

*Competition Bill*

able to facilitate many more small businessmen with these loans.

For the calendar year 1972 there was a total of 2,846 loans made to small businessmen in Canada. I can guarantee that in any large urban centre in Canada any one bank could make 2,846 loans. It is interesting to see the distribution of these loans. It is as follows: British Columbia, 456; Alberta, 275; Saskatchewan, 174; Manitoba, 133; Ontario, 596; Quebec, 1,096; New Brunswick, 45; Nova Scotia, 37; Prince Edward Island, 31; Newfoundland, 5. There was one in the Yukon and two in the Northwest Territories. That makes a total of 2,846 loans for the whole year throughout all of Canada.

I have a question which I hope the minister will answer when we get into committee. Will the provisions under section 31.2 of this act, refusal to deal, apply to a bank? If all we can do is underwrite 2,846 loans to small businesses in one year, when there are hundreds of thousands of small businesses operating in Canada today, there is evidence of a conspiracy on the part of the banks, and perhaps even the Department of Finance, to restrict these loans. There have certainly been enough questions put to the minister on this subject, but we have never had a clearcut answer.

I will now move on to other matters. Contrary to the views of some members opposite and their colleagues in the NDP, I do not feel we should rush this bill. The hon. member for Bruce implied that we were holding up the bill. This legislation in various forms was before this House in 1971 and 1972 as Bill C-256, last October as Bill C-227 and now as Bill C-7. It is only fair to remark that it is the government's responsibility to bring in legislation. It is not the responsibility of the opposition. The government has the responsibility to put legislation on the order paper, not the opposition. If Bill C-227 had been introduced earlier last year, it probably could have been sent to committee. It may have passed last year. The responsibility for introducing legislation in this House rests strictly on the government. When the hon. member for Bruce implied we were holding up the bill, he was not quite as straightforward as usual.

I am worried about this bill. Any piece of legislation that will affect the sale or distribution of products in this country deserves a really good look. Irreparable damage could be done to a system which although perhaps faulty in places has served the people of this country well. I am not saying there is no room for improvement; there is always room to improve anything. In my business experience I have met businessmen from all walks of life. The vast majority are honest, sincere, law-abiding people. They contribute greatly to the economic and cultural life of Canada. They are proud of their achievements in business and the part they play in the life of the community. You will find them at various times of the week at Rotary, Lions, Optimists or Kinsmen clubs performing a public service to their community.

**An hon. Member:** What about the Rideau Club?

**Mr. Kempling:** Yes, and possibly the Rideau Club. Any attempt to rush this bill through its various stages could do damage to the consumer as well as the supplier, manufacturer and business community. There is a supply prob-

[Mr. Kempling.]

lem in many product lines today. The thrust of this bill implies that the interests of the consumer will be best served if price competition is maximized and by this action the problems of the consumer will be lessened. If more competition is created by applying the "refusal to deal" section of this bill.

The drafters of this bill are saying that by creating more competition the consumer will have lower prices. This is what they are implying. That is not necessarily true. They seem to be saying that by providing protection from pyramid sales, bait and switch, product guarantees and warranties, the consumer will be protected and will in effect get the most for the least. As many members know, many provinces have this legislation in effect today. I feel the people who drafted this bill have only an academic knowledge of the Canadian marketplace. Price is only part of a transaction. A sale is a two-way transaction. There is hardly anyone in a legitimate business who does not want return customers. The whole idea of a business is to develop a market, which means creating or supplying products or services which people will purchase over and over again.

● (1700)

I do not believe anyone ever designed or invented or created or caused to be manufactured a product or article by first looking at what the law said he could or could not do with that product or article. I do know that the universally accepted practice of purchasing low bid has caused products to be designed or manufactured to minimum specifications, and that the consumer has been the loser. Eventually machinery is designed to these standards and in the long run both consumers and taxpayers are the losers.

Millions are spent each year in researching and developing products and on trademarks and patents, product testing and market research, to put into the marketplace products which will be serviceable, useful and attractive enough to cause consumers to purchase them again as required. Yet the bill before us implies that trademarks, patents and brand names could become worthless if the refusal to deal provision is not clearly defined. The bill does not say refusal to deal is an offence, but that it is subject to review.

Another clause mentions injunctions against someone refusing to deal. I think clearly defined explanations of this clause, together with examples, must be forthcoming. At stake here is the distribution in Canada—a unique system. Because of the nature of our geography, market dimensions of roughly 2,500 miles in width and 200 miles in depth, market practices exist here which are not found in other countries. They have been developed to suit our particular geography.

Consider the machinery business, for example. In order that a manufacturer of machinery may offer proper technical and service representation in a remote market area, it may be necessary for him to arrange to grant exclusive distribution rights. It may be necessary for the manufacturer of a product to agree to select a dealer to sell his products exclusively because the market will only support one dealer. The dealer may quite rightly demand an exclusive arrangement with the manufacturer and distributor