people in this country.

Three important criticisms were offered of our tax system insofar as the oil and gas industry is concerned, namely:

- (a) Canadians are at a disadvantage vis-à-vis the United States operators in the Canadian oil and gas field.
- (b) Certain acquisition and property costs are not allowed as deductions in computing taxable income.
- (c) The method of computing depletion allowances is not as favourable in Canada as in the United States and, furthermore, it gives a substantial advantage to the large integrated oil companies as compared with the independent producers. (Mining companies which are engaged in the exploration and development end of the oil and gas industry enjoy the same advantage under our tax laws.)

Very generous tax treatment is given in the United States to individuals and to companies who invest in the oil and gas industry. For example, an individual with a large income, part of which is taxable at rates of, say, 80 per cent or even higher, may invest in oil wells and deduct any part of his expenditure which proves to be unproductive from the amount of his income which is subject to tax. This means that it costs such an indivi-

dual only 20 cents or less out of every dollar which he spends unsuccessfully in looking for oil either within the confines of the United States or elsewhere; the balance is a special tax concession under the United States tax laws. Similarly the established United States oil companies, which spend by far the largest sums in exploration and development work throughout the world, receive very favourable tax treatment in comparison with other United States industries. To this extent the United States government may be said to be encouraging a world-wide search for oil by United States citizens and United States oil companies. This quite obviously is a perfectly reasonable and proper course for the United States authorities to adopt if they so wish. Undoubtedly their policy has provided a tremendous stimulus to the United States oil and gas industry as a result of which great discoveries have been made and great developments have occurred in many parts of the world, including Canada, which otherwise would not have happened or, at least, would not have happened nearly so quickly. It is quite true that these tax policies place United States citizens and United States oil companies in a preferred position in searching for oil in Canada, compared with Canadian citizens and Canadian companies. But this does not mean that Canada should necessarily adopt the same policy. While we have a vital interest in the development of the oil and gas industry in this country, we have a vital interest in the development of many other industries as well. It would be an unwise practice for Canada to start favouring one industry over others through tax concessions merely because this is being done in the United States for reasons which, in that country, may be perfectly valid.

There seem to be two ways in which this problem might be dealt with. One would be to require all foreigners who wish to do business or to hold or develop resources in Canada to incorporate their businesses in this country under the federal or under one of the provincial companies acts. However, there would be no assurance that this action would necessarily negate the tax advantages which United States citizens and United States companies enjoy at present under the tax laws of their own country. An alternative approach and one which we think would be a better one would be to devise some formula for giving companies in which Canadian citizens participate some special concessions under certain circumstances and conditions. Ways in which this might be done are discussed in Chapter 18.

The second criticism of our taxation policies with respect to the oil and gas industry is that operators in this industry in computing their taxable income are not allowed to deduct the acquisition costs of unproductive property other than the original payments to the Crown for leases which have been abandoned as unproductive and for rentals up to \$1 per acre per annum. This criticism would seem to have some validity, provided that the amount which the operators may be entitled to claim as deductions with respect to property costs was limited to the cost of the property to the

original company or individual who acquired it. Without some such restriction there might be a pyramiding of acquisition costs through sales from one company or individual to another.

The third important criticism of our tax policies with respect to the oil and gas industry has to do with the way in which the depletion allowance is computed. The allowance for depletion to the extractive industries in Canada has served two purposes. In the first place, it permits companies in these industries to recoup out of income that part of their acquisition costs which they are not allowed to deduct in computing their taxable income. The second and much more important purpose of the depletion allowance is to provide a special incentive to the extractive industries to compensate them for the risks which are inherent in any mining enterprise. In the case of the oil industry in Canada, there is not only the risk that no oil or gas will be found, but even if an operator is successful in finding oil or gas, any substantial income therefrom may have to be deferred for some years until adequate markets can be found. These are important considerations, although the time may come when it is felt that the primary industries are sufficiently well established in Canada to do without special concessions. If it is felt that this time has not yet arrived, consideration might be given to changing the form of the special tax incentive which is at present being accorded to the extractive industries. Instead of being granted an allowance for depletion, they might be charged a lower rate of tax on that portion of their profits which is dependent upon risk taking, i.e., the profits from the producing end of the business after all charges and costs pertaining to that part of the business have first been deducted.

