

of news print was greater than it should be, consistent with a fair profit to the manufacturers. The commission found there was a combine and then it was a question of what remedy should be applied. This was a very important industry, employing directly and indirectly a great number of persons and instead of punishing the combinesters by the criminal law, the government simply reduced the duty on paper. The duty was imposed on paper to encourage that particular industry, and yet the government undertook to destroy the industry instead of prosecuting the men who were guilty of the crime.

Mr. PATERSON. The hon. gentleman (Mr. Fowler) is mistaken; the commission reported that a combine existed; that the combine had unduly raised prices; and that the combine had been able to unduly raise prices because of the duty. It was then for the Governor in Council to consider whether paper should be put on the free list or whether the duty on it should be reduced so as to give reasonable competition.

Mr. FOWLER. It would not be necessary in order to prove that the combine was able to raise the price on account of the duty.

Mr. PATERSON. It would not be necessary under the criminal law, but under the tariff law which we are now considering it is necessary.

Mr. FOWLER. My point is that you took the wrong course. You should have put the criminal law in motion, and then it would not be necessary to refer to the duty at all.

Mr. FIELDING. My hon. friend says that we took the wrong way—

Mr. FOWLER. You should have employed the criminal law instead of reducing the duty.

Mr. FIELDING. We took the only way we could under the tariff law, and we followed exactly the machinery which is prescribed in the Act.

Mr. FOWLER. Do you say you could not proceed criminally?

Mr. FIELDING. The Act says that if the judge reports that such combination or agreement exists, and if it appears to the Governor in Council that such disadvantage to the consumers is facilitated by the duties of customs imposed on a like article when imported, then the Governor in Council shall place such article on the free list or so reduce the duty on it as to give to the public the benefit of reasonable competition in such article. Now, we did exactly what the statute requires us to do under the circumstances. What the newspaper men

wanted was not the punishment of anybody but the reduction of the duty on paper.

Mr. FOWLER. They wanted a reduction in the price.

Mr. FIELDING. Exactly, but they were sensible men and they knew the duty had a good deal to do with the price. They got what they wanted and they got it under the machinery provided in this Act which we are now discussing. They could not have got it in any other way.

Mr. FOWLER. Yes they could. If the criminal law had been appealed to, those who combined would be punished; the price would have fallen and the industry would not be injured.

Mr. FIELDING. What the newspaper men wanted us to do was to reduce the duty.

Mr. SPROULE. Does the minister remember that last summer the plumbers in Toronto were charged criminally with combining in restraint of trade, and immediately the combine was dissolved and the price went down? Would not the same thing follow a criminal prosecution in this case?

Mr. FIELDING. The proceedings against the plumbers' combine were not taken under this Act.

Mr. SPROULE. They were taken under the Criminal Code.

Mr. FIELDING. We are now discussing a particular tariff item and I say that the printers asked us to proceed under this Act and not under the Criminal Code. I may say that there was imported into Canada last year from the United States only \$5,000 worth of that kind of paper. That would not run one good printing office in Canada more than a couple of months and a large printing office more than two days.

Mr. PATERSON. I might point out to my hon. friend from East Grey. (Mr. Sproule) that he should have taken this objection before. He has been a party this very session to this provision in the statute and voted for it.

Mr. SPROULE. When?

Mr. PATERSON. Why, when it was introduced a few nights ago. He is a party to putting in this very provision.

Mr. SPROULE. This is the only time I happened to be in the House when it was considered.

Mr. PATERSON. Then the other gentlemen should never have agreed to this being in the tariff law, but should have said: Throw it out, you have the criminal law. He has been a party to making this a part of the tariff law. The time to object was when it was proposed to put it in the tariff.