

ago are being made in this country with a higher Canadian content. In the case of refrigerators, originally they were practically 100 per cent imported; because components started off partly imported, rapidly getting to a very high point of Canadian content. This example can be repeated a hundred times, and because of the fact that we do build North American designs it is logical, I think, to recognize that the flow of those components would be from the United States.

Senator CROLL: Thank you very much. I have often heard it said that that process could be largely accelerated, and is not being accelerated, because it is easier to do it the way you are doing it now than if you were pushed.

Mr. STYLE: I do not want to embarrass Mr. Campbell since my particular company is associated with English capital, but I would like to answer this question by saying this, that every manufacturer in Canada is always striving in his own interest to produce more in Canada, because the only way to make any money out of production in Canada is to get more direct labour hours into the product, for that helps absorb your overhead expenditure. You are never going to be competitive if you do business just with assembly pieces. Of course, you have a tooling problem. Refrigerators need very expensive tooling indeed; and if the people whose designs you are using are producing say 3,000 pieces a day, and you are producing 300 pieces a day, you cannot really afford that particular tooling until you build up your volume. However, there is a real incentive for Canadian manufacturers to produce in Canada.

Senator CROLL: It has often been said in this country that we have never produced an automobile. Now, I can remember this argument, which you have put forward this morning, also put forward when I was very much younger. I lived with it all the time, yet in the end we wound up without an automobile industry upon which we could really depend in this country. It is flowing away from us bit by bit, and we find it in great trouble. We have gone through the same process that we are going through now, the same as in your particular industry. Where is the difference?

Mr. STYLE: I think there is a difference. I am not familiar with the automobile industry, but I do know that in the electrical industry we can and do produce almost complete appliances at one end. We can and do produce complete transformers and heavy equipment at the other end. So we are not after these years in the position of anybody saying that we cannot or do not produce in Canada a transformer or an appliance. We very definitely do.

Senator CROLL: I think the figure that Mr. Campbell gave me was 88 per cent in 1950, and he stated that in 10 years it had dropped to 78 per cent, or 10 per cent. I think those were the figures you gave me, Mr. Campbell?

Mr. CAMPBELL: That is right.

Mr. STYLE: That is not 88 per cent of what is produced, but 88 per cent of imports coming from the United States.

Mr. CAMPBELL: And there is no inference intended, but do not forget that since there has been a period of a big build up of defence planning in which considerable electronic apparatus has been required.

Senator CROLL: In relation to the United States?

Mr. CAMPBELL: Yes. We have not suffered from it in our industry, but it is an added factor in the ten year period.

Mr. SIMPSON: From government purchases.

Mr. CAMPBELL: I believe that the 78 per cent might have dropped even further.

Senator HUGESSEN: The last two witnesses spoke of the large proportion of imports to this country in this particular industry they considered to be