

states in the United States have done this under the name of fair trade laws. I do not want to see resale price maintenance made compulsory or prohibited. People should be free to make their own arrangements. At times resale price maintenance may be the only effective means by which a manufacturer can induce a dealer to provide a certain amount of sales service to customers interested in his product. Surely, to prohibit resale price maintenance is as unwise as to compel it.

This bill makes some minor changes in the laws applicable to banks. I agree with those hon. members who have argued that the banks should not receive special treatment. Bankers are subject to the Criminal Code just like everyone else. Why should they receive special exemption from the anti-monopoly laws?

● (1750)

However, even if the banks were subject to the Combines Investigation Act, their real monopoly power would remain unaffected. The banks' real monopoly power does not lie in any agreements that the bankers make among themselves, it lies in the government's restricting entry into the banking industry. This monopoly of credit should be repealed, and I will have more to say on that subject when the government introduces its Bill C-13.

I am pleased to see some agreement on this subject. On March 14 during this debate the hon. member for York-Simcoe (Mr. Stevens) said:

I would say that any chartered bank in Canada can restrict or open up competition more than any other force that we might consider.

During the same debate, on March 13, the hon. member for Shefford (Mr. Rondeau) said:

—the banks are the basis of the existing monopoly which controls the others. According to its whim, the monopoly of money and credit can create a monopoly of production or destroy it.

Perhaps the hon. member for Shefford is more conservative than he realizes; maybe he is sitting on the wrong side of the House.

Let us see what the government could do to help the consumer. The government could do many things to facilitate competition, namely remove all the restraints it has placed on competition.

In his speech during this debate on March 14 the hon. member for Waterloo-Cambridge (Mr. Saltsman) talked about the inefficient organization of the tariff-protected refrigerator industry in Canada, and he said:

This is a clear example of where competition has worked to the tremendous detriment of our society and has contributed to a lower standard of living than we might have had.

In his reasoning, competition was blamed for the bad effects of tariffs. Very few students of even elementary economics would have made such a mistake. I would add parenthetically, though, that he partially redeemed himself a few minutes later when he said:

—it is demand, and not the cost of production, which determines the price—

That is an insight that I tried very hard, though I fear unsuccessfully, to communicate to the hon. member for Toronto-Lakeshore (Mr. Grier) during the debate on March 15 on his motion calling for selective price controls. If the hon. member for Toronto-Lakeshore is deaf to me,

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perhaps he will listen to his colleague, the hon. member for Waterloo-Cambridge.

On previous occasions I have called on the government to repeal the Farm Marketing Board monopolies, but the government will not listen. With one hand the government creates monopolies and with the other it brings us so-called anti-combines legislation, in order to divert our attention from the monopolies it has created. What hypocrisy!

In an earlier speech I pointed out that whenever the government interferes, through marketing boards, so-called anti-combines laws, or whatever, with people's freedom to compete in a free market, it favours one group, inefficient producers, at the expense of two groups, consumers and efficient producers. As a consequence, productivity is restrained and consumers are compelled to pay unnecessarily high prices.

In closing, Mr. Speaker, I should like to quote from Armentano's conclusion to his book, which I mentioned earlier. He said:

Capitalism is a viable economic system or it is not. An active policy of government intervention in a free market business system is a contradiction in terms. Trades of private property are either voluntary or they are not; one cannot legislate the free market or create competition. To have a free market the government must leave the markets alone; to have the state make markets "free" is again a contradiction in terms. Critics of antitrust policy who pretend to be concerned with the free enterprise system have either not realized, or have refused to realize, this fundamental issue.

Is there business monopoly in the present economic system? Of course there is. Government favours, privileges... tariffs... [etc.]... can and do allow certain corporations to hold and employ "monopoly power," i.e. governmental power for economic advantage. Such "plutocratic" devices (as William Graham Sumner termed them) are the essence of monopoly and they are absolutely improper in a free market system and should be ended. The "monopolies" that the FCC, CAB, and ICC maintain could not last a day without governmental support.

But this kind of "monopoly" has nothing directly to do with the mission of antitrust. Antitrust, supposedly, was aimed at free market monopoly problems and the marginal competitive problems that would arise when business was left free to pursue its own self-interest. Yet, ironically, the essence of the monopoly in the market place is governmental. In this light, antitrust may be seen as a diversionary tactic to draw attention away from the real monopolistic problems—the developing plutocratic relationship between business and government. Certain elements of the business community have never desired "free competition" and the uncertainties and "irrationalities" often associated with it. They have sought and gained economic subsidy and protection through the political system. They have been anxious to use the government to "regulate competition" because it was, supposedly, tending toward monopoly. Antitrust, therefore, may be an even bigger hoax than anyone has imagined.

Perhaps this bill will pass in substantially its present form. If that happens, then the anti-combines mess in Canada will simply become that much messier; efficiency of production will be reduced, and consumers and efficient producers will suffer. And nothing will have been done about the real monopolies.

[*Translation*]

Mr. La Salle: Mr. Speaker, with the consent of the House, may I call it six o'clock?

[*English*]

Some Hon. Members: Agreed.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.