

be permitted to do so as well. My chief concern is that none of us should be unwittingly led down the garden path to a fate that we would not care to contemplate.

It is interesting to speculate on why agriculture and the retailing part of our distributing system in particular, hitherto the corner-stones of the private competitive system, should seek to discard that system in favour of another which in essence is a controlled economy. I do not think there is any doubt that the protective tariff in all its ramifications is the basic reason why we have swung so far away from our system of competitive enterprise; and some wish to go even further. Through tariffs and the like, manufacturers and a large section of organized labour have secured protection from certain competition; but while they were receiving this protection, no governmental action was taken to control their maximum prices. Now business generally seeks to emulate their example. Since this is so, it was perhaps not unnatural that agriculture, long a corner-stone of free enterprise, should have given up the struggle, thrown in the sponge, and pinned its faith and hopes to minimum prices and now the retailer demands the same consideration.

What, then, shall we in this house do, honourable senators? I think that, in the light of the circumstances, we should pass this legislation making retail price maintenance illegal, but at the same time point out to the retailer that even if he got the privilege of restricting competition it would be of doubtful value, since it would almost certainly be followed sooner or later by governmental action to set his maximum prices and to control his margins. We should remind him of the government's definite assurance that if the small retailer should become the victim of predatory competition by large retailers it is ready to co-operate fully with the law enforcement officers of the province in the vigorous enforcement of section 498A of the Criminal Code whenever it becomes evident that the practices forbidden by that section are being engaged in. The government further agrees to give close and continuous attention to the effects of the legislation now being considered by this house, and to any practices which may develop, either as a result of the legislation or independently of it, and which are contrary to the public interest. Should such practices develop, the government will consider what other legislative action may be appropriate.

To any retailers who are envious of the good fortune of agriculture in having had floor prices established, we might point out that even this can become a double-edged

sword. Only recently evidence was given before one of our standing committees that while the butter producers secured minimum prices through price supports, they found that their maximum prices were subject to a novel but very effective type of control. In recent months the government imported from Europe ten million pounds of butter, which it is holding for the purpose of controlling any undue rise in the price of butter. That is a very simple form of control but, as I have said, it is also a very effective one. I have no doubt that it may be applied elsewhere, if and when it is deemed expedient in the public interest.

There still remains one segment of our economy which has enjoyed certain freedom from competition from external sources, with no corresponding control as to what its maximum prices should be. I personally have long held the view that something should be done about it, and so have no difficulty in finding myself in agreement with that part of the Curtis report which states:

We would favour the extension of the principle of lifting dumping duties or reducing the customs tariff . . . where alternative import sources of supply would lessen the danger of monopolistic growth.

All things considered, honourable senators, I think we should stick to private competitive enterprise, despite all its faults, and support the principle of this bill. This government, urged to impose direct controls as a method of curbing inflation, has decided that that would not successfully accomplish the purpose. It has adopted temporary restrictions through financial controls and credit controls. I repeat that of necessity these controls are temporary. The government pins its faith to the old and tried system of competition, which has built up this country; but it must be a system of real competition, not one which, though we boast of it from the house-tops, is known by us to be so weakened by various methods as in fact to be no longer competition at all.

Honourable senators, I suggest that it is the duty of this house and of all people who believe in our system of private competitive enterprise to do everything possible to enable real competition to function effectively in helping to solve the problems of inflation and the rising cost of living, which problems may endanger not only our own country but the whole western world.

Hon. Arthur Marcotte: Honourable senators, I am the "lone wolf" of my party here today. Perhaps my rising to speak after the very fine address which we have just heard from the government leader may be taken as indicating that for the time being I am speaking