An alternative approach would be to continue the present principle of granting a depletion allowance at some appropriate rate but computing it the same way as in the United States. In that country a stated percentage of the gross profits from production is exempted from tax. In Canada, at the present time, no allowance is granted for depletion until all accumulated expenditures on exploration and development have first been exhausted as deductions in computing taxable income. This gives a considerable advantage to the large integrated oil companies vis-à-vis the independent operators in the exploration and development field. The former are permitted to offset their exploration and development expenditures against their total income, including their income from refining and marketing. In this way, their exploration and development expenditures may be immediately financed to a considerable extent by tax money, i.e., out of monies which otherwise would have to be paid as taxes on profits earned in other spheres of activity. Furthermore, because these expenditures by the integrated companies become fully claimed earlier than in the case of taxpayers who are producers only, the integrated companies become entitled to a depletion allowance sooner than the independent

producers. In effect this means that they obtain a depletion allowance on a larger proportion of the profits earned on the oil or gas which they discover than the independents do. This differential would be removed, at least in part, by the adoption of the method used in the United States.

Quite apart from the way in which the depletion allowance is computed, there is the question of whether it is reasonable to permit the large integrated oil companies to deduct their exploration and development costs from their total income in view of the advantage it gives them over independent producers. To an important extent, it seems that the appropriate decision on this question must depend upon the decision which is taken respecting the rate of depletion allowance and the way it is computed (or, alternatively, upon the rate of tax imposed upon the profits earned from production activities). If the depletion allowance is sufficient to provide an adequate incentive for all the exploration and development work that is thought to be desirable, then it may not be necessary or even logical to give a further incentive to the large integrated oil companies. If, however, the depletion allowance decided upon is a relatively moderate one, then this additional incentive to the large companies may be necessary if the desired amount of exploration and development work is to go on.

MUNICIPAL FINANCE

DURING THE course of our hearings, we received many representations from or on behalf of local units of government — municipalities, school corporations and the like. There was clearly widespread concern about the financial position of these local units and their ability to support the increasing responsibilities which population growth, urbanization, and the rise in motor vehicle registrations were thrusting upon them.

Much of the expenditure on social capital which we have forecast seems likely to fall on local governments. We have, as it were, presented them with a large bill for the future. They may legitimately ask us whether we have any notion of how all these fine things are to be paid for.

Nearly 20 years ago, the Rowell-Sirois Commission made some observations about municipal finance which have grown only more cogent with the passage of time. After outlining the different ways in which municipal government had developed in different parts of Canada, the Commission went on to say,

“Even more important than the variations between provincial systems is the great and increasing spread between kinds of municipalities. Metropolitan centres, tiny hamlets, and sparsely populated rural areas are all known as municipalities. It is obvious that their problems must differ greatly in degree and in kind. We cannot, in fact, speak of *the* municipal problem; there are municipal problems characteristic of certain regions and of certain provincial systems, problems characteristic of certain types and classes of municipalities, and problems associated with individual municipalities in special circumstances. The particular revenue, expenditure, or debt factors which may be of dominating importance in one case may have little relevance in another, and sweeping generalizations are thus of very limited utility”.¹

(It may be noted in passing that an astonishing number of the Commission's conclusions with respect to municipal government and municipal finance — those, for instance, relating to the size of governmental units in metropolitan and rural areas — seem just as relevant today, when most of the major problems stem in one way or another from rapid economic growth, as they did in the far different situation of the late 1930's.)

Notwithstanding the wisdom of the above-quoted remarks, a good deal of generalizing continues to be done about municipal finance. It has been represented to us that, by and large, Canadian municipalities — particularly those which are urban or partly urban in fact, if not always in name — are under financial strain, that they are finding it increasingly difficult to fulfill their expenditure responsibilities.

