

lift, we found that economic nationalism, which was the cause of the depression, in our view, at any rate, had been held in check by four factors. The first of those factors was the fear of war, which resulted in stock piling and preparation. The second was the outbreak of World War II, which resulted in armament production and the industrial activity that accompanied it; and then following the war we had Marshall aid which consisted of monetary assistance for those who were in need of such assistance to rebuild their economy and get established on the basis that would permit them to take their place in the world as they did before the war. And since the Marshall aid program has run its course we had defence spending, which really brings us back to where we had gone in the first instance that first counteracted the fears of the depression, namely, stock piling and preparation again. What we fear now is that with a slackening of this defence spending we are likely to get along with that a slackening in industrial production, because defence spending has provided a sort of a forced draft that has accelerated industrial expansion for the purpose it was intended, and along with that it brings industrial activity in other fields which are affected by it. Now, if this slackening that we feel may take place does take place, because we are a little more satisfied that war is not imminent—perhaps because we feel we cannot afford to pay for all this defence production, whatever the reason, there do seem to be signs already on the horizon that we are likely to encounter that contraction in its forced draft of defence production. Now, the cycle, viewed in these terms, has been war, boom, depression, war. That is the cycle that we have been going through in the world, and that the world has been going through for a very long time. The only way that we can get out of this vicious circle is in international co-operation on the matters of trade, and we suggest that we set up an international control of trade and tariffs which will be on a scientific basis; it will have to be on a scientific basis if it is going to get international acceptance on the part of other countries; but we feel that it is so important to the world and so important to this country in particular, for our external trade represents 30 to 33 per cent of our total trade, that we should do everything we can to give a lead and perhaps encourage the acceptance on the international basis of some arrangement by which we can get a measure of international control of trade and tariffs, whereby countries will be willing to give up perhaps some of their sovereignty, that was dealt with so ably a few minutes ago by the delegation that preceded us here, and which they explained and further emphasized, namely, the lack of co-operation, the selfish viewpoint, the economic nationalism, that does so much to destroy international trade. And I am sanguine enough to feel that if we can put forward our ideas on a scientific basis, we will gain acceptance. And we are prepared to suggest to you how that might be done—that there is somewhat of that acceptance forthcoming from the other trading countries of the world, particularly those in the NATO group. We have already got the world bank, and the international monetary fund, and the extension of facilities in the international field to include the addition of those functions. The functions of trade and tariffs is not as big a step as you might at first think. At any rate, it is not beyond the realm of possibility.

With those introductory remarks I am going to ask Mr. Corlett to read our brief to you.

Thank you every much for hearing me.

Mr. CORLETT: Mr. Chairman and honourable senators, the brief prepared by this association, which will be designed to elaborate upon the points made by Mr. Oakley, is as follows—and I think each honourable senator has a copy.

The Canadian Importers and Traders Association is national in its membership but international in its outlook and its influence. Its membership is wholly Canadian being comprised of some four hundred Canadian