

### High Taxes are Threat to Ontario Manufacturing Growth

If manufacturing is to maintain and expand its role as Canada's biggest employer and greatest producer of wealth it must have 1—a larger domestic market, 2—a system of taxation that will encourage rather than discourage capital investment and, 3—the protection of a realistic tariff policy.

This was the theme of an address by Stuart Armour, economic adviser, The Steel Company of Canada, Limited, before the Industrial Development Conference.

"Our amazing post-war progress has been largely the result of the growth in our heavy and secondary industries," Mr. Armour said. "While this growth has in turn been linked with the development of primary or extractive industries, we could never have achieved our present highly enviable position if we had relied only upon developments in the forestry or mining industries. We shall not in future continue to progress unless we do everything in our power to create conditions favourable to the continued growth of heavy and secondary industry within Ontario.

"Neither governmental policy nor public attitudes are now as favourable as they should be if such growth is to continue. Neither immigration nor tariff nor taxation policies have been framed to meet the peculiar needs of manufacturing in this harsh, vast and thinly-populated country."

"A prime requisite for continued economic and social progress in Ontario at the rate of the past decade is a continuance of growth in population at the rate achieved in that period," Mr. Armour said.

"If immigration is being held down by the Federal government, what is Ontario doing about it? In my book that is the most pregnant question confronting the people of this province today. For if we do not continue to provide here a domestic market for manufacturing and other secondary industry, all the rosy forecasts as to our progress will certainly be nullified."

Mr. Armour declared that, in the case of manufacturing, which provides by far the largest part of the employment and income upon which our high standard of living depends, the burdens we are still so gaily imposing may well prove fatal.

"Unless we curb the habit of asking government to do for us what we should do for ourselves, we shall most certainly end up by overloading our economy."

"Claude Jodoin of the CIO has agreed with governmental and other authorities that the level of unemployment in the coming winter is likely to be the highest in our history."

"Dominion Bureau of Statistics figures have indicated that overall business capital investment on construction and plant and equipment would be at least 12.8% lower this year than last—\$4,833 million compared with \$5,658 million in 1957."

"Housing investment is expected to rise from \$1,415 million in 1957 to \$1,798 million in 1958, or by 24.9%. Other social capital expenditures were expected to rise from \$1,644 million to \$1,820 million, or by about 11%."

"In manufacturing, the total to be spent on construction and new machinery and equipment is expected to be \$1,096 million this year, compared with \$1,426 million in 1957, a drop of more than 23%."

"What incentive is there for continued private capital investment when the Federal government cuts down on immigration and government at all levels at the same time embraces involving confiscatory taxation?"

"In addition to the drawbacks inseparable from our inadequate domestic market, the costs of Canadian manufacturing are being increased by the inflationary effects of governmental efforts to maintain undefined Full Employment. Not only does inflation add to the costs of the raw materials and services which manufacturing must buy in order to carry on production, but it encourages labour to seek ever-higher wages without reference to per man productivity."

"As a result of this governmental effort toward maintaining Full Employment, the burden of all taxes of all kinds upon the Canadian economy went up from \$2,487 million in 1947 to \$5,230 million in 1957, or by 110%."

"In our attempts to maintain Full Employment we have saddled all Canadians and their enterprises of every kind with a tax system that threatens the very continuance of free enterprise in this country."

"We have also, in pursuit of a still-undefined objective, reduced the domestic purchasing power of our dollar in the past ten years by 22½ cents, thereby harshly penalizing those who have practised the constructive

virtue of thrift.

"How can Canadian manufacturing, which is so largely centred in Ontario, continue to make its wanted contribution to Canadian progress and prosperity in the face of these figures?"

"I have come to suspect that those in authority have not yet come to a realization that manufacturing is now by far our most important Canadian industry."

"Even if we should double our primary products exports, we should not continue to progress at the speed to which we have become accustomed unless there was at the same time a corresponding growth in Canadian manufacturing."

"Without proper treatment by government, or in the face of continued efforts to encourage unnecessary competition from outside our borders, manufacturing will not be able to do what is now expected of it, the development of Canada."

Indeed, manufacturing may actually decline in importance under such circumstances.

"A languishing manufacturing industry eventually means a stagnating rather than a dynamic Canada."

"Under existing circumstances, you cannot create an adequate domestic market in Canada without continuous population growth through immigration; without a tariff structure in keeping with the needs of our unique Canadian economy; and without a tax system which will make possible that continuous expenditure of capital by manufacturing which must take place if job opportunities are to be continuously created on an adequate scale."

