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• (1100)

[Translation]

The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)): Happy Monday morning, everyone. Welcome to meeting number 127 of the House of Commons Standing Committee on Industry and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

Pursuant to the order of reference of Wednesday, February 7, 2024, the committee is commencing consideration of Bill C-352, An Act to amend the Competition Act and the Competition Tribunal Act.

Today we have Mr. Jagmeet Singh with us.

Mr. Singh, thank you for joining us to present your bill.

Before we begin, I would ask all participants to consult the cards on the table for guidelines on the use of earpieces. This is for the health and safety of all participants, especially our interpreters.

Without further ado, I yield the floor to Mr. Singh.

Mr. Jagmeet Singh (Burnaby South, NDP): Thank you, Mr. Chair.

I am extremely happy to be here. Thank you for giving me the opportunity to present my thoughts on my bill.

[English]

I know competition is not a topic that a lot of Canadians think is relevant in their lives, but I believe this is fundamentally important for Canadians. I think of two examples for why this is such an important bill: food, and cellphone and Internet fees.

When we talk about food in our country right now, we're up against a really serious situation, as you know, Mr. Chair. Canadians are faced with record food bank usage. One out of four Canadians are skipping meals because the cost of food is so expensive. Canadians know that when they go into a grocery store and they're paying the highest fees ever for their groceries, on the other end of that, they have corporate CEOs who are making record profits for their corporations. They're being gouged and ripped off. That has to stop.

We know this is not something that Canadians are unfamiliar with. Back in 2018, the large corporate grocery stores and bread producers worked together to rip off Canadians with the bread price-fixing scheme. We know the cost of that was significant.

Canadians were ripped off to the tune of \$5 billion, but the biggest fine that was levied for one of the major players of this bread price-fixing scheme, Canada Bread Company, got a fine of \$50 million.

In the scheme of things, when the collective benefit they accrued was \$5 billion that they ripped off Canadians, a \$50 million fine is a slap on the wrist. That has to stop.

We know that protecting consumers and fighting back against corporate greed will lower the cost of food and the cost of living for Canadians.

The other area where we know this is significant is when it comes to cellphone and Internet fees. We pay amongst the highest cellphone and Internet fees in the world. It's no surprise that as a result of merger after merger, there is a massive concentration. Just three cellphone and Internet providers make up the majority of cellphone and Internet services in our country. They are Rogers, Bell and Telus.

We recently saw a merger, which only makes things worse. The merger between Rogers and Shaw is only going to mean higher costs for consumers and fewer options. Again, this is going to make life more unaffordable. It's another example of corporate greed.

That merger should have never happened. My bill would allow for measures to ensure that doesn't happen in the future or it makes it a lot more difficult.

We know the cost of living is up and we know that corporate greed is driving it up. My bill hopes to prevent that from continuing. Stopping large corporations from ripping off consumers will lower prices for Canadians.

I believe the role of government is to strengthen and protect consumer's rights and protect consumers against exploitation. That's what I hope to do with my bill.

I want to break down some specifics to hopefully lay the foundation for your questions.

Since the introduction of my bill, we have been able to force the government to make significant changes to their existing bills to protect consumers. I want to go over those changes that have been made. These are changes to Bill C-56 and Bill C-59.

New Democrats put forward amendments to specifically increase penalties for anti-competitive behaviour and to make it easier for the Competition Bureau to go after these large corporations when they rip off Canadians.

We also specifically changed definitions to include price gouging as an offence.

We also ensured that the Competition Bureau is able to initiate investigations so it can actually identify when problems are happening, compel documents and go after corporate greed.

There have been changes now, because of what we forced the government to do, that would make it harder for mergers such as the Rogers-Shaw merger.

There are three things that are outstanding—or fundamentally two main areas.

One is the bread price-fixing that I spoke about. That remains something that is not covered in the way that it should be by the Liberal government. They've refused to put in place strengthened penalties.

If corporations are doing the crime, then they have to pay the fine. What we want to see happen is that, in the cases of large corporations working together to rip off Canadians, there should be severe and significant fines. That's something that's missing in this bill.

We think there should be certain mergers that, if they hurt Canadians, should be banned outright. Not an assessment of whether this will hurt or not hurt, or whether they should go ahead or not. If they reach a certain level, they should be banned outright. That's a change this government was unwilling to do.

