

Competition Bill

some years ago—will be guaranteed a reasonable opportunity to receive them? Or will the practice continue that the league governors will be permitted to dally for years as they did in Vancouver's case. Parenthetically, I suspect this section appears at the behest of the former minister of consumer and corporate affairs because of the Vancouver situation when the delay in granting the franchise caused the price tag to go from \$2 million to \$6 million, when it was finally granted to a group of American entrepreneurs. I find a good deal to agree with in the remarks of the hon. member for York-Simcoe about American-owned interests and what the hon. member for Bruce said about the extraterritoriality of foreign loans relating to our own exports.

Third, will the section guarantee that a minor hockey player or team will be allowed to play other hockey teams in organized leagues even if that team is not part of the league? What happens is that certain minor leagues gang up and will not let their teams play against rebel teams even though the boys are in the same age group. It is these questions and many others that are left unanswered in this section on sports. The section indicates merely what certain players and leagues may not do, but nowhere does it spell out in any detail what they may do. For this reason I am certain that at least a dozen sports groups will be anxious to appear before the committee, if we ever get to committee stage.

Finally, Mr. Speaker, I should like the House to know that others besides the hon. member for Trinity are concerned about oligopolies which, as we know, are informal cartels operating in Canada. Oligopolies can result in unfair prices for the Canadian consumer. We have heard from a number of people that there is virtually no way of controlling the excesses of oligopolies either through this bill or through any other legislation. An article in the business section of today's *Globe and Mail* tends to confirm the suspicion that large, informal cartels do exist, that they co-operate and indulge in price leadership schemes to the detriment of the consumer. It is interesting that firms in the best position to control prices because of limited competition in their respective fields have also shown the best performance in terms of profits for the past year.

What is the answer to this gouging? Certainly not this bill, as there is little in it that deals with today's corporate business realities. This bill will not do it, but I am certain that a flat excess profits tax would be a partial answer and I call on the government to introduce such a measure with all possible haste. What would be wrong with using the returns from an excess profits tax to subsidize food for consumers? Naturally, I do not mean only domestically produced food, but the excess profits tax or the returns from it could be used to subsidize also the food that we import from developing countries. All of us are familiar with those foods—sugar, bananas, oranges and other things not grown in Canada.

Internal cartels are illegal, but external ones are not. In the developing countries, which have a monopoly on certain commodities upon which the world is dependent, we see a flexing of combined muscle, a getting together in an external cartel to ensure themselves a better slice of the world's economic pie. I do not believe we can blame poor countries for that. There is nothing wrong with giving

[Mr. Rose.]

developing countries a fair price for their products, provided that price in Canada is not increased and inflated by excess profits of our own domestic cartels or informal cartels.

● (1640)

To lower prices we should provide ourselves in this parliament with power, as suggested by my party earlier, to roll back unwarranted price increases; otherwise Bill C-7 will be largely ineffectual as an inflation fighter. It will not help much. I think we should refer the bill to committee as quickly as possible, as I am sure members of my party will agree. Let us close off this debate and deal with the bill's details in committee.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, let me straighten the record. The hon. member for Bruce (Mr. Whicher) more than once in this debate referred to comments made by the hon. member for St. John's East (Mr. McGrath). Let me say that the hon. member for St. John's East has not yet spoken in the debate. Any comments he made were made outside the House or to the press. It is appropriate to record that. Before commenting, the hon. member should wait and see what the hon. member for St. John's East has to say. He should not comment on remarks made outside the House.

I am pleased to participate in the debate on second reading of Bill C-7. The title of the bill is somewhat misleading as it suggests that this is a bill to amend the Combines Investigation Act and the Bank Act, as well as other acts. On reading through the bill you will see that the proposed legislation leaves Canadian banks pretty much alone. When the bill goes to committee I think we should take a really close look at why the Canadian banking system is not to be regulated along with other businesses under the amended Combines Investigation Act.

Before coming to parliament I spent many years in various types of businesses, in manufacturing, in distribution and, in one period, in construction. I have worked with and for relatively large companies, multinational companies and several small companies. What I know about business I learned by doing it. I have had the experience of a large corporation "lifting" a product line from a company I was associated with, merely because the large corporation had decided to follow the policy of vertical integration. Let me say that I would not wish to repeat that experience.

After you have built up a large sales, installation and service organization and find that by a simple boardroom decision 75 per cent of your business is suddenly taken away, you are left feeling very, very empty. When that happened I reached for a book on business law and began to read the Combines Investigation Act. Actually, I consulted some learned friends in the legal profession, only to be told that they had rarely consulted the act since leaving law school. I found, after inquiring, that if I wanted advice on the Combines Investigation Act I would have to go to Toronto. Although my office was some distance from Toronto, I found that if I wanted advice I would really have to go there because that was where the action was.