

*Competition Bill***GOVERNMENT ORDERS**

[English]

COMBINES INVESTIGATION ACT**AMENDMENTS RESPECTING DEFINITIONS, ADMINISTRATION AND OFFENCES**

The House resumed, from Wednesday, March 13, consideration of the motion of Mr. Gray that Bill C-7, to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Paul Hellyer (Trinity): Mr. Speaker, if this bill had been introduced 30 or 40 years ago it would have been considered quite radical. Today, as a reminder of just how far out of date in its thinking the government actually is, it represents, in so far as it is intended to be economic reform, a myopic and dated approach. As the hon. member for St. Paul's (Mr. Atkey) indicated, we approach it with mixed feelings. Of course, there are some provisions that are welcome. Some of the provisions to strengthen consumer protection and to prohibit bait, switch and pyramid selling are steps in the right direction.

The small businessmen of Canada are delighted to see the wings of their giant suppliers gently clipped. Heaven knows the small businessmen have suffered much, both in the hands of the government and the giant enterprises. Any relief for them can be greeted with enthusiasm and appreciation. We also applaud the move to require, by law firms operating in Canada to operate in the interests of this country and not under the yoke of extra-territorial restraint. But, and this is the nub of the argument, the suggestion that this bill will guarantee for Canadian consumers the benefits of genuine price, quality and service competition is a cruel hoax. It is misleading in the most blatant sense, and if uttered in the private sector after passage of this bill would be an indictable offence.

This is exactly what the Minister of Consumer and Corporate Affairs (Mr. Gray) suggests. Yesterday in his opening remarks at page 480 of *Hansard* he said:

This bill reflects the view that all Canadians can benefit from having a marketplace subject to the stimulus and the pressures of the forces of competition.

Well, the minister will be lucky if he does not wind up in jail for making a suggestion like that. The government's position is based on the view of many orthodox economists that a more aggressive competition policy, coupled with a responsible combination of monetary and fiscal policies—a restraint, incidentally which the government has rejected in its unrestrained expenditures—will, in itself, be the best solution to the double disaster of high unemployment and high inflation. This approach, in my opinion, is very naive and neglects to take into account the structural changes in the real world of economics. The theory of genuine competition in the marketplace is well known, but is it feasible? It implies the dismantling of some of the greatest trade unions that have developed in the history of the world. It implies a rejection of the whole theory basically of trade unionism. It implies that there is genuine price competition in big industry and that somehow

[Mr. Whelan.]

the great monopolies and oligopolies of our economic system can be broken up in such a fashion that genuine market competition in so far as price, service and quality is concerned would take place.

Is the prospect of either one or both of these developments realistic in the present context? I do not think so. I do not even think, under the circumstances and taking into account the real benefits available for the Canadian people, that either would be desirable. Could Canada support enough steel companies, for example, to have real, basic cut-throat price competition? How many would be required—10 or 15? Could Canada support 10 or 15 steel companies or is something in the order 3, 4 or 5 the limit of an economy our size. Could we support unrestrained competition among air carriers? Would we really want to? Would we want to subject them to the kind of cut-throat competition which might under some circumstances cause them to perhaps not maintain the standards of service and safety the Canadian people would expect of air carriers? Could Ottawa support sufficient numbers of ready-mix concrete suppliers, for example, to ensure genuine price competition. There is inevitably a trade-off between competition and the economies of scale.

With some notable exceptions, such as hockey, the Canadian economy has been moving in the direction of smaller numbers of larger units. The question is, does this bill do anything to change the situation in a fundamental way? The answer I think is an unequivocal no. Except for the employment of some additional dozens or hundreds of bureaucrats, and the additional work they will generate for the legal and accounting professions in the private sector, the effect on unemployment and inflation will be negligible.

First of all, and probably most significant in economic terms, labour is not included. In fact it is specifically exempted. This thinking goes back to the days of Mackenzie King when he was Minister of Labour. In those days, as hon. gentlemen know and recall, the situation was different. At that time the economy was operated in such a way that from time to time there was a surplus of labour and there was not an opportunity for meaningful work for people who wanted to be members of the working force. The working man was downtrodden relative to the rest of society. He was opposed by the establishment, the judges and the politicians. Basically everyone was against him. So, under the circumstances at that time it was logical—as a matter of fact in my opinion it was just and inevitable—that trade unions would be exempt from the provisions of the laws in so far as they relate to combines and restrictive practices.

But, that was decades ago. The situation has changed enormously since that time. The world in which we live is not the same world as that of the late Right Hon. Mackenzie King. It is not the same world as the world of the early 1900's, the depression days, and the early post-war days. The situation has changed dramatically, in many respects for the better. Today our mastery of demand management and employment techniques has made it possible for us almost—I underline the word "almost"—to provide meaningful employment for those who want to work at any one time.