Table I

STATISTICS OF MUNICIPAL^a FINANCE
 (\$ millions)

	1933	1939	1945	1953	1954	(Est.) 1955	(Est.) 1956
Real property taxes	230	242	263	581	627	683	743
Unconditional grants and subsidies from other governments ^b	—	5	8	28	41	42	47
Other current revenue	63	73	91	223	240	266	279
Total current revenue ^c	293	320	362	832	908	991	1,069
Total current expenditure ^c	320	328	354	820	914	979	1,067
General debenture debt (net) ^d (end of year)	881	789	623	1,269	1,479	1,658	1,851

a Municipalities and school corporations.

b Includes general subsidies and grants in lieu of taxes.

Specific grants and shared-cost contributions from provinces to municipalities (see Table II below) are excluded from revenue, and corresponding amounts are excluded from expenditure.

c Revenues and expenditures of water, transit and other utilities deemed to be largely or wholly self-supporting are not included in total revenue and expenditure except to the extent of deficits or surpluses financed by, or contributed to, the municipalities concerned.

d This consists of total direct debenture debt less sinking funds, after deduction of the net debt of public utilities. Public utilities debt is deducted because it is not serviced from what is here shown as current revenue.

SOURCE: Bank of Canada *Statistical Summary*.

Various pieces of circumstantial evidence may be brought forward to support this view. The backlog of municipal capital works and urban land servicing is one. The increasing degree of dependence on grants and subsidies from higher levels of government is another.

Table II

PROVINCIAL SPECIFIC GRANTS AND SHARED COST CONTRIBUTIONS TO MUNICIPALITIES AND SCHOOL CORPORATIONS

(\$ millions)

For:	Fiscal years:				
	1939-40	1945-46	1953-54	1954-55	1955-56
Education	18.2	44.5	149.6	172.0	216.5
Highways, streets, etc.	4.6	7.3	38.6	44.2	49.3
Relief	35.9	3.1	6.3	7.4	7.7
Other public welfare	0.2	0.4	6.4	7.5	8.4
All other	0.4	0.7	7.8	3.8	3.9
Total	59.3	56.0	208.7	234.9	285.8

SOURCE: Provincial public accounts.

In looking for more direct evidence, we may appropriately turn to an examination of real property taxation, which before the War accounted for over three-quarters of municipal current revenue, and which even today, in spite of the increased importance of unconditional grants and subsidies and of non-property taxes, provides just under 70 per cent of the total.* For purposes of review, it seems better use 1939 rather than 1945 as the starting point. In 1945, municipalities were reaching the end of what was for many of them a period of artificial financial ease, during which they were not called upon to do many of the things that would otherwise have been expected of them. While the War lasted, expenditure, particularly of a capital nature, was discouraged as part of the broader effort to restrain non-war claims on available goods and services. A large number of municipalities wisely seized the opportunity to achieve substantial reductions in their outstanding debt.

Table III

**REAL PROPERTY TAX REVENUES—
MUNICIPALITIES AND SCHOOL CORPORATIONS**

	1933	1939	1945	1953	1954	(Est.) 1955	(Est.) 1956
In millions of current dollars.....	230	242	263	581	627	683	743
Per capita, in current dollars.....	21.6	21.5	21.8	39.2	41.1	43.6	46.6
Per capita, in constant 1935-39 \$.....	22.9	21.2	18.2	21.1	22.0	23.3	24.5

SOURCE OF ORIGINAL DATA: Bank of Canada *Statistical Summary*. Per capita figures in current dollars are obtained by dividing by the total population of the ten provinces. This results in a slight overstatement in that parts of some provinces are not municipally organized. Conversion to constant dollars is by way of the consumer Price Index, recalculated on the base 1935-39=100.

In current dollar terms, real property tax revenue rose from \$242 million in 1939 to an estimated \$743 million in 1956. But in constant-dollar-per-capita terms — adjusting, that is, for population growth and price increases — the rise was only a modest one: from about 21 pre-war dollars per head in 1939 to between 24 and 25 pre-war dollars per head in 1956. Over the same period, “real” national income per capita rose by 72 per cent.² Comparison with other commonly used indicators of economic growth shows similar large disparities.

