

The Minister of Citizenship and Immigration was of opinion that extreme caution should be exercised before making any changes in merchandising practices which had been in effect in Canada for a considerable length of time and which had, to all outward appearances at least, worked reasonably well.

The Minister of National Revenue suggested that it might be sufficient to mention in the Speech from the Throne that the Combines Committee had submitted an interim report on price fixing and that the report would be tabled in Parliament.

The Minister of Fisheries thought that the proposed amendment to the combines legislation would be extremely difficult to enforce and might therefore have very little practical effect. On the other hand, because of indirect anti-inflationary measures already adopted by the government and for other reasons, many manufacturers and suppliers were now finding themselves caught with very large inventories. This, coupled with growing sales resistance in many lines, would probably have the effect of causing some recession in prices without it being necessary to resort to the proposed amendment to the combines legislation.

The Minister of Finance generally favoured the proposed amendment because even though it might be difficult to enforce, it would probably have the salutary effect of permitting greater freedom in competition on the domestic market.

The Minister of Trade and Commerce also favoured the amendment and thought that it would probably result in reducing somewhat the excessive mark-ups that were now current in certain lines, particularly durable goods.

The Minister of National Defence held the view that the proposed amendment to the combines legislation might have serious economic repercussions and that it might put out of business or at least seriously affect many of the smaller merchants.

Mr. Abbott suggested that it might be preferable to omit reference to the proposed amendment to the Bills of Exchange Act in the Speech from the Throne since there was some possibility that the measure might not be introduced during the course of the special session.

The Cabinet, after considerable discussion, noted with approval the draft Speech from the Throne for the opening of the special session of Parliament as submitted by the Prime Minister subject to certain revisions, particularly the following:

(i) the reference to the Combines Committee's interim report on resale prices to be followed by a statement that the government would introduce "legislation arising out of the committee's interim report"; and,

(ii) reference to the proposed amendments to the Bills of Exchange Act to be deleted.

Privy Council Office  
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RG 2, A5a,  
Vol. 2648

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001581