per cent of Canadian grocery sales, it is doubtful that they need to sell any of their items below cost, while recovering their profits on other items, to get business.

As I mentioned before, in this whole matter of the plazas and the shopping centres we see only one supermarket. It is quite common to see two hardware stores, or perhaps two clothing stores. There may be several shoe stores. But the same kind of competition does not exist in respect of the supermarkets. What this has resulted in, and what the growth of these chains is based on, is not efficiency in the food industry but, rather, the elimination of independent competitors and suppliers and all middlemen. The George Weston empire is a perfect example. George Weston is integrated from top to bottom in respect of such things as transportation, wholesale outlets, retail outlets and even the bags in which to place the groceries. It is completely vertically integrated.

There are 13 brands of salmon on the market, all owned by George Weston. Can we imagine the competition that is going on among those brands for the consumer's buck? I will bet a dollar that the house brands at Loblaws are selling at the same level as those of a small, private entrepreneur who is producing salmon, if there is any left. I can understand that. Anyone who does not think we are into that kind of monopoly pricing must be living on the moon.

It seems to me that this results in a crisis for the Canadian consumer. One would think that the complete integration of a monopoly such as that of George Weston could result in some economy for the consumer. That is hardly the case, because once the chains have their monopoly positions guaranteed, they return to their first concern. Their first concern, of course, is to make profits. The Food Prices Review Board reported increases in net income for food processors and distributors of as much as 35 per cent for 1972-73. Is this the work of competition, or does it merely show the result of the destruction of smaller competitors through methods at best described as shoddy?

There are 38 states in the United States which have outlawed loss leadering, so I am not urging this House to embark upon any new or innovative kind of legislation. It is recognized in other jurisdictions that it is predatory pricing which ought to be outlawed. There are two victims of the practice of loss leadering: the first is the independent competitor, the small businessman who has been driven out of business, and the second is the consumer. It seems to me that I hear much talk from hon. members to my right about the importance of ensuring that the small businessman can continue to exist. But how can the small retailer in the food business exist side by side with George Weston? I suggest that that is impossible, especially when the large monopoly engages in predatory practices which are so common in Canada.

● (1620)

I have heard hon. members to my right point out that small business employs over 40 per cent of Canadians, holds over 7 per cent of all outstanding consumer credit, and sells over 50 per cent of all retail sales. They provide many services not offered by large chain stores, including such things as convenience, things on which it is hard to put a price or to feel a need for until they have been destroyed by the business practices of the large chains.

Much concern has been expressed about the predatory practice of loss leadering and the fact that it destroys the fibre of this nation and also builds up the power base. It puts too much economic power in the hands of far too few. Every year, chain stores control a larger percentage of the retail market in spite of the fact that it is questionable whether such economies of scale are necessary or even efficient. Every year between 1960 and 1972 another 1,200 or more small wholesale or retail traders went out of business. Why is that? The reason is that some of them were unable to compete, but more often they went out of business because they fell victim to the greed and unfair practices of the avaricious commercial chains which use such practices as loss leadering, one of the most hazardous practices used by chains to destroy the small and independent businessmen.

Small businessmen today earn less than doctors and even salesmen, and it is not surprising in this free enterprise system in Canada where 626 corporations account for over half the assets and profits earned.

Mr. Nystrom: Did you say "free enterprise"?

Mr. Rodriguez: When I speak about free enterprise, it is understood that I refer to the appellation used by the established parties in this House. The corporations to which I refer account for 40 per cent of total sales and 58 per cent of profits earned, with only 46 per cent of taxes payable. This so-called free enterprise has resulted in greater and greater monopoly control of the economy, control which the government has allowed and which it is now encouraging through such clauses as they permit to stand in the bill before us.

This bill has been hailed as a step in the right direction. If the minister really wants to step in the right direction, why does he not indicate support for this amendment? Surely it is worthy of his support. This bill is called the competition bill, but what does it do to provide competition, and competition among whom? Obviously, it will not provide competition among the large chain food stores. What it is doing is entrenching an antagonistic relationship between those who are selling goods and those who are purchasing, the consumer and the wholesale retailer.

It seems to me that our amendment is a good one. We have urged the House to support the elimination of this predatory pricing practice called loss leadering. We have taken a very constructive approach to this bill. We put forward 42 amendments in committee to try to strengthen the bill and to make it into something which will offer protection to consumers who must go out into the marketplace, not a marketplace taken over by competition and which provides adequate prices to consumers but into a monopoly market where the prices are set not by competition but, rather, by profit-making.

We hear the former minister of consumer and corporate affairs, the hon. member for Windsor West (Mr. Gray), speaking now as the great defender of the consumer, but when he was minister of consumer and corporate affairs he was as quiet as a mouse. Recently, he told a York University audience, when speaking on the competition policy in 1974, that a flexible approach similar to that used for other trade practices under Bill C-2 would be used for loss leadering to prevent the loss to consumers of a policy which might save them money. This policy will not save the consumer money. The clause which the minister has here permits loss leadering so long as it does not interfere with competition. It is not worth the paper it is written on.