

We must also realize that one of the main purposes of production and trade is to raise standards of living and to enrich the lives of the people in all trading countries. These changes in wage levels should, therefore, be encouraged and recorded in the wage structures of each and every country.

After careful consideration of all the elements entering into the cost of production which are generally classified as—raw materials, wages, and overhead expenses—we are convinced that wages is the best and the fairest index of total production costs. This basis is, therefore, proposed as the basis for an international scientific tariff which it is hoped will be acceptable to all trading countries.

In the interests of prosperity and peace it is important that early agreement be reached by all trading countries on a scientific international tariff structure.

Competition Is The Life Of Trade

The two principles upon which the Canadian Importers and Traders Association is founded are "Imports pay for Exports" and "Prosperity depends on Trade". To these two principles a third should perhaps be added "Competition is the life of Trade". Without competition trade stagnates, and as a consequence prosperity disappears. One of the best illustrations of the application of this principle, or the result of the absence of competition, is to be found in the state operated retail store in a totalitarian regime like Russia. There, stores have little or no competition to face and consequently lack the incentive to efficiency that is so apparent in our own free enterprise retail stores. Wherever a monopoly exists, in either the production or the transport, or the selling of merchandise, there is usually found to be a lack of efficiency. We apparently need the stimulation or the incentive of competition if we are to do our best. No world records have ever been set by any one running a race with himself.

Individually and as business men, we might all like to be monopolists and as such free from competition. We are all perhaps inclined to feel that it would be a great thing for each of us if we had no competition. We then would not have to worry about our selling prices or our costs being on a level with our competitors; we could set our selling prices then at whatever level we liked, and—Oh Boy—wouldn't we then set selling prices at a level that would give us handsome profits. We would not even have to worry about doing any selling. If we had no competitors, buyers would then have to come to us . . . Wouldn't that be fine? Yes, for us fortunate monopolists it would be fine—at least it would for a time. We could then take it easy and not worry about a thing. It is probable, however, that our customers wouldn't like it. They would probably feel that we were charging them too much, but we should worry, or should we?

There is no doubt that under this monopolistic system trade would fall off. We would ourselves have more time for golf and less time for business. Our sales might fall off too, but we might make this loss up by increasing prices. However we might juggle things, it is quite likely that we would find prices going up and sales falling off. Production would have to be cut back as a necessary consequence of this declining trend which in turn means laying off employees. It would soon become apparent to all us monopolists that we were obtaining our easy prosperity at the expense of the rest of the country. Our fellow citizens, who were not themselves monopolists, would not share our prosperity but would provide that prosperity for us at their expense. Sooner or later, however, we are bound to find our prosperity vanishing too, but not before we have reduced the rest of the country to a very low state indeed.