Mr. Speaker, if this were its only role, legislation on competition would be relatively easy to prepare. However, there is more to it. As we all know, the laws on competition also have an impact on the conditions in which Canadian businesses compete with foreign interests in Canada and abroad. The legislation therefore operates on two levels, namely on the Canadian market and on the international market.

Mr. Speaker, in both cases it is very important to freshen up the Act, to make it workable and bring it in line with current Canadian realities. Those realities have changed considerably with the passage of time; it is a far cry from the situation a century ago when the legislation was put in place. Now, with all the upheavals in international economic relations, it is time to update the Act, Mr. Speaker.

Going back even some 20 years ago only, in 1969, when the Economic Council of Canada recommended that the Act be modernized, Canada was the fourth trading nation in the world, closely followed by Japan. But today, we are down to the eighth rank and Japan exports twice as much as we do. And since then, trade talks, whether the Kennedy Round or the Tokyo Round, have lowered tariff barriers and increased international competition.

The shortfall sustained in recent years before we came to power must now motivate us. In the early '80s, in the late '70s the previous Government should have taken strong measures to stimulate the economy, especially in the area of competition. Nothing was done. We therefore must respond with the legislation now before us.

Mr. Speaker, the amendments contained in the Bill allow for current realities. This shows in the opening paragraph, the preamble where, as opposed to the present Act, the purpose of the new legislation is expressly stated. The preamble sets down, for the benefit of those who will be called upon to interpret the Act in the future, the intent of Parliament in enacting the new provisions. I will simply quote a few words. "The purpose of this Act is to maintain and encourage competition in Canada in order to expand opportunities for Canadian participation in world markets while at the same time recognizing the role of foreign competition in Canada". This is quite clear, Mr. Speaker, and it has been our approach to clearly enunciate at the outset what our enactments will be used for and what their purpose is.

Mr. Speaker, I would like to bring to the attention of the House four major aspects of the amendments, concerning specifically international trade. The first aspect deals with mergers. Provisions regulating mergers must be stringent and efficient, because non-competitive mergers can be detrimental to the efficiency of our economy. The proposed amendments offer effective protection against that danger. God knows how much we need that, in view of the meager results achieved over a century. There have been eight prosecutions and not a single conviction.

But there are also other requirements. Provisions concerning mergers must be drafted in such a way as to encourage competition between Canadian businesses at home in Canada, without putting them at a disadvantage when carrying out business dealings in international markets.

The Act as it now stands unfortunately does not meet that requirement. It does not provide for the necessary distinctions, because it takes little heed of international trade. The amendments proposed in this legislation would on the other hand expressly call upon the Tribunal to consider that aspect. When looking at the merits of a proposed merger, the Tribunal would consider the impact of competition from imports, a very important aspect if we are to have an accurate and precise view of a merger. In so doing, Mr. Speaker, the Tribunal would be led to make distinctions. It would have to decide on the difference between a situation where Canadian businesses would be protected against foreign competition, by tariff barriers for instance, as opposed to another where they would have to stomach the full impact of imports.

Canada is a trading nation. One job out of three depends on international trade. This is why when a merger would greatly improve efficiency, thereby increasing exports or substitutions to imports, the Tribunal will have to authorize it.

The second aspect, Mr. Speaker, on which I should like to dwell concerns the various ways of considering copartnerships under this Bill. Once again, each case will have to be assessed according to the advantages and disadvantages of those operations. It is quite obvious that under certain circumstances, involved corporations can reduce competition.

• (1620)

The provisions of the Bill take that possibility into account. A copartnership which reduces competition will be subjected to the provisions dealing with mergers generally. On the other hand, copartnerships are also of some value to Canada. They allow the pooling of human resources, of skills in the areas of energy management, research and development. Under the proposed amendments, the Competition Act will allow copartnerships with respect to projects which could not be carried out without risk sharing among several partners.

The third point which I wanted to raise deals with specialization agreements. As the word suggests, it refers to agreements between corporations which would like to specialize in a line of products or of services rather than competing with everyone in all areas.

Sometimes corporations conclude such agreements because the market in which they operate is too small to accommodate several suppliers. They feel that the rationalization of production resulting from these agreements would lead to improved efficiency and major economies of scale. Thanks to this new legislation, the specialization agreements approved by the Tribunal will be exempted from the provisions governing conspiracies and exclusive dealings. It is clear that we must keep this aspect in mind, since abuses can still occur. Part of