

Bait and switch is an old trick which people without a good product to sell or people trying to lure customers into the store frequently use. It is used on the unaware consumer and has brought great profits to certain people who have no conscience about using the technique. It has brought great hardship and unhappiness to the consumer. Bait and switch is a technique which takes advantage of less consumer educated people. Often they are lower income Canadians, and I am pleased to see that this bill deals with this situation. The old practice of saying, "We are going to have television sets at \$89 each; you must come and get these beautiful 27 inch television sets," and then, after 500 people have rushed in, saying, "We are sorry but we only had three sets at that price; now that you are here, come and buy this 21 inch set for \$500," is to be forbidden. This practise will not be tolerated. You must have an adequate supply of whatever you are advertising in stock. You must prove that you really mean to do what your advertising says, and that you are not just luring in people who hope to buy something at bargain rates, when the truth is that there are no bargains. In fact, the advertiser knows darn well he can't afford to give such bargains.

Clause 37(1) of the bill, Mr. Speaker, carries the merchant's responsibility a step further. It would be an offence for anyone who advertises a product for sale at a specified price to sell that product at a higher price during the period and in the market to which the advertisement related. Again that is a significant move. You cannot put an advertisement in the paper on Monday, and then when people go shopping on Thursday, having read your advertisement, say to them that that price was only good for Monday and Tuesday. You will not be able to do that; you will not be able to highjack people in that sense anymore.

The other part of clause 37 is intended to provide new ground rules governing the practice of employing lotteries or other types of contest to promote sales of products. This is something that is all too often used on the consumer. The advertisement will say, "Win a bicycle for your child," or "Win a trip to Nassau," or something like that. All you have to do is fill in the form, read the ground rules and answer that easy test question at the end, then you will win. Often even more glorious prizes are offered. The advertisement will say that you can win \$100,000, that there are many prizes. Under this legislation you will have to show what the odds are. No longer can everybody be given this false hope and so be induced to buy a product which they may not want or cannot afford. No longer will they buy a product that is more expensive than it ought to be because by buying it they can indulge in a dream which will never come true. After many disappointments, consumers become very disillusioned. They have wasted their money and they become bitter about the product involved.

If I may now leave the misleading advertising part of the bill which deals with the direct approach to the public, I should like to deal with two other areas of great importance in this bill, namely action to control referral selling and pyramid selling. Pyramid selling, as you know, operates much as a chain letter operates. The people at the beginning make tremendous gains, if it works. The idea is that you must keep on "suckering" more and more people into the scheme and broadening the base. The regular Joe who has been sucked into the scheme loses his money, has

Competition Bill

nothing to gain, and the people at the top walk away with the windfall gains. These schemes will be closely restricted under this act.

The second area is that of referral selling. I am talking about the sort of situation in which the vacuum cleaner salesman comes to the door and says, "I have a vacuum cleaner for you; it is only \$800." The housewife gasps, says it is a beautiful vacuum cleaner, but how can I possibly afford \$800? Within one hour and a half that salesman may have that woman selling 80 vacuum cleaners to her friends, neighbours and relatives so she can afford to buy the \$800 one. That type of selling will end. That is one of the most significant parts of this bill.

I am pleased also to see that this bill, when passed, will give the restrictive Trade Practices Commission power to act against abusive practices such as refusal to deal, consignment selling, exclusive dealing, tide sales and market restrictions. These may be terms unfamiliar to many Canadian consumers. So, if I may, I will touch on them briefly.

Let me talk about refusal to deal. The supplier of a commodity may be angry with a retailer because the retailer has not been maintaining the price, or there may be some other reason for his anger. The supplier may, therefore, refuse to supply that retailer and thus affects his position unfairly. That will not be allowed to happen. The Restrictive Trade Practices Commission can investigate practices like that and, if needed, action will be taken. The people responsible for the abuse will be punished.

Consignment selling has sometimes been used to get around the prohibitions of resale price maintenance and price discrimination among a seller's customers. If appropriate the commission may order, in any given situation, that the practice be stopped or modified. Let me interpret that. For instance, if you are a large supplier you can go to a number of the major chains and say, "We will give you a price advantage because you are dealing in large volume." If you are selling 80 per cent of your volume to large retailers and selling only 20 per cent to smaller retailers I do not understand how you can sell 80 per cent at a low price and leave 20 per cent of your market at a price disadvantage because the small retailers handling the 20 per cent are not selling as much as the large chains which sell 80 per cent. I hope that this bill will be effective in stopping that kind of price discrimination.

I very much support the principle used by the bill for dealing with exclusive selling. It will prevent the supplier from making exclusive contracts with retailers in which there will be certain boundaries within which that product will be sold exclusively by one retailer. Under that practice there are no overlapping boundaries and there is no competition between retailers with regard to that product. This situation is prevalent in the automotive field. It is not fair and must be stopped, especially as large scale advertising creates a special demand for the product in the minds of the public. Therefore, I think what the bill does in this regard is very important.

I should like to see amendments dealing with certain abuses to which I shall refer. Perhaps this could be done in committee. I am talking of a practice that is very similar to exclusive dealing. For instance, in Ontario you might be