

*Supply—Privy Council*

enhance the competitive position of Canada or improve the products and the price to the consumer?

I suggest that the entire legislative approach to combines is old-fashioned and outmoded and what we need is a new conception of the role of industrial organization in Canada. I also suggest that the proper and better approach to an examination of industrial organization is through a prices review board such as this party has suggested. I think it is very important that we move from the one concept to the other.

It was somewhat encouraging to hear the President of the Privy Council, when speaking to the house the other day on the reorganization of his department, indicate that he is going to be more concerned about the problems facing consumers in this country and will combine in his new department some of the functions that should be carried out under the concept of a consumers' bureau. I hope that when the President of the Privy Council becomes involved in this kind of organization he will not limit the work of his new department to questions of labels on cans, the contents of cans and the providing of accurate information to the consumer. These things are most important and it is not my intention to underestimate their importance, but I would suggest to him that there is an important area in Canada that requires urgent consideration. It is the question of investigating the entire economic and industrial structure of this country as it relates to prices, production and wages.

We are caught in a fantastic trap at the present time. One group argues that wages are pushing up prices; another group argues that prices are dragging wages behind them. I think I know the answer. I do not think wages are responsible for this situation, but I do not believe anyone will be prepared to accept the very brief and casual investigation I have conducted into this subject and say I really have the answer. I believe the answer is to be found and can be found by the kind of professionals who could be obtained for a prices review board if the department instituted such a body. I have introduced a private member's bill to this effect because I am vitally concerned that this new emphasis be given the importance it deserves.

• (1:40 p.m.)

In my view the present attitude toward combines investigation is completely nonsensical. To some extent I wish this legislation would be scrapped because I think there is a

[Mr. Saltzman.]

positively harmful effect on the entire legislation in that it gives the impression that something is actually being done and that the consumer is actually being protected by the existence of this law. I think this is erroneous. I cannot say that no protection whatsoever is being accorded the consumer because there are some very hard-working people in the department who are doing everything possible within the limits of the law at their disposal, their staff and their terms of reference. However, by and large the legislation is simply not protecting the public, and as long as we have this kind of legislation on the books we get a very misleading idea of the protection of consumer interests.

Furthermore, I think this legislation is positively harmful because it inhibits the kind of rationalization which should be taking place in Canadian industry if Canada is to survive as a country. Just this week I received a most interesting paper written by Mr. Ed. Safarian and presented to the annual meeting of the Canadian Political Science Association in Sherbrooke, Quebec, on June 8.

I saw Mr. Safarian when I was out west at the Consumer Credit Conference held at the University of Saskatchewan and he indicated to me at that time that he was doing some investigation into the problem of United States ownership in Canada and how it affects us. I asked him to send me a copy of his paper and I am very grateful to him for doing so. In his paper he has reached a number of conclusions concerning the effect of U.S. ownership in Canada and in particular on the executive composition of companies. He has investigated the matter in terms of imports and exports. I think that the most significant conclusion he came to was that the problem is not so much United States ownership as the small size of our industry which has to compete in international markets and also the large range of products which these small industries are trying to produce in competition with the giant to the south, Germany, Britain and other countries. He points out that the Canadian market is almost large enough to support a fully efficient operation if sufficient specialization is allowed to take place within industry.

My own feeling is that one of the difficulties with foreign ownership, and perhaps the only difficulty, is the problem of trying to get the industry to rationalize its situation while perhaps its chief interest in coming to Canada is to acquire a foothold for the parent company. This is a serious difficulty which extends