

Combines Investigation Act

flour industry. Since different firms had different ceilings, some had to sell below the ceiling in order that business might be carried on, because if they did not drop their prices in order to meet those of their competitors they could not get any business. So there was bound to be a certain amount of selling below the ceiling price, and the government recognized this from the start. But the government told the milling industry—and this is not open to any question; these are the uncontradicted statements of highly responsible men who were in charge of these matters—that it had decided how much it was going to put up by way of subsidies to the industry, and that it did not want to put up any more. Therefore the government would tolerate this competition to iron out these anomalies of the frozen price structure, but if there were any greater amount of competition beyond that necessary extent the government would step in and take away from the industry the benefit of the subsidy, to the extent necessary. Therefore it was in the interests of the industry to minimize that competition in order to maintain the benefits they were receiving in the form of the subsidy. There can be no question about that.

Mr. Coldwell: But apart from the subsidies, the returns to the millers, according to the reports of the Bank of Canada, went up after that year by year.

Mr. Garson: No.

Mr. Coldwell: I think so.

Mr. Drew: Mr. Chairman, I do not want to interrupt this very interesting discussion, but I would not want to be placed in the position of having to suggest that the minister was adopting a one-man filibuster on this bill.

Mr. Garson: I want to be courteous to my hon. friend the leader of the opposition, and at the same time I want to be courteous to the hon. member for Rosetown-Biggar, and I am finding that a difficult task. I must apologize if I have interrupted my hon. friend.

Mr. Drew: I recognize that the minister did reply to questions which were asked, and I did not want to interrupt the discussion.

Mr. Coldwell: I thank the leader of the opposition for permitting me to ask some questions at this point.

Mr. Drew: I should like to complete what I was saying, and the questions may be asked afterwards.

To come back to the point I had reached in my discussion, I wish to leave no doubt as to the exact words I referred to as having

[Mr. Garson.]

been used by the minister so I quote from page 2147 of *Hansard* of yesterday, where the minister is reported as having said:

Well, Mr. Chairman, I thought my hon. friend had greater respect for my intelligence than to ask for an assurance of that kind. If he stops to reflect for a moment on the difficulties that he must know I have had to face in connection with this matter, he will feel quite sure that upon the lowest possible basis of self-preservation he need have no fear for the future.

I suggest those words were correctly interpreted in what I said, subject to the fact that I made a subsequent observation with which the minister may or may not agree, but which did express my own opinion as to what those words really meant. I am definitely convinced that what the minister has just said to this committee demonstrates that far from recognizing the seriousness of what has happened—and I cannot overemphasize my own realization of that seriousness—the minister really thinks it would be a good thing if embarrassment of that kind could be avoided; and I cannot see any evidence that he has any other thought on the subject.

Mr. Garson: Then let us clear up that point now, if we may. I think it would be a good thing if embarrassment of that sort could be avoided, and I also think the best way to avoid that embarrassment is to publish in accordance with the act. I mentioned the lowest ground of self-interest, but that would be equally advisable upon higher grounds, upon grounds as high as my hon. friend likes. I do not think I could be any more specific than that; but if this matter is worrying my hon. friend he might write out a reasonable formula, and perhaps I would agree to subscribe to it. I would not want my remarks yesterday to be misinterpreted. May I say that there was no meaning intended such as my hon. friend has taken from them.

Mr. Drew: Well, Mr. Chairman, I have no desire not to co-operate in any way possible, but I would know in advance that any memorandum I might prepare would not be acceptable; therefore I will save my time in preparing it and the time of the minister in reading it. Perhaps what I would prepare would have some relation to what I find in one of the many editorials that have been written dealing with this subject. I do not think I have seen the core of the really serious aspects of this matter more clearly brought into focus than they are in an editorial appearing in *Toronto Saturday Night* of November 22—a highly responsible publication which has not at any time indicated partiality against the government in its discussion of public affairs. After a review of