

*Combines Investigation Act*

in both the C.C.F. party and the official opposition who say that you should not eliminate price maintenance without giving some other protection to the small merchant is to be found in section 498A of the Criminal Code. I am not at this stage going to repeat the references I made earlier to the opinions of highly qualified Liberal authorities with respect to the efficacy of section 498A. But I do want to emphasize that those authorities, a former minister of justice and Colonel Ralston, a prominent Liberal lawyer, stated in most categorical terms that the section would not provide the protection which it was hoped it would.

I want to emphasize the opinion of one who it must be admitted has had more practical experience in the field of anti-combines legislation than anyone else. Mr. Fred McGregor said that it had not been possible in the course of all their struggles with the problem to devise effective legislative protection against loss-leading practices. At no stage in the course of all his evidence before the committee, either in the reading of his brief or in the answers he made to searching and exhaustive questions which were directed to him as to the dangers of loss leaders, did Mr. McGregor say that section 498A was the answer. Nor did Mr. McGregor at any stage say that prosecutions had been instituted under section 498A, because in fact no prosecution has ever been brought under that section.

It seems to me that the experience as well as the opinion of these highly qualified observers and experts in this field indicate that section 498A is not going to be the answer tomorrow, any more than it was the answer yesterday; and that the only protection the retail merchant now has against the practice of loss leading and against the power of the big monopoly interests is his own system which he has worked out of resale price maintenance.

We are prepared to recognize that there are questions of policy as well as questions having a practical effect which make it questionable whether it is desirable to leave the protection of resale price maintenance in the hands of private individuals. We sat in the committee and moved a resolution that consideration should be given to enacting legislation along the lines of the fair trade laws in the United States as one answer to this problem. We repeat that here.

We are not quite able to agree with the amendment put forward by the C.C.F. party because it looks to us a little too much like a system of government price control, but I think I would be correct in saying that we do

[Mr. Fulton.]

appreciate their thought that there must be some other form of protection for the merchant if this form of protection is removed.

Since this matter is now before the house we in no way modify our position that the legislation is being proceeded with with undue haste and after insufficient investigation. We in no way modify our statement that it is suspicious that the legislation should be pressed for and urged by the most powerful interests in the retail field in Canada and opposed by every one among the thousands of independent retail merchants. We do not modify either of those positions. We do say that if the legislation goes through in its present form without any other form of protection having been provided, the government will be playing into the hands of big business.

We again entreat the government to delay for a short while the enactment of this measure while they look into the possibilities of providing a form of public protection or protection through public laws which the merchant now finds exclusively under the private system of resale price maintenance. For that reason we ask that the legislation be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the introduction of legislation providing for a fair trade commission.

If the government has at heart the interests of the small men, or I will put it this way: Unless they are prepared to say that every opinion expressed by independent merchants is not worthy of consideration or is not an accurate expression of the views which they put forth, then I say they cannot in good conscience reject those pleas and proceed with hardened minds and hearts down a road which will result in the enactment of the bill in its present form.

**Mr. George A. Drew (Leader of the Opposition):** Mr. Speaker, the motion now before the house as amended would give an opportunity to all hon. members to express their opinion as to whether time should be given for the consideration of this problem, without fixing any definite time limit, and also whether consideration should be given to the setting up of a fair trade commission. It will be recalled that when the leader of the C.C.F. party introduced his amendment this morning I asked certain questions which were intended to clarify the real intention of that amendment. It was not particularly clear in my mind even after he had answered as to what was intended. However, this afternoon he has cleared up what is the thought behind this basic amendment. He