

The fact that the Director opted for a s. 47 inquiry at this time certainly carries the suggestion that prosecution was deemed not to be warranted by the evidence in the light of the Act as it now stands. At the least it must have been concluded that the scope for prosecution was small in relation to the wide ranging allegations which have been made. Moreover, the seizure of certain documents from Petrofina in 1978 during the 1973 inquiry is under appeal to the Supreme Court of Canada and some of those documents have not yet been turned over to the Commission.

It has obviously been impossible as yet for the industry to deal publicly in any detail with the specifics in the Green Book. However, by press time, a number of petroleum firms had issued statements denying all allegations of misconduct.

ANDRE OUELLET REITERATES HOPE  
OF INTRODUCING COMPETITION  
LAW REFORMS SOON

Consumer and Corporate Affairs Minister Andre Ouellet told a joint meeting of the Ontario and Quebec Business Law Sections of the Canadian Bar Association on February 5 that he hoped "by this spring to be in a position to bring forward a new bill designed to deal with the most urgent and pressing reforms of competition policy that remain to be undertaken, those involving mergers, monopolistic practices and conspiracies." He added:

"In particular, it is necessary to put in place a process that provides for a civil review to determine whether mergers involving major Canadian companies and certain monopolistic practices serve to promote or damage the interests of the Canadian economy generally. It is equally necessary to strengthen the criminal sections of the law against certain conspiracies which clearly and unequivocally are contrary to the public interest."

The Minister referred with concern to "a renewed wave of mergers and related corporate dealings by huge Canadian companies which raise serious questions about the public interest". He stated:

"I need only recall, for example, the takeover of Zellers and later Simpsons by Hudson Bay and the additional acquisition of Simpsons' interest in Simpson-Sears, which quite obviously gives the Bay a dominant position in the marketplace.

"The story does not end there, of course. It was not too long afterwards that the Bay was itself taken over by Thomson Newspapers, which also acquired control of the large FP chain of Canadian daily newspapers, in addition to those in its already extensive chain. Subsequently, as you know, Thomson sold its interest in The Gazette of Montreal and Pacific Press, publisher of the Vancouver Sun and the Province in British Columbia, to the Southam media chain. At the same time, Southam closed down the Winnipeg Tribune and Thomson, The Ottawa Journal.

Since the date of his speech merger activity, including that of Thomson interests, has continued to attract the attention of the press. At the time of writing the Bay, which holds a majority interest in Zellers, had announced a takeover bid to obtain all the shares of that company. The Canadian Apparel Manufacturers Institute has on a number of occasions expressed concern that the Bay's control of Zellers would lead to centralized purchasing and to difficulties for some of Zellers' present suppliers.

More or less simultaneously Thomson interests were among those involved in a bidding war for shares of Abitibi-Price, the largest newsprint producer in Canada. As it turned out, another group, Olympic and York Investments Ltd., was the one which won control of Abitibi-Price. The Prime Minister, responding to a question in the House of Commons on February 23, 1981, while the bidding war was in progress, undertook to draw the matter to the attention of the Minister of Consumer and Corporate Affairs. He added:

"There are many things which the government would like to see done or not done, but it does not always have the legal means to achieve that end."

Public hearings before the Royal Commission inquiring into concentration of ownership in the newspaper industry were continuing. According to the Ottawa Citizen of February 20, Mr. Tom Kent, the Chairman of the Commission, hinted that he might recommend a special section of the Combines Investigation Act to cover newsprint ownership.

As reported elsewhere in this issue, results of the petroleum inquiry by the Director of Investigation and Research under the Combines Investigation Act were released on March 4, 1981. The press coverage has already been almost unprecedented for a competition issue and it has clearly increased the pressure for legislative reform.

PROPOSED EASTERN CANADIAN POTATO  
MARKETING AGENCY ON THE WAY

The National Farm Products Marketing Council, in a report transmitted to the Minister of Agriculture on December 19, 1980, has recommenced the formation of a potato marketing agency under the Farm Products Marketing Agencies Act to cover Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. The Council recommended that the agency have all the powers permitted under the Act except supply management, subject to review within two years. The Council stated:

"While the Council found that a majority of producers would accept and agree to the formation of an Eastern Canada Potato Marketing Agency, it did not find sufficient evidence to support the granting of supply management powers at this time. The Council feels strongly that a further period of time is required to permit the industry to become familiar with the functions of an agency, to allow provinces to gain experience in working together and to build up a better understanding of where changes and innovations are required within the present marketing structure."

The agency could be in operation in time for the 1981 crop. The Director of Investigation of Research, Combines Investigation Act had proposed to the Council an agency with more limited functions than those which are now envisaged (see December issue of the Record).

Potatoes account for about forty per cent of total Canadian farm gate vegetable cash receipts and the five Eastern Provinces account for about 78 per cent of total potato production.

SENIOR STAFF CHANGES IN  
COMPETITION BUREAU ANNOUNCED

Mr. R.J. Bertrand, Director of Investigation and Research under the Combines Investigation Act has announced that in January, 1981 Mr. R.M. Davidson, Senior Deputy Director of Investigation and Research, undertook an assignment of one year at the Organization for Economic Co-operation and Development in Paris under the Canada Interchange Program.

Dr. D. DeMelto has rejoined the Bureau as a Deputy Director of Investigation and Research. He comes from the Economic Council of Canada where he was Director of the Technological Change, Productivity and Growth Program. Prior to that he was Director of the Competition Bureau's Manufacturing Branch.