I would point out that I believe the government can be a force for good for Canadians. It can fight corporate greed and make life affordable.

For decades, the Liberals and Conservatives have ignored corporate greed. They have purposely ignored strengthening the rights of consumers and ignored the tools that the Competition Bureau needs to take on corporate greed. I hope to change that with this bill. We have done some significant changes with amendments and this will finish the job.

• (1105)

The Chair: Thank you very much, Mr. Singh.

To start the discussion, I'll turn it over to MP Williams for six minutes.

Mr. Ryan Williams (Bay of Quinte, CPC): Thank you very much, Mr. Chair.

Mr. Singh, you claim you're working for the fairness of people and Canadians and you're here today to claim that you're standing up for competition.

After your agreement with the Liberal government—that's now been for over two and a half years—three mergers have gone through. RBC purchased HSBC. That's Canada's number one bank

buying the number seven bank. Rogers bought Shaw, and WestJet bought Sunwing.

This has been detrimental to Canadians. Canadians are hurting right now.

Why did you not stand up for Canadians and say no to these mergers?

Mr. Jagmeet Singh: That's not all the case. We did absolutely say no to those mergers. We said they were wrong at the time. We're not just saying that it's wrong; now I'm putting forward a bill that would prevent those things from happening. We put forward amendments to the other bills that I noted to make it harder for these types of mergers to happen. We have been very vocal opposing mergers that have hurt Canadians. I've asked questions in Parliament on these very matters. I'm putting forward a bill in my name that would specifically ban mergers of companies that make up more than 60% of market share. In addition, we've put amendments that make it harder for mergers that are 30% and above.

Mr. Ryan Williams: Mr. Singh, you do have an agreement with the government, and at any time you could have ended that agreement. You could have included this stipulation in the agreement. At the end of the day, we look at these agreements as useless because, in not standing up for Canadians, these corporations have gotten bigger.

When we look at HSBC and RBC, and RBC buying HSBC. Even in Vancouver, where you reside, HSBC had 10% of the book for mortgages. After that merger, interest rates went up almost 1%. More importantly, profits went up.

Can you tell me, Mr. Singh, in this last quarter ending March 31, how much more RBC's profit increased versus the last quarter of December 2023? Give me a number.

Mr. Jagmeet Singh: We are absolutely opposed to these types of mergers. That's why we're putting forward a bill to do exactly that. If the Conservatives are in support of these types of changes, I would invite them to support my bill, which would ban outright any merger that increases the market share beyond 60%.

Mr. Ryan Williams: Mr. Singh, just give me a number, please.

Mr. Jagmeet Singh: Support the bill. The bill is about ending these types of mergers, stopping mergers that hurt Canadians.

Mr. Ryan Williams: Mr. Singh—

Mr. Jagmeet Singh: For a long time, Conservatives ignored this problem.

Mr. Ryan Williams: —the number is \$1 billion. That's how much more profit RBC made in the first quarter of 2024 versus the last quarter of 2023. HSBC only made \$300 million in that last quarter.

You can see what happens when mergers go through. Not standing up for Canadians means that Canadians are hurting. When we look at cellphone bills, which you have mentioned, Canadians do pay the highest cellphone bills in the world, yet you stood up and didn't say no to the Rogers-Shaw merger.

Mr. Jagmeet Singh: That's not true. We did say no.

Mr. Ryan Williams: At the end of the day, you could have ended this merger. You could have stood up to the government and said, "This is our red line. We're not going to do this."

What's happened since then is that Rogers and Shaw have both benefited.

I'm going to start with this. The Prime Minister, whom you support, said in the House of Commons that cellphone bills had gone down by half. He said that. He said that cellphone bills are down by half, so I'm going to ask you a simple question. How much more in the year ending March 31, 2023 did Rogers make—this is wireless revenue per user—than the year prior? Give me a number.

• (1110)

Mr. Jagmeet Singh: We firmly opposed the Rogers-Shaw merger. I ask questions in question period directly of the ministers and of the government. I've been on the record. I don't know if the member ever asked a question about this, ever. I've asked questions on this directly of the Prime Minister and said it's wrong. I'm putting forward a bill that we're discussing right now that would protect consumers against these types of mergers. I'm literally addressing this matter in a law that we are talking about right now.

