

Competition Bill

policy. He is naive indeed if he does not think, for example, that the entire distribution system of goods in this country is at stake here. He went on to say:

Of course, this is not to deny the right of interested parties to appear before the committee. But I am not anxious to be party to a procedure which sees the effective implementation of this bill delayed for a long period of time while many of those groups which have already had a substantial say in the formulation of the government's basic, philosophical approach come back to have another crack at it.

The hon. member says that many of these groups have already had a substantial say in the formulation of the government's approach. I have no doubt that members of the NDP are much closer to the government than I am or my colleagues. He may have been privy to all this input; others of us have not had this advantage. He may have been talking about the 1971 competition bill. I hope he does not rely solely on the evidence presented at that time to justify rushing this bill in and out of the committee. He and the minister and their respective colleagues may ignore some of the warning lights in the bill. I think of federal-provincial jurisdiction. I think also of the possibility of strict liability. I think of a commission that may be judge, jury and prosecutor rolled into one. I give just these few examples of the dangers one might find in this legislation. The minister said yesterday, as reported at page 480 of *Hansard*:

● (2130)

—I look forward to the committee study of the bill where there would be an even greater opportunity for me to deal with hon. members questions, ideas and suggestions and to discuss these with them, as well as the various proposals of the bill, in full detail.

I assure the minister that I, too, look forward to the committee study, but I say most frankly that there are others in whom I have more confidence than the minister whom I wish to hear questioned—persons and associations representing business and consumer interests and I hope, also, provincial governments will be given a chance to express their opinions. I think this claim of necessity for haste is partially, if not totally, answered by an editorial in the *Financial Times* of November 12, 1973, headed, "No Paper Tiger". This editorial, which is short, reads as follows:

Anyone who has been misled into regarding the new amendments to the combines act as a paper tiger should take a second look. The detailed report on the following two pages shows that the new minister and new staff of the Department of Consumer Affairs have learnt a lot from the demolition of Ron Basford's doctrinaire 1971 bill. But they have still adopted considerable chunks of it, and their bill demands equally searching examination.

Mr. Basford's 1971 competition act was the supreme example of the academic and theoretical approach to government which was the hallmark of Mr. Trudeau's first ministry. Herb Gray's more modest bill is just as typical of the strictly political approach Mr. Trudeau has adopted in the last year.

The amendments to the combines act are presented, blatantly and officially, as a response to the wave of consumer complaints about inflation. They are designed to ease Beryl Plumtre's lonely position as the government's lightning-rod—or, if you will pardon the expression, whipping-boy. At the same time, an attempt is made to placate business by withdrawing Mr. Basford's outrageous plan for a tribunal with authoritarian power over business dealings.

But Mr. Gray's bill would also give a resurrected Restrictive Trade Practices Commission the power to make orders enforceable in the courts, over an important range of established business practices. Oil companies and service stations are only one of the most obvious cases

[Mr. Jarvis.]

in which the prohibition of tied sales and exclusive dealing might compel new arrangements to be made.

The new rules on price maintenance and price discrimination are, mercifully, an immense improvement on Mr. Basford's bill. But they are not soft. Nor, let it be noted, has Mr. Gray given up the wider aims of the Basford bureaucrats. He has merely postponed them to a future "Stage Two" of uncertain date.

His policy proposals anticipate an eventual need for "a more flexible, quicker and thoroughly expert investigation and enforcement machinery;" reform of the Restrictive Trade Practices Commission to make it "more efficient" and development of an "efficiency test" for business agreements and acquisitions.

It would be wise to look behind the arras before starting to pet the tiger.

I urge the minister to agree that a four to six weeks period before the committee study is not only reasonable but advisable. The one area of the bill with which I wish to deal tonight is the refusal to deal, refusal to supply or refusal to sell, whichever we want to call it. This part of the bill is dealt with in what I call the blue book, "Proposals for a new competition policy for Canada", at page 44, the first paragraph of which reads as follows:

Businessmen who have been unable to get supplies needed for their operations on ordinary trade terms have submitted many complaints to the director in recent years. In some cases, these are comparatively new entrants to a market and in others they are established firms whose supply lines have been disrupted after developing the market for the product involved.

In the majority of cases the firms adversely affected are relatively small although their credit may be good and they are willing to take delivery in acceptable quantity . . . Alternatively, the refusal to supply may reflect the supplier's decision to undertake or increase its own distribution and eliminate competition in the resale of its product.

It goes on for approximately half a page to speak about illegal retail price maintenance and the fact that current legislation cannot deal adequately with the problem. The final paragraph deals generally with the commission and the powers it has to meet this problem.

Last year, in the *Toronto Globe and Mail* of December 6, there appeared an article by Professor Donald N. Thompson of York University. As some hon. members know, he is a member of the advisory committee to the Minister of Consumer and Corporate Affairs on competition policy and has served as consultant to the U.S. federal trade commission and the U.S. department of justice on anti-trust and trade regulations. The first paragraph of this article reads as follows:

Buried in the middle of the new competition bill introduced recently by Consumer and Corporate Affairs Minister Herb Gray is a short section on refusal to sell, which could have a tremendous impact on the way products are marketed in Canada, on the prices paid by consumers, and the shopping alternatives open to them.

This provision was also buried in the middle of the minister's address yesterday and in the speech by the NDP spokesman, the hon. member for Toronto-Lakeshore. In the minister's statement yesterday there are two short paragraphs at page 482 of *Hansard*. The first deals with the practices dealt with in the bill which are: refusal to deal, consignment selling, exclusive dealing, tied sales, and market restrictions. The minister indicated that such practices could be used to prevent the free operation of market forces and limit the consumer's choice. The second short paragraph indicated the minister's opinion of the RTPC's power to handle this problem.