

*Combines Investigation Act*

could be either curbed or prevented, a great deal of the genuine fear in the minds of the people who are protesting the legislation would be removed. The fair trade board or fair trade device with which our amendment deals goes a long way toward assuaging the fear of the little man because it would, by regulation, agreement or various other devices, establish a price which would be a fair one to the consumer, and which would allow both the retailer and the wholesaler a reasonable profit. We must remember that the retailer and the wholesaler must have a profit. If that is done, then you not only have a fair price for the consumer but you have reasonable security for a tremendous segment of the Canadian population. I feel that in all fairness we cannot jeopardize the security of this very large segment of the Canadian economy. If a fair trade regulation were established it would, in my opinion, go a long way toward overcoming this fear. I am not going into the Miller-Tydings act, and the proposals in the United States congress. Neither am I going to discuss the Schwergman case or the other case which is known as the Wentling case, which were the two cases recently decided, one by the Supreme Court of the United States and the other by the federal court in Philadelphia under the fair trade practice laws. I merely want to say that there is to be another bill presented to the congress on fair trade practices, which has as its aim the making of fair trade a national and federal matter. I must say, Mr. Speaker, that despite what we may think of what goes on in the United States, nevertheless that country is governed by the law of the majority. The fact that these fair trade practices have received such an overwhelming endorsement by the various legislatures of that country is, I believe, something to which we must give serious consideration.

There is one more thing I want to say about this matter of prices, and that is that unless a manufacturer can get a large volume for his product he cannot profitably continue to manufacture. Therefore, it is obviously the first law of economics that a manufacturer must endeavour to get as high a volume for his products as he possibly can. He must price his goods so that they are acceptable to the large majority of his people. In other words, he must put them in a price range which enables him to secure volume. If he wants to stay in business he does not make his price to the consumer an artificially high price. He cannot do that, because he would go bankrupt. The questions of volume and price are interdependent, and as the price goes down the volume goes up in almost inverse ratio.

There are different graphs and different patterns for different trades, but as a general principle it has been the reduction of price which has made the goods manufactured in America—I include Canada in that—so acceptable throughout the world. This low manufactured price has been a drawing card which has obtained universal acceptance for goods manufactured on this continent. Nowhere do you find such universal acceptance of the goods of any one continent as you do the goods from North America. The basis of that acceptance is the economic rule to which I have just referred. Goods which are individually and exquisitely made in Europe are sold in a limited market because they are unable to overcome the challenge of the volume price relationship.

I have here, Mr. Speaker, a code which I propose to read because I think it is of interest to the house in this debate. It is the code of the national retail dry goods association of the United States and contains eight clauses. I am quoting from a publication issued by the fair trade association of the United States. It says:

Eight principles have been recommended for "effective manufacturer-retailer fair trade arrangements" by the vendor relations committee of the National Retail Dry Goods Association. While noting that NRDGA has taken no official position on fair trade, Irwin D. Wolf, committee chairman and vice-president of Kaufmann Department Stores in Pittsburgh, said the principles were designed to do the following: "make an important contribution toward effectuating the purpose and intent of the several fair trade state acts and the Miller-Tydings amendment to the federal anti-trust act."

Cautioning that any action under fair trade agreements must be individual and independent, the NRGDA group proposes that:

1. A vendor should provide a fair and equitable mark-up for retailers and continue historic discounts and other allowances;
2. Retailers should be required by a vendor to agree in writing not to resell fair-traded goods at less than the stipulated fair trade price. Wholesalers should be required by a vendor not to resell to retailers unless the latter agree in writing to maintain fair trade prices.
3. Vendors should guarantee to take all necessary action to protect all retailers signing fair trade agreements from price cutting or other predatory practices on the goods covered in the agreement. If the vendor fails to take such action at once, after written notice from the retailer, the latter may cancel the agreement.
4. Any fair trade agreement required of one retailer should be required in identical form from all competing retailers and any benefits should be equally extended to all dealers.
5. All fair trade agreements should provide for termination on notice by either party to the agreement. A vendor should have a 10-day option on buying back a retailer's inventory if the latter wishes to cancel. After 10 days, a cancelling retailer's obligations would be automatically void with respect to the fair trade agreement.
6. On fair-traded seasonable goods, retailers should be permitted, by agreement, to clear stock for a specific period at season's end, provided that