If the Conservatives are interested in protecting consumers, which is news to me, then they could support my bill that would ban mergers that increase market share beyond 60%.

Mr. Ryan Williams: Mr. Singh—

Mr. Jagmeet Singh: I oppose mergers that hurt Canadians, and we've got bills right now, a bill in front of this committee, that would do exactly that, protect consumers against mergers.

Mr. Ryan Williams: —you're talking to the competition critic, the shadow minister, for the Conservative Party, because our leader decided that competition was important enough to put someone in this position. When we talk about where you could have been, you're in another position. You could have stopped the government from approving these three mergers that have hurt Canadians.

We say that it's a walking contradiction. You're standing up for these corporations, which have only gotten bigger—

Mr. Jagmeet Singh: I'm not standing up for them; I'm opposing them.

Mr. Ryan Williams:—since you've been in power, and consumers have less power. We're not seeing the prices come down. We're not seeing competition. You presented a bill, and we presented lots of changes. You and I both proposed a change to the efficiencies defence, which this government stole from us.

You're not standing up for Canadians, and Canadians feel that you've sold them out. They feel that you're not standing up to the corporations. They feel that they're not going to do it, so people only trust the actions....

Mr. Singh, the other change that we're pushing for in Canada is open banking. If we want to talk about taking a chunk out of the banks in Canada, open banking would do that. In the U.K., when open banking was implemented, it saved the average person in the U.K. \$400 a year. There are no transactional fees, no monthly fees and no overdraft fees with open banking, and that's with only 14% market share.

This government took six years to bring legislation forward. They picked a regulator and only gave them a pittance, \$1 million, to get the regulations in. This regulator, FCAC, was just in front of a Senate committee.

Do you know how many of the 27,000 complaints they have answered since 2019? Can you just tell me the number?

Mr. Jagmeet Singh: It's interesting. I'm literally saying to the member that we are opposed to large corporations ripping off Canadians. I have opposed the mergers. The member knows that very well; he knows that I've stood up and opposed them. I don't know if the member himself has ever asked a question on this in question period, but I have; and I can say further that I noticed that the member has not asked a single question about the corporate greed of grocery stores.

Is it because your leader has been a receiver of a max donation from the CEO of Metro? Is it because the corporate or the Conservative strategist for the party is a lobbyist for Loblaws? Maybe that's why they're not willing to talk about corporate food and corporate grocery stores, but I am. I'm ready to take them on. I'm ready to take on all corporations when it comes to ripping off Canadians.

The Chair: Thank you, Mr. Singh and Mr. Williams.

[*Translation*]

Mr. Turnbull, the floor is yours for six minutes.

[*English*]

Mr. Ryan Turnbull (Whitby, Lib.): Thanks, Chair, and thanks to Mr. Singh for being here today.

It's kind of ironic hearing the Conservatives talk about saving \$400 per year when they won't support saving families money on child care, dental care, pharmacare or feeding hungry kids, or a Canada disability benefit, or, or, or. The list goes on, including the Canada child benefit, and many more.

Mr. Singh, I know you are saying that you forced us to do certain things. Obviously I will have to disagree on that, because the Government of Canada has put forward multiple rounds of revisions to the Competition Act—Bill C-19, Bill C-56, and Bill C-59—and I think the collaborative efforts of working together with the NDP on some of those changes have been very productive. I think we should all take that approach when doing our parliamentary work, because what we're really here for is to serve Canadians.

We know competition in the market. More competition means more options and better prices. We've been saying that since day one. I think we may beg to differ on some aspects, but that's the government's standpoint.

Mr. Singh, I want to take a step back. I'm interested in your approach to competition reform—and here I know you're a former defence attorney and a defender of the Charter of Rights and Freedoms.

Would you say that you appreciate the principles of natural justice that are protected under the charter?

• (1115)

Mr. Jagmeet Singh: I think I know where the member is going with this line of questioning.

As a lawyer, I can tell you that what we've found is that giving judges pure discretion when it comes to setting sentences has resulted in the case that I gave you of the \$5 billion, which large corporations have ripped off Canadians with bread pricing. The biggest fine that a judge levied in that case was \$50 million, which is a slap on the wrist if you think about \$5 billion in net revenue.

