

telecommunications carriers, and that a closer association with these carriers must develop if efficient, effective integration of satellite and terrestrial facilities is to be ensured, thereby making new services available to Canadians at the lowest possible costs."

Canadian Pacific, in its action before the Supreme Court of Ontario, argued unsuccessfully that Telesat had exceeded its powers in entering the agreement by delegating its powers as they relate to the operation of satellite services to the Board of Management of the TCTS and by entering a partnership relationship which it was allegedly prohibited from doing.

MATSUSHITA FINED \$50,000  
FOR PRICE MAINTENANCE

Matsushita Electronics of Canada Ltd. was convicted on one count under s. 38(1)(a) and one count under s. 38(1)(b) of the Combines Investigation Act in York County Judge's Criminal Court on January 30, 1981. A fine of \$50,000 on the first count was imposed on February 13. Passing of sentence on the second count was suspended since it in essence was involved in the first count.

S. 38 provides in part:

"38.(1) No person who is engaged in the business of producing or supplying a product... shall, directly or indirectly,

(a) by agreement, threat, promise or any like means, attempt to influence upward, or to discourage the reduction of, the price at which any other person engaged in business in Canada supplies or offers to supply or advertise a product within Canada; or

(b) refuse to supply a product to or otherwise discriminate against any other person engaged in business in Canada because of the low pricing policy of that other person."

The case involved differences between Matsushita, whose product trade names include Panasonic and Technics, and a retailer operating under the name of Canadian Electronics. The latter published an advertisement offering Technics stereo systems components at low prices. The Court concluded from the evidence that there was an outright flagrant contravention of s. 38(1)(a) and that employees of Matsushita had made threats to the retailer in an effort to induce him to raise his prices, and had subsequently refused to continue supplying him because of his low pricing policy.