This is generalizing on a grand scale. It would not take long to find particular municipalities — fast-growing urban fringe municipalities, for example — where the rise in the real per capita burden of property taxation has been much more impressive. But conversely, there must be other municipalities where this same burden is today little if at all greater than it was in 1939.

* If provincial specific grants and shared-cost contributions are included in revenue, real property taxation would appear to have declined from about 65 per cent of total revenue in 1939 to between 50 per cent and 60 per cent in 1956.

Not all municipal capital works are financed by borrowing, but most of them are. Periods of heavy expenditure on such things as new roads, schools, and sewer and water facilities are therefore periods when municipal debt tends to rise rapidly.

Over the years, investors, and provincial departments and agencies charged with regulating municipal affairs, have come to attach considerable importance to certain indices and ratios relating to municipal debt. One of these is the ratio of debt to assessment. By this criterion, the debt load carried by a good many municipalities today does indeed seem heavy. But there is an alternative interpretation: assessment may be too low. The indicated prescription in some cases may be, not a curtailment of borrowing, but an early reassessment.

Even in constant-dollar-per-capita terms, as in Table IV, municipal debt is considerably larger today than it was in 1945. But it is still little if any larger than it was in 1939. True, the debt load carried by municipalities at the end of the depression was an onerous one. Again, however, regard must be had to the growth of real wealth that has occurred since those times.

Table IV

MUNICIPAL^a DEBT AND DEBT CHARGES

	1933	1939	1945	1953	1954	(Est.) 1955	(Est.) 1956
A—General debenture debt [net] (end of year)							
—in millions of dollars.....	881	789	623	1,269	1,479	1,658	1,851
—per capita, in current dollars.....	82.9	70.2	51.6	85.6	96.9	105.8	115.4
—per capita, in constant 1935-39 dollars	87.8	69.2	43.2	46.1	51.9	56.5	60.8
B—Debt charges as % of current expenditure							
Interest charges.....	19	16	10	6	6	6	6
Debt retirement charges.....	10	11	10	9	10	10	10
Total.....	29	27	20	15	16	16	16

^a Includes school corporations.

SOURCES: As for Table III.

We do not wish to draw too many conclusions from these figures. Undoubtedly, the debt position of some municipalities gives good grounds for concern. But provided no major recession lies ahead, the *total* municipal debt burden does not as yet appear alarming.

Returning to real property taxation, it seems clear that in *general*, revenue from this source has failed by a wide margin to keep pace with the growth of the economy. Can any *general* explanation be adduced for this? Is there something inherent in the nature of real property taxation

which prevents it from responding adequately to economic growth? Have municipalities been forced onto short rations by the higher levels of government?

Reference is often made to the division of the "tax dollar". It is stated that the Federal Government's share of the tax dollar has increased and the municipal share has decreased. It is argued that this is the essence of the municipal financial problem, that the situation cannot be materially improved unless the Federal Government agrees to take a smaller portion.

We would prefer to describe the position in a somewhat more qualified manner. The tax dollar, it must be remembered, is a figure of speech — a shorthand expression for the total amount of tax revenue collected by all three levels of government. It is a misleading figure of speech in that it suggests the existence of a constant pie to be divided. In fact, the total of tax revenue varies substantially over time, depending on economic circumstances and public attitudes. Its size is responsive to changes in national income and in the public's disposition to demand — and pay for — services which are provided and which in many cases can only be provided on a community basis.

Over the last 20 years, as is well known, the federal tax "take" has increased greatly. (So have federal responsibilities, notably with respect to defence and social services.) But over the same period, the economy in general has grown. Real personal and national income have increased — standards of living have improved. By almost any acceptable measure, the nation's taxable capacity must be said to have risen very considerably.