What I'm hoping to establish are some guidelines for judges. Judges follow guidelines. They're going to follow jurisprudence. The highest fine was \$50 million. That's not going to be a significant deterrent.

What we've said is that the judge should be able to use deterrence to the extent of 10% of the revenue of a company. In the case of Loblaw's, with \$60 billion in revenue, the judge should be able to impose a fine of \$6 billion. That is deterrence. Without having guidelines, judges won't go further than jurisprudence, and right now \$50 million is the highest fine that's ever been levied. It's far too low.

Mr. Ryan Turnbull: However, you agree that the judge, jury and executioner shouldn't be concentrated in any given commissioner? Do you not agree that in some cases we need a clear separation between the investigative and adjudicative functions; hence, we have a commissioner and a tribunal within competition?

Mr. Jagmeet Singh: Of course, we need separation, but let's be very clear: The Liberals refuse to acknowledge that the bread price-fixing scheme that happened ripped off Canadians to the tune of \$5 billion, and the fines that were levied for one of the most egregious examples were slaps on the wrist for these large corporations.

What I'm proposing is a guideline that would give a judge the ability to impose fines triple the benefit accrued, or 10% of the revenue of a company. These are serious sanctions and serious penalties, and I don't understand why the Liberals are unwilling to impose some guidelines to let judges know they need to go further and

impose harsher penalties for harsh crimes. If companies are going to rip off Canadians, they need to know that they are then going to suffer serious sanctions as a result. That's what I'm proposing—penalties that stop these corporations from ripping off Canadians.

Mr. Ryan Turnbull: Again, we'll have to beg to differ, because we have increased penalties.

Mr. Jagmeet Singh: It's just not on the collusion and conspiracy.

Mr. Ryan Turnbull: Maybe you want to increase them more. However, my understanding is the way that the law works is that the higher the potential severity of the penalty, the more important it is to have that separation between the adjudicative and investigative functions.

If you agree to a tribunal.... You're not here, under your private member's bill, proposing to take out the tribunal within the competition reforms that you're proposing. Is that right?

Mr. Jagmeet Singh: No, not at all.

I just want to be clear. While we were able to force the government to bring in changes to anti-competitive behaviour, the government refused to bring in those changes to the collusion or conspiracy or the price-fixing, and the price-fixing is what I'm talking about with the bread price-fixing.

That scenario that we have evidence of happened in 2018. The Liberals and, frankly, the Conservatives are unwilling to go after that price-fixing. That's what I'm proposing to do in this bill that is outstanding, to address price-fixing or that conspiracy, or when corporations work together to rip off Canadians. That's where we need penalties that are severe. Those penalties are not in the current government legislation. That's what my bill would do, and that would significantly protect consumers.

Mr. Ryan Turnbull: Just to be clear, though, you recognize the benefits of having an administrative tribunal. Could you speak to those benefits?

Mr. Jagmeet Singh: We have not suggested anywhere in my bill that we would change that structure. We're strictly focused on—

Mr. Ryan Turnbull: Is that because you recognize the important function that it plays?

Mr. Jagmeet Singh: Right. There are separations in terms of those who investigate and those who adjudicate, and that's normal.

What I'm focused on is making sure that, if a corporation rips off a Canadian, they will suffer serious penalties. That is not in existence right now when it comes to collusion or conspiracy, when large corporations work together like we saw in the bread price-fixing. That's the unfinished business I'm speaking to that my bill would address.

Mr. Ryan Turnbull: But you don't advocate for circumventing the principles of natural justice within that regime of having the separation of powers and having fairness and due process to be grounded in the system we're offering?

Mr. Jagmeet Singh: I don't think I've suggested that anywhere, nor is that anywhere in the bill.

Mr. Ryan Turnbull: Okay, great. It's just that your member here does that on privacy. That's why I'm asking. Your member here is completely willing to gut the bill on privacy of a tribunal, which we've heard testimony—

Mr. Jagmeet Singh: Privacy and competition are very different. What I'm speaking to is related to competition, and it's a very different matter.

Mr. Ryan Turnbull: Well, they're not that different, but I'll end it there.

