

Competition Tribunal Act

What about the other groups? What about the wide circle of consultation bragged about by the Minister in his press statement of December 17? He said he was listening not only to business interests both small and large, but to the provinces, consumers and organized labour.

We know something about those consultations. Organized labour was given a very perfunctory hearing with no follow-up as to what the Government was actually planning to do. We know that the Consumers' Association was warned to go along or there would be very serious consequences. We had our own experience with this consultation process. Because we believe in being constructive, we sent the Minister a letter on March 27 of last year requesting he meet with seven competition experts from the academic community in order to receive the benefit of their experience and scholarship in this field. My understanding is that none of those persons received any more than a perfunctory consultation. Departmental advisers will call them when they have problems but the Minister was not very interested in hearing their policy views and then acting on their expert advice.

Sunday morning on CBC Radio, Professor Stanbury, an outstanding expert at the University of British Columbia, spoke in considerable detail about what is wrong with this Bill and what should be in this Bill but which is not. Professor Stanbury was one of the persons we recommended the Minister consult, but all the Minister did was write to him, receive a reply, and that was the end of Professor Stanbury's participation.

Our conclusions about this kind of policy making are; first, it is one-sided, calculated to appease the most powerful special interest group, large business. There was no real consultation. Second, other interested parties, particularly the general public which would stand to gain substantially through an effective competition law, were involved tangentially or not at all. Third, expert outside advice was neither sought nor encouraged.

Why this has come to pass is part of the pathetic story told by Professor Brecher in his study. It is a diminishing effort by Cabinet, the Civil Service and political Parties, both Liberals and Conservatives, as the difficulties of passing a useful competition Bill became apparent. Competition reform as a priority gave way to the buzz words of "incrementalism" and "stage one" and "stage two" when the Government realized it would have to fight very powerful interest groups in order to implement a worthwhile policy. It was not prepared to fight. It is not as if the Government was resigned after fighting the good fight to getting half a loaf in Bill C-91. It has brought about this outcome by deliberately lowering its sights and being afraid to fight for a better economic deal for average Canadians in most of their every-day purchases. Just how much average Canadians are paying for this continuing policy failure will no doubt surprise Hon. Members.

We should take inventory of what this policy failure has cost the country and ordinary Canadian consumers. We know that the Canadian economy is highly concentrated. It is susceptible

to price increases associated with high tariffs, and the domination of markets keeps prices high throughout a business cycle. The cost to Canada of this kind of anti-competitive system has been estimated at 7.5 per cent of the Gross National Product. In 1984 the Gross National Product was \$416.6 billion. The cost of economic wastes attributable to the absence of price competition in Canada is in the neighbourhood of \$31 billion and rising yearly. This estimate is from a noted competition economist, A. M. Moore. The Nielsen Task Force should have also looked at private sector waste.

There are further costs to the economy, as Professor Brecher noted. We have highly sheltered markets, which means a sluggish economy, slow to adapt. These non-competitive markets also breed persistent powerful private attempts at manipulation of the political process in order to sustain the economic status quo. Thus we can see a New Brunswick dominated by the Irving family interests, a Newfoundland dominated by the Water Street merchants or the western provinces which were formerly dominated by the CPR now dominated in many food industries now dominated by the Weston group and by Safeway.

We now begin to see the double bind on competition reformers in Canada. On the one hand, we have a powerful business constituency wanting nothing to do with a policy it perceives, incorrectly, as being harmful to its interests. On the other hand we have a Government which is loathe to offend those who can cause it the most difficulty at both the political and Civil Service levels. Obviously, the substantial costs of not having a real competition policy have been borne by the ordinary Canadians who could not be effectively mobilized to argue for consistently better economic performance by this country's business firms.

There will be claims by both Liberals and Conservatives that they are the true parents of effective competition law in Canada. Those who study the field in detail know better than that. Professor Brecher said about both Parties:

The fact is, however, that neither the Liberals nor the Conservatives have ever articulated a clear philosophy of competition or a real commitment to its vigorous enforcement.

We have seen the abject Liberal record on this issue. That Party never did put through an effective Bill in all the years it was in office. This assessment ought to make us even more wary about what the Conservatives are promising. When the Minister of Consumer and Corporate Affairs unveiled this legislation last December we called it "more water than wine" in delivering a competition policy to Canadians. There is much more to be said on this.

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Before going further I should point out where the Conservatives stood while the Liberals were at least trying to pass a Bill. The Conservatives were opposed to it and only too happy to be the advocates of big business once more. One of the biggest critics of Bill C-42, which was brought forward by the Liberals, was the present Minister of Regional Industrial