

Combines Investigation Act

Mr. Morton: In his amendment the hon. member would not carry on the remedies that are set out in paragraph (c) and (d) of clause 14?

Mr. Pickersgill: No.

Mr. Morton: You refer to loss leaders only; you forget the other difficulties.

Mr. Nugent: I have been listening to the hon. member for Bonavista-Twillingate and I think I should straighten him out on the Conservative reactions to this apparent Liberal change in position and assure him the change was viewed not with caution but with suspicion.

Mr. Aiken: Not a real convert.

Mr. Nugent: However, a cursory examination of the amendment proposed by the Leader of the Opposition brings to mind immediately a couple of contradictions. They purport to give protection against loss leader selling, and then promptly they say that this loss leader selling is an offence. Then they give some examples which say that it is not an offence to carry out loss leader selling, and one of these examples is the sales of an over-stocked article. I myself am not a store-keeper or merchant but for the life of me I cannot understand how a loss leader campaign or sale can be carried on without involving an over-stocked article. As a matter of fact, the usual practice is for a merchant to get hold of a large quantity of a particular kind of merchandise that is very low priced and sell it at a loss or at cost and absorb the loss as a good advertising scheme. In other words, it is cheap advertising. He gets a better return on his money than he would get in any other way.

So long as they say that the sale of an over-stocked article is not loss leader selling, how can it possibly give protection? I cannot understand this. An article is over-stocked, in my view—and I cannot arrive at any other sensible conclusion on it—if the merchant has more on his shelves than he would normally carry or his business would normally be expected to handle, or circumstances should change and it would be a good reason, he felt, to get rid of the article. If he wants to take a loss, and if he gets some advertising profit, then he is going to feel that he is over-stocked. Therefore, there is no protection at all and no offence possible under this definition.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Nugent: Mr. Chairman, I had been dealing with the amendment to this section

moved by the Leader of the Opposition, and at the risk of repeating myself I should like to say that I take particular exception to that part of his amendment which deletes from loss leader selling sales of an over-stocked article on the basis that sales of an over-stocked article are usually carried out in circumstances where the merchant finds it unprofitable to try to get rid of the merchandise in the normal course of events. By using the article as a loss leader he hopes to get his value out of it as a result of the advertising benefit he receives. In essence what the amendment does, therefore, is to purport to make an offence of loss leader selling but the definition used by the Leader of the Opposition makes it certain that no one would ever be convicted of such an offence.

My reasoning in this regard is much strengthened by the remarks of the hon. member for Bonavista-Twillingate who has tipped us off as to exactly what the official opposition intends to do. That hon. gentleman referred to these people as those who fear that loss leader selling is going to do them some harm. He made it plain in his remarks that he was not at all convinced there was any harm in it but admitted there were those who felt it would harm them and suggested that if we can do anything in a legislative way to allay their fears we should do so. I suggest that is exactly what his leader is attempting to do by this amendment. He is putting in something which will look like it was intended to give such protection but since they are not really against loss leader selling the amendment will not deter it in the least. He says that these people see a shadow and they fear it. Therefore he has moved an amendment which is window dressing but no more than a shadow to fight the shadow of these people's fears.

I am not perhaps the most astute politician in the house but I do think that when we have an amendment which on its face and with only a cursory examination by members of the house can be seen to be so ineffectual that it really would accomplish not one thing, and when we have had the hon. member for Bonavista-Twillingate apologize for it in case they should be thought stupid instead of merely politically astute, it really is going a little too far to take up all the time of the committee that discussion of the amendment has.

I am one of those who feel it would be nice if our legislation was not only good but looked good. However, I certainly think it is vastly more important that our legislation should do something rather than merely be window dressing such as they ask us to accept in their amendment. Having said that, I think we have