The Chair: Thank you, Mr. Turnbull.

[*Translation*]

Mr. Garon, the floor is yours for six minutes.

Mr. Jean-Denis Garon (Mirabel, BQ): Thank you, Mr. Chair.

Welcome to the committee, Mr. Singh. It is a pleasure to see you.

Congratulations on introducing your bill.

Obviously, you have focused on grocery stores, since that is the issue of the year. We understand that it is important, but your bill would change the competition rules for all industries, so I would like to talk to you, as my Conservative colleague did, about the open banking system.

You know that the banks today are having to become manufacturers of financial products, and there are apps where customers go to buy them and use them. So there needs to be legislation and regulations to regulate all of that, actually. You know that the budget, which you supported, contained an intention to regulate the open banking system. You also know, since you are a very well-informed man, that our biggest financial institution in Quebec, Desjardins, is owned by the Government of Quebec.

The government's bill seems to contain the intention to impose a framework and hold a gun to Desjardins' temple and simply tell it to choose between adhering to the federal framework and being isolated on its own. There seems to have been no coordination with the Government of Quebec in order to harmonize all of this.

What is your position? Would you be prepared to support a bill about the open banking system for which there was no coordination with the Government of Quebec in order to take the biggest employer in Quebec and our biggest financial institution into consideration?

Would you support a bill like that?

• (1120)

Mr. Jagmeet Singh: Today I am prepared to talk about my bill on competition, the purpose of which, more specifically, is to tackle problems that are hitting people hard today, like the trouble Canadians have buying groceries. I am proposing measures to protect consumers and impose tougher penalties on the big corporations—

Mr. Jean-Denis Garon: Mr. Singh, you are playing politics. I don't want to be rude, but you know what time is worth. I am talking to you about the current proposal regarding the open banking system, which is presenting Quebec with a *fait accompli*. You can say you have not yet formed an opinion about it—I respect people who take the time to think—but say it. Don't change the subject.

Mr. Jagmeet Singh: I am explaining that today I am prepared to defend and promote my bill. I am prepared to think about what you have brought up and consider your proposal, but today I want to focus on the challenge we are facing. This is about adopting measures to protect consumers against the big corporations that are exploiting people: the big grocery chains, but also the big telecommunications companies.

That is what I want to talk about today, but I am prepared to consider your proposal.

Mr. Jean-Denis Garon: We will await your thoughts on that. Thank you.

Many of the provisions of your bill have already been applied, since they are part of bills that were passed earlier, such as Bills C-56 and C-59. However, part of it would still add a lot of constraints on competition authorities.

Essentially, with the legislative changes that have been made so far, not only must the competition bureau look for efficiency gains before authorizing a transaction, but it must now also be possible to prove that consumers have benefitted from the efficiency gains. Your bill then adds a constraint associated with market structure, not the consequence of a merger. If the combined market share resulting from a merger exceeds 60%, it will be prohibited, and if it is between 30% and 60%, there will be an investigation, if I understand correctly.

What would happen, for example, in cases where there is what is called a natural monopoly, in remote regions? There are grocery chains in very remote regions that have trouble staying open, and if they do not merge in order to take over the market, they will go bankrupt and people will no longer have food.

Do you know that the inflexibility of your bill would prevent people from eating, in some regions? Have you thought about that?

Mr. Jagmeet Singh: I have thought about the impact of a monopoly. If a company's market share is greater than 60% as a result of a merger, that hurts people. That is undeniable.

How can we help small businesses? How can we help businesses outside urban centres? I think that is the solution, and we should do it.

I am inflexible when it comes to preventing a monopoly. If a company has more than 60% of the market, that is a problem. We have seen the impact of monopolies or oligopolies in the realm of—

Mr. Jean-Denis Garon: Mr. Singh—

Mr. Jagmeet Singh:—telecommunications. That hurts people.

Mr. Jean-Denis Garon: Why did you not set the threshold at 50% or 55% or 42%, for example? Where did the 60% threshold come from?

Mr. Jagmeet Singh: It is to prevent a situation like what the big grocery companies are doing: Loblaws, Metro, Sobeys, Walmart and Costco now own a majority of the grocery stores in Canada. Anyone can see it when they look at the options in the market. It is a big problem.

