

*Supply—Privy Council*

**Mr. Diefenbaker:** It is so seldom we do not get an answer from the government that I just wondered what the question was.

**Mr. Saltsman:** I appreciate the hon. gentleman's interest and I am sure the minister will probably have his interest reawakened. I repeat the question:

In view of the widespread discontent over the pricing and sales policies of gasoline companies in many parts of the country, and in view of the recent report of the royal commission on gasoline price structure in the province of British Columbia indicating the existence of unfair trade practices, would the minister not give serious consideration to conducting an immediate investigation under the Combines Investigation Act into the pricing, marketing and production practices of the oil and gasoline products industry?

The key to my interest in this subject is contained in the words "pricing, marketing and production". It will not be enough for this department to conduct a limited t.b.a. investigation. I am asking the minister for an investigation to be conducted into the entire policy of the oil industry in Canada, not only as it affects service stations and consumers but as it affects our balance of payments problem and the capitalization of the industry. There are many things going on in that industry which need investigation. I do not pretend to be an expert on the oil industry but it is my opinion, as a result of the things that come to my attention by reading reports and the newspapers, that this industry has been overcapitalized. Charges have been made that a very foolish thing has been done.

We have attracted a tremendous amount of capital from the United States in this field on which we now have to pay interest and dividends, which is natural. The interest and dividends are almost equivalent to our dollar exports to the United States. Where is the economic sense in this kind of arrangement? These companies, it seems, are guilty of collusion in one aspect of their operations and then they compete in another aspect of their operations. Perhaps their collusion is more beneficial to the country than their competition because the competition which results in the building of a great many service stations only prevents the operators from making a living and increases costs which the public are obliged to pay in the form of higher prices.

It is my impression that gasoline is cheaper in many countries of Europe which do not possess their own sources of oil. I am talking about the price of gasoline less the tax. I believe the total price of gasoline is higher but gasoline is available at lower prices in

[Mr. Saltsman.]

Europe than in Canada were we believe ourselves to be blessed with this great national resource.

What has become of this great national resource? To what extent has the consumer benefited from it? To what extent has the country benefited from the discovery of oil in this country? These are the questions that ought to be answered. These are the reasons we need broader remedies than just the narrow cops and robbers concept. We are not just trying to find out whether some little guy is guilty of something. This is not good enough, because that era has passed. You know, we have remedies against combinations that we have been somewhat frightened to use.

I was interested in reading one of the reports of the Restrictive Trade Practices Commission relating to collusion between cement contractors in the city of Windsor. Apparently four cement contractors submitted identical bids to the city of Windsor and suspicion arose that perhaps this was more than a coincidence. I do not know what action the government is going to take and I really do not care what the federal government does about this situation. I believe that the city of Windsor has an alternative open to it which would be far more effective than any prosecution the government of Canada can undertake. If I were an alderman in the city of Windsor I would suggest that the city go into the concrete mixing business. Then we would see how long prices stayed at that level.

There are alternatives open to us. I believe these alternatives are open to the Canadian people. I think some industries are going to be monopolistic and some oligopolistic—I think that is the word. There is something we can do about them and there is something the government can do about them. The government can supervise them. I do not mean going in and telling them how to run their businesses or prosecuting them. I believe these industries should be aware of the fact that if they abuse their position in the market place, if they do not conduct their business in a manner that is in the best interests of the public, they could have the government as their competitor. I believe a statement of that type would not have to be acted upon because the message would be loud and clear.

My argument is basically that we need a new approach. The old approach just is not good enough. It is not doing the job, it is not solving the problem. In some ways it is