

*Competition Bill*

immediately. The bill would go to committee for some touching up of the drafting, and it would be through the House and passed into law in no time at all. However, this bill is an omnibus bill. This government is used to omnibus bills. It is a government that always wants to put a whole lot of things under one umbrella.

I should like to say a few words about some of the provisions that I am not sure have any validity, matters that will probably not help business conditions or encourage more competition. I suspect they will only add to the costs that are inherent in our economy and they will certainly increase bureaucracy in our economic and business system. The government continually receives complaints from citizens about certain problems. One of the concerns that I have, and which I know other hon. members have, is that all of a sudden, having received a complaint, the government does something about it but often uses a cannon to shoot a mouse. It passes a law or sets up a board or commission with far greater powers than required to deal with the situation.

That, to a large extent, is the case with this bill. For example, let me address myself to competition in sport. Some serious complaints have been made about young athletes being enslaved—I suppose enslaved is not too strong a word for it—by contracts that were made on their behalf by their parents when the athletes were young and which, in effect, prevent them as they move forward from going from one league to another league as they wish. In other words, their employment is restricted and their freedom destroyed. However, these contracts may have offered some advantages. They have perhaps enabled leagues to develop. It may be that those contracts have enabled junior players to be brought along. When we get worked up about these contracts we ought to remember that they were voluntarily signed by people who knew other people who had signed such contracts. Often those contracts were signed when a person did not realize his income potential. Then, suddenly, he does realize it and he begins to scream because he made a bad deal. The whole question of sports contracts should be a matter for a separate bill and a separate review by a committee of this House which could look into the contracts and the terms of the league organization.

● (1630)

This government has really done nothing about sports until now, other than I suppose put the NFL on CBC television and decide that it is going to ban the WFL from coming to Toronto. Really it has done very little in respect of professional sport, but all of a sudden it comes into the picture with a bill amending the Combines Investigation Act, the Bank Act and the Criminal Code, and decides to make provisions in respect of sports contracts and the direction of sports. Really this is a different issue from the price of goods or selling something in a store. This is a different issue from distributing goods among franchise holders in a commercial business sense. The particular provisions of this bill which relate to sports should be set aside and referred to a special committee. One of the problems with an omnibus bill, is that when you put a lot of things under one cover, you find many things you are happy with but a number of other things that cause you concern. I have some concern about the sports provisions

[Mr. Blenkarn.]

in this bill. These provisions are not the essence of the bill at all but the essence of a new approach to organized sports, and they should be in a different bill.

The next thing I want to talk about is this refusal to sell problem. There have been a number of outlets which have become worked up about the fact that they would like to buy certain manufactured goods for resale but, generally speaking, in the distribution of manufactured goods across Canada the manufacturers have set out exclusive territories or have exclusive arrangements with certain distributors. In a country as diverse as Canada this business of exclusive territories or areas of distribution has proved to be quite valuable. Indeed, I suggest that in many ways the distribution of many goods could not be effected without some exclusive territorial or distributor franchise system. It is only with a franchise system that goods can in fact be distributed.

The difficulty with this bill is that it may or may not be proper to interfere with such arrangements. Anyone can complain. Then, the commission will investigate and may declare an arrangement to be improper. If that declaration is made the person involved in setting up a distributorship or a franchise arrangement is forced to justify his marketing techniques. It seems to me there is no reason for this kind of provision in the bill. Is it really necessary at this point? I suggest it requires a lot more examination. I have grave doubts as to whether a person should not be entitled to refuse to sell to someone unless he agrees to buy the entire line, or to stock all the parts and the ancillary things required. The manufacturer of the goods has a pretty good idea of his potential market, and he knows how best to distribute those goods. Is it really essential that a bureaucratic arrangement be made empowering a commission to interfere with the details of such a business, just for the sake of suggesting it will increase competition? Indeed, it may have exactly the reverse effect. The increased competition may destroy the business or the possibility of marketing the goods at a low price. These provisions in respect of refusal to sell or tied lines, and this interference in a legitimate business organization or a company's dealings across Canada, will have to be examined in great detail, and a great deal of evidence will have to be placed before a committee.

The hon. member for York West (Mr. Fleming) is perhaps right in suggesting that the part of the bill which really affects the consumer could be passed right away, but when we come to this complex question of franchise arrangements, exclusive territories and the demand that one person be entitled to buy goods directly from a source, then we have problems which will take some time to solve it. We must be sure we are not creating a law that is going to do more harm than good in Canada. Unfortunately, the minister has used this grab-bag approach again by putting provisions in the same bill in relation to business, sports, banks and the legitimate concerns of which I spoke earlier.

One thing that has bothered many of us is the way the Restrictive Trade Practices Commission is to operate. It appears that the commission will have three real functions; one is administrative, one will be investigative and one will be judicial. The problem is that there is no separation of these functions, so the commission is the