

*Combines Investigation Act*

**Hon. Stuart S. Garson (Minister of Justice):** Mr. Speaker, I have listened with a great deal of interest to the remarks of the last speaker (Mr. Macdonnell) in which he re-echoed, perhaps with somewhat greater skill, remarks made previously in this debate. Before resuming my seat I hope I may deal with this matter in a way that my friend will at least regard as serious. If he did not regard my previous effort as serious, it may have been in part because I was constrained to answer, extemporaneously, criticisms which had been made by members of the opposition after the Minister of Trade and Commerce (Mr. Howe) had succeeded in making, on the motion to go into supply, the statement which from the beginning he thought should be made, coincident with the tabling of the flour report. At that stage members of the opposition entered into the debate, as was their right. That debate required a reply, which it was my task to deliver in the course of some forty minutes. As I then said, it was a difficult thing to do, because several hon. members had spoken; each had presented different arguments, and in forty minutes it was impossible to answer effectively all the arguments they had advanced. Had it not been for the good temper of the house in permitting me some additional time I should not have been able to deal, even inadequately, with the matter of the report itself.

But, sir, I apprehend that I am under no such disability this morning, because on this occasion I am the minister replying to what in substance is a motion of want of confidence in this government, and I am not restricted as to time. Not being so restricted, before I resume my seat I hope to be able to answer my hon. friend's accusations point by point and to convince him, sceptical though he may be, that there will have been a serious attempt to cover all the points which have been raised by various opposition speakers.

In the course of dealing with the way in which this matter has been handled by myself as Minister of Justice, however, I do not want to avoid coming to grips with the real issue presented to the house by the amendment which has been moved by my hon. friend the leader of the opposition (Mr. Drew); and if I may I should like to deal with that matter first.

We have here, first of all, a motion for the second reading of a bill to amend the Combines Investigation Act. One gratifying feature about the proposed amendments to the act is that while members of the opposition have attacked the government on all sorts of other grounds, such as those advanced by the hon. gentleman who has just taken his seat, few if any have criticized government

policy as set out in the bill now before the house. Indeed, most of the references in the speeches of members of the opposition would indicate that they are in favour of these amendments. Yet some of them have said they will not support the motion for second reading of this bill but will support the amendment of the leader of the opposition, under which its subject matter would be referred to the standing committee on banking and commerce for recommendations upon what can only be government policy, and also for criticisms of the actions of the government in this connection. Therefore I should like to come directly to the heart of the controversy concerning the flour report itself.

Everyone is agreed, I think, that the report discloses no offence or alleged offence by the milling companies following decontrol. It is true that, coincident with decontrol, right at the time of decontrol, the flour report alleges that an offence was committed against the act; that was in September, 1947.

On the one hand we have the version contained in the flour report prepared by Mr. McGregor. He has said later that he does not place particular emphasis upon this 1947 decontrol agreement; that while it was the uniform increases in prices which he attributed to that agreement which first caused his suspicion that there had been some sort of agreement contrary to the Combines Investigation Act, nevertheless this alleged agreement was regarded by him only one of a series of agreements.

On the other hand, in connection with that same alleged agreement, in my office on October 22 of this year, in the presence of Mr. McGregor, Mr. Donald Gordon and myself, Mr. K. W. Taylor, the present chairman of the wartime prices and trade board, pointed out that at the approach of decontrol this government was greatly concerned about the large increase in the prices of flour and millfeed that had taken place in the United States, and was as anxious as it could be that in this country we should avoid equally large increases. Therefore, though at that time the government had suspended the price ceiling in that industry, Mr. Taylor was instructed to go to Mr. Short, the flour administrator, and tell him that the government would look with extreme disfavour on any undue increase in the price of flour and millfeed then in the process of decontrol, and that the government desired that increases following decontrol in the prices of those commodities, which every informed person regarded as inevitable, should be kept to an absolute minimum.

With that in view, Mr. Taylor, on the initiative of the government and of no one else,