

Better management you just do not achieve overnight. As you were saying, it involves training. It involves the development of attitudes and experience. So, we have thought of the kind of expansion in capacity and output to which you are referring as one of those medium term operations, if you will, rather than a means of dealing with the problem that we face this winter and next spring. Certainly, anything that we can do to improve management, to improve our technology, to improve the training of our labour, and to improve the mobility of our labour, will contribute to our capacity in future years, and enable us to get a larger output from the same labour force, and to better employ the labour force and employ those members of the labour force whom we do not find to be employable under present conditions.

All of those things are to the good. It is just a question of time as to how quickly they can be brought to bear to meet the demands of the Canadian economy today.

Mr. OTTO: Why the process of pacing ourselves? It is like saying: "Let us eat our ice cream slowly so that it will last for a longer time". Why do you not say: "Let us gulp this up so that we can eat ten times more"? Why this emphasis on pacing, and distributing the so-called affluence, which gives Canadians the idea that we are as efficient as we can possibly be? That is why my question to you is: Why the emphasis on pacing? Why not put the emphasis on the realization that we are going to have inflation, and can be confident that we can face it with increased production?

Mr. BRYCE: My reply to that would be this, that if you go ahead and let inflationary tendencies have full play then they are apt, first of all, to create inequitable situations among us, because some will gain more out of the inflation than others—this is bound to be the case—and by and large it is the economically weak who suffer. Society regards this as unjust, and it is, I suppose, unjust. So, there is an element of injustice involved in allowing the inflationary forces to have full play, and allowing them to draw out increased production.

Secondly, experience elsewhere leads one to believe—and our own experience at some stages in the past, such as at the time of Korea, for example, and the immediate postwar period—that when people expect inflation, when businesses expect that the costs of building factories is going to go up and up over the next several years, they are inclined to rush into things that might better be put in place a year or two hence, and fitted in with a reasonable growth pattern of industry.

Mr. OTTO: This is my whole contention. I will say that a nation with no resources and no future should take it easy, and not make mistakes, but surely if there is any nation which can afford to rush into things and make mistakes, it is Canada.

Mr. BRYCE: Well, I think the issue here is an attitude, and you are suggesting we are young and vigorous, and can afford to be a bit reckless as long as we are moving fast. You must bear in mind, though, that ours is a very open economy. We have to compete with others, and if we let inflationary forces have full play we are apt to find our international competitive position worsened.

Mr. OTTO: Thank you.

Mr. SALTSMAN: Mr. Bryce—

Co-Chairman Mr. BASFORD: Before I call on you, Mr. Saltsman, I shall ask if there are any other members of the committee who want to raise questions. Very well, go ahead.

Mr. SALTSMAN: Mr. Otto has raised an important question, and one which I hope this committee will deal with, and that is the question of whether we cure