

Combines Investigation Act

I spoke in connection with the reference of this matter to the committee, I made our position very clear. I spoke for our entire group when I made the statement that is to be found at page 782 of *Hansard*. After discussing the effect of resale price maintenance and the reference to the MacQuarrie committee I said:

When we do legislate against resale price maintenance I believe the law should be strengthened in another particular, too. For I am equally afraid of the monopolies in the distributive field that are growing up in our country which may take advantage of what is called the "loss leader." That is also an unfair trade practice that should be dealt with according to the law equally with an unfair trade practice in relation to retail price maintenance mainly for the benefit perhaps of the manufacturer.

A little later I said:

I think that is as much an offence on the one hand as resale price maintenance is on the other. If this goes to a committee—

We were then discussing reference to the committee.

—and the legislation is enlarged in any respect, consideration should be given to that particular phase of retail merchandising, because I think none of us wants to play into the hands of powerful distributive monopolies in this country.

I said that on November 6. The position I have taken today is entirely in conformity with the position we took then, and indeed the reason we take the position we are taking today is that we took that position on November 6. We believe the evidence before the committee has confirmed that we were right in that particular. On the other hand, if our suggested amendment is not approved by the house I think it would be a mistake to refuse to accept the bill as it now stands because I think all agree that resale price maintenance as it operates at the present time is in effect a private system of price control operated by manufacturers and those not under control of the public in any respect, and consequently is against the public interest and should therefore be discontinued now. That is why we support the bill. We think it is defective in the particulars I have named, but I wanted to rise immediately to put my hon. friends right. We are not advocating the enactment of a fair trade law such as they have, I believe, in forty-five states of the United States. And we are not changing our position. It is the position that we took on November 6.

Mr. Hees: In order to explain my own position, Mr. Speaker, I was not claiming that the hon. member for Rosetown-Biggarr (Mr. Coldwell) had changed his attitude. I was saying how nice it was to hear the change in the presentation made by the hon. member for York South (Mr. Noseworthy) this afternoon. We heard the hon.

[Mr. Coldwell.]

member for Vancouver East (Mr. MacInnis) speak a number of time in the committee on which I sat, and there has been quite a change, as anyone who was a member of the committee will tell you. I did not imply that the hon. member for Rosetown-Biggarr had made any change. I wonder—

Mr. Deputy Speaker: Order. The hon. member has already spoken in this debate.

Mr. Hees: —if the hon. member for Rosetown-Biggarr would permit a question?

Mr. Deputy Speaker: With the unanimous consent of the house.

Mr. Fournier (Hull): Put your question.

Mr. Hees: The hon. member for Rosetown-Biggarr said that in his opinion the people of the United States considered these fair trade laws were unsatisfactory. How then can he explain the fact that the number of state governments that have put them into effect has increased from one to forty-five over a twenty-year period? He must realize there are far more consumers than retailers, and I should like to know in what way these fair trade laws are unsatisfactory to the consumers of the United States.

Mr. Coldwell: I cannot explain why forty-five states have them in effect, but I do know that the forty-five states enacted them one after another with great rapidity some years ago. I also know that President Roosevelt stated that this was one of the factors operating against the consuming interests of the country. Knowing something about the manner in which United States legislatures operate—well, I will refrain from expressing an opinion but we are not lobbied to the same extent.

Mr. Rodney Adamson (York West): Mr. Speaker, I want to make one suggestion with regard to this question of fair trade practices. I think the legislation has boiled down to this, that the one great fear of the small retailer is that the loss leader device will be used by his large volume competitors in order to depress the prices of certain goods and to draw trade away from the small retail outlet. I think that has been the main objection. Certainly it is the thing in my mind which worries me most about the government's legislation. It is the one thing I think we have to fear, and from all indications it appears to be the one thing that really worries the small retailer. It worries not only those in the drug line but also people dealing with a great many other lines of commodities which are sold to small retail and specialty shops.

It would seem to me that if some device could be evolved whereby the loss leader