

*Competition Bill*

should get them instead of the companies which temporarily are working these resources.

We should move in the direction of greater public ownership, as it is almost impossible to know whether these companies are acting in the best interests of Canada. This has been done in the case of electric power. If a company abuses its privileges, then instead of imposing a fine which it may laugh at and pass on in the form of higher prices, we should expropriate it. Once we have expropriated, not many companies will feel like doing the same type of thing. We should let it be known that defrauding the Canadian public is a serious business, that taking advantage of a situation to the detriment of the Canadian public may lead, in certain circumstances, to expropriation, to a jail sentence and not to a gentle fine which the company can laugh at and shrug off.

We should consider taking away the tariff protection of companies which run afoul of the law. One of the key recommendations of the Macquarrie commission report on the combines legislation of 20 or 30 years ago was that companies guilty of collusion should have their tariff protection removed. That recommendation was never acted upon. It was recommended that this course be followed with a certain glass company and a certain paper company. When you ask why this was not done, you are told that we must save tariffs as bargaining counters in multilateral trade negotiations, that it would be wrong to take away tariff protection now because we could not bargain with another country when we want it to remove its tariff protection.

One of the most effective instruments for preventing collusion among companies has never been used. In some cases the tariff protection is justified. But those companies must live up to their responsibilities and must remember that the Canadian people are willing to pay higher prices in order to protect them. There is no justification for continuing tariff protection for a company that abuses its privileges by increasing prices unjustifiably.

The government could become a competitor with industry. Lately there has been much talk of the national petroleum corporation. Such an instrument can be used to compete with oil companies. Sweden has done this sort of thing effectively with its co-op movement. You need not take a large share of the market in order to be effective. If your share is 5 or 6 per cent and you work aggressively, you can force prices down. In theory, Crown corporations in Canada are supposed to compete with industry. Yet too often the people who work for Crown corporations play golf with the guys they are supposed to be competing against. They soon develop an understanding, instead of pursuing the path of defender of the public interest.

We should break up vertically integrated companies. To my knowledge, nothing like this has been done. What justification is there for oil companies to control the finding, refining and selling of gasoline? That is the sort of problem we face. If an independent organization appears on the scene, the big companies try to force it out of business. Once it has gone, they go back to their cozy arrangement involving vertical integration under which the only service stations serving you are the ones tied in with the big oil companies. There is little competition in that situation. Various commissions have made recom-

[Mr. Saltsman.]

mendations regarding the oil industry. They have said that service stations should be separated from the big oil companies. Instead of action to carry out such recommendations, we have been presented with combines legislation.

Brand names should be looked into. Often brand names are abused and it is claimed that the product sold under a brand name possesses a quality which it does not really have. Also, we should if necessary remove patent protection. I see that those who drafted this legislation are concerned about misleading advertising. This, I think, is little but puffery. I agree that much advertising is idiotic. Nothing is more idiotic than pretending that men and women go about looking through closets, with their arms up in the air, revealing their underarms and spraying some substance on themselves. If you watch television you will be given the impression that that is how people behave. I think advertisers very much underrate the intelligence and sophistication of our public. I do not think we need to protect viewers against this kind of lunacy, because sooner or later the product itself suffers.

What is required, in my view, is a different treatment of advertising expenses. Our advertising system is designed to encourage this kind of idiocy. An advertising expense is deductible from income for income tax purposes. This means that every dollar a company spends on this kind of lunacy is deductible. It can deduct at least 50 per cent if it is in the 50 per cent tax bracket. It should be remembered that it is not only the consumer who pays for the advertising expense incurred by the company; every taxpayer in Canada pays. If somebody wants to push something that is of psychic benefit, is perfumed or is an underarm deodorant, that is one thing. On the other hand, I should not be required to pay extra taxes to bring some psychic benefit to somebody else. We need changes in this area.

In dealing with advertising, I am not dealing with it from the standpoint of whether advertising for underarm deodorants, is intelligent or not intelligent; I am dealing with it from the standpoint of the tax system.

**The Acting Speaker (Mr. Laniel):** Order, please. I regret to interrupt the hon. member, but I must remind him that his allotted time has expired. He may carry on if he has unanimous consent.

**Some hon. Members:** Agreed.

**The Acting Speaker (Mr. Laniel):** Do hon. members agree to allow the hon. member to complete his remarks?

**Some hon. Members:** Agreed.

● (2050)

**Mr. Saltsman:** Thank you, Mr. Speaker, and I thank hon. members. I shall be brief. What I am really saying is that this combines legislation obscures the issue. It takes things which are really not problems and says they are terrible problems we have to deal with. The things which are problems and really do have to be dealt with are set aside and are not even looked at. The danger is that the public will think that something is being done, when in fact little is being done.