

*Combines Investigation Act*

steady employment at wages which will produce a satisfactory standard of living, including a reasonable measure of comfort. We believe they are entitled to proper working conditions according to present-day standards.

We also believe that all those who are unable to earn their living because of ill health or sickness are entitled to be maintained on a proper standard of living with a reasonable degree of comfort at the expense of society where that is necessary. We further believe our older citizens are entitled to security with comfort in their declining years. Considering the natural resources of Canada and the capacity of the nation to produce, I do not think any fair-minded person would deny that these are reasonable and modest propositions in this day and age.

Therefore I say we approach the question of monopolies somewhat from this point of view. I may say that a monopoly means exclusive possession of certain natural resources, exclusive possession of certain privileges, exclusive possession of certain manufacturing processes, or exclusive possession of a market. We say that those in control must develop our natural resources according to conservation policies laid down by the government which will protect the present and future interests of the people of the country. Second, they must be willing to accept fair labour practices, sell their products at prices that will be fair to consumers and to their competitors, and operate according to a code of business ethics established by law. In addition we say they must be willing to accept a rate of taxation that, over and above other taxes collected from the general public, will provide the Canadian people with at least the standard of living and security I have just outlined. If any monopoly in Canada is willing to operate under these terms and accept the social objectives laid down in this way, we see no particular purpose in bringing it under public ownership at this stage of our economic development. We also say that if any monopoly refuses to operate under these terms then that concern should be brought under public ownership.

I am sure if a reasonable proposal such as that was brought to the attention of the public, and the fact of the refusal of any monopolistic concern to operate according to that code was brought to the attention of the public, not only would we bring these concerns under public ownership with the support of those who adhere to our political and economic ideas, but also with the support of a large majority of the Canadian people. In my opinion we will have to go much further than the Combines

Investigation Act and develop a code of business ethics which will protect workers, consumers and competitors and will have over-all social objectives.

I wish to illustrate what I have said to the house by bringing to its attention the work of a monopoly with which I have had some experience, and in which I am particularly interested. It has developed within its sphere a code of business ethics and social objectives. It is a monopoly controlled by the many and replaced a monopoly controlled by the few. We have illustrations in our modern economic development of monopolies that are working to the public advantage. I can think of the Canadian wheat board, vegetable marketing boards, tree fruit boards, and other monopolies of that type. Before concluding I want to demonstrate the possibilities for the development of monopolies with social objectives controlled by the many in the interests of the many. For a few minutes I want to refer to Tree Fruits Limited in British Columbia, which has a monopoly of the sale of tree fruits throughout the interior of the province, in British Columbia generally, and for export.

What did we find under what some of my hon. friends would term ideal free enterprise conditions, when competition was running wild? Only a few years ago we found unfair practices as between growers, unfair practices by shippers and shipping houses, unfair practices by brokerage houses, and very unfair practices by certain wholesale houses on the prairies, as well as by all those who formed what was known at that time as the fruit selling combine in the western Canadian market. As a result of the operation of that unrestricted free enterprise and free competition, large producing interests, business interests and whole communities in the Okanagan and Kootenay valleys were facing ruin. Because of the lack of any business ethics or a business code, the will and advantage of the majority was defeated at every turn, and the situation became almost disastrous.

Then the producers and various interests in the industry got together and saw the unreasonableness of this unsatisfactory state of unrestricted competition and the unethical nature of the whole process. They took what I would term a positive approach; they said, "We must build up a code of business ethics in the tree fruit industry from the producer to the consumer if we are to have stability within the industry and sell our products to the best possible advantage of all concerned." So they went to the British Columbia legislature, and the first marketing act was passed, setting up the law upon which this