

*Competition Bill*

feeling that we should look at the Combines Act and combines law as something sacred, as something that should not be questioned.

It has a good atmosphere about it. It is that type of legislation which, at least superficially, is designed, and is extolled as being of general value to the public because it seeks to protect the public from price fixers, from those who would agree to set up a cartel and carve the country up into distribution areas, so that one company will do business only in one area and will stay out of another fellow's territory. It is looked upon as protecting the public against predatory price cutting which drives companies out of business, just as the Eddy Match Company did a few years ago. It is looked upon as protecting the public against monopolies, oligopolies, unfair trading practices, and a variety of other bad features connected with the activities of corporations.

Probably this was a valid assessment at the time of the inception of the Combines Investigation Act just after the turn of the century, taking into account corporate structure and its relationship to the country 60 or 70 years ago. However, the corporate structure since that time has changed so dramatically, and become so large in many instances, that some corporations are more powerful and have a larger budget for expenditures than governments. In this situation, the combines investigation law, as an effective piece of legislation to protect the general public, has probably outlived its usefulness in its present form. It tends to cover a smaller and smaller segment of the corporate world, and a smaller and smaller segment of corporate activities. Multinational corporations have such a dominant position in the marketplace that they need not engage in any price fixing activities. They need not conspire with other companies to establish a fixed quality for their products. They need not engage in any of these activities because of their size and thus are aloof from the law, or above any feeling or idea that the Combines Investigation Act will protect the public from the rapacity of their operations.

● (1550)

Members of my party have very serious doubts, as I have, about the effectiveness of the Combines Investigation Act. We have very serious doubts about the effectiveness of the bill before us which seeks to amend the act, and we have very serious doubts about the attitude of government in enforcement of that act. I look upon this bill as a patchwork approach, despite the view expressed by the hon. member for St. Paul's (Mr. Atkey) the other day that it was a major and dramatic move—

**Mr. Atkey:** And dangerous.

**Mr. Howard:** —in certain areas so far as restrictive trade practices are concerned. He just reiterates what he said then. I did not hear him speak but I read what he said in *Hansard*, word for word, which is unusual for me I might say. I think this is a patchwork mechanism. It is like trying to repair an old inner tube; there might be some effect from the installation of one patch on the tube but it is so worn that it is a shorthrun measure. Like the tube, the effectiveness of this bill is extremely limited.

**Mr. Atkey:** Is that your party's position?

[Mr. Howard.]

**Mr. Howard:** I look upon the sanctions in the bill as something that can be easily circumvented. I would not be surprised if some corporations know a great deal more about the Combines Investigation Act and its operation than most of us, and have already found ways of circumventing it.

The hon. member for Toronto-Lakeshore (Mr. Grier) very effectively dealt with the provisions of the bill and laid out this party's position with respect to it. We have no doubts whatever about the general lack of effectiveness of this type of approach in dealing with the market structure of this nation or the North American continent or, indeed, the world, and of the impact upon the economy of the multinational corporations. In this regard the bill is not worth looking at; it has no effect on these questions.

The hon. member for Toronto-Lakeshore dealt with the matter of food prices in great detail. He spoke of the limited supply of specials that are advertised, the question of double ticketing and raising the price of food on the shelf. The latter will be prevented by this bill but already the food chains have circumvented the intent of the bill. They do not double ticket now; they do not raise the price of the product on the shelf by putting one sticker over another but take it into the warehouse or the backroom and do it. Now, they tear one sticker off and put another one on. That circumvents the intent and purpose of this bill, and to that extent it is meaningless legislation.

He spoke of marketing practices like the red light over the meat counters to make you think that the beef is almost alive—as if anybody would want to buy beef in that condition. This has been going on for years, Mr. Speaker, and the bill does not touch that practice. Food chains put up great posters in vivid colours that say "Special, regular 13 cents—today 3 for 39" or something like that. The thing that catches your eye is that word "special". You get three for 39 which is the same as 13 cents a piece. The bill does not prevent such practices and they are still being followed.

A number of years ago Vance Packard wrote a book called "The Hidden Persuaders" in which he dealt with the methods used by the chain stores to get people to buy things they do not want or need at exorbitant or misleading prices. This bill does not touch that problem at all. There has been, and I expect there will continue to be, an attempt on the part of the administrators of the combines investigation branch to assist companies in circumventing the law. This may be a harsh statement but I think that this practice has been upheld by the immediate past Director of Investigation and Research, Department of Consumer and Corporate Affairs in the annual reports and the statements that he used to make. I should like to quote what he said in the annual report for the year ending March 31, 1973. Indeed these words were contained in previous annual reports, so there was no need to bother resetting the type but merely insert new figures. Here is what he said at page 10:

Businessmen have for many years come to Ottawa for advice respecting the application of the Combines Investigation Act.

I bet they have. When the Conservatives were in office businessmen were here seeking advice, too. He continues: Consultation with businessmen about their problems has been encouraged as a positive program. It has been referred to in former