In Table V, taxation by all three levels of government is related to national income. Between 1939 and 1956, total taxation as a percentage of national income rose from 21.8 to 30.1. The federal percentage in 1956 was 21.4, as against 10.7 in 1939; the provincial percentage 4.7, as against 4.6 in 1939; and the municipal percentage 4.0, as against 6.5 in 1939. If federal taxes transferred unconditionally to the provinces are deducted from total federal taxes and added to provincial taxes, the 1956 percentages become: federal, 19.8; provincial, 6.2.

In part 'C' of the table, provincial and municipal taxes are expressed as percentages of national income less federal taxes. Between 1939 and 1956, the provinces increased their share of this residual from 5.2 per cent to 5.9 per cent; but the municipal share declined, on balance, from 7.2 per cent to 5.1 per cent. The combined provincial-municipal share was 11.0 per cent in 1956, compared with 12.4 per cent in 1939. Proportionately, and in terms of the taxes which they actually collected themselves, the provinces and municipalities together were making less use of what was, so to speak, left over after the federal tax-gatherers had made their rounds. If, however, federal taxes transferred unconditionally to the provinces are counted as provincial taxes, then the provincial-municipal share

of the adjusted residual was higher than before the War: 12.8 per cent in 1956, as against 12.4 per cent in 1939.

One's interpretation of these crude and wholesale calculations depends, of course, on one's views as to the total burden of taxation (which views should in turn be related to some opinion concerning the range and quality of services which governments should be asked to provide). What can be affirmed is that presented in this light, against a background of economic growth, the "squeeze" exerted by the Federal Government on the taxable capacity available to municipalities appears a less absolute constriction than it does in the context of the tax dollar.

Table V

NATIONAL INCOME AND TAXATION

(NOTE: The figures in brackets indicate the results obtained when Federal Taxes transferred unconditionally to the Provinces are deducted from total Federal Taxes and added to Provincial Taxes)

A—millions of current \$	1933	1939	1945	1953	1954	1955	1956
Net national income.....	2,452	4,373	9,840	19,133	18,794	20,740	23,049
Federal taxes ^a	280	467	2,168	4,220	4,039	4,336	4,923
	(280)	(467)	(2,078)	(3,912)	(3,709)	(4,007)	(4,564)
Provincial taxes.....	116	203	226	782	831	956	1,078
	(116)	(203)	(316)	(1,090)	(1,161)	(1,285)	(1,437)
Municipal taxes ^b	260	283	308	717	772	845	919
Net national income less federal taxes.....	2,172	3,906	7,672	14,913	14,755	16,404	18,126
	(2,172)	(3,906)	(7,762)	(15,221)	(15,085)	(16,733)	(18,485)
B—as % of net national income							
Federal taxes ^a	11.4	10.7	22.0	22.1	21.5	20.9	21.4
	(11.4)	(10.7)	(21.1)	(20.5)	(19.7)	(19.3)	(19.8)
Provincial taxes.....	4.7	4.6	2.3	4.1	4.4	4.6	4.7
	(4.7)	(4.6)	(3.2)	(5.7)	(6.2)	(6.2)	(6.2)
Municipal taxes ^b	10.6	6.5	3.1	3.7	4.1	4.1	4.0
Total—all taxes.....	26.7	21.8	27.4	29.9	30.0	29.6	30.1
C—as % of net national income less federal taxes							
Provincial taxes.....	5.3	5.2	2.9	5.2	5.6	5.8	5.9
	(5.3)	(5.2)	(4.1)	(7.2)	(7.7)	(7.7)	(7.8)
Municipal taxes ^b	12.0	7.2	4.0	4.8	5.2	5.2	5.1
	(12.0)	(7.2)	(4.0)	(4.7)	(5.1)	(5.0)	(5.0)
Total of provincial and municipal taxes.....	17.3	12.4	6.9	10.0	10.8	11.0	11.0
	(17.3)	(12.4)	(8.1)	(11.9)	(12.8)	(12.7)	(12.8)

a Includes Old Age Security taxes.

b Includes non-property taxes.

SOURCE: Dominion Bureau of Statistics, *National Accounts — Income and Expenditure*, 1926-50 and 1950-56.

