

Supply—Privy Council

detrimental in that it hinders the kind of logical development that should be taking place. It hinders the ability of Canadian industries sometimes to form units of production which are of a sufficient scale to make us competitive in world markets.

I should like to read from a report on business in the *Globe and Mail* of June 8, 1966. The dateline is Montreal and it reads:

Canada's combines legislation amounts to little more than a haphazard and arbitrary meddling with the forces of competition.

This is a statement by Professor L. A. Skeoch of the economics department of Queen's University. I continue quoting from the article:

He told the annual meeting of the Canadian Manufacturers Association that confusion, contradiction and short-run expediency are the terms most accurately describing the legislation.

What is needed, he said, is a basic change that will bring a consistent approach in this area.

"Furthermore, the approach should be one which favours adaptability, flexibility and venturesome behaviour rather than caution, restraint and defence of the status quo. Such an approach must go beyond the traditional negative commandments of the combines legislation to include positive programs to aid and speed the process of economic adjustment."

Mr. Howard: Hear, hear.

Mr. Saltsman: I did not make that speech, I just read it.

Mr. Howard: I know. That is why I was applauding.

Mr. Saltsman: Some hon. members have been wondering what happened to my hair during the last week. I might point out to the hon. member for Skeena that my barber probably read the speech he made and when he got me in the chair he took advantage of the situation.

An hon. Member: Go and see your doctor.

Mr. Saltsman: We will see a doctor after the government introduces medicare. In the report which came out of the inquiry into drug prices it was pointed out that one of the reasons for the high price of drugs in Canada was the size of the Canadian market. I quote from a newspaper article:

Mr. MacEachen said he believes a major factor in the cost of drugs is the size of the Canadian market.

● (2:00 p.m.)

We understand that manufacturers generally produce smaller batches in Canada than they do in the United States, while the cost of quality control is approximately the same. This naturally increases costs.

He takes the attitude that the market is too small. I submit that a nation of 20 million people is not a small market. It is not that the market is too small; it is that the kind of industrial organization we have in Canada produces inefficiencies which have to be corrected.

In one sense what I advocate, reduction in control and perhaps less concern for monopolies and combines, is a very dangerous proposition. I want to make one reservation, however, so that my position can be clearly understood. I think that unless we have a prices review board such as our party has been advocating for so long, the legislation, as ineffective, inefficient and inhibiting as it may be, must remain. If we are going to provide the kind of freedom which I think industry in Canada needs, we will also have to bring in its corollary, a prices review board, to see that this freedom is not abused.

I believe that such a procedure would require a minimum amount of government control. As I have said before, I am far more interested in public information about what is taking place in Canada than I am in public control. I have enough faith in the public to think that if they know what the facts are their influence and their force will be felt both in the marketplace and in the political arenas. The difficulty has been that we have tended to substitute inadequate legislation and enforcement for public information. The time has arrived when we must provide the maximum public information to the people involved and then depend on the real marketplace forces to ensure that the system operates properly.

In concluding, Mr. Chairman, may I repeat the main burden of my argument, which is that the present legislation is outmoded. It is important to consider a completely new type of legislation, specifically legislation that deals with protection of the consumer and a prices review board to provide complete and absolute information for the public.

Mr. Bigg: Mr. Chairman, the wartime prices and trade board was set up to make sure that when the nation was up against the wall and could not afford competition in times of high prices, prices would be kept stable. During the war, of course, it was easy to corner the market due to lack of free, international trade. Under this board there was a five or six year peace period in this field.