

which happened to be distasteful to them as indictable crimes by declaring the purposes to be unlawful.

I am afraid that the present bill is a reactionary step.

One additional criticism which I would make before resuming my seat is that the bill does not enact any protection against the practice of "loss leaders". I am well aware that some representatives of big business are in favour of the bill. They have nothing to fear from the "loss leader"; on the contrary, they occasionally use this device, which consists of selling an article below cost for the purpose of enticing customers to their stores. The provisions contained in section 498A of the Criminal Code, and to which our leader referred, cover some kinds of "loss leaders", but I submit there are thousands of other cases which under the provisions of that section are not prohibited.

It is all very well to tell us that some remedial legislation will be enacted at a later date if it should be then considered necessary. I fear that by that time great harm will have been done. While I do not speak as the representative of any interest, I may say that a number of small merchants in Montreal have told me that they are alarmed at this legislation. Certain druggists conducting businesses of average importance have said that they are in a state approaching panic. About twenty years ago I appeared on their behalf before the legislature of Quebec. At that time, it is true, business in the drug stores of Montreal was at about its lowest ebb. These people are now in a much better position to stand on their own feet, but their position remains vulnerable in the face of legislation such as this. It should also be pointed out that the majority of the population are very glad to have a drug store located close to their homes. It may be argued that from an economic standpoint Montreal would be better off if its needs were served by no more than, perhaps, ten drug stores. But would that really be in the public interest? I say no. Not only druggists and corner grocers are affected, but all those whose prosperity is dependent upon them. I accept the opinions of these people, who know their business and who are honest and reliable. I attach the greatest importance to their views and I sympathize with their anxiety. They are not theorists; they have the practical experience and knowledge, which count with me much more than anything else.

The legislation before us aims at applying some abstract principle instead of trying in a practical manner to correct abuses when, and only when, their existence is proved to the satisfaction of our courts. Instead of seeking to prohibit only such abuses, the bill

attempts to destroy freedom to contract. I repeat that I am as anxious as anybody in another place can be to correct abuses and to remove anything which may be detrimental to the public interest. The present bill, however, is a blanket condemnation of any kind of price maintenance in the face of experience that such price maintenance gives stability to our economy.

I have read again our jurisprudence and I have studied the entire proceedings—some 900 pages—of the Joint Committee on Combines Legislation. I have also studied a number of articles in the various law reports. As a law student I was interested in so-called trade combinations, and later the thesis that I submitted for my degree of Doctor of Laws dealt with the right to strike and the right to organize. All the principles that I have professed since 1919 are opposed to the kind of legislation now before us. And though the practice of resale price maintenance may have become distasteful or obnoxious to the former commissioner, Mr. McGregor, I find it strange that during his tenure of office he never, to the best of my knowledge, did anything to have the practice banned.

Honourable senators, I for one do not intend to vote in favour of legislation merely to follow the dictates of anyone else, however well-meaning and conscientious he may be. If we adopt this measure we may one day be faced with "a loose variety of criminal equity", somewhat akin to the jurisprudence of the Star Chamber. As a Liberal I am obliged to make my own judgment, and to base it on facts as well as on principles. I consider that the legislation submitted to us is contrary to the political and economic creed which I have always defended, and I want to preserve what we still have of our liberal economy in this country.

Some Hon. Senators: Hear, hear.

The motion was agreed to, and the bill was read the second time, on division.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

Hon. Mr. Paterson: Honourable senators, I take this opportunity of protesting against this bill and registering my objections to it.

The motion was agreed to, and the bill was read the third time, and passed, on division.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that the house adjourn during pleasure, to reassemble, at the call of the bell at approximately 3 o'clock.