

Combines Investigation Act

Mr. Morton: Mr. Chairman, I cannot refrain from making some comments along the line of those made by the hon. member for Parry Sound-Muskoka. It is surprising that the Liberals should have taken the position represented in this amendment after the long arguments in the committee, after what was said there by the economists to the effect that the problem of loss leading did not exist; after even Professor Cohen expressed doubts about the extent to which the problem did exist and especially after the disparaging remarks made by the hon. member for Bonavista-Twillingate not only about Mr. Gilbert but the group he represents because the group was so bold as to bring forward the fact that there was a loss leader problem.

My hon. friends opposite apparently now have seen the light perhaps as a result of the urging of some hon. members in their own party who are involved in small business. We can assume indirectly by implication from this amendment that hon. gentlemen opposite have now realized there is a problem with respect to loss leaders. If you recall the various arguments they were to the effect that perhaps it would be better in the circumstances to let the manufacturer decide whether the loss leader is disparaging his goods.

Mr. Pickersgill: That has been taken out.

Mr. Morton: That part has, yes. As to whether the loss leader is in fact a problem, the manufacturer himself, who knows the situation, in conjunction with retailers who will speak to him about it, would be a good judge of the effect it is having on trade.

The question of whether this is a better method of settling it or having the courts settle it on the basis of the definition of loss leader given in the amendment which perhaps is another definition that is in the clouds. I refer to whether it is a loss leader or not. Perhaps we should leave it as it is and let the matter work itself out, because in all the discussions in the committee very few of the experts could tell us of the effect with respect to the matter of the loss leader in the present situation where the supply is greater than at the time the present act was put into effect, since the manufacturer is not the only manufacturer of the specific goods concerned, and they are not going to destroy their outlets by arbitrarily withholding the right of people to sell their goods. Therefore, for business reasons, they are going to try to get as many outlets as possible. For this reason they would not use this method unless they took a great deal of caution with respect to the effect on themselves.

[Mr. Aiken.]

Of course, we were criticized over the fact that we had not done away with the theory of price maintenance. On the other hand, there are those who feel that we are doing away with price maintenance in the present suggestions. I urge, Mr. Chairman, on this basis that an amendment such as the Leader of the Opposition suggests would not meet the entire problem, and therefore it would be better to go along with the method which is proposed in clause 14.

Mr. Pickersgill: I want to make a couple of observations about the speeches of the two hon. members, the hon. member for Davenport and the hon. member for Parry Sound-Muskoka, since both of them did me the compliment of referring to me. Both of these hon. gentlemen have been great champions, of course, of the cause of the small merchant and are really anxious that something should be done for him with respect to loss leaders. But I notice that they seem to have greeted our so-called conversion to their views not with the enthusiasm one would expect, but with anguish, because they realize the difference between what the Leader of the Opposition is putting forward and what they were seeking to do is the difference between a straightforward, simple way of doing this thing and something that would create a kind of private law.

I rather think that the hon. member for Davenport gave the whole case away when he said, "There are manufacturers who are—" I forget what he said after that; but he was suggesting, perhaps unconsciously, what he was really thinking about when he referred to "manufacturers" and that it reflected his way of thinking. He also suggested we were not concerned until today about loss leaders. That is not, of course, true, as anyone who has taken the trouble, as I have, to look through the debates of 1951, or the speech of the Leader of the Opposition on the second reading, or the remarks that I made yesterday on this subject which I am not going to repeat but which are contained in the second column of *Hansard* at page 6901.

There is obviously a problem here, a very difficult one. We think the problem has been greatly exaggerated, as I said earlier. We think it would be better to leave the law as it is. But if something is going to be done about this, we think this is the preferable method to the other and I hope the committee is now ready to decide on the amendment.

Mr. Morton: Will the hon. member permit a question?

Mr. Pickersgill: Yes.