already pending in a particular court before deciding where to launch a certain proceeding.

Hon. members will have noted that the proposals in the bill are cast in the form of amendments to the existing Combines Act and not as a complete replacement for it. This, I submit, will make easier to apply and will make more immediately effective this first part of the government's program to modernize our competition law.

I would also submit that the bill deals not only with matters of direct and current concern to consumers and small businessmen but also proposes important changes in broader areas of competition policy which are applicable to large as well as small companies.

I think this is demonstrated by what I have said about such matters as the extension of the total purview of our competition law to services, the change in the definition of the term "unduly", as well as giving the Restrictive Trade Practices Commission the authority to review certain kinds of business practices.

What, then, remains for the second stage of competition policy? I think it could be said that generally speaking there is a need to develop legislation containing additional criteria and methods upon which to judge mergers, monopolies and specialization agreements. These, although they may be restrictive of competition, could on balance be in the public interest through their effects on efficiency and productivity, depending on the particular circumstances involved.

There have been many arguments made that there are circumstances where the criminal law approach alone should not be used, but instead there should be a way of applying statutory tests to determine what the effects of a proposed merger would be on competition and efficiency. If the tests are not met, it could be argued that there should be a procedure for dealing with the transaction by appropriate remedial orders.

Certainly a high priority will have to be given in stage II to provisions which will enable competition law to play its part in helping improve the efficiency of Canadian business and its ability to compete abroad. In the bill to implement stage I which is now before the house it is proposed that the Restrictive Trade Practices Commission be given new jurisdiction to review and, in certain circumstances, to make remedial orders about certain kinds of trade practices. Another aim for stage II is to decide what other trade practices should be made subject to review in the same way.

Among the practices which we are looking at are interlocking directorates, delivered pricing, reciprocal buying, quantity discounts, and loss leaders. Their effects may vary depending upon the circumstances, and these practices, I think, are candidates for handling in the same way as are the trade practices covered in stage I, that is, initially by a civil approach rather than by a criminal one so that under proper circumstances the economy would not be deprived of what could be instruments useful for competitive purposes.

As I have said, I think we should consider whether general jurisdiction in the trade practices area should and could be created at the federal level similar to that exercised by the Federal Trade Commission in the United States. This body, as the House may know, in addition to having jurisdiction to prohibit or modify specific activities has broad authority to prohibit unfair methods of competition and unfair or deceptive acts or practices generally in the marketplace. It has authority to issue cease and desist orders under threat, initially, of civil penalties and to issue guidelines with respect to practices in a specific industry or with respect to certain kinds of practices, irrespective of the industry in which they are found.

I have said previously that one argument for the federal government using a general approach in the general trade practices area would be that it would be done on a national basis and would therefore help bring about a useful degree of uniformity across the country. I have argued that this would avoid a multiplicity of possibly overlapping and confronting rules, and thereby facilitate Canadian economic activity.

All that I have said so far underscores the necessity in stage II of making decisions on appropriate institutions and procedures to enable any possible policy changes of the kind I have mentioned to be carried out fairly and effectively. Decisions in this area are another objective of the second stage of competitions policy. By having the areas which I have just mentioned, particularly those dealing with mergers and specialization agreements, dealt with in the second stage of competition legislation, I think there can be greater certainty that this will be consistent with the government's evolving industrial policies and its foreign investment policy. At the same time, by asking the House to deal now with Bill C-7 I am taking action on behalf of the government to enable parliament to take decisions earlier than would otherwise be the case in some important areas particularly relevant to present public concerns linked with current inflationary pressures.

Let me now take a moment to pay tribute to the Minister of State for Urban Affairs (Mr. Basford) and to the Minister of Manpower and Immigration (Mr. Andras) for their efforts which helped lead to the bill now before the House.

In conclusion I want to say that the proposals in Bill C-7 to implement the first stage of the government's new competition policy, as well as the proposals to come in the second stage of policy development will, I submit, result in legislation which will at one and the same time help bring about a more efficient and productive Canadian economy, and help provide expanded consumer protection in a marketplace characterized by high technology and massive organization of production and distribution. I therefore urge the House to give second reading to this bill as quickly as possible so that it can go at the earliest possible stage to committee for detailed but, I hope, speedy consideration and decision.

**Some hon. Members:** Hear, hear!

**Mr. Ron Atkey (St. Paul's):** Mr. Speaker, it is with mixed feelings that our party joins this debate on major amendments to the Combines Investigation Act. On the one hand we are glad that the government has finally learned its lesson after the debacle it created with its infamous Bill C-256, the competition act, in the twenty-eighth parliament. The bill before us today represents a rejection of the omnibus nature of the earlier proposal,