

Honourable senators, free enterprise also is based upon the same fundamental principle of "la liberté des conventions," or "freedom to contract." In certain quarters it is now assumed for the first time that vertical price fixing is an evil in itself, that it is the negation of the system of free enterprise. I submit, on the contrary, that price fixing by individual suppliers is a commercial custom sanctified by immemorial usage and that it essentially forms part of free enterprise. Of course, honourable senators, I can understand very well that all those who wish to destroy free enterprise—and among them I would include in particular the C.C.F.—favour anything which might tend to replace our liberal economy by some form of totalitarianism. Though they preach a state-controlled economy—what I should call a pink strait-jacket—these supporters of the MacQuarrie recommendations contend, as do the commissioners themselves, that the prohibition of vertical price fixing will promote free competition and economic efficiency, and that it may lower prices somewhat. But nobody has much illusion about that.

I am not a professional economist, but as a defender of our liberal economy, as a firm believer in true and sound Liberalism, as it was understood in particular by the late Sir Lomer Gouin and his fellow Liberals of the time, may I make one or two additional statements? I know that many persons, better informed and more experienced than I, share my views on this matter.

To appease the clamour for price control—without wage control, of course—the government offers as a New Year gift to Canadian consumers the bill which we are now discussing. It is presented as a contribution to the fight against the high cost of living. However, nobody believes that it could possibly have any appreciable effect in reducing the present scourge of inflation. Of course, I am opposed to any abuse of the custom of price fixing, but the outlawing of even reasonable use of that custom will destroy the commercial stability which we now enjoy. I am thinking of conditions in my own province, with which I am most familiar. Commercial stability may have some disadvantages, but it is essential to our prosperity. At any rate, I believe that no one would wish to replace it by anarchy. The banning of any use whatever of the system of retail price maintenance would reintroduce into business the principal of the survival of the fittest: the law of the jungle.

Mr. McGregor, the former Commissioner under the Combines Investigation Act, a most conscientious theorist, has the frankness—and I congratulate him upon it—to admit that the amendments proposed in this bill

would eliminate the so-called inefficient distributors by reducing the number of outlets of distribution, which supposedly exceeds the number that the MacQuarrie Commission considered theoretically necessary.

To put it more plainly, one effect of the amendments based on the commission's philosophical thesis would be this: In Montreal, for instance, small groceries at the street corners would disappear—to the advantage of the chain stores, which possess the purchasing power of big business. The small druggists close to our homes would lose money, and some of them would be obliged to close their stores. How many bankruptcies there would be, Mr. McGregor does not know, nor do I. But in Montreal, in the constituencies inhabited by the middle class and by workers, proprietors of small businesses, including grocers and druggists, are most apprehensive of the result of the measure now submitted to us.

Vertical price fixing is denounced at page 8 of the interim report of the MacQuarrie Committee, which adopted the argument of the British Board of Trade that I mentioned a few moments ago. I do not know exactly the conditions that prevailed in the thirties or that prevail today in the British trade; I keep my eyes fixed on Canada.

On the question of Canadians being driven out of trade by action taken behind closed doors, and not being allowed recourse to the courts, I shall refer to a few cases which indicate the situation in our own labour world. But I first wish to quote section 497 of the Criminal Code:

The purposes of a trade union are not, by reason merely that they are in restraint of trade, unlawful within the meaning of the last preceding section.

The last preceding section there referred to is section 496, which I have already cited, and which has to do with conspiracies to commit an unlawful act in restraint of trade.

By section 4 of the Combines Investigation Act trade unions are, and quite rightly, protected. The section reads:

Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen and employees.

On the subject of labour combinations a decision was given by the Supreme Court of Canada fifty-five years ago in the case of *Perrault v. Gauthier*, (1897) 28 S.C.R., 241. In some stone quarries of Quebec members of a trade union refused to work with a non-union man. One non-union workman lost his job, and he was thus prevented from obtaining further employment. The Supreme Court held that he had no action for damages against members of the trade union. The