It may be that public reaction to the heavier load of taxation now in comparison with pre-war times has been disproportionately directed at local governments. If this is so, one reason may be that most of the tax revenue of local governments is still demanded from the public in

annual lumps whereas the federal and provincial governments rely to a larger extent on levies of a "hidden" or pay-as-you-go nature. Another reason may be that in the process of growing bigger, the federal and provincial governments have also grown more remote. Correctly or incorrectly, the taxpayer may feel that his individual voice counts for little in these lofty spheres, at any rate between elections. Instead, he may pick up the telephone and vent his spleen on his local alderman or councillor. Municipal spokesmen often say that they are at the grass-roots level — in touch with the people. While this is certainly a legitimate cause for satisfaction, there is another side to the coin. To be close to the people is also to be within uncomfortably short range of vocal individuals and minorities.

What of the inherent "growth responsiveness" of real property taxation? In considering this question, we must keep in mind that real property taxation varies a great deal in Canada, not only in weight, but in form and incidence. Many municipalities, for example, levy taxes on commercial and industrial property which are determined in significantly different fashion from those which they levy on residential property. The common characteristic of all real property taxes is their basic relationship to the value of land — and in most cases of buildings and improvements — within the jurisdictions in question.

Since the depression years, this value has increased in three principal ways. Firstly, new buildings have been erected and improvements undertaken, some on land not previously built upon, some on land previously occupied by other buildings and improvements. Secondly, the value of many buildings and improvements, and of the land on which they are situated, has appreciated. (Some property has of course fallen in value, but there is good reason to believe that under the impact of economic growth and rising prices the plusses have substantially outweighed the minusses.) Finally, the value of some land not as yet built upon has undergone a speculative appreciation in anticipation of its being put to more profitable use.

In practice, real property taxes are levied against assessed values which in the great majority of cases are less than true market values. Often, the assessed value of a property is only a small fraction of the price which that property would command in the open market. (To further complicate matters, many municipalities, having established assessed values for property, tax only certain percentages of those values.)

The important question here is what has happened to the relationship between assessed values and market values over time. There is much to suggest that on the average, and over the War and post-war periods as a whole, the gap has widened. Some large-scale reassessments have been carried out recently, and there is an increasing tendency to base the

distribution of certain kinds of provincial-municipal grants, notably for educational purposes, on province-wide equalized assessments. But there are still municipalities where assessed values are based on the market values of 1945 or even earlier years.

In Table VI, changes in assessed values in seven provinces for which continuous statistical series are available are compared with changes in personal income in the same provinces. The table must be interpreted with great caution: not all the provincial assessment series are wholly comparable one with another, and there is reason to suppose that even if assessed values had increased proportionately as much as true market values since 1939, the percentage of increase would still have been below that shown by personal incomes. All the same, the difference in the two rates of increase is so striking as to create at least a suspicion that over the 1939-55 period as a whole, the disparity between total assessed values and total market values must have widened considerably.

Table VI

ASSESSMENT AND PERSONAL INCOME IN SEVEN PROVINCES
(\$ millions)

Assessed values	N.S.	N.B.	Ont.	Man.	Sask.	Alta.	B.C.	Total seven provs.	Total excl. Sask.
1939...	185	170 ^a	2,960	441	1,051	490	379	5,675	4,625
1945...	194	275	3,109	452	850	586	420	5,885	5,035
1953...	333	403	5,044	680	964	1,018	771	9,214	8,249
1954...	355	418	6,099	707	987	1,148	842	10,557	9,569
1955...	389	435	6,567	770	1,013	1,237	1,044	11,456	10,442
Personal income									
1939...	163	111	1,766	249	274	262	379	3,204	2,930
1955...	650	462	7,906	973	1,022	1,322	2,006	14,341	13,319
% Increases 1939-55 ^b									
Assessed values	+111%	+155%	+122%	+75%	-4%	+153%	+176%	+102%	+126%
Personal income	+299%	+316%	+348%	+291%	+273%	+405%	+430%	+348%	+355%

a 1938 figure.

b Percentages calculated on unrounded figures.

