

Mr. WISMER: I have not the figures here.

Europe, or perhaps more accurately and more concretely, the countries of Europe, requires sustained expansion to restore its competitive capacity and make it more independent of outside economic aid. This presents three immediate and substantial problems.

The solution of any one of these problems will involve related solutions for the others. They are fully interdependent. Thus in dealing with them one at a time for the purposes of this submission, the order in which they follow in no way suggests any priority in which they may or should be solved.

The first problem or objective is to encourage production and trade within the countries of Europe themselves. This problem has been tackled through OEEC. Efforts have been and still are being made to liberalise trade within Europe. In this connection, OEEC appears to favour the eventual creation of a single European market free from individual national trade barriers and mirroring a common economic policy on the part of all participating countries.

Canada can very justifiably encourage such developments in Europe both through her participation in OEEC and through her membership in NATO. The demand for imports in Europe is great. Unfortunately since the end of World War II, it has been necessary to curtail imports. To have done otherwise in most, if not all, European countries, would have unleashed inflationary forces which would have further impeded necessary and desirable recovery and attempts for creating stability and solvency. Increased internal European production and trade, would, on the other hand, tend to sharpen the competitive capacities within these countries, increase the volume of goods available both for internal European consumption and for export, and allow for a greater volume and variety of imports. Canada, as one of the major exporting nations, would be among the first to benefit.

If Europe is to increase its exports, it must be able to sell its products in outside markets. The largest of these is, of course, the United States. This market, as Canada knows all too well, is also the most difficult to exploit by outside suppliers.

Canada has a major role to play in the opening up of the United States market. Much has been done along this line as our growing exports to our southern neighbour indicates. More needs to be done.

The General Agreement on Tariffs and Trade signed by thirty-four countries including Canada and the United States, is a major step forward in that it provides for substantial reductions in trade barriers, and, in particular, United States tariffs. More needs to be done along this line.

The really perplexing problem faced by all exporting countries seeking to sell their products in the United States arises from its administrative practices in connection with imports. Canada is fully justified in continually seeking realistic adjustment of these practices, for success in this field would greatly aid in the development of our trade with the United States and at the same time encourage other exporters into that market.

Such adjustments in United States' import policies and practices will help Canada in the immediate future more than they can be expected to help European exporters. The United States market is easily the most competitive in the world. Exporters to successfully enter this large and well developed market must be prepared to meet the keenest competition. This involves not only careful pricing, but also substantial capital to cover continent-wide advertising campaigns and servicing. Many European exporters or potential exporters lack the capital to do this.

European exporters, along with Canada, could seek markets elsewhere throughout the world. Increased trade with countries other than the United States and outside the NATO-OEEC group is certainly desirable. But such a program immediately raises the problem of the convertibility of currencies.