

*Combines Investigation Act*

we wish to bring service into it, and a similar article in another store at a lower price where such service may not be provided.

I heard references made in the committee to a firm in Ottawa called Absell which was described as a discount house or a store that sells a lot of loss leaders. Of course, I do not know if that is the case. However, some hon. members of the present government are among the clientele of Absell. They have been known to enter and make purchases. Certainly they want to exercise the freedom of selection as does anyone else. I also understand that the Minister of Citizenship and Immigration has made purchases there.

**Mrs. Fairclough:** On a point of order, Mr. Chairman, that statement is not true.

**Mr. Howard:** Oh, that is perfectly all right. In any event, that was what was said. The amendments offered by the minister deserve complete and outright rejection. Inasmuch as the amendment introduced by the Leader of the Opposition attempts to meet a bad situation foisted on us by the government it is deserving of support.

**Mr. Aiken:** Mr. Chairman, the amendment just moved by the Leader of the Opposition represents the most amazing about face I have witnessed in a long time. Throughout second reading of the bill and throughout the meetings of the committee the attitude of the official opposition was that loss leading is not causing any difficulty, that it cannot be defined, that small business only thinks it is being mistreated through loss leading and that in fact this entire piece of legislation being introduced by the government is bad. Every witness who stated that there was nothing particularly wrong with loss leading was supported by hon. members of the Liberal party and every witness who said that loss leading was causing trouble was opposed.

The opposition of the Liberals occurred right up until yesterday and this morning, but now there has been a reversal of attitude. The evidence of Mr. Gilbert of the retail merchants association was castigated throughout the hearings of the committee because he said that loss leading was a problem and deserved to be dealt with. Mr. Gilbert who has been maligned, to say the least, by hon. members of the opposition, in his evidence proposed that he would much prefer to see the outright repeal of section 34 which is almost entirely the same proposition that is being made now. It is most difficult to understand the reversal of the position of the Liberal party.

The Leader of the Opposition in his introductory remarks said he felt that if the government was going to insist on something

being done it should be gone into to the full extent. Throughout the whole argument on loss leading the government has managed to show that some balance is required in this difficult situation. In 1952 the Liberal party brought in legislation which outlawed retail price maintenance. We feel that the absolute outlawing of it was wrong, that it went too far and that it created other difficulties. We believe that the legislation now introduced will have some leavening effect on the whole situation. To absolutely outlaw loss leading in my opinion would be to swing entirely the opposite way.

It appears as though the Liberals want to swing the whole way, one way or the other, depending on which side they support. They appeared to be on one side in 1952. They appeared to be one side yesterday and this morning, but this afternoon at 5.15 they appear to have swung right over to the extreme opposite side of the position they formerly took.

I believe the legislation now being introduced is good legislation. As far as loss leading is concerned it is no offence now under the law for a person to put goods on sale in an effort to sell them. It is no offence to put cheap goods or non-brand name products on sale. It is no offence to use such products for low price sales, even to the point of their being loss leaders. To do so is not an offence under the present law nor should it be. When a product is being used to the detriment of the manufacturer a person can have action taken against him under certain conditions.

Certainly a manufacturer who has spent much money on the research and development of a product and on advertising it, does not want the product put on the market to be sold as a loss leader or as a cheap product nor do the other retailers want this. This is the crux of the whole situation. A retailer selling a brand at a price which is fair and which provides a reasonable profit can surely expect that his competitors will sell the same brand at a reasonable price. If a product costing \$1.25 is being sold for \$1.59 in one store and for 59 cents in an adjacent store it is certainly of no benefit to small business or the other retailers. It gives the public the impression that the man charging the higher price is making an unduly high profit which is not the case.

I feel that the amendment proposed by the Leader of the Opposition would go too far the other way. I do not know how a loss leader could be defined. I think the effect of this would be to hurt the consumer. I say no more at the moment except that I would oppose the amendment and again I express amazement at the way it was introduced.