SOURCES: Reports of provincial departments of municipal affairs and Dominion Bureau of Statistics, *National Accounts — Income and Expenditure (annual)*. The statistics of assessment are described as follows: Nova Scotia, "total taxable assessment"; New Brunswick, "total assessed valuation" (cities, towns, villages, counties and local improvement districts); Ontario, "taxable assessment"; Manitoba, "total taxable assessment"; Saskatchewan, "taxable assessment"; Alberta, "assessment for municipal purposes"; British Columbia, "values actually taxed — municipal purposes".

The fundamental difficulty with the real property tax may be, not that it is inherently incapable of responding reasonably well to economic growth, but that to make it so respond is an awkward business, requiring no small amount of political courage. A progressive personal income tax,

from the point of view of the government levying it, responds swiftly and almost effortlessly to economic growth and rising prices, and it responds more than proportionately. The rates can be left where they are, and the rise in money incomes will do the rest. In the case of the real property tax, assessments or mill rates or both must be periodically increased to keep pace with that part of the rise in the total market value of real property which is not simply the result of new construction. A general reassessment can almost always be relied upon to produce a large volume of protest from taxpayers who feel that they are being treated unfairly or that the authorities are attempting some sinister kind of legerdemain. If on the other hand the basis of assessment is left unchanged and the mill rate is progressively raised, an impression is created of an ever-mounting relative load of taxation on real property. "Where will it end?", the cry goes up. A policy of fairly frequent reassessment has the advantage of making clearer the real facts of the situation. Perhaps if taxpayers become more used to reassessment than some of them have been, they will be more inclined to accept it as a normal and logical process.

When municipal officials complain of inflation, they deserve a sympathetic hearing, for their level of government is probably more painfully affected than any other by rises in the general level of prices. Their expenditures are quickly influenced, but their revenues can only increase commensurately if overt action is taken to that end.

There are some other criticisms which may be levelled at the real property tax. By the standard of ability to pay, it is none too satisfactory: the amount of real property held by a person or company has never been one of the more accurate measures of that person's or company's total wealth, and it is a less accurate measure today than it was 50 years ago, when automobiles, refrigerators and television sets had not yet shouldered housing into a smaller corner of the family budget.

By the standard of benefits received, the real property tax also leaves a good deal to be desired. The benefits accruing to property through the construction of local sewers, watermains, streets and sidewalks are plainly apparent. But when it comes to schools, and to arterial roads, both of which are today claiming a much larger share of municipal expenditure, the flow of benefit to property, though it still occurs to a degree, is less obvious and direct. Owners of abutting property understandably object to paying the full cost of a through street which is far more expensively constructed than it would need to be in order to fulfill the sole function of local access, and which is heavily used by vehicles from other municipalities. It may be noted that a very large proportion of the increase in provincial specific grants to municipalities has been in the fields of education and roads.

As against all this, the real property tax is extremely well adapted to administration within a small jurisdiction. Real property cannot be hidden, does not go away to Nassau for six months and can be shrewdly gauged as to value by local people in touch with local conditions.

Some observers of the fiscal scene seem prepared to accept the possibility that municipalities will grow steadily more dependent on transfers of one kind or another from higher levels of government. Others, disturbed at the prospect of municipalities becoming little more than spending arms of their provincial parents, are concerned to discover revenue sources other than real property which municipalities could use directly.

In the field of education, an increasing dependence on grants seems difficult to avoid. Education has long since become a matter of much more than local importance. The tendency today is toward the establishment by provincial governments of "foundation programmes" and systems of grants designed to ensure that no child in a province need be denied a satisfactory education merely because his or her local school district happens to be tax-poor.

Elsewhere in the spectrum of local government expenditure, it may yet be too early to conclude that only larger and more numerous grants and subsidies can meet the fiscal demands of the future. There appear to be some good possibilities both of improving the real property tax and of devising new and growth-responsive revenue sources.

