

*Combines Investigation Act*

years. I am not going to take serious issue with the statements that have been made by certain members who apparently gained some measure of personal satisfaction when they said the Conservative party was being inconsistent. The statements were loose, and I recognize that they were made without care or any attempt to examine the facts.

I would point out that in 1935 the Conservative party introduced a measure which was passed by the House of Commons and the parliament of Canada. I believe that in any examination of this subject it would be well to consider what was done at that time. I urge hon. members to examine that legislation and also what took place afterward. If they do they will see why great caution should be exercised in proceeding with this measure at this time. In 1935 the parliament of Canada passed the Dominion Trade and Industry Commission Act which carried into legislative form many of the ideas incorporated in the fair trade laws of the United States. It was intended to set up a commission to administer the Combines Investigation Act as well as the Dominion Trade and Industry Commission Act. The section of that act which is of particular significance to the discussion now taking place is section 14. In order that hon. members may know what was done and what the position of the Conservative party was at that time, I should like to place on the record that section, which is headed "Price and Production Agreements" and reads:

14. (1) In any case where the commission, after full investigation under the Combines Investigation Act, is unanimously of opinion that wasteful or demoralizing competition exists in any specific industry, and that agreements between the persons engaged in the industry to modify such competition by controlling and regulating prices or production would not result in injury to or undue restraint of trade or be detrimental to or against the interest of the public, or where such agreements exist and in the unanimous opinion of the commission but for their existence wasteful or demoralizing competition would exist in any specific industry, the commission may so advise the governor in council and recommend that certain agreements be approved.

(2) The governor in council may, if of opinion that the conclusions of the commission are well founded, approve of any such agreement, and shall make regulations requiring the commission to determine from time to time whether the agreement is resulting in injury to or undue restraint of trade or is detrimental to the public interest.

(3) The commission shall require persons engaged in the industry to furnish full information relating to operations within the industry under the agreement and may at any time, of its own motion and in its absolute discretion, advise the governor in council to rescind the approval of the agreement and the governor in council may rescind the approval accordingly.

(4) In any case where the governor in council has approved an agreement under this section, no prosecution of a party to such agreement shall be instituted under the Combines Investigation Act or under sections four hundred and ninety-eight and four hundred and ninety-eight A or any other

relevant section of the Criminal Code for an offence arising in the performance of such agreement, except with the consent of the commission.

That section indicated an attempt to bring this type of mercantile practice under supervision and at the same time permit agreements which are described as price-fixing agreements to be brought into effect where it was established that they were not contrary to the public interest. I submit that any agreement which is not contrary to the public interest should be allowed in any event. That should be the one test of the measure now before us as far as safeguarding practices which are actually shown to be in the public interest is concerned. Anyone who is following a practice which is in the public interest should be able to continue that practice.

I assume all hon. members know that section 14 was declared *ultra vires* by the Supreme Court of Canada. The other sections of the act were declared to be *intra vires* of the parliament of Canada, but they never became operative because section 14 was really the key section. I think there were other sections that might have been employed to some advantage, but the fact is the act has been inoperative.

It is important for us to remember that, when this section was enacted, an attempt was made to put into effect in Canada what are described as fair trade practices. An attempt was made to set up in Canada a commission which would permit agreements of this kind to operate where it was demonstrated that they were not contrary to the public interest. The fact that the courts held that this subject matter was not within the authority of the parliament of Canada is one reason I have suggested that, in addition to the caution which members should show in passing the bill, there should be additional caution on the part of the government to make sure beyond any possible doubt that the measure itself is within the powers of parliament. The amendment before the house with the subamendment makes it possible for the government as well as others to examine this question, because they will be able to obtain legal advice, and they will also be able to consult the provincial authorities. Then if it is decided there are constitutional problems involved, as I most certainly think there are, it will be possible for them to lay the foundation for some other procedure which would bring about the kind of result that has been obtained in other cases where it has been found that some subject of general interest to the people of Canada, but which is nevertheless