To prevent this situation, we consulted other countries and we determined that this 60% threshold was a bright line. We should not accept a situation where a company has more than that, like—

• (1125)

Mr. Jean-Denis Garon: What other countries, for example, use a hard 60% line? If a company were to have 60.01% of the market following a merger, what other country would strictly forbid the merger without analyzing the case and looking at the circumstances?

I am not saying I am against the bill. I am really trying to understand it. It's an honest effort.

Can you name three other countries that do that?

Mr. Jagmeet Singh: We have—

Mr. Jean-Denis Garon: If you consulted all of them, can you tell me that?

Mr. Jagmeet Singh: Yes. We consulted legislation or bills in Europe and Australia that guided our decision to set the threshold at 60%.

Mr. Jean-Denis Garon: Do the Americans have a 60% threshold?

Mr. Jagmeet Singh: No, I don't think so, but the Americans have competition laws that are stronger than ours.

Mr. Jean-Denis Garon: They are also more flexible.

Mr. Jagmeet Singh: Yes, we looked at what is done in the United States, too, but for the 60% threshold, we really looked at the examples of Europe and Australia.

Mr. Jean-Denis Garon: Thank you, Mr. Singh.

Mr. Jagmeet Singh: You're welcome.

The Chair: Thank you.

Mr. Masse, the floor is yours.

[*English*]

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair. It's a pleasure to be here.

Thank you, Mr. Singh, for coming.

I find it curious that my Conservative colleagues have forgotten their own history. I remember the days of the Conservatives under Peter MacKay and David Orchard, the takeover and so forth, and even under the Harper administration, when they put just enough members in the House of Commons to oppose or turn over a government because they didn't have them in there. They went to the lobby like they did the other time, just this past session, instead of actually taking it on and trying to be constructive.

I think this bill is important because, despite the differences at the table about things, we can always find reasons not to do it.

This committee, however, actually has a good record of bipartisanship and putting on record some of these issues. With the grocery store chains in particular, it was this committee that first brought the CEOs here, because not only were they doing the bread price-fixing, but they also ended the pandemic pay the very same day, across the board.

Could you elaborate a bit more about the issue of bread pricing? It is a basic staple of human life that we use in Canada.

How might this bill have affected the Rogers-Shaw merger that went ahead? Had we had this protection, what would the potential outcome of that have been?

Mr. Jagmeet Singh: Thank you very much for the question.

Again, fundamentally, I can't think of something that's more important for Canadians than being able to buy food. It's a necessity. Everyone needs to do it. What we're seeing very clearly, if we look across the country, is that when Canadians go to buy their groceries, they're getting ripped off when they go through checkout. They know it. When Canadians were asked this question, they said very clearly that they felt that corporate greed was a major reason that food prices were up.

This bill directly targets that. We're going to directly target the large corporate grocery stores in our country—the Loblaws, the Metros, the Sobeys, the Walmarts, the Costcos—and go after them directly to say that they cannot rip off consumers. This bill would provide additional protection.

The specific area that's missing, and that I pointed out to the Liberals, is that while we were able to get them to change the penalties on anti-competitive behaviour, they've refused to put in the strengthened penalties on conspiracy or when large corporations work together to rip off Canadians. The bread price-fixing scenario, which I've alluded to, was that the large corporate grocery stores and large corporate bread producers got together and jacked up the price of bread. They were found guilty of doing so. As a result, they received fines. The heftiest fine was on Canada Bread Company. It was only \$50 million. In the context of how much they made and how much they ripped off Canadians, it was a slap on the wrist.

Our bill provides clear guidelines for judges to impose stricter and more severe penalties. We know that in Canada, as a common law country, the penalties will follow jurisprudence. Right now the precedent that's been set is \$50 million. That's the highest fine. That is simply not high enough. We've provided a guideline for a judge of how high they can go. On what we've provided, two of them I think are very significant. One of them is 10% of the revenue of a company. For a company like Loblaw's, which makes \$60 billion, the fine can be as high as \$6 billion. Giving a judge a clear guideline of how high they can go will allow us to have more severe penalties to deter these companies.

