concerned about whether it was the reason or the cause for it. He wanted an effective law that would allow the prosecutors to deal with agreements of this sort. The law actually had some effect on business people even though I have been describing it as—I think any scholar would—completely useless because of the almost total lack of effective prosecutions. It led business people to get together in mergers rather than to have agreements among themselves.

• (1650)

I believe that can be seen from one particular pair of mergers which occurred at the beginning of the 1890s. There was no doubt almost 100 years ago that the manufacturers of cotton textiles had come together in two groups, one controlling the grey cotton producers and the other in charge of the whites and coloured cottons. These agreements very obviously worked. When there was an over-production situation, they closed down plants. There was not much doubt in the minds of the public that they had in fact colluded in this way. Yet with the Act passed, how could they be sure that they would not end up in court being prosecuted? So the result was a merger of these two groups into two companies. One company ended up in 1905 being transformed into the Dominion Textile Company, and it has gone on victoriously ever since as a product of the merger of the early 1890s and the second reorganization in 1905.

This response by businessmen indicated that they were very uncertain about what the effective law might be. The Government tried to reassure them with weak law. I think the only thing one needs to say about the Combines Investigation Act of 1909 is to recognize that the Government of those days—the Liberals even more then than the Conservatives—was prepared to consider the possibility that the Customs Tariff was the cause, and if there was some kind of agreement among producers behind the tariff barrier, it would just reduce the tariff. One of those actions occurred in 1903 against newsprint producers. The only significant addition that Mackenzie King made with the 1909 Combines Investigation Act was to say that the Government should assist consumers in demonstrating that a combination has been effected behind the tariff barrier. The Combines Investigation Act did precious little other than providing a publicly financed process for inquiry into this process.

I mention that because the Minister in introducing this Bill yesterday suggested that very little has changed since the Combines Investigation Act in 1910. I do not think that is fair in terms of later attempts to amend the law. It is all too true in principle in the sense that the activities of 1889, 1909 and 1910 were largely processes of yielding to the business interests of the day and creating law which would not send anyone to prison and probably would not even lead to any large fines. But there have been some changes in the law since 1910. Those changes deserve some recognition.

One might almost say that if the Conservative Party had been more successful in holding political power in this century, our competition law might well have a different shape. The tribunal approach, which is part of the legislation we shall be considering in committee if we give this Bill second reading, is anything but a novelty coming from a Conservative Government. One can go back to the years just after the First World War and find a Conservative attempt to use that kind of public body which would use other than the criminal law in the courts to deal with competition. That attempt was swept aside by the Mackenzie King Government after its election victory in 1921 and the Combines Investigation Act was brought back. Then, in the middle 1930s, the Government of R. B. Bennett, particularly H. H. Stevens, the then Minister of Trade and Commerce, pressed inquiries into the kinds of use of economic power which existed in Canadian manufacturing and retailing. The endeavours of Mr. Stevens led to a second attempt by Conservatives to use a commission or tribunal approach to the problem. After the defeat of 1935, this was swept away, and we had again the Combines Investigation Act approach, unsatisfactory and inadequate as it had been. These are the sorts of features I find in looking back over the years which lead me to think that conceivably in this competition law there are some possibilities. But when one compares what is put before us now in Bill C-91 with what was presented 15 years ago and the more recent history of competition law in Canada, one finds there is not very much reason for satisfaction.

I think that is particularly unfortunate given the possibilities we had at the beginning of the 1970s. I want to suggest that the year 1971 and the period immediately following, the beginning of the 1970s, was one of the most disappointing eras one can look to. I think it reflects particularly badly on the Prime Minister of those years, the Right Hon. Pierre Elliott Trudeau. In 1971 we had in Bill C-256 a comprehensive attempt at competition law. On the tax side, the fiscal policy, we had an Income Tax Act which took up the work of the Carter Commission on taxation and attempted a substantial reform. The terribly depressing reality is that Bill C-256 was never carried to conclusion. The Income Tax Act was amended and overlaid with all of those provisions. After 15 years of additions to the Bill, of course, it has the accountants of the land protesting that the tax system of this country is too complex. Surely, there is an incredible irony in Conservative charges and the charges of so many other people that Mr. Trudeau was some kind of left winger. There may be some aspects of the actions by his Government which could justify one saying that there was some significant development in social policy, but in the absolutely fundamental areas of taxation and competition policy, he and his Governments buckled to business pressure and left us with a completely emasculated competition law and with a tax system which transfers wealth in incredible amounts from individual middle and lower income Canadians to the wealthy.

The fact that we have both of these features operating in competition by public policy is what arouses one to such outrage about the situation as to have led me a few minutes ago to ask for a quorum count in order to ensure that when we are debating these matters, which are fundamental to the well-