

Mr. OAKLEY: No, but we want something more than just that protection. We have geared up our own production to the point that we are making more manufactured products than we are consuming. We want to trade with other countries, and even low-wage countries. When we ship our manufactured products into low-wage countries we are faced with the situation that our production costs are high largely because of the wage-content in them, and we have to have an equalization factor to equalize down as well as up. That is what we are trying to provide here. We think it can be made to work both ways. We think the world has a great deal to gain by an agreement on a program of this kind, and we were delighted to learn that your committee had been appointed to investigate into this situation. We think really it is the most important question that the world has to solve today.

Hon. Mr. HORNER: And in the next few years.

Mr. OAKLEY: Yes, and we have to do it very quickly.

Hon. Mr. CAMPBELL: Mr. Oakley, what do you consider is the greatest barrier to trade today of these three: First, the rate of duty; second, the inconvertibility of currencies, and third, the regulations or the hidden barriers that confront trade.

Mr. OAKLEY: Well, Senator Campbell, my answer to that may seem to you an evasion, and I do not want it to be an evasion. We regard these different elements in the international trade picture as a chain. Each one of these factors you have mentioned is a link in that chain, and we realize the chain is just as strong as its weakest link. If any one of these factors—and I do not care which one—is weak, then the whole chain suffers. We have picked out this question of tariffs and we have mentioned these other elements in the hope that they will be given consideration. The question of exchanges will probably be dealt with by committees which are much more able to deal with them than we are. You have probably heard representations from banking committees and from similar delegations as the one which you heard earlier this morning on the question of exchanges and gold values and so on. They will all have to be taken into consideration and worked together. It is a big problem but we hope we can make a contribution to the solution of it.

Hon. Mr. CAMPBELL: You would not care to say which, from your experience, is the greatest barrier?

Mr. OAKLEY: Well, we are importers and traders. We may be able to overcome the exchange difficulties and find Canadian dollars to buy United States dollars, or pound sterling or Indian rupees or whatever it may be, although the cost may be high because the rate is high. We may be able to pay the duties, though they may be high too. At any rate, as long as it is possible to bring in goods we can trade, but when you are up against quotas and embargoes and prohibitions, there is no trade. That is the greatest difficulty.

Hon. Mr. CRERAR: Do you think there are a good many difficulties in the way of getting your scientific tariff worked out? What was the phrase you used—scientific international tariff? It is a very interesting suggestion, but how is it possible to find a tariff that is internationally equitable? For instance, take Canada. We have a certain standard and certain efficiency. We pay pretty high wages. On the other hand, a country like Japan is fairly efficient but pays much lower wages and works longer hours per day. So that you have not only the wage factor but you have the work factor and the efficiency factor which have to be taken into consideration. If we reached an arrangement with Japan and said "Now, to get a fair result out of this we should put a tariff of, say, 20 per cent against Japan's imports". But we cannot put that tariff against Japan alone. We must put that tariff against other countries equally because we cannot discriminate in tariffs.