

Competition Tribunal Act

It is a rather special industry. The Canadian Soft Drink Association membership is made up of 149 owners-bottlers and 67 industry suppliers. In fact it is a federation of provincial associations which operates throughout Canada, particularly in remote areas. They are small businessmen, entrepreneurs who, although they do not employ thousands of people, as our major Canadian industries do, provide something like 10, 15 or 30 jobs. But being located as they are in small towns or villages, those 30 or 15 jobs are just as important, if not more important, than a larger industry employing 2,000 people in Montreal or Toronto.

I cannot understand why the Conservative Government has not as yet accepted the representations made by those Canadian bottlers. Indeed, to quote from the brief submitted by that association:

"The Canadian Soft Drink Industry consists of local independent bottlers and franchise houses who face intense inter-brand competition and who provide the consumer with a wide range of soft drink choices. The territorial limitations have provided incentives to bottlers to make investments for production, distribution and marketing. These have resulted in substantial and effective inter-brand competition".

I am quoting from a brief that was submitted to the Committee.

"The members of the industry, to quote the brief, are proud of this competitive performance".

The proposed addition of clause 49.(7) of Bill C-91 is merely remedial in its scope. If adopted, the amendment—and the amendment I am putting forward, Mr. Speaker, is word for word the amendment that was suggested by that association—it would preserve and strengthen the territorial provisions and ensure the further growth of the community-based soft drink industry.

Such is the gist of the message—to maintain at the local level small industries that offer stable employment in a number of Canadian regions. Coming as you do from the Eastern Townships, Mr. Speaker, you know there are bottlers who provide meaningful jobs in your own area.

The association came here to suggest that if this amendment does not pass, their industry could disappear. Why is that?

I am still quoting from their brief to point out why conditions in that industry could take a turn for the worse.

"In local markets, the franchise bottler competes with other local bottlers of other national trademarked soft drinks as well as with regional brands and private labels such as Loblaw's No-Name."

And the representative told us:

"—drawn up in Ontario." He is thus referring to Loblaw's. However, we have been told that we could also mention Sobies, Steinberg, Provigo, or even Safeway and SuperValu in Western Canada. Competition also exists with many other beverages, for instance, various types of milk, and fruit-

flavoured milk, juices, fruit juices, powders and crystals, mineral water and iced tea.

Now then, the association wanted to point out that there is some very strong and powerful competition in that area. And the amendment, the proposed addition of Clause 49(7) would warrant the injection of new capital and would prevent the erosion of savings and energy which the bottler has invested in his business during his lifetime. By strengthening Clause 49(7), the proposed amendment would enable to maintain the deconcentrated local structure of the soft drink industry, and would prevent a high concentration following the upstream integration of a small number of national corporations in the manufacturing sector and the downstream integration of large national chains of grocery stores at the retail level.

Clearly, those small businessmen, those small bottlers are concerned that large foodstore chains like Steinberg's, Provigo, Sobeys, Safeway or Loblaw's, because of their great purchasing power, may obtain reductions either from Coca Cola or Pepsi Cola or other companies and get all their supply let us say from Toronto, and so by pass local trade in all parts of the country. This would mean that the bottler in Sherbrooke, or Chicoutimi, or Saint-Hyacinthe, or whatever, will no longer bottle his usual soft drinks because there will be no local soft drink market in Sherbrooke, or Chicoutimi, or Saint-Hyacinthe, for the soft drinks will be shipped on a massive scale from Toronto, and the large food chains will truck them to their subsidiaries to be put on their shelves in all the small communities, in all the small centre across the land.

I feel this is a genuine concern for our soft drink bottlers, and if we are not watchful enough to give them adequate protection, it will lead to the disappearance of those small dealers we are familiar with in our respective areas, who earn a decent living and who provide locally decent jobs to scores of workers. They will simply be engulfed by big business and a few years down the road will no longer be able to survive.

Among the people who came here to meet us was Mr. René Tremblay, whose firm "Liqueurs Saguenay Ltée" was established in Chicoutimi by his father in 1927. He submitted it is clear that his business can be very seriously endangered in the Saguenay-Lac-Saint-Jean area if this amendment is not accepted by the Government.

I know that the bottlers' problem is a very limited one when you relate it to the overall problems addressed by Bill C-91. However, it remains an important business sector in Canada, an important association which deserves to be maintained and protected and I call on the Government to open its eyes, to recognize the danger and avoid the destruction of such an industry by agreeing to the amendment.

● (1610)

[English]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would like to assure the Hon. Member for Papineau