

The Address—Mr. St. Laurent

lay down conditions on which he will sell, and most branded goods are in fact offered for sale at a fixed price. On page 20 they deal with the conditions of sale that are imposed by the manufacturers and show that competition between retailers is reduced as well. They say:

If all shopkeepers have to buy at the same prices and sell at the same prices there can be no price competition, so shopkeepers have to offer more elaborate services, credit or delivery services or chromium-plated shop fronts in order to attract customers. These things again have to be paid for and again have an effect on the cost of living.

Then they go on to explain that the Labour party has promised to deal with the problem of preventing manufacturers and traders from stopping supplies to retailers who cut prices. They go on to say that when this has been done the interest of customers will depend on there being sufficient retailers enterprising enough to accept the challenge. They say that price competition is one of the most effective ways we have of counteracting the tendency of private traders who sit back and take easy profits from the country's prosperity.

Well, even on that there is no agreement between people on the basis of their allegiance to one political party or another. This problem has been carefully studied by a committee appointed to do that job, a committee composed of highly respected persons felt to be qualified to examine the problem objectively and to make a report upon it. They have done so, and that report is now before parliament, but I am sure that when any legislation based upon that report is being considered there will be arguments pro and con the probable effects of interfering with this so-called right of the producer of an article to determine the price at which it will be resold to the ultimate consumer.

I am not sure myself that that is not already contrary to provisions of the Combines Investigation Act, because the act defines a combine as a conspiracy between two or more persons to fix the resale price of commodities. As to why that should not apply to an agreement between a producer and a distributor to fix the price at which the distributor will resell the goods is a question to which I have not yet been able to find a satisfactory answer; but that act has been there for many years, and in spite of it we all know that there is a large variety of commodities for which the resale price is fixed by the producer.

Some people think that is detrimental to the public interest, some contend that it is otherwise; but it is certainly a problem which is being considered by those who are really concerned with such measures as can be effective in curbing the high prices consumers have to pay for the goods they require.

Mr. Diefenbaker: Have there ever been any prosecutions for price fixing under the combines act?

Mr. St. Laurent: I do not know of any prosecution based upon an agreement between a producer and a distributor; I do not know that any have been instituted on that aspect. It seems to have been considered that because the word "conspiracy" was used it had to do with something which, irrespective of a definition of the combines act, most people would regard as wrongful, and I do not think that there has been any recourse to the Combines Investigation Act to attempt to curb this practice of fixing resale prices when they result solely from an agreement between the producer and the distributor. Whether that should be done or not I am sure the hon. gentleman will be giving us the benefit of his views when the matter is up for consideration in the house.

Now, with respect to the situation in the United Kingdom, where the chancellor of the exchequer has recently warned that any further attempt to hold prices down by increased subsidies would require subsidies of such an extent that it would wreck the economy of the country, the fact is that with their controls, with their subsidies, which have been continued through the whole period since the cessation of hostilities, as the hon. gentlemen of the C.C.F. party think should have been done in this country, the increases in prices have been faster in the United Kingdom in the last six months for which there are reports than they have been either in the United States or in Canada.

Referring to the report issued for the six months from mid-February to mid-August—it is not exactly from the 15th of one month to the 15th of another month, as I understand it; it is a certain day in the week which may be the 13th, or the 14th, the 16th or the 17th; it is close to the middle of the month. From mid-February to mid-August, which is the latest United Kingdom figure, the increase shown in their cost of living index, which of course is not strictly comparable to ours, because it probably comprises fewer items than ours does, has been 7.6 per cent; and in the same period, or a comparable period, from March 1 to September 1, which is the last available figure for Canada, it has been 5.6 per cent.

Now, I am not claiming any credit for that; I am just putting it before the house as one of the facts that have to be taken into consideration when attempting to formulate a policy with any expectation that it is going to be effective.

I have considerable pride in what I believe to be fact, that up to the present time this