

despite what the hon. member for Winnipeg North Centre (Mr. Woodsworth) has said. There can be no such thing.

I shall not discuss the question of patent rights, as the minister says he intends to deal with that by amendment. I am glad that is so, because it certainly would put us in a most difficult position if he did not do so. We are parties to an international convention which confers upon a patentee the exclusive right to do certain things. This provision provides that by so doing he would be violating the law, which, of course, cannot be the intention of parliament in dealing with this matter.

Mr. MACKENZIE KING: To see if I understand what my right hon. friend has in mind, is it that it would remove the obscurity if the words "combination, merger, trust or monopoly" in line 29 were removed? The section would then read:

In this act, unless the context otherwise requires,

(1) "combine" means

(a) a merger, trust or monopoly;

(b) which has operated or is likely to operate to the detriment or against the interest of the public, whether consumers, producers or others.

Mr. BENNETT: That is what I had in mind. Whether that change would be sufficient, I am not quite sure, but it looks as though it would.

Mr. MACKENZIE KING: I think the taking out of those words would clarify the matter. Is not the other matter to which my right hon. friend is directing special attention the use of the words "likely to" rather than "designed to."

Mr. CAHAN: They should both go together.

Mr. MACKENZIE KING: The words "designed to" appear in paragraph (a) and refer to all that follows.

Mr. BENNETT: In line 12.

Mr. MACKENZIE KING: Then that the words "likely to operate" in paragraph (b) be changed to "designed to operate."

Mr. BENNETT: I think that would help, but I cannot say how far it would go.

Mr. CAHAN: Section 2 (a) deals with a combination having or designed to have the effect of doing certain things which are declared by the criminal code to be criminal. There must be an agreement between two or more persons by means of a tacit contract, agreement or arrangement designed to have the effect of a breach of the criminal law. Either when introducing this measure or some time to-day the Minister of Labour stated that the words "merger, trust, or monopoly"

were introduced because it had been found that two or more persons, without making such a contract, agreement or arrangement as indicated in (a), by forming a merger, trust or monopoly might effect the same end. But it must be the merger, trust or monopoly which makes the breach or is intended or designed to make the breaches of the criminal law referred to under the Roman headings (i), (ii), (iii), (iv), (v) and (vi).

Mr. ROGERS: Are those breaches of the criminal law?

Mr. CAHAN: We have made them breaches of the criminal law in section 498. As my hon. friend has said, the whole basis of this act is investigation.

Mr. ROGERS: Under 498 it is a criminal offence only when it has the effect of unduly lessening competition. There is nothing here which of itself creates a criminal offence.

Mr. CAHAN: But you make them criminal offences. You say designed to have the effect of preventing, fixing, enhancing and otherwise restraining or injuring trade or commerce.

Mr. ROGERS: That establishes it as a combination.

Mr. CAHAN: Then you provide by section 34:

Everyone is guilty of an indictable offence and liable to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding two years, or to both fine and imprisonment, or if a corporation to a fine not exceeding one hundred thousand dollars, who is a party or privy to or knowingly assists in the formation or operation of a combine within the meaning of this act.

You make these things criminal offences, and you make the organization of a trust of any kind or the organization of a monopoly, so-called, criminal offences, but they can only be criminal in essence and effect when they are designed to operate or are operated in breach of certain provisions in Roman numerals which you include in paragraph (a) of subsection 1.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. TAYLOR (Nanaimo): I am disposed to be in agreement with the leader of the opposition (Mr. Bennett) in his objections to the construction of clause 2, and I venture to make a suggestion which may preserve the grammatical sequences and probably put the matter right. It is that in subclause (b) the line "a merger, trust or monopoly" might read "a combination, merger, trust or monopoly";