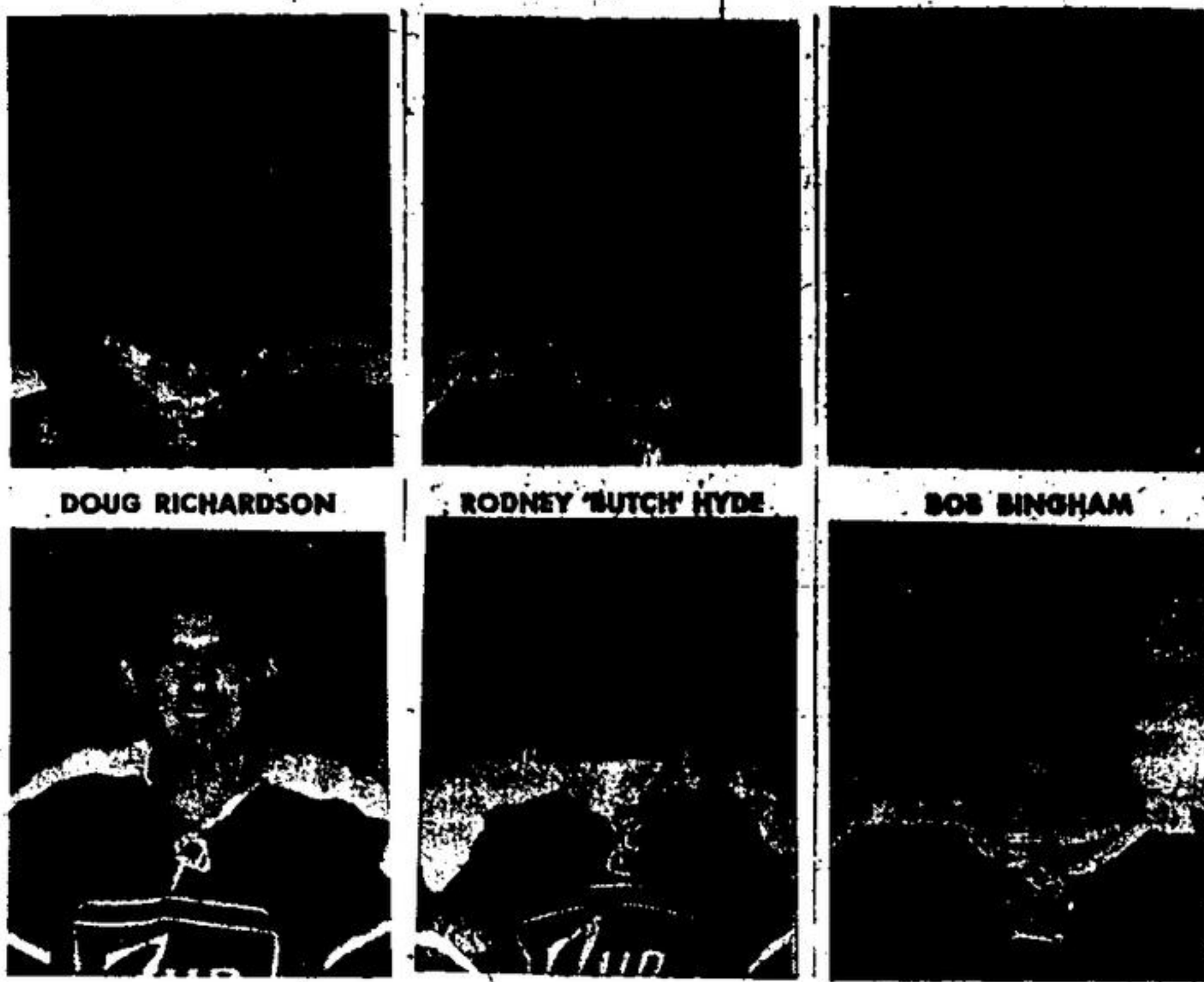
### Vancouver Resident Former Georgetowner

The last surviving member of her family, Mrs. Mary M. Clancey, longtime B.C. resident, was interred in Ocean View Memorial Park, Vancouver, on Monday, December 14th. Mrs. Clancey died Thursday, December 10th after a lengthy illness. She was in her 82nd year.

Born in Georgetown the daughter of John G. Harley and Eliza Johnson, in 1877, Mrs. Clancey moved to Vancouver in 1920 after residence in Calgary. She was the widow of the late Stephan A. Clancey, prominent in mining automotive and brokerage fields, and was predeceased by one sister, Nellie (Mrs. A. Bailey), and brothers, Frederick A. and Dean S.

Mrs. Clancey was a member of the IOOE and the Chrysanthemum Society.

She is survived by four sons, John, Russell, William E. S., and Donald P., all of Vancouver. James Harley of Armstrong B.C., nine grandchildren and three great-grandchildren.



A LOT OF THE SPARKLE in the Brampton 7-Ups Junior Bs this season comes from the six local pucksters above. Adding a Georgetowner flavour to the Brampton club are (left to right), Doug Richardson, Fred Harrison, Bob Bingham, Brian Lewis, Rodney Hyde, and Ralph Falkingham. The 7-Ups play their home games Saturday night and would welcome some Georgetowner supporters to bolster their dwindling crowds. The top notch brand of hockey makes it well worth the 15 minute trip.

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**Post Office Staff Party at Paradise Gds.**

The staff of local post office, their husbands and wives, enjoyed the 2nd annual post office Christmas party Saturday night at Paradise Gardens, Guelph.

The party danced to the music of the Clansmen and late luncheon at the Green Rooster.

Attending were: Mr. and Mrs. Harold Marshall, Mr. and Mrs. Andy Crichton, Mr. and Mrs. Gord Hallitt, Mr. and Mrs. George Macaulay, Mr. and Mrs. Delmer French, Mr. and Mrs. Frank Nicholson, Blake Inglis, Donna Bennett, Jean Hancock, Roy Warne, Fannie Weaver.

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