

nation's scarce resources"⁴ and others have called Canadians' "more deferential attitude toward authority in general".⁵

The original Canadian statute made persons who conspire to "unduly" prevent or lessen competition guilty of a misdemeanour. This has been interpreted as meaning that it is "acceptable for sellers (or buyers) to get together to enhance prices, so long as they do not "abuse" their collective market power by "going too far"."⁶ In the United States, on the other hand, the U.S. Supreme Court declared in 1958 that the Sherman Act "was designed to be a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. It rests on the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic political and social institutions."⁷

Between 1890 and 1969, Canada prosecuted only 70 conspiracy cases compared to 1,279 cases brought before U.S. courts by the Department of Justice and the Federal Trade Commission.

In 1986, new, considerably revised, legislation was passed by Parliament, crowning an almost two-decade old reform effort. The Competition Act is a law of general application, as a matter of federal jurisdiction under the general trade and commerce power section of the Constitution (91(2)). As its title indicates, the Act's objectives are broad. Its purpose, outlined in section 1.1, is to "maintain and encourage competition in Canada" in order to:⁸

- promote the efficiency and the adaptability of the Canadian economy (efficiency objective);

⁴ W.T. Stanbury, "Legislation to Control Agreements in Restraint of Trade in Canada: Review of the Historical Record and Proposals for Reform", in R.S. Khemani and W.T. Stanbury eds., Canadian Competition Law and Policy at the Centenary, IRPP, Halifax, 1991, 667 pp.

⁵ Bruce Dunlop, David McQueen, and Michael Trebilcock, Canadian Competition Policy, Toronto, Canada Law Book, 1987, p. 20.

⁶ W.T. Stanbury, op cit in Khemani and Stanbury, supra, note 4, p. 107.

⁷ *Northern Pacific Railway Co. v. United States*, 356 U.S. 1,4 (1958).

⁸ Maintaining and enhancing competition, therefore, is not good in and of itself, but a means of achieving other objectives.