

Supply—Privy Council

either United States owned or their prices are very closely tied with United States prices. I do not think the price of machinery varies \$50 one way or the other between Canada and the United States.

Farm machinery is essential to the welfare of western Canada. If the price of farm machinery keeps rising the small farmer will be squeezed out and then we will have combines in the agricultural industry. We are losing 70,000 farmers a year. Goodness knows for how long we can keep up that rate. We shall have no farm population left before long and combines will move into farming. The villages of western Canada will be depopulated and we shall have problems on our hands with people from the farms filling the cities because there is nowhere for those people to go even with the boom conditions that are said to exist at the present time.

I think combining with respect to prices has added more to inflation than anything else in Canada today. Instead of competing against one another the big companies set prices. As pointed out by the hon. member for Waterloo South, you find oil companies building service stations across the country and the rentals being paid by the small operators are passed on directly to the consumer. The companies do not care how many service stations are built across Canada because it is we, the consumers, who pay for them. If we do not pay for them in the gasoline sold to us, then we pay for them in the extra charges that the service station operator is forced to apply every time a car is repaired or repainted or when tires are changed and so on.

I know of no way to protect the profits of labour when construction companies and cement companies combine to put up the price to municipalities for laying sidewalks or paving roads. One would hope that some of the profit would be passed on to the man who drove the little truck and took the subcontract. That is not so. Even where there is competition you will find that the subcontractor has absorbed the whole amount of the cut in the contract price. Often the subcontractor has to pretend he is taking a fair price to deliver gravel or spread cement, and often he has to falsify his accounts showing how much money he has paid to the little man at the bottom because in cases of very severe competition the little man at the bottom is forced to subsidize the small contractor in order to have any job.

I think that the combines legislation should be reconsidered. It should have an economic basis and should be designed for the welfare of the Canadian public. Also, some kind of consumers bureau reporting to the minister ought to be set up. If the minister, on advice, considered that a flagrant breach of the law had occurred he could recommend that proper charges be laid under a revised statute. Again, I think that the imposition of penalties ought to be in direct proportion to the amount of damage done to the public. The penalties should leave no doubt in the minds of the companies involved that the federal act has teeth in it which can result in severe monetary penalties.

The Chairman: Shall the item carry?

Mr. Favreau: Carried.

Mr. Diefenbaker: We want an answer from the minister first, Mr. Chairman.

Mr. Favreau: Mr. Chairman, I should like to answer certain of the speeches made in this committee on my estimates but I thought the committee might prefer to carry vote No. 1. I would prefer to be allowed to speak.

[*Translation*]

Mr. Chairman, I must thank all the members for the interest they have shown at the stage of the first item of the estimates for various phases and areas of government affairs under my responsibility.

I know that even such remarks as may appear critical, are made with the utmost sincerity and for me, I consider them all to be honest attempts to present the government with suggestions that, in the opinion of the speakers, are worth making.

Two main points have been brought out in this debate. First, mention was made of the administration, the implementation and the possible amendment of the Combines Investigation Act and second, on the part of several hon. members of this house, the development of a policy that might be different as to the appointment of chairmen of royal commissions, to which some members related certain remarks on the efficiency of the act or lack thereof, and on the need to amend the Combines Investigations Act.

● (2:20 p.m.)

Also, the hon. member for Sherbrooke (Mr. Allard) brought up certain questions concerning federal-provincial relations.

The member for Greenwood (Mr. Brewin), in addition to other remarks on other subjects, said just a word on the Copyright Act.