

Senator CROLL: I do not recall which brief it was at the moment, and I have not got it before me because your brief is such an excellent one, but if I recall correctly—and I could be wrong—the Congress of Labour brief indicated that over a period of some years, up to recent years, productivity in this country had been a little above the rise in wages.

Mr. STYLE: That is not factual at all.

Senator CROLL: That is not factual?

Mr. STYLE: No. During the period 1949 to 1958, the average wages in all manufacturing increased by 60 per cent, and productivity increased by, I think it was, about 35 per cent, so that real wages increased by the difference, which was 25 per cent.

Senator LEONARD: Is that the point you are making in this illustration of a weekly wage of \$50.

Mr. STYLE: I think that is the point that is made in our brief.

Senator CROLL: Do I understand your attack with regard to expenditures is confined to the dominion Government, or does it apply to all governments?

Mr. STYLE: I do not think I like it termed as an attack.

Senator CROLL: Well, it is an attack on our expenditures.

Mr. STYLE: Well, there is a need right through this country, whether it be business or government—we are up against a highly competitive world, and we have to do everything we have to do as efficiently as possible. It applies right through our economy.

Senator ROEBUCK: You have not answered the question. Call it an attack, or whatever you like, is your recommendation directed to the dominion Government only, or to all governments?

Mr. STYLE: I think to all governments.

Senator CROLL: The municipal governments would be flattered. They say they have not a dime to spend. Let me just ask this question with respect to the suggestion that we are having difficulties in the world market due to our cost. That suggestion is not new. Our living standards have been gradually increasing over the last 15 or 20 years. During that time business has been able to maintain its competitive position, and North American business, which includes the United States, too, has been able to maintain its position, and has always made up the gap between low wages and high wages, and conditions in one country as against conditions in another country, through mechanization. Are you suggesting here that you are no longer able to fill that gap, for some reason or other? You suggest that other people have as many brains as we have. Are you suggesting that you are now unable to fill the gap, that you have filled for two decades, by mechanization?

Mr. NEEDLES: I think we must go back over this period of 15 years which you mentioned. As a result of the last war, industry was very badly upset and disorganized, particularly in the European countries. They had a very difficult time, and they needed a lot of capital in order to get back into industry. They have done that quite successfully, and I refer to the European countries, Japan and other countries. During the time that they were unable to supply their own needs they had to call upon North American industrial capacities to fill their requirements of machinery and equipment, and of the new installations that they had to have, and even for their own ordinary consumer goods. However, as they reached the point of being able to take care of their own requirements internally they then began to look for places in which they could sell the capacities of these new American plants which they had been able to purchase as replacement for obsolescent plants and machinery. They then started to seek export markets to take care of the increasing number of people they wanted to employ in their own country.