Another example of what we've allowed for is triple the benefit accrued. If collectively these corporations made \$15 billion, then collectively a judge can impose a sanction of \$15 billion in fines. That, again, is very serious deterrence. If a company knows they're going to have a jeopardy of billions of dollars in fines, they're not going to rip off Canadians. That's important.

You mentioned also the Rogers-Shaw merger. To be very clear, the Competition Bureau tried to stop it. We asked the minister directly to stop it. The Liberals refused to stop this merger, and they should have. That merger is bad for Canadians. It's going to be bad for competition. It's going to lower options and choices. It's going to increase prices.

Our bill, where we were able to force the government to include some of those measures, would ensure that if a merger results in more than 30% of the market share, there would be a very difficult process that the company would have to go through to prove that it would benefit Canadians or prove that it can benefit consumers. That's a very difficult threshold. They would not have been able to make that threshold proven in the case of the Rogers-Shaw merger.

In that merger case, it was almost 60%, but it didn't hit that threshold. If it were 60% or higher, then it would trigger an immediate ban of that merger, which is something we need to have. We need to have strict measures in place to prevent these oligopolies from being formed, because we're seeing the result of them. With corporate grocery stores, with telecommunications, Canadians have less choice and higher costs, and it is ripping them off.

• (1130)

Mr. Brian Masse: Thank you.

I know that the Liberals think, "Oh, gotcha moment", because we on the opposition side here have been pushing against the tribunal on the privacy legislation and offering solutions for it. One of the issues we have with that is the mere fact that the Competition Bureau tribunal is actually suing our Competition Bureau itself. It's going to cost Canadians money and also confidence in the Competition Bureau, in my opinion. That's one of the reasons we don't find a tribunal to be one of the best things in the place.

Your bill looks to amend the tribunal, to some degree, by actually stopping it from being able to sue back the Competition Bureau. Can you elaborate on that? It's absolutely absurd that we would actually have a position of the Competition Bureau basically not only overturned and overruled but then punished, and punishing Canadians because they stood up for the right things and they did the right professional job.

Mr. Jagmeet Singh: Yes, I think that amendment just speaks for itself. The fact that it would prevent that type of lawsuit from happening would seem to be a very sensible thing to do. If people want to exercise their right to raise a concern, that should not result in them being punished in return.

I think that is an appropriate amendment that we're pushing for, and it's something that I support.

Mr. Brian Masse: Do I have time left?

The Chair: You're out of time, Mr. Masse, but we'll get back to you.

Mr. Perkins, the floor is yours for five minutes.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair.

Thank you, Mr. Singh, for being here.

You spoke a lot in your opening, obviously, about food prices. It's a main driver of this initiative. However, over nine years, the NDP has voted for every single budget that Justin Trudeau has put forward, and Canadians are more miserable and hungrier than ever. For example, lettuce is up 94% in that time, onions 69% and cabbage 70%—since your deal with the Liberals. A Dalhousie study by "The Food Professor", as he calls himself, shows that carbon taxes are increasing wholesale food prices by 34%.

My question is simple: Will you finally admit that carbon taxes increase the price of food?

Mr. Jagmeet Singh: Well, a couple of things are just false in that comment.

In nine years, we have not supported every budget. That's not true.

In terms of the costs that Canadians are going through, Canadians were asked this very same question: What do you think is a major driver of your groceries?

Mr. Rick Perkins: [*Inaudible—Editor*]

Mr. Jagmeet Singh: Canadians were asked, and they answered that the major driver that's pushing up the cost of their food is corporate greed.

We also had an investigation. We had the Competition Bureau look into this, and it is very clear that corporations are ripping off Canadians. In fact, economists have made it clear—

Mr. Rick Perkins: But, Mr. Singh, that isn't what I asked you.

Mr. Jagmeet Singh: —that, more and more, large corporations are ripping off Canadians, so we're going after the major driver.

Mr. Rick Perkins: Please answer the question.

Is the carbon tax increasing the price of food, yes or no?

Mr. Jagmeet Singh: We know that the major driver pushing up the price of food is corporate greed, so why would we—

Mr. Rick Perkins: You're avoiding the question.

Mr. Jagmeet Singh: I don't know why the Conservatives are ignoring the major driver and looking at other things.

