

There is also a letter written to one of my colleagues by a wholesaler, and I would also like to quote a few passages, for the record, so that Members will realize that there is competition and very strong competition at that, between small businesses and large businesses. And when Government Members stand up in the House to say that a Bill like C-91 helps small businesses, that is just not the case, and this letter emphasizes the fact it is not, although the Government would have us think otherwise.

● (1630)

[English]

I quote a letter from W. A. MacLeod & Son Ltd:

The danger we face as wholesalers comes in the form of large anti-competitive conglomerates who threaten to damage us irreparably by marshalling their economic might against us. Their tactic is loss leader selling. Because of their huge size, they can sustain temporary losses. Slowly but surely, the use of this tactic can drive us out of business.

[Translation]

Mr. Speaker, we know very well—we often see advertisements—I see my colleague from Dollard (Mr. Weiner), a former drugstore owner who surely had such experiences—as I was saying, we often see cartons of cigarettes advertised at below cost price to attract customers. This Bill will do nothing to remedy that situation. Hopefully we will be able to get a closer look at that in committee, because it is now a problem for small businessmen and no independent storer owner can face that kind of competition. I continue quoting the letter:

[English]

Never before has the threat been as great. With the recent spate of mergers between large companies, the critical balance between big and small businesses could be irredeemably tipped towards the huge conglomerates. If their unreasonable and unfair practices go unchecked, the economy could be severely crippled. Wholesaling will become dominated by very few large sellers who will each have an entire market to themselves.

As with my fellow NATCD members, all the profits from my company remain in this locality. As an independent entrepreneur, I am part of the backbone of a healthy economy. In this age of rapid change, Canadian business needs all the imagination, flexibility and entrepreneurship it can muster.

As the owner of a small wholesaling business, I can be more responsive to changes in the business climate than a large bureaucratic, centrally located conglomerate.

Some examples of such business in direct competition with us. TRA Wholesale owned by the Sobey's group, Mason's Wholesale owned by Bolands Ltd. would operate IGA Supermarkets. Another serious threat to us in this area is Atlantic Wholesalers owned by Loblaw's who are not yet in the area, but there have been rumours of this for some time now. Ever since TRA Wholesale have moved into Sydney, we have watched our profit margins on confectionery drastically decline. They regularly practise the use of "loss-leaders" and you and I know they can afford to. However, as a small independent wholesaler, I cannot.

On November 18, 1985, the NATCD President, Bill Marcus, wrote to the . . . Minister of Consumer and Corporate Affairs, requesting an amendment to the Combines Investigation Act to prohibit loss leader selling. The Minister in his reply of December 11, 1985 recognized our concerns:

I appreciate how damaging below cost pricing can be when it is engaged in for the purpose of lessening competition or eliminating competitors from the market.

Nevertheless, the Minister's full response was less than satisfactory. He considered it not appropriate to legislate an outright prohibition against loss leading pricing, suggesting that his forthcoming proposals to amend the Act (subsequently introduced in the House on December 17, 1985) would enable

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competition law to deal more effectively with predatory conduct through a new civil provision dealing with abuse of dominant position, to be adjudicated by a new Competition Tribunal.

I could continue because there are another two pages to the letter, but let me just say that small business is simply asking for a competition law with teeth. We must be able to stop some unscrupulous big businesses who are trying to take away the markets of small business which create most of the jobs in the local community. I do not see anywhere in this Bill that such protection can be achieved. Therefore, once this Bill moves to committee I hope Members will look into these details and make sure that all small business and consumer groups have their say. Then, when the Bill comes back to the House for third reading or clause-by-clause study, we can make sure that we have a competition law with enough teeth to protect consumers and small business.

Another example of what we can deal with under this legislation is the crisis in the liability insurance business. We had to ask the Minister to intervene in this situation, and when he did not we had to use the law to get an inquiry. We are still waiting for an answer and this is a problem which has to be solved. Then we have the Gulf refinery closing in the east end of Montreal. One company threatened to close its refinery and leave Quebec if another refinery was sold to someone else and remained open. This is the kind of situation we have to deal with today. We have to solve this problem once and for all and make sure that everyone in Canada is allowed to do business without being pushed around.

**The Acting Speaker (Mr. Charest):** Questions or comments?

**Mr. Epp (Thunder Bay—Nipigon):** Mr. Speaker, the question before the House is of enormous importance. It is one of the two or three most important economic questions facing this Parliament. I wonder if you could ascertain whether there is a quorum, given the vital importance of this legislation.

*And the count having been taken:*

**The Acting Speaker (Mr. Charest):** Technically there is no quorum at present in the House. Ring the bells.

*And the bells having been rung:*

**The Acting Speaker (Mr. Charest):** There is now a quorum. Debate.

● (1640)

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I appreciate your recognizing the lack of a quorum a moment ago and ensuring that more Members are in the House.

As I said a moment ago, the question of competition in the Canadian economy is surely among the two or three most important questions that come before this Parliament. I would suggest that, in terms of cost to the middle and lower-income Canadians particularly, the only thing that could match or top this concern is the unfairness of the present tax system which