

Combines Investigation Act

the question might be tackled in somewhat the same way as the export question. If the wording is acceptable, it gets to the core of the problem which I know exists, which I am sure the minister knows exists as does everyone engaged in business. Then we will have a much more effective piece of legislation in the field of price discrimination than we have at the moment.

Mr. Fulton: Mr. Chairman, this point was discussed quite fully in the other committee. It was considered on two occasions there, and I am not really sure of the extent to which it is appropriate for me to go in this committee in dealing with points which were fully discussed in the other committee. If there are new points or variations of points I feel it is my duty, without question, to assist the committee so far as I can by discussing them fully. There have been several such instances of merely considering what was fully considered and decided in the banking and commerce committee. I really believe we should begin to review the situation. I am reluctant to spend a great deal of time on such points.

However, I am aware of the keenness with which my hon. friend from Skeena entertains this point of view. I am certainly not going to brush this matter aside by saying it was decided in the other committee, and leave it at that. I have to say that I have not been able to bring myself to change my point of view since the problem was discussed in committee, at which time I said this was a far-reaching change, having consequences in a very large area of Canadian industrial and economic life which I would not consider it appropriate to import into our legislation at this stage in the consideration of the bill, without a further detailed study and discussion with all those concerned.

In addition to this question of whether it is prudent and wise to do so at the present time without further consideration, I feel I should remind the hon. member that, although it is true that in the United States they do have this cost justification principle, it is criticized there by some who hold very strongly to the view that its effect is to introduce price rigidity, in the whole system and that as a result of this rigidity, consumers in some areas of activity are deprived of price reductions they might otherwise have. This is by no means a one-sided argument. I know there are arguments such as those that the hon. member has made to the effect that the principle in our legislation is not complete, not adequate, but there are very strong arguments that are made that the principle in the United States legislation goes too far and produces results which are undesirable.

[Mr. Howard.]

In addition to that, may I remind the hon. member for Skeena and the committee that in the report on discrimination pricing practices by the restrictive trade practices commission they found that the largest area of discrimination was in the field of special allowances, such as promotional allowances, rather than in the field of price discounts.

This is a summary, I realize, but I do not believe I could do anything more than merely amplify what I have said if I took more time. It is for these reasons that I oppose the inclusion of the amendment suggested by the hon. member for Skeena.

Mr. Small: I should like to say a few words on this subject, not necessarily in support of the amendment but more in the way of obtaining clarification and interpretation. During the last week or so I have had discussions with an organization in my riding called New Era electrical appliances. They are also in the furniture business and are a retail outlet for the selling and servicing of electrical appliances. This firm is greatly disturbed by the situation which confronts it. This situation has to do with the setting of prices, and the matter about which they complain comes under the heading of promotion. It is not just undue competition from other people in business. Other firms in this retail business have the same complaint.

This organization being a large organization is running into a considerable amount of unfair competition as a result of the practice of contractors being given certain prices which other people are not given. I have been telling these people that there is a provision in the law that will give them relief from this situation, but the firm's legal advisers say that is not the case. The situation about which they complain does not arise from competitors in the same business but from special discounts given to builders and contractors, subdividers and builders of apartments. These people get special prices on refrigerators, electric stoves and other appliances, sometimes as much as \$40 below the regular price to the retail merchant. They are not complaining about that if the consumer gets the benefit. But they themselves cannot get a lower price. They buy the same quantities or the same amount, as contractors, yet the price that the manufacturer gives—not necessarily one because they are different manufacturers—was equally in their favour.

But when they find that they cannot buy at the price a builder or a contractor pays, they are rather disturbed about it.

One of the individuals made a good explanation of what he had in mind but because he was quite upset about it, it was an obsession with him. The conduct of the