

Combines Investigation Act

I have read extensively so I would not be accused of selecting only one or two comments out of the passage. There is a very close connection between the export price and the domestic price and this slopping over or osmosis as I believe one of the economists called it, is something that happens almost unconsciously. So far as export markets are concerned, these people are primarily interested in the selling price of the product. They are not concerned about distribution or anything else. We are allowing them to conspire to set a uniform price on the export market so they will be able to compete with other countries' prices or be able to get the highest possible price. In our view this price conspiracy so far as export trade is concerned can very easily spill over into the domestic market.

As I say, we are sure it is necessary to take steps to deal with the export trade question. It is the very lifeblood of British Columbia. Fisheries products were referred to a moment ago. The hon. member for Burnaby-Richmond went extensively into the question of the lumbering industry and how dependent we are on the export market. We also export minerals, pulp and paper and a number of other things too numerous to mention. It is necessary for us to engage actively in the export field. We merely say that this is not the place to legislate in that regard. We think it should be no part of our combines legislation but rather that other arrangements should be made to promote and enhance our export markets through state organizations or by means of assistance or guidance. For this reason we are opposed to the amendment before us at the moment.

Mr. Pickersgill: Before the minister replies I should like to say a word or two. Having supported the hon. member for Skeena in his desire for additional time to look at the amendment, I have looked at it again and the more I look at it the more I am satisfied that paragraph (d) of the proposed subsection 5 does really safeguard the position about which the hon. member is genuinely and properly worried, namely that some kind of combination in the export field, which need not necessarily be a combination for uniform prices, is likely to result in a similar combination in the domestic field. It seems to me it is quite clear that if it does there is no defence under this amendment if it can be properly applied because it says that subsection 4 does not apply if the conspiracy combination, agreement or arrangement has lessened or is likely to lessen competition unduly in relation to an article in the domestic market. For that reason, I warmly support

[Mr. Howard.]

the amendment. Indeed, I thank the government for accepting our suggestion that they should deal with this matter this year instead of waiting for another year.

Mr. Aiken: Mr. Chairman, I should like to make a few remarks in connection with the export market, particularly in relation to the amendment which has been introduced. I think the first thing I should say, in reply to the hon. member for Skeena with reference to the price arrangement made by the fisheries council and the lumber industry, is that in essence the arrangement they tried to make with regard to their export market was to try to set as low a price as it was possible for them to set and still make a reasonable profit. I think there is a great deal of difference between the arrangements that these exporters have outlined in their brief and the arrangements that we normally consider as detrimental under price fixing legislation. As I understand the proposition that is made by the fisheries council, and I want to read some extracts from the brief they submitted, it is made to meet competition in the export market for canned salmon. They found that they were competing against persons who had either state control price-fixing systems or some cartel arrangement within the country which fixed export prices.

As I recall it, each year different groups of the fisheries industry were called upon by importers from other countries who asked what the price of canned salmon would be that year, that is, what the Canadian price would be. They must set the lowest price possible in order to get into the export market. I think to that extent there is a difference between what we are normally concerned with in price-fixing arrangements, and these arrangements, because under normal price-fixing arrangements the price is a little higher than one would normally expect. I feel that in this case it is more a situation in which Canadian exporters as a whole agree on a price they can follow in the export market, and this does not mean basically a combine.

I should like to read a passage from the brief of the fisheries council of Canada which was presented to the committee on June 22 of this year. It reads as follows:

Both the fisheries council of Canada and the fisheries association of B.C. strongly support the recommendation of other important export industries that the realities of competitive export marketing should be recognized in Bill C-58. If it is necessary or desirable for Canadian export industries to reach group decisions and policies covering export marketing, such activities should be clearly exempted from the provisions of the Combines Investigation Act.

Canada is an important fishing nation and the catching, processing and marketing of our various