

Combines Investigation Act

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section 11 of Standing Order 75, the recorded division on motion No. 21 stands deferred.

The House will now consider motion No. 23, standing in the name of the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved:

Motion No. 23.

That Bill C-2, an act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 19 by striking out line 21 on page 43 thereof and substituting therefor the following:

"may be instituted at any time within two years after the".

Motion No. 23 (Mr. Ouellet) agreed to.

The Acting Speaker (Mr. Turner (London East)): I believe there is unanimous consent for the Minister of Consumer and Corporate Affairs to introduce a new motion No. 5. With unanimous consent, the House will now permit the minister to introduce this motion.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I indicated during committee consideration of section 3.14, strong representations were received to the effect that because of special considerations relating to the nature of the soft drink bottling industry, investments made in the industry might be jeopardized by the market restriction provision of this section. After careful consideration of these representations, the government concluded that an amendment covering the basic concerns of the industry would be acceptable. As a result, section 31.4(7) was proposed and accepted by the committee.

Some hon. members now wish to see this provision widened to exempt all franchise arrangements of whatever kind. Such an extension would effectively emasculate the provisions covering exclusive dealing, market restriction and tied selling, because these practices are not commonly used outside the area of franchised distribution. I should also point out that constraints on franchised distribution under United States law similar to those which appear in this bill have not prevented the United States from leading the world in the development of franchise arrangements.

In order, however, to expedite passage of this bill, the government is prepared to extend the exemption now contained in section 31.4(7) in a way that will ensure that the franchise operation involving a multiplicity of products obtained from a competing source of supply will not be subject to section 31.4. I am, therefore, ready to accept the amendment to motion No. 5 proposed by the hon. member for York-Simcoe (Mr. Stevens) but with a further amendment which will clarify and qualify certain aspects of franchise operations. I am, therefore, pleased to move that all the words in motion No. 5, in the name of the hon. member for York-Simcoe, following the word "following" be struck out and that there be substituted the following:

"(C) A company, partnership or sole proprietorship is affiliated with

[The Acting Speaker (Mr. Turner (London East)).]

another company, partnership or sole proprietorship in respect of any agreement between them whereby one party grants to the other party the right to use a trade mark or trade name to identify the business of the grantee, provided

(i) such business is related to the sale or distribution, pursuant to a marketing plan or system prescribed substantially by the grantor, of a multiplicity of products obtained from competing sources of supply and a multiplicity of suppliers; and

(ii) no one product dominates such business."

and by striking out the word "and" at the end of line 29, substituting a semi-colon for the period at the end of line 34 and adding, immediately after such semi-colon, the word "and".

● (1650)

It is my view that because the exemptions relate to a large variety of inexpensive goods, the possibility of serious distortion of the competitive process as a result of this exemption is more remote than it would be if the exemption covered big ticket items. We intend, however, to maintain a careful watch over development in this field. We will be prepared to amend the proposal I am now making to the House if this proves necessary in the future and if and when circumstances require it. However, I feel that this motion by the hon. member for York-Simcoe as now amended is acceptable. It will in a large way meet various representations that were made from all corners of the House on this subject.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question!

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

The Acting Speaker (Mr. Turner (London East)): It is my understanding that there have been discussions regarding motions Nos. 6 and 24. With the permission of the House, we will proceed to the business of private members' hour.

Mr. Ouellet: Mr. Speaker, am I right in assuming you have asked if the House agrees with motion No. 5 as amended, or is it just the amendment that has been voted on? Has the motion as amended been voted on?

The Acting Speaker (Mr. Turner (London East)): It is my understanding that the motion standing in the name of the hon. member for York-Simcoe (Mr. Stevens) was withdrawn, and the minister's motion stands and was carried. Is it the pleasure of the House to call it five o'clock?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when do we deal with motion No. 24?

Mr. Lambert (Edmonton West): And motion No. 6?

Mr. Speaker: Order, please. Hon. members know that motions Nos. 6 and 24 were reserved in an earlier disposition, there being some reservation about the procedural irregularity of the two motions. As it is so close to five o'clock, perhaps hon. members would prefer to begin their procedural argument at eight o'clock rather than now. There is a private member waiting to begin a private members' matter at five o'clock, which is only three or