

but how much product variety do we need? How much difference is there between one refrigerator and another, one stove and another? The hinges are different or the door may be an inch shorter or longer, but there is a limit to the kind of variety you want in a society. Beyond a certain point it becomes a useless extravagance that most people neither need nor desire. It exists only because it happens to suit the particular competitive pattern of the industry.

That is one area in which I think competition has done us a terrible disservice. One of the reasons Canada has one of the most efficient steel industries in the world is that there is a level of competition, or production, that is appropriate to that industry, that is appropriate to the available technology and to the needs of Canadian society. One of the reasons we do not have that in the rubber industry, for example, is that you have every rubber company in the United States with a branch plant in Canada making the same range of products, but on a Dinky toy, miniscule scale compared to the United States.

Of course, the Canadian government compounds the situation by inviting an additional competitor into a market that is already overserved. What is the justification for the new competition? I am talking about Michelin. In fact, there is an additional justification for Michelin that has nothing to do with competition. There is a good argument for having a tire industry in the maritime provinces because this is where the industries should be directed. The question then arises, why do we not restructure industry from central Canada into the maritimes, rather than encouraging another one into Canada with the consequences it has on the entire industrial structure of the rubber industry?

Despite the mounting evidence of these changes in our society regarding the competitive position of various companies, despite the fact that so many firms, in order to even survive, require to be almost in a monopolistic position, we still go back to Adam Smith; the government still hangs its hat on the Adam Smith model of an economy. I do not know whether they believe it or not, whether they are bringing in this legislation because they have been urged by the so-called intellectuals in the business community, or whether they are doing what they have always done, that is, imitating the United States: because the United States has competition, combines legislation, then we must have it as well.

The only two countries in the world with these antiquated, outmoded ideas are Canada and the United States. In the rest of the world every country is moving in the opposite direction. They know that competition is no longer an internal matter but is another international matter. Instead of encouraging companies within a country to compete with each other, they are asking their companies to go out and compete with others all over the world. Instead of having combines legislation, they have rationalization boards which encourage the merger or the coming together of companies of suitable performance. It is that which makes the combines legislation in Canada so harmful. I must admit that the government senses some of this, and in clause 2 of the bill they are apparently going to deal with this particular problem—hesitantly, but apparently they are going to deal with it.

Competition Bill

What does it mean? Does it mean that we scrap the combines legislation and turn our whole society over to our competitors without any protection at all? No, Mr. Speaker, this is not what I am suggesting. What I am suggesting is that the competitors have to be held in check, that we have to do something about those who would take advantage of the weak in society. The way to do it is not through a combines policy which can be so easily evaded, or through an approach such as outlawing pyramid selling. I wonder how many weeks it will be before they come up with a new tactic that is not called pyramid selling?

It is a losing game, but there are things we can and should do. However, we will not be doing them as long as the government pretends the problem has been looked after because they have introduced combines legislation, new amendments to it and talk grandly about what a marvellous job they have done. What are the things we need to do? We need effective legislation. We have great problems with Bell telephone, arguing whether their legislation is as good as it should be. You can say one thing about the Bell company: it does not make a move in this country which is not scrutinized. It must justify its actions before the transport board. Often parliament is not satisfied with the decision of the transport board and Bell is forced to roll back its rates. The company must justify everything it does.

● (2040)

We should treat other industries in the same way, including banks. Banks should come under the jurisdiction of the parliament of Canada in the same way as the telephone company comes under its jurisdiction. Parliament removed the 6 per cent ceiling on the bank rate because the banks declared that the rate was unworkable. They made a good case for removing the 6 per cent ceiling, and parliament agreed but failed to introduce safeguards which would make sure the banks would not take advantage of the situation then existing, in which money was in great demand, thus putting them in a position to reap tremendous profits. There was no attempt to regulate the spread between what the banks paid for money and what they lent it for. That is the kind of thing I am talking about.

We ought to bring in selective price controls. We could still bring them in to affect particularly, the resource industry. The hon. member for Trinity and some of his colleagues talk about the terrible trade unions, how they are raising prices and the extent to which they are contributing to inflation. How does the hon. member equate his remarks with what is going on in the mining industry? Contracts were signed a few years ago, but there is no relationship between wages and the price being charged for zinc, nickel or iron ore. Why? Because it is demand, and not the cost of production, which determines the price on the world market. There is no attempt to control industry in that way. We made an attempt to control the oil and gas industry, which is fortunate. We should be introducing export taxes for all the natural resources we export. If windfall profits are to be made, they should accrue to the people of Canada, the owners of the resources and should be treated as a sort of depletion allowance. The people