

*The Budget—Mr. Croll*

accumulating misunderstandings, and during the time that this parliament is recessed could vastly increase the difficulties with which we are confronted.

Therefore, Mr. Speaker, leaving the details for another occasion—and it is certainly my intention to enter this debate and deal with the financial aspects of the budget later in the course of these discussions—leaving the details for the present, simply having sought to place before the house the problems that are before us, without in any way attempting to indicate all the things that have been said, which must have caused concern here in this house, I appeal to the Prime Minister of Canada to say definitely, without any reservation, before we adjourn for the Easter recess, that he will extend an invitation to the premiers of the ten provinces before the end of May to a conference here in Ottawa so that, with that measure of good will which we have been extolling on other occasions in this house, we may seek to rebuild that federal structure of which we are all so proud.

**Mr. David A. Croll (Spadina):** Mr. Speaker, I am sure that no one in this house will expect me to follow the main theme of the Leader of the Opposition (Mr. Drew), and I will not disappoint. I intend to discuss some aspects of the budget. I have already heard the budget described by opposition members in many terms. Some have been more colourful than others; but I think it could be most fairly described as one favouring free competition.

The underlying philosophy was reiterated by the Minister of Finance (Mr. Abbott) when he spoke on the Canadian Broadcasting Corporation's weekly press conference. He is reported in the *Gazette* of April 3 to have said:

In the long pull an industry that cannot meet competition must cease to operate.

It is quite clear now that the budget provided no comfort for the protectionists. The minister repeated in the best Liberal tradition that high tariffs are a luxury that we in Canada cannot afford, and that our prosperity and high standard of living is largely dependent upon a high volume of trade outside our own borders and a large consumer demand at home.

In so far as it was possible under present economic conditions, the budget removed the tax element from competition, and by its underlying philosophy gave hope that in the future more will be done to make our goods more competitive at home and attractive abroad. The combines act, particularly the abolition of retail price maintenance, has

[Mr. Drew.]

brought about a greater competitive spirit in our economy and a direct benefit to the consumer. Some manufacturers have already started to cut costs, to promote efficiency in distribution and to rely on quality. Others are still not convinced, would rather not go to the trouble to work and hustle, and recently, through their spokesmen and in other ways, they have turned their big guns on combines legislation.

On the one hand, we have the view of a representative section of big business that combines and monopolies are not so bad after all. Indeed, the view is put forward in some sections that the combines investigations are nothing more than a witch hunt. That is the opinion of Mr. R. M. Fowler, president of the Canadian Pulp and Paper Association, as reported in the *Toronto Telegram* of January 30 last. Mr. Fowler even goes so far as to ask the question:

Do we really want the law of the jungle to govern the business life of Canada?

By this I take it that he is comparing the law of the jungle with free enterprise, and that he is opposed to both of them. That is surely a surprising position for the spokesman of Canadian industry to take. On the other hand, we have the opinion of Mr. Justice Schroeder, of the Supreme Court of Ontario, in the recent rubber combines prosecution to this effect:

By their plea of guilty, the accused have admitted that they were parties to an arrangement, the proper object of which was to impose improper, inordinate, excessive or oppressive restrictions upon that free competition, to the benefit of which the people of this country were entitled. Inherent in these illegal agreements of the accused companies are features so obnoxious to the welfare of the community that, if extended, the effect upon the public might become disastrous.

Faced with two such conflicting views, the man in the street may be forgiven if he is confused and uncertain as to the meaning and the purpose of combines legislation, and he asks himself, whether the combines legislation is a boon or a bane. Is the combines branch engaged in a witch hunt? That is one of the matters I intend to discuss this afternoon.

We have had anti-combines legislation in Canada since 1923. The act was amended in 1951 to forbid the practice of resale price maintenance. Then it was very carefully overhauled in 1952. Many hon. members who are here now will recall that. Since the Combines Investigation Act was passed in 1923, reports of 35 investigations have been published. Nineteen of these investigations have taken place since 1945, and a large number of prosecutions under the act have been conducted over the years. There is no question that the act has been vigorously