elimination of competition but should examine the arrangements in detail to see if the prices and other terms that have been fixed by the parties are reasonable. If they do not take that approach, then the courts are shirking their responsibilities.

It is interesting in this respect to place beside each other some of the statements of Mr. Ferguson, as spokesman of the Canadian Manufacturers Association, and those of the judge in the last two rubber cases. I quote from Mr. Ferguson:

> . . . when the groups of businessmen pleaded guilty, it did not mean for a moment that they were admitting they had done anything detrimental to the public.

Mr. Justice Schroeder says:

> . . . by their plea of guilty the accused have admitted that they were parties to an arrangement, the direct object of which was to impose improper, inordinate, excessive or oppressive restrictions upon that free competition to the benefit of which the people of this country were entitled.

Mr. Ferguson says:

> It is perfectly possible that the public has been unaffected. It might even have benefited.

Mr. Justice Schroeder says:

> Inherent in these illegal agreements of the accused companies are features so obnoxious to the welfare of the community that, if extended, the effect upon the public might become disastrous.

Mr. Ferguson says:

> All they admitted was that they had committed a technical breach of the law . . .

Mr. Justice Schroeder says:

> In determining the punishment . . . the court must have regard to the magnitude of the aggregate business involved and the far-reaching evil consequences likely to flow from allowing such schemes to operate unchecked or to go lightly punished.

You can readily see these utterances of the judge leave no doubt that the court considered the elimination of competition not to be merely a technical offence, but to hold a really serious and sinister implication for the public. The court's interpretation of the combines legislation is worth looking at. As early as 1905 the court said, and I quote:

> The right of competition is the right of every one, and parliament has now shown that its intention is to prevent oppressive and unreasonable restrictions upon the exercise of this right.

In 1940 the Chief Justice of Canada said, and I quote:

> The enactment before us, I have no doubt, was passed for the protection of the specific public interest in free competition . . . and, as the enactment is aimed at protecting the public interest in free competition, it is from that point of view that the question must be considered whether or not the prevention or lessening agreed upon will be undue.

In the recent Calgary bread case the judge said this had been the law for 62 years. In 1952 parliament reviewed the legislation and strengthened it in certain important particulars following the recommendation of the MacQuarrie committee, which confirmed the principles of the legislation as interpreted by the courts. To say that the courts are shirking their responsibilities in not interpreting legislation properly is therefore unfair to the courts and contrary to the record.

Of course, Mr. Ferguson is not only dissatisfied with the ability of the courts to interpret the legislation; he is also critical of the ability of parliament to understand and enact such legislation, because parliament is not composed largely of businessmen. The Winnipeg *Free Press* recently pointed out that the logical extension of this view would mean that in considering the Bank Act the house should largely be made up of bankers; and in considering the wheat agreement it should be made up largely of farmers.

Let us further examine the point on competition which has given the North American continent the highest standard of living today that has been enjoyed in the history of any nation at any time.

Those who would run after new gods have a very heavy responsibility. Competition is concerned, not only with the reasonableness of today's prices on the basis of today's costs, but also with the improvements in efficiency, and with innovations which make for lower costs and lower prices tomorrow. The public has the right to ask that business hustle, cut costs, and expand markets.

It is a fact that in some combine cases it is very difficult to prove that prices have been unduly increased, but it must be remembered that without today's competition tomorrow's costs and tomorrow's prices may be entirely different from what they will be if competition is maintained.

The present prosperity of Canada, and this is also true of the United States, is not the result of the theory that prices are reasonable, but rather due to the fact that they are the best prices that an active competition can produce. It is a fact that nearly all of the combines reported upon up to the present time are entirely or substantially price fixing combines. In all such cases the agreements in whatever form had this in common that the participants would not sell below the common prices that had been agreed upon. It would be naive indeed to believe that the effect and the purposes of such agreements were not to raise prices, and in many cases, of course, there was direct evidence of substantial increases as a result of agreements.

One wonders whether the opponents of the present legislation really believe the public