A very substantial percentage of municipal expenditure today is caused by motor vehicles. It seems to us both logical and just that municipalities should be enabled to recover some considerable proportion of this expenditure from the owners and operators of motor vehicles. There are perhaps two ways in which this could be done: municipalities in a province could be permitted to impose motor vehicle taxes, preferably at some standard rate; or the province could earmark a stated proportion of its revenues from motor vehicle licence fees or gasoline taxes or both, and transfer this proportion to municipalities as of right.* In the latter case, the distribution amongst municipalities might be determined on the basis of vehicle registrations, or even better, possibly, on the basis of traffic counts. A formula might be devised which gave weight to several factors.

A municipal vehicle tax, or an assured proportion of provincial motor vehicle revenue, would have more "built-in" expansionary potential than the real property tax. As traffic increased, creating a need for more road and street expenditure, so would the revenue. From a province's point of view, the arrangement might prove in time to be simpler and less costly to administer than a multi-tier system of conditional grants.

* Under the Alberta Municipal Assistance Act, municipalities in that province receive each year 50 per cent of the provincial government's revenue from gasoline tax in the previous year.

Periodically, it is proposed that municipalities investigate the possibilities of the retail sales tax. In the Province of Quebec, this tax, collected by the province on behalf of those municipalities which choose to levy it, has become an important source of municipal revenue. In the Montreal and Quebec metropolitan areas, the proceeds are distributed amongst the various municipalities and school corporations on a per capita basis.

Sales taxes are often criticized for their regressive characteristics, although these may be mitigated by the exemption of foods and other basic necessities. A municipal sales tax, unless it is generally imposed, at uniform rates, is also subject to the criticism that it tends to drive retail business out of one municipality into another. Finally, there is the consideration that some provincial governments already occupy this field for their own purposes, while others may wish to hold it in reserve for the future.

What of the real property tax itself? Our proposal regarding motor vehicle taxation, if implemented, would remove some of the load from real property. A further unloading could well take place in respect of sewer and water services. Many Canadian municipalities now charge for water on a cost-of-service basis, with individual bills determined by meters. What the citizen pays is no longer a tax, but an economic price for a particular service. There seems no real reason why sewer service should not be similarly charged for, with the amount of service provided being determined by the amount of water consumption.

Hospitals and some social services might also be finally removed from the list of burdens on real property, and indeed on municipalities. The particular relevance of health and welfare services to real property has never been easy to defend, and the case for municipal administration of such services has weakened in the light of experience with provincial and federal programmes.

In sum, we would propose that the municipal real property tax be given rather less work to do. We would also propose that it be made payable in monthly instalments, rather than in an annual lump sum. (Many municipalities have already moved in this direction.)

Thus streamlined, the real property tax might prove to be an altogether more flexible and more efficient instrument in the hands of local governments. It would be easier to pay and easier to justify, particularly if it were founded on an assessment base which was kept reasonably up to date in relation to market values.

Municipal Taxation of Industry

In Chapter 15 we referred to the financial problem which arises when industry is unequally distributed between neighbouring municipalities. Most of the industry may be in one municipality while most of the residential

development which that industry has helped to bring about is in another. The first municipality may be comparatively well off; the second may have to struggle to keep up with its responsibilities.

It has been proposed to us that as a solution to this kind of difficulty, the taxation of industrial property should be undertaken by provincial governments, who would distribute the proceeds amongst municipalities on some acceptable basis.³

Such a remedy may eventually prove to be necessary, but we rather hope that it does not. It seems to us that the problem tends to occur in its most acute form in large metropolitan and urban areas. There is a double inequity: it is not just that some municipalities have more industry than others; it is that some municipalities experience more of the residential consequences of that industry than others, and that the two groups often do not coincide. If good progress is made toward the development of enlarged units of government in metropolitan and other major urban areas, much of the problem may disappear. If, on the other hand, progress in this direction is slow, then the alternative course may become unavoidable. Our unhappiness at such a prospect arises only partly from the potential threat to local autonomy. There would be danger, too, of the provincial assumption of industrial taxation being regarded as a cure-all, a complete solution to the metropolitan area problem. This it most emphatically would not be.

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 KILOMETRES 100 0 100 200 300 400 500 600 KILOMETRES

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