

know we sell the Japaneste barley, we sell the Japanese wheat, we sell them lumber, and probably newsprint, and many other things. Just how would we be able to do that if we refused to accept their goods?

Hon. Mr. PATERSON: You do not want your local tailor to be on relief, do you?

Hon. Mr. CRERAR: No. I think in theory, if we carry it out logically, we would be creating tariff barriers every time industry was threatened to be in trouble.

I recall back twenty-five or thirty years ago when the Western farmers were on the march, and were wanting free agricultural implements, and it was held in many places that such a thing would promote unemployment, and would penalize our Canadian implement industry, and general chaos would result.

Well, the duties were taken off agricultural implements. It is true there may have been a little readjustment necessary. But what has followed? We have an agricultural implement industry in Canada today that is on a more sound basis than it ever was in its history.

I think, if we are in earnest about seeking the expansion of world trade, we are getting to the point where we must have currency convertibility, which can only come through an expansion of world trade, solidly based, and I think we have to do some thinking about that, Mr. Chairman.

The CHAIRMAN: I think there is a great deal in what you say, Senator Crerar. The world is divided today. We have the iron curtain sphere of influence, and we have the free world sphere of influence, and if the nations of the free world have barriers placed around them, we will wreck the free world situation completely. In regard to the NATO nations; it is not a question of whether they are going to do anything or not; they are going to do it. They will have to do a certain amount of exploring, and how are we going to do it? If there are too restrictive clauses, it may fall into the hands of the vested interests, and then there are too many jobs, and high-powered executives, who will become a part of the routine of the nation.

When these were put on, it was to meet a temporary crisis, but that crisis has gone on from year to year, and I think our position here is, as a fact-finding body, that we explore the conditions.

Going back to the remark by Senator Paterson, in regard to the foreign shipping; is not their capital investment very low? I think some of the ships would sell for a song.

Hon. Mr. PATERSON: That is quite true, but it is their wages which keep them afloat now.

The CHAIRMAN: I notice, in regard to the NATO nations, they would like to do some shipping, but it is in the Act that the freight must be carried in American vessels. That is a point of grievance with these other nations—rightly or wrongly.

I noticed in the Press a suggestion that we should get more shipping. There is no question but what we could carry our purchases home. I know the shipping question is very important, and I have given a great deal of thought to it, because we have high living standards in both Canada and the United States, and as regards the shipping, we are paying more than double the wages. That makes it very difficult.

Hon. Mr. PATERSON: Senator Campbell was showing me some figures yesterday. I wonder if he would care to comment on them.

The CHAIRMAN: I have had several talks with Senator Campbell, and he has given this matter a great deal of thought. Perhaps he would like to say a word.

Hon. Mr. CAMPBELL: I think it would be better if you got the evidence from the witnesses who are here.