

Mr. CORLETT: Mr. Chairman and honourable senators, on behalf of the Canadian Importers and Traders Association we would like to thank this committee for permitting us to express our views on this far-reaching problem, the subject matter of a resolution which the honourable Chairman sponsored in the Senate. With me today is Colonel H. C. MacKendrick, General Manager of the Association, and Mr. Thomas Oakley, a businessman in Toronto, a Past-President of the Association, and who was perhaps more than any other importer the guiding genius in the establishment of this Association some twenty odd years ago. Mr. Oakley has always taken a great interest in matters pertaining to international trade, taking up a great deal of his time over and above his normal business duties. Besides being active in this Association he is very prominent in the Canadian Council of the International Chamber of Commerce. We have prepared a brief, but before delivering it there are certain introductory remarks which perhaps could be given to this honourable committee by Mr. Oakley.

Mr. OAKLEY: Mr. Chairman and gentlemen, I shall try to make my remarks as brief as possible because I realize that you have had a busy morning and your time is fully occupied. To introduce this subject I have given to each of you a little concise memorandum of the subjects which I am going to mention. As we understand it, your committee has two main purposes that it hopes to explore and achieve: The examination of ways and means whereby you may co-operate more effectively in the economic realm with NATO countries, and secondly, how you may succeed in expanding our trade with those countries.

Our Association is composed, as its name implies, of importers and traders who are vitally concerned in the accomplishment of these twin objectives of your committee. We have some ideas we should like to put before you. I was impressed by what the delegation you heard before us said with regard to finance and trade, and I was very interested too in the remarks of the Honourable Senator Haig with reference to how we might implement some program that would have the effect of expanding our trade. We realize that all our economy rests on our trade, and if we can do anything to expand that we are doing what we hope may achieve the improvement of our economic position in this country and the raising of our standard of living.

Referring briefly to this memorandum, I have put these points in succession. The first one I have noted down is that we as an Association fear that we may be headed for another world depression. In other words, the signs are already set, that we may first face a recession which may accumulate as it so often does. I will give my reasons for our fears in that respect as we go along. We think these depressions are caused by a cessation in the volume of international trade. International trade includes not only the trade between countries but domestic trade as well which each country does within its own boundaries. Trade contracts, and it usually contracts in the international field first because countries become very conscious of their own national economics and they seek to develop what we call a national economic consciousness that tends to exclude competition from other countries. Well, as you can understand, and as we have all experienced, that is a reactionary thing that creates a similar sort of conditions in the other country which we or others are trading with, and they set up similar barriers, the result of which is that trade contracts and we have to cut production. Because we cut that production we get unemployment, and because we get unemployment we have less spending money, and because we have less spending money we have this contraction of trade which really is what our depression amounts to.

Now, during the years that have elapsed since 1936, when the most serious effects of the world depression we passed through in the thirties, started to