

COMBINES INVESTIGATION ACT

AMENDMENTS RESPECTING INSTITUTION AND CONDUCT OF PROSECUTIONS, ETC.

The house resumed, from Wednesday, November 23, consideration in committee of Bill No. 144, to amend the Combines Investigation Act—Mr. Garson—Mr. Dion in the Chair.

On section 1—*Attorney General of Canada may institute and conduct prosecutions.*

Mr. Coldwell: Mr. Chairman, so far as the strengthening of the Combines Investigation Act is concerned, we of the C.C.F. party are thoroughly in accord. As I said in the letter which I wrote to the present Prime Minister on December 4, 1947, we believe not only that the act needs strengthening but also that the combines investigation commissioner should have sufficient staff to deal with what we believe to be the large number of cases of price fixing and combinations we find in this country at the present time. Incidentally I might remark that the act does not deal with the question of monopolies as the anti-trust legislation of the United States, the Sherman Act, does.

We have long felt that if the government and the house believe in competition and free enterprise there should be legislation on the statute book to prevent private monopolies and combinations. I want to be specific; I do not believe the anti-trust legislation of the United States has been successful in meeting the needs of that country in relation to combines and monopolies. The only way to deal with a monopoly is to bring it under some sort of public control. As my colleague, the hon. member for Kootenay West, said yesterday, when an industry reaches the stage where it can exploit a community, at least it should be brought under effective control, which I believe involves national ownership of that monopoly. On the other hand, the majority of the members elected to the house do not believe that; consequently either the act should be strengthened or another act should be placed on the statute book to deal specifically with the matter.

I want to make one or two brief comments about some of the points that have been made in connection with what the minister has said, and what I have said, in this debate.

The minister's defence of the non-observance of a vital clause of the act is based entirely on wartime experience and alleged wartime agreements. That is not the point. The point is that the activities about which complaint is made in the report stem from the years before the war. The practices about

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which complaint is made were carried through the wartime period, and we believe into the period that followed the war. Consequently I do not think his contention if it were accepted is a valid one.

There is no documentary evidence to support the contention that immunities existed. There is nothing in the record except one interesting memorandum of June 21, 1943, indicating that a discussion occurred between the minister, the chairman of the wartime prices and trade board, and certain officials, about the position of the subsidies, their implications, and so on. Let me refer to the paragraph reading in part as follows:

... it may be desirable or necessary to place a minimum price on sales of flour in order to prevent any miller from taking undue advantage of the arrangement to reduce domestic flour prices at the expense of the government.

There is nothing in the record indicating that this was actually brought to a final conclusion. Moreover, I say again, as I have said several times—and I think it has been overlooked—that if the milling industry had told the combines investigator, and had presented substantial evidence of it, either documentary or oral, to the commissioner, that an understanding had been reached during the war concerning these matters and concerning the immunity of the milling industry under the Combines Investigation Act, at that point all further investigation would have stopped, and a report would not have been made of the kind which was to be placed before the people of Canada by the combines investigator.

I have not seen Mr. McGregor since long before this controversy began, but I am satisfied, from what I know of his past work and his reputation in the civil service, that if that had been done, this report would not have been made. I want to be quite clear about that, because it is vital to the discussion.

There is one paragraph in the memorandum of June 21, 1943, which I still find puzzling, and as a matter of fact I think the minister did too. There are these words:

The foregoing is to be treated very confidentially and not made known to either the Administration or to the industry at this time.

In this document, which the minister was good enough to send across to me—it is the one that was omitted from the return—"administration" has a capital "A". Mr. Donald Gordon was present at this conference, and he was the chairman of the wartime prices and trade board; consequently it cannot refer to the wartime prices and trade board. The only interpretation I have been able to place upon it is that "Administration" means that this tentative understanding,