

a more arbitrary way. In the end, it means that some bureaucrat or some minister has to decide whether a plant should be built here rather than there, and he has to weigh up a whole series of considerations of whether this is right. So I would say that what we are up against now is a choice of means of restraining this expansion in expenditure, whether you do it by rationing or controls or selective licencing, or something of that sort, or by general fiscal measure.

By and large, our economy is so organized that the fiscal measures are the ones that fit best into its way of working. Perhaps if we are going to learn to live with prosperity we may eventually have to come to something else. If it is a question of the inter-relationship between prices and costs and productivity, then this is something the Economic Council is going to be reporting upon after long consideration, and I suggest that discussions might best take place when its report comes in.

Mr. CAMERON: The minister has done this, he has been obliged to do so, in effect, with regard to steel prices. I imagine he is going to be obliged to do the same with automobile prices. This is the way in which this particular basic concern of inflation has to be curbed. I presume he has some club in his hand, or perhaps in his hip pocket designated by way of persuasion, but it is nevertheless a means of dealing with a delicate situation on a very precarious basis.

Mr. BRYCE: In his speech in the house he was trying persuasion in very general widespread terms.

Mr. CAMERON: He had to come down to selective terms.

Mr. BRYCE: Yes.

Co-Chairman Mr. BASFORD: Possibly Mr. Cameron's questions could be answered in the steering committee. If we had the minister in front of the committee at some point, perhaps that would be the better way of dealing with it.

Mr. CAMERON: Yes, I think that is an excellent idea.

Co-Chairman Mr. BASFORD: Senator Thorvaldson?

Senator THORVALDSON: Mr. Chairman, I agree. I think we have had a wonderful discussion in regard to productivity, and I certainly agree that productivity is a large part of the answer to our problem which we are discussing.

One thing that has bothered me practically throughout my life is the tremendous difference between the per capita G.N.P. or productivity of the United States and Canada. We hear recurringly about the differential being about 25 per cent. I have been hoping year by year that we would do better in Canada and approach to a closer balance with that of the Americans. It seems to me that we should try to find the answer to that problem, if there is an answer. Is the answer that the Americans work harder than we do, or is it something else? Of course, I realize that our productivity equipment and machinery, and so on, is developed from American patents; nevertheless, it is a fact that the productivity of the United States is far greater than that of Canada.

We talk about our competitive situation, and we must be competitive, but how can we remain competitive with the United States unless we narrow this gap of productivity?

Mr. Chairman, I make these remarks for the reason that perhaps there is a field for study either by this committee or a subcommittee of it to try to discover this differential.

Let me give an example to illustrate the fact that probably the Americans work harder than we do. Over the years I have been to Calgary, I have noticed that traditionally the American oil people who are in Calgary start at 8 o'clock in the morning, whereas we start at nine o'clock in the morning. When I go