

Combines Investigation Act

monopoly was based. It received the support of a majority of the growers, and has worked to the great advantage of all.

The tree fruit organization itself is a non-profit association returning to its members all receipts from the sale of fruit, less costs of selling. Here is an interesting thing. Every charge that goes into the cost of a box of fruit as it goes from the producer to the consumer is open to examination by the public. The cost of production in the orchard, the cost of packing and packaging, the cost of transportation and the cost of selling; every detail of the operation of that monopoly, with its social objectives, is open to public review.

What has been the result of the adoption of monopoly control of the sale of tree fruits in the interior of British Columbia, supported by a majority of the people and conducted on the basis of co-operation with social objectives? We have immensely improved methods of distribution. Instead of five carloads of fruit going to a town which requires only one, distribution is scientific and proper throughout the prairies. We have improved the quality, the grades and the packing. We have improved the inspection. We have reduced to a minimum the rebates for damage in transit. Even at the present time we have managed to reduce the actual spread between the producer and the consumer. We have lower costs of production and lower costs of operation. We have reduced waste to a minimum. We have brought about fairer returns to the producer; more than that, by creating a monopoly in that one field based upon social objectives, with a code of business ethics, we have brought about stability in communities that were facing ruin; we have given security to hundreds of fruit growers, and have restored the level of prosperity in districts that were in a desperate situation a few years ago.

I take this somewhat different approach to this question from that taken by other hon. members to illustrate what I think must be the coming development if we are to satisfactorily deal with monopolies. That is, in addition to amending the Combines Investigation Act so the law may be enforced against unfair practices and things of that type, we must build up a body of positive law in this country under which no monopoly can exist unless it is willing to accept social objectives and work to the advantage of the Canadian people.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Dion in the chair.

On section 1—*Attorney General of Canada may institute and conduct prosecutions.*

Mr. Diefenbaker: I should like to ask the minister the reason for this particular section, which reads:

The Attorney General of Canada may institute and conduct any prosecution or other proceedings under this act, or under section four hundred and ninety-eight or section four hundred and ninety-eight A of the Criminal Code, and for such purposes he may exercise all the powers and functions conferred by the Criminal Code on the attorney general of a province.

I should like to ascertain the reason for this amendment, and also to ask the minister whether or not the amendments contained in this bill are the final amendments that it is anticipated will be brought forward. Perhaps, since this is the first section, some general discussion may be allowed, since I want to make reference to a number of matters.

First I should like to know what were the circumstances that made this section necessary. In 1946, when this act was last before the house, I moved two amendments, both of which were accepted by the then Minister of Justice, now the Prime Minister, which had the effect of placing in the hands of the individual in this country the right to take proceedings under the combines act. As the situation is today any person in this country may take such proceedings when and if he desires to do so. I mention that when dealing with this section in order to ascertain from the minister whether or not, when this power is placed in his hands, there will ever again be in Canada, a repetition of what took place in connection with the flour milling report. When I spoke on this subject I pointed out certain facts.

If this report had been published, as it should have been published, then any person in the country would have been able to take proceedings. The fact that it was kept from us, however, puts the attorney general of Canada in this position, that the suppression of that report was a denial of the operation of the statute. It took from every Canadian in this country who would have cared to take proceedings the right to do so. It had the result, and it is a serious result, of outlawing any action that might be taken against the flour milling companies.

We are called upon now to add additional powers to those of the attorney general of Canada. The attorney general did not use the powers he could have used against the flour milling companies. He has given various reasons for that, to which I intend to make reference later. When the attorney general asks for additional powers, the committee has a right to ascertain why it was that the powers he had were not exercised according