

*Supply—Justice*

matter of trading stamps comes under the Criminal Code, especially under sections 322(b) and 369.

Section 322(b) of the Criminal Code defines trading stamps as follows:

"trading stamps" includes any form of cash receipt, receipt, coupon, premium ticket or other device designed or intended to be given to the purchaser of goods by the vendor thereof or on his behalf, and to represent a discount on the price of the goods or a premium to the purchaser thereof—

Section 369 of the Criminal Code lists the penalties for persons who use trading stamps.

The section reads as follows:

(1) Every one who, by himself or his employee or agent, directly or indirectly issues, gives, sells or otherwise disposes of, or offers to issue, give, sell or otherwise dispose of trading stamps to a merchant or dealer in goods for use in his business is guilty of an offence punishable on summary conviction.

Subsection (2) also deals with the offence committed by the merchant who issues trading stamps to his customers. I have read the annotated code of the learned Justice Lagarde. His book contains remarkable comments on that trade practice, and he has no hesitation in saying that the sale of trading stamps or premium stamps, as they are commonly called, constitutes an offence. He says about section 369 that everyone who issues trading stamps to a merchant to be used by the latter in his business commits an offence. And at subsection (2), he expresses the opinion that the merchant who issues trading stamps to his customers commits an offence.

I must point out to the minister that that matter of trading stamps is detrimental to trade in general, favourable to the big dealers and prejudicial to the small ones.

The Canadian Consumer Association, the Canadian Labour Congress and other organizations have clearly come out against the practice and have urged the government to stop it. The principal argument invoked, as I said earlier, was that the practice was favourable to big dealers, detrimental to small ones, and that the distribution of trading stamps is done at the expense of consumers. In fact, the dealer who buys his stamps for distribution to his customers has to pay for the stamps and for the goods he gives out as premiums, and naturally he has to mark up his goods accordingly. In the last resort, the consumer foots the bill and has that much less money to meet other expenses.

Thus, the sale of trading stamps becomes a restrictive trade practice because the small

[Mr. Meunier.]

dealer cannot compete on the same basis as the big one. The big dealer, with a high volume of sales, does not have to mark up his goods as high as does the small dealer and, consequently, the small dealer is the victim of unfair competition.

I ask the minister to consider the remarks I have made, and if he is not convinced that the matter of trading stamps is not covered by the Criminal Code, he should amend the code in order to eliminate this evil of unfair competition, so that the small dealer will be freed from annoyances of that kind which are quite detrimental to him and which finally lead to the loss of all that he might have earned as a result of years of hard work.

(Text):

**Mr. Regier:** Mr. Chairman, I have a matter on the first item of the minister's estimates which I really hate to raise because I have to say things about the present Minister of Justice that I never expected I would have to say in this house. It is a question concerning the minister recommending to Central Mortgage and Housing Corporation a list of the attorneys who would be acceptable to the government to act on behalf of Central Mortgage and Housing Corporation. I am afraid that in this matter the government can be charged at least with party politics of almost the worst and most discriminatory kind.

It is obvious from the records that I have been supplied with that a certain lawyer or attorney, a Mr. Irving Freeman, of St. Catharines, Ontario, was placed on a list of attorneys who would be acceptable to the government of the day in May of 1957 to act on behalf of the government in cases involving Central Mortgage and Housing Corporation. I would like to read a portion of a letter sent by the office of the minister's predecessor to Mr. Freeman under date of May 22, 1957. It says in part:

In reply, I am pleased to confirm that on the recommendation of Mr. Cavers, you have been listed on May 13th, 1957, for your share of the legal work of the corporation at St. Catharines.

This, Mr. Chairman, indicates that the practice that the minister is now pursuing was also being pursued by his predecessor. I might add for purposes of identification that the individual concerned, Mr. Irving Freeman, served at one time, as I understand it, as an alderman on the St. Catharines city council at a time when the present member for Lincoln was mayor of the city.