

Hon. Mr. Howden: I apologize for disturbing my friend again.

Hon. Mr. Isnor: You are not disturbing me.

Hon. Mr. Howden: If, for instance, each article was sold at one price all over the country, there would be no competition. Do you not think that a system of comparative prices is the basis of competition?

Hon. Mr. Isnor: I can answer that question by offering an illustration. If you look at tonight's *Ottawa Journal*, for instance, you will most likely see there an advertisement by a well-known shirt company, such as Tooke, or Cluett Peabody, who manufacture the Arrow product, or Forsythe or some other well known make. The average retail buyer will look over the articles of these various firms, and decide which is the best product. The fact that all may be sold at \$3.95 does not, in my opinion, eliminate competition. A buyer might prefer the product of one firm because of quality, fit or size. That is the basis of competition, as far as the manufacturer is concerned. Another customer may have a preference for a large-body shirt, and one of the manufacturers I have mentioned may specialize in such a product. Naturally that buyer will buy shirts bearing that particular trade name, regardless of whether they are sold at the same price as other makes or not. On the other hand, a customer may prefer a slimmer-cut shirt, and a closer fitting collar. Competition is clearly shown by the selection by purchasers of the product of one particular manufacturer.

Hon. Mr. Stambaugh: Do you not think that if one brand of shirt was sold at \$3.50 instead of \$3.95, it would make a difference?

Hon. Mr. Isnor: I do not think it would make any difference, for most manufacturers talk quality rather than price. They sell honest goods at honest prices, and they operate as close to the margin as possible.

Hon. Mr. Stambaugh: Then why is it that when a store advertises goods at less than the usual price, there is a crowd at the store before the door is opened?

Hon. Mr. Isnor: They are not standard makes of products.

Hon. Mr. Stambaugh: Yes, but they sometimes advertise standard makes.

Hon. Mr. Isnor: I offer this observation, that it is a trait of human nature to do what my friend referred to. When a store advertises a shirt formerly sold at \$3.95, for \$1.95, the crowd naturally turns toward that store and for the time being a great many purchases will be made there; but when the buyers return home they may find their bargain is

not what they expected it to be. It is altogether likely that they will find the shirt skimpy in some places, or that it is tight in the collar or has other defects.

Now I will deal directly with the general principle of resale price fixing. I do not believe that any action that may be taken, no matter what it is, will have much effect in so far as the over-all question of inflation or high prices is concerned. The abolition of price fixing may for a while—through sacrifice sales and price wars—result in lower prices to the consumer; but this situation will quickly stabilize itself and result in no actual saving to the consumer. Perhaps that will answer the question of my friend from St. Boniface (Hon. Mr. Howden).

Like others, I have every respect for the high standing of the gentlemen who compose the MacQuarrie Committee. But one must remember that the manufacturer and wholesaler, as well as the retailer, must depend for success on the giving of satisfactory service. I was pleased to hear the leader opposite (Hon. Mr. Haig) express that thought, for only by the giving of service can a man remain in business. The manufacturer, endeavours to produce an honest article at a reasonable price, and he spends considerable money in making his product known to the public, often through the medium of a brand name which denotes quality and value. This name is a safeguard to the consumer. The manufacturer then distributes his product through either a wholesaler or retailer, and in suggesting a resale price he is carrying out a policy which he believes is not only to his interest in maintaining the high standard of his product, but which also offers protection to both the retailer and the consumer.

There is no doubt in my mind that when a buyer sees a well-known brand on an article which has built up a reputation for quality, and on which the price is the same right across Canada, it inspires confidence; and, in 99 per cent of the cases I believe the branded article offers honest value and real protection, as compared with an unbranded article produced simply from the standpoint of price.

I wonder whether the MacQuarrie Committee, the Department of Justice or any branch of the government, could tell us exactly what percentage of merchandise sold by the manufacturer, wholesaler or retailer, is included in the price maintenance class. I venture to repeat my remark of a few moments ago, that not 10 per cent of the average sale of merchandise in any one centre in Canada comes under that heading. In view of this situation I again say that I question