

Supply—Privy Council

not only to the branch plants of United States and other countries' industries established in Canada but also to the nature of our own Canadian industry.

I have been in business myself and I am very sympathetic toward the small businessman. I believe the small businessman has a great role to play in Canada and always will have. He can provide very specialized and personal services that large companies cannot. In that sense he can be very competitive. However, I also suggest that at the present time there are industries in Canada trying to manufacture products on such a scale that it ceases to make economic sense. Too many of such companies are scattered throughout the entire country. This may affect the consumer in the form of higher prices. I am not saying these companies or industries are deliberately encouraging higher prices or inefficiency, but they are caught in a trap of excessive competition. That is why I say that if we have any legislation in this country which prevents or inhibits the rational organization and development of industries which require this so as to become more competitive and better able to buy the kind of machinery and equipment they need in order to compete in world markets, then that legislation should be given another look.

I also think the government should examine the question of tariffs rather than approach this problem through the Combines Investigation Act, which is a cops and robbers approach. I believe this was pointed out in the MacQuarrie Commission Report in which a number of suggestions were made. One of them was that the way to police an otherwise difficult problem is not by throwing in an army of government inspectors but by lifting the tariff protection which enables companies to abuse their position, if such abuse is taking place, and to submit them to international and world competition. There are arguments for retaining the tariff under certain circumstances. I am not making a blanket condemnation of tariffs as an instrument of national policy but I think this instrument has to be used wisely and it should be one of the tools of a department concerned about protecting the consumer and the rationalization and organization of our industry.

Perhaps some of the comments I am making in this debate could be made with equal validity with regard to the Department of Industry. However, since we are talking about the combines act I will try to relate my

remarks to the problems of combines investigation. It is becoming obvious that other countries in the world, despite the advantage that many of them already have in terms of manufactured goods, are relaxing their combines laws. I was very interested to see that a study has been conducted in Australia of legislation for the control of restrictive trade practices and monopolies, which is far less stringent and oriented more toward the economic rather than the legal aspects of the situation than our legislation. I think this is the inherent weakness of our combines legislation. We have taken a legalistic rather than an economic attitude toward combines.

The MacQuarrie Commission pointed out in its report the great necessity for research under the Combines Investigation Act. I am sorry I do not have the report with me so as to quote from it correctly but from my recollection it indicates that a far wider range of research is necessary than is now being conducted by the department.

I know the department has conducted research into tires, batteries and accessories and service station gas sales and it has conducted smaller specific research into other matters, but I am speaking of research into the economic problems faced by Canadians. I think the department should study marketing and consumer products and consider the idea that unrestricted and untrammelled competition really helps the consumer.

I directed a question to the minister the other day and either I caught him unawares or else he was unable to give me an adequate answer because he had to think on the spur of the moment. It is possible that the minister may not have been tremendously impressed with the importance of the question I asked him because he responded by saying that all due consideration will be given to it. From my short experience here I am inclined to believe that this kind of stock answer does not bode very well for my question.

● (1:50 p.m.)

Mr. Diefenbaker: What was the question?

Mr. Saltsman: I ask the minister not to treat the question too lightly because it is a serious one.

Mr. Diefenbaker: What was the question?

Mr. Saltsman: I am glad to learn that there is such great interest in my question, so I will read it.