

Mr. ZAPLITNY: Yes, if it does not take too long.

Mr. SMITH (Calgary West): I will put it as quickly as I can. The hon. member of course, does not believe in the taxation of co-operatives.

Mr. ZAPLITNY: No.

Mr. SMITH (Calgary West): He does believe in subsidies to the consumer. Let us assume that all business is done by co-operatives. Then you have no taxes to pay your subsidies, have you? That is the end of your road, if you will just look at it.

Mr. ZAPLITNY: I do not think the hon. member expects an answer to that sort of hypothetical question. In the first place, I have not suggested, nor has anyone in this group, that all business in this country should be done by co-operatives. In the second place, if all the surplus of business went back to the customers instead of into profits there would be no need for subsidies.

Mr. CRUICKSHANK: No Canada at all.

Mr. ZAPLITNY: The reason we suggest, as a long-range solution to the price problem, that we encourage co-operative enterprise by removing all obstacles—and one of these obstacles is that which the hon. member for Calgary West referred to, namely, the taxation of co-operatives; that is a separate question that I will not go into now—is, first, if we have co-operatives on a wide scale in this country—I am not suggesting that they are applicable to every individual business in this country, but they are applicable to many fields not yet touched—we would have an important and valuable balance wheel to our private enterprise economy. There is a tendency—and no one will deny it; none of my most ardent private enterpriser friends will deny it—for private enterprise to run hog-wild when there is an opportunity to do it, and it is necessary even for its own preservation that there be some sort of balance wheel to keep a reasonable profit in sight instead of taking all that the traffic will bear.

Mr. HARTT: Private enterprise has done very well until now.

Mr. ZAPLITNY: Well, it has done so well that the Prime Minister has had to propose that we appoint a committee to investigate why it has failed.

Mr. HARTT: People are not starving here as they are in England.

Mr. McKAY: Shame.

Mr. NICHOLSON: That is disgraceful.

Mr. HARTT: Read Attlee's speech and find out. It is the truth. Read Attlee's speech.

Mr. ZAPLITNY: I am sorry I was not in the house—

Mr. MacINNIS: Are conditions the same? You ought to be ashamed of yourself.

An hon. MEMBER: Who brought about these conditions?

Mr. SPEAKER: Order.

Mr. McKAY: Shame on you.

Mr. HARTT: The British empire was the greatest financial centre in the world until the socialists came into power.

Mr. ZAPLITNY: Mr. Speaker, as I was saying, I am sorry I was not in the house when the hon. member for Cartier (Mr. Hartt) made his speech. I hope he is not going to make it over again just for my benefit.

Mr. HARTT: It would be helpful.

Mr. ZAPLITNY: My fifth point is—and I think it is the most fundamental—socialize monopolies. Why? Well, in the first place, the Prime Minister in his speech on February 2 intimated that the price situation today is not due to combines and monopolies as was the case in 1934 when the price spreads committee was suggested. He tried to point out that it was a different situation; but, as a matter of fact, we know that at the present time, and particularly so after the war ended, there has been a tendency for monopolies and combines to strengthen their position because they control the sources of distribution; and when there is a shortage of goods, when some firm or business is in control of the distribution of these goods, they have a golden opportunity to squeeze out their competitors and form an amalgamation or combine and in that way corner the business.

Mr. SMITH (Calgary West): Does the hon. member say somebody did that, or is that just theory?

Mr. ZAPLITNY: If my hon. friend would read the report of the Combines Investigation Act or the *Labour Gazette* he would find evidence to that effect.

Why do I suggest socialization as a remedy? There are those who say, well, we have the Combines Investigation Act; why cannot that be used to unscramble the monopolies, to enforce free competition? I have an excerpt from the royal commission on price spreads of 1934, taken from page 50, under the heading,