

by the royal commission in Western Canada among farmers, and it describes the statistical analysis, sampling, et cetera. In the result, the survey came up with these conclusions—and these are the preferences of farmers in the purchase of farm machinery:

1. "Dealer has a reputation for standing behind farm machinery he sells." Very important. 88 per cent.
2. "Dealer has a reputation for honesty." Very important. 88 per cent.
3. "Dealer has a good repair and service department." 87 per cent. Very important.
4. "Dealer gives me a good deal." 70 per cent.

Then there is a whole list of items but the last one I read, "Dealer gives me a good deal," is the only one relating to price, either the price of a given product or the trade allowance he gets on his trade-in; all the others are non-price items. So, you see, at least in this survey, that the consumer places greater importance on non-price items, and I think this is generally the thrust of the approach that we are taking, that the philosophy of these sections in Part IV.1. of orienting these reviewable offences on the basis of price competition only is unrealistic and does not bear any relationship to the real working out of distribution and, in fact, to consumer preferences.

The Chairman: Well, Mr. Snelgrove, when you look at page 16 of the bill, which is Part IV.1 where you find clause 31.2, you will notice the language:

Where, on application by the Director, the Commission finds that

- (a) a person is adversely affected in his business or is precluded from carrying on business due to his inability to obtain adequate supplies of a product anywhere in a market on usual trade terms,

The significance in that, to me, at any event, is what is the meaning to be attached to the words "on usual trade terms".

Mr. Snelgrove: Our conclusion has been that if you read it in full you will see that the language is, "usual trade terms of the supplier or suppliers of such product in respect of payment, units of purchase and otherwise," and to us the emphasis appears to be on the usual trade terms for volume purchases, that is units of purchase. "And otherwise" might confuse the issue, but very probably *ejusdem generis* does enter the picture to confine it still within the area of payment and credit terms.

The Chairman: The language used, "usual trade terms", has its own definition in (b), isn't that right?

Mr. Snelgrove: Yes.

The Chairman: That language does not go far enough to cover the peculiar or particular method by which in certain industries and in relation to certain products business is carried on and products are sold, and what the customer expects. In your view, should there not be a broadening of the definition of "usual trade terms"?

Mr. Snelgrove: Yes, there should.

The Chairman: And if it is broadened along the lines you and Mr. Hemens have talked about, would that not meet the full thrust of your challenge?

Mr. Snelgrove: It could very well, and much of our recommendation along the line you are suggesting is in item (iii) on page 29 of the brief.

The Chairman: You have not any particular phrasing that you would suggest should be added to paragraph (b) of section 31.2?

Mr. Snelgrove: I think the person referred to in paragraph (b) of section 31.2, the wording about the middle of the paragraph on page 29 of the brief—or that the person comply with "other reasonable commercial and the statutory standards which are applicable to other customers of the supplier", or words along that line.

Senator Cook: In other words, the bill does not seem to put any onus on the complainant at all. The complainant could have been three or four times bankrupt. I do not see that the fences are wide enough to say, using your example of the perfume, that the complainant stinks.

The Chairman: What you mean is that the elements of proof required are not broad enough.

Senator Cook: Well, I do not know if the defence would entitle the supplier to say, "We don't want to deal with this person because he is not a reputable person and he is not going to carry out our standards of supply. He will set up for a short time and then, having made a killing, will move on somewhere else." I just wonder if the fences are wide enough to allow you to attack, if you like, the character of the complainant who may not be of particularly good character.

The Chairman: Your point is in addition to what we have been developing with Mr. Snelgrove. There should be some considerable amplification in paragraph (b) of section 31.2 in order to make available a much broader area of elements that must be met by the complainant, and the complainant should be required to meet all these elements. Now the point you made is one that the complainant, of course, would not raise, but there should be a right in the person defending himself to say, "I wouldn't sell to this man for all the tea in China. He has been bankrupt two or three times".

Senator Molson: Mr. Chairman, we have been talking about hard goods, but there is also the question of the display and protection of consumable goods which might provide a very good reason to a supplier not to deal with a particular individual or a particular retailer, for example. It could actually damage Chanel No. 5 if it was displayed in the sunlight or kept carelessly beside the boiler in the store.

Senator Cook: Or next to the salt codfish.

The Chairman: What you are saying, Senator Molson, is that the merchandiser, the manufacturer, the dealer or the distributor should have a right, without being subject to an attack of this kind, to insist