

the possibilities of present and future competition. I am not sure what our particular economy would be if we were successful in accomplishing a non-competitive society; but one thing I know, and that is that we would have to stop orating about the benefits of private competitive enterprise. Having decided that everybody and everything should enjoy the benefit of minimum prices and returns, it would remain for us only to determine how the state could best control maximum prices as a permanent part of our economy. When that was done the difference between ours and a socialistic state would be barely recognizable.

The plain truth about our present situation is that business and agriculture generally in Canada are leading a campaign, perhaps unconsciously, to change our economic system into a government-controlled economy. Business, agriculture and organized labour, each in its own way, has enjoyed in the past ten years a degree of prosperity such as it had never contemplated in its wildest dreams. In the main that prosperity still continues; but fearful that the end may be just around the corner, each in its own way is seeking to establish floors under its existing prosperity. By so doing they all hope to secure—in terms of the report of the Curtis Commission and I quote—"A happy release from the unending struggle against the harsh correctives of the free market system."

Those of us who were in business between World War I and World War II can appreciate this viewpoint; but if we give up our free market system, it will be replaced by something not much to our liking. Our actions in protecting business and its employees—by tariffs and so forth—from competition from external sources, or in protecting agriculture—by tariffs and floor prices—from competition from without or within, all conspire to place an additional burden upon the consumer, no matter how sugar-coated the pill may be. We are now asked by opponents of this bill to facilitate the continuance of a system of limiting competition in the distributing trades; it, too, to add another burden on the consumers' backs. Is it reasonable to assume that those overburdened consumers will not at some time strike back from sheer desperation, and demand from this government or some other government direct action through government controls to prevent this "ganging-up" on them that has become such a large part of our economic system? Let there be no doubt on this score, that to legalize retail price maintenance would place an additional burden on the consumer. Some of the advocates of retail price maintenance in the other place are now making a curious point that, after all,

it affects only 15 per cent of the total retail trade, and since it took fifty years to reach this level it would be centuries before all retail trade was conducted on this basis.

My whole business life prior to my becoming a member of the government was in a branch of the automotive retailing trade that did not enjoy retail price maintenance, and my answer to that line of argument is that it is my belief that retail price maintenance, if legalized under existing circumstances, would spread like a prairie fire. And why should it not? If the practice is beneficial to the 15 per cent presently engaging in it—and it appears to be—and if, as its advocates say, it is not harmful to the consumer, why should the remaining 85 per cent of the retail trade not adopt the practice overnight? Certainly if this parliament put its stamp of approval on the practice, the first thing I would do, if I were going back to my old business would be to urge the company which I represented to take up with their automobile manufacturers the question of our adopting retail price maintenance. I would do so for two reasons. The first is that I would be relieved of the fear that my competitor was reducing his price either by cash discounts or increased trade-in allowances, and secondly, I would hope that the manufacturer, in setting the selling price to the public, would enable me to enjoy the higher discounts that retailers who engage in retail price maintenance are presently enjoying. When I was in the retailing business, our dealer discounts were about 23 per cent from the list or selling price. A car that I offered for sale for \$2,000, taxes and freight paid, cost me \$1,540. The \$460 gross profit represented 23 per cent of the \$2,000 list or selling price. In reading the Curtis Report I find that the discounts of the dealers in businesses enjoying retail price maintenance have been increasing. One case cited indicated an increase of from 25 per cent to 37½ per cent; some others showed increases up to 40 per cent. Documents filed with the special committee give countless instances of increases of from 33¼ per cent to 38 per cent. Assuming, then, that justice was done to automobile dealers as compared with household appliance or drug dealers, and they were allowed 33½ per cent instead of 23 per cent, the selling price to the public of my \$2,000 car would have to be \$2,310. And remember, the volume of the automotive trade is five times that of household electrical appliances. Let there be no mistake: retail price maintenance, if legalized, will spread rapidly, and it will affect the consumer. But actually that is not my main argument. If manufacturers, organized labour and agriculture are, in their own interests, to be permitted to fleece the consumer, I know of no particular reason why the retailer should not