

Mr. OAKLEY: No. But we have as a matter of fact benefited by tariff reductions which were agreed upon at Geneva, and I think we should be grateful for those. But, without seeking to depreciate in any way what has been done at Geneva, we must recognize that fundamentally we and other countries have entered into a series of "horse trades". The horse trades may be good, we may have got a good horse, but it is not a very stable and permanent basis on which to build up trade.

Hon. Mr. EULER: "Stable" is a good word to use in connection with a horse trade!

Mr. OAKLEY: I have here a little booklet which I am going to leave with you, if I may, which will give in further detail—I do not want to burden you with too much detail—this international tariff plan. (See Appendix D) As I say, this is not the work of one man. A great many men have spent a great many hours, in fact years, in trying to develop something that could be of use. The fact that it is so different from what we are accustomed to makes it very difficult of acceptance without a great deal of consideration. However, I would like to submit it for your consideration, if I may.

The CHAIRMAN: We will have it entered in an appendix. Are there any questions that members of the committee would like to ask? We still have quite a bit of time on our hands.

Hon. Mr. HORNER: On page 5 of the Canadian Importers Association's brief it is stated: "It is quite true that wage costs are only a part, and sometimes a small part of total production costs." It is hard to think of any production which is not probably 85 per cent labour cost.

Mr. OAKLEY: Senator, I was thinking of the great many things which enter into international trade. For instance, some of the natural products, raw materials—for example, oil. The labour element or the labour content in the cost of oil is probably a very small proportion of its total cost.

Hon. Mr. HORNER: But you think of all the labour expended on dry wells. I don't know if the oil men would agree with you. I certainly would not. Or take the production of grain. A large part is labour costs. However, the comment I want to make is that it seems to me you have got down to grips with what we are facing in the different countries. It is a question of labour. I have been contending that all along, and the situation which we are facing today, I must admit, frightens me, when you look at it in the light of the lessons of history. One hears people boasting of the high standards of living here and in the United States, of shorter hours of work, higher and higher wages; and in the next breath they talk of world trade. Without some equalization in the matter of wages, it seems to me the two objectives are utterly impossible. How can one have short hours and high wages and trade with countries where people are willing to work for much less wages and longer hours? It seems to me that an agreement of the kind you have referred to would have to be worked out before we will get anywhere with international trade.

Mr. OAKLEY: I might say, in further explanation, that I could not agree more with what the honourable senator has said. We feel that if we can agree on a yardstick on which we may measure differences in production costs it would be a good thing.

Hon. Mr. MACLENNAN: And you think that is possible?

Mr. OAKLEY: Yes, I think that is possible. You have low-wage countries trading with high-wage countries, and the high-wage countries naturally say "We have to protect ourselves in our own market against those from the low-wage countries".

Hon. Mr. HORNER: Would you go so far as to suggest that we have a lowering of wages?