

*Combines Investigation Act*

be content to rest upon the false base that this amendment will assist to any measurable extent in increasing our trade with other nations. It only needs a cursory glance at the provision to see that it cannot be considered a cure-all for our trading problems, and that more aggressive measures must be taken by government departments, notably the Department of Trade and Commerce, to increase our exports to other countries.

Our objections to this amendment have been placed on the record clearly and I do not think there is any point in going over them again. I am only making these remarks because the feeling might develop that we have done something which will cure our trading problems or as a result of which they will solve themselves. We need a much more aggressive attitude toward trade. There are other problems and difficulties which have not been thought of or have been glossed over. We are encountering difficulties because of the activities of other nations, and those interested in export trade have used these difficulties as a basis for arguing that they should be exempted from the application of the Combines Investigation Act so far as their export activities are concerned.

A reading of the briefs presented by organizations which appeared before the banking and commerce committee and advocated that their export activities should be exempted from the provisions of the act indicates that they used arguments which were not valid. Perhaps they are most succinctly put by Mr. Nicholson, president of the council of forest industries of British Columbia, who appeared before the committee on June 22 along with representatives from the fisheries council of Canada and the Canadian metal mining association, to which reference has been made.

As found on pages 292 and 293 of the proceedings of the committee Mr. Nicholson put forward what I think were false arguments to promote an exemption under the combines legislation. I should like to refer to them in order to indicate that we need to tackle our trade problems in other ways than by means of the Combines Investigation Act. Mr. Nicholson referred to the letter read by Mr. Hyland of the fisheries council which was written by the Japanese cartel on fish, and near the bottom of page 292 he said:

I was shocked at the letter as I am sure you were—the letter that Mr. Hyland read here today which was written by the Japanese fishing cartel and written approximately eleven months ago. I am sure the words burn themselves in your mind just as in mine—“We have not yet fixed our final price for the sale of our salmon in the world market; we give you a tentative price and as soon as the Canadians and Americans have fixed their price we will give you ours.” How in the world

[Mr. Howard.]

are you going to fight in world markets where 50 per cent of the products of the forests of British Columbia are being exported and one third of the income coming into this country from the sale of our exportable commodities coming in from the sale of Canada's forest products, if we cannot meet the competition coming in from foreign countries?

Then my colleague the hon. member for Port Arthur asked a question:

Mr. Fisher: Could the witness give us the parallels in the timber industry to the Japanese salmon industry? I do not think that is contained in the brief.

Mr. Nicholson: I cannot give it to you for Japan, but I can give it to you for Russia. Prior to the war, and in fact up until 1954, Canada was Britain's leading supplier of softwood products—lumber, shingles and material of that kind. That is, as late as 1954 it was the leading supplier. By 1957, Canada's share of the United Kingdom imports had dropped to 14.7 per cent and Canada's position was that of fourth place supplier of products to the building industry in Britain. We had been replaced successfully by Sweden, Finland and Russia. During this period when Canadian sales were dropping off the Soviet of Russia had increased her sales from one tenth to one fifth of the total of United Kingdom's softwood importation. In the case of the Swedish and Finnish importers they were trading at a profit.

Notice the distinction there, and it is developed later on, that the Swedish and Finnish exporters were operating at a profit. The implication is that the Russian exporters were not operating at a profit, and this is developed later on. I continue the quotation:

Their objective was to make a profit, but their operating costs were lower because wages were lower. That was not so in the case of Russia, when they came in and took that market. I am reliably informed by an official of the Department of Trade and Commerce—this can be checked by reference to the minister or other officials of that department—that the Russian technique in invading the British market is that they will come in with a particular type of lumber which is in demand, and even though the lumber may be needed at home in Russia, they will quote to supply the whole demand at a price that is better than the Canadian price for a particular kind of lumber.

I imagine when he uses the word “better” he means lower.

It is even better than the Swedish and Finnish prices in some cases. Then if you repeat the order they will give you a further reduction. That is not done by any cartel. That is done by a government trade agency. Does that answer your question?

He went on then to deal with another matter. I should like to point out that our problems and difficulties in the export markets could not be even partially solved by the amendment before us now to exempt export activities from prosecution under the Combines Investigation Act. I refer particularly to our difficulties in so far as the Soviet union is concerned. Mr. Nicholson has pointed out here the manner in which the Soviet undertook to export lumber to Great Britain,