We have something glaring in front of us that's hurting Canadians: the massive profits being accrued by CEOs of these large corporations. The Conservatives want to ignore that—the major driver of the high cost of food—and want Canadians to believe they actually care.

Mr. Rick Perkins: The only thing that's being ignored right here is my question, Mr. Singh. You're ignoring my question on the carbon tax, which puts up food costs.

Mr. Jagmeet Singh: Well, you're ignoring the major driver that is putting up the cost of food in our country.

Mr. Rick Perkins: Mr. Singh, you put a lot of fog in your support for the carbon tax recently at the Broadbent Institute. Do you support the carbon tax, yes or no?

• (1135)

Mr. Jagmeet Singh: It's very interesting to me that we're talking about food prices, that I've made the assertion that corporate greed is driving up the cost of food and that Canadians agree with this assertion, and that the member doesn't want to talk about corporate greed. The substance of this bill—

Mr. Rick Perkins: I'm talking about food prices, and the carbon tax is pushing up food prices.

Mr. Jagmeet Singh: The substance of this bill is to take on corporate greed.

Mr. Rick Perkins: Will you answer a question or are you just taking PMO talking points again?

Does the carbon tax push up the price of food, and do you support the carbon tax, yes or no?

Mr. Jagmeet Singh: The major driver pushing up the cost of food is corporate greed, and I don't know why the member doesn't want to talk about—

Mr. Rick Perkins: The major driver is this government's policies that you support.

Mr. Jagmeet Singh: —the corporate greed that is ripping off Canadians. When Canadians go in the grocery store and are paying more money than ever for their groceries, they know they're getting ripped off.

I don't know why the member doesn't want to talk about corporate greed.

Mr. Rick Perkins: How many people are now going to the food banks as a result of your support of this Liberal government?

Mr. Jagmeet Singh: As a result of subsequent Conservative and Liberal governments that have not taken on corporate greed and that have ignored CEOs ripping off Canadians, right now one in four Canadians is skipping meals. There's record food bank usage because Liberals and Conservatives—

Mr. Rick Perkins: Thanks to your support of the Liberal policies.

Mr. Jagmeet Singh: —refuse to go after corporate greed.

Mr. Rick Perkins: When you visited striking Metro workers and went on their picket line, did you inform them that your brother and your NDP spokesman both lobby for Metro?

Mr. Jagmeet Singh: First of all, that's patently false. Second, the member knows very well that we have opposed corporate greed when it comes to Metro, Sobeys, Loblaws, Walmart and Costco. However, it's interesting to me that Conservatives will attack everybody, including my family, rather than attack the CEOs who are ripping off Canadians. That is very telling—

Mr. Rick Perkins: We're just attacking your hypocrisy.

Mr. Jagmeet Singh: —of who the Conservatives are.

Mr. Rick Perkins: So, when you attacked Loblaws—

Mr. Jagmeet Singh: This is while I'm directly going after the CEOs and corporations.

The Chair: Mr. Perkins, I'd appreciate it if you could stay respectful in the words you choose at this committee.

I'll let you proceed.

Mr. Rick Perkins: He could avoid it if he answered the questions rather than avoiding them like the Liberals do.

Mr. Jagmeet Singh: No, no, sir. You know that I directly addressed the matter—

Mr. Rick Perkins: When you started to attack Loblaws and other grocers—

Mr. Jagmeet Singh: —which is that corporate greed is driving up food. I'm attacking all the large corporate grocery stores.

Mr. Rick Perkins: Mr. Chair, would you tell him to stop talking over me so that I get to ask questions?

Mr. Jagmeet Singh: Maybe the member doesn't want to do that because his leader receives maximum donations from the CEO of Metro.

Mr. Rick Perkins: I have a point of order, Mr. Chair.

Mr. Jagmeet Singh: I'm willing to attack the CEOs of all corporations.

The Chair: Okay, Mr. Singh.

Mr. Perkins.

Mr. Rick Perkins: The NDP leader is talking over my questions. He's a witness. He doesn't get to pose the questions. He's harming the translators while he talks over me as I ask questions.

The Chair: From my standpoint, it's been going both ways. You are both skilled parliamentarians. The practice is usually that the answer should be about as long as the question, and the questions have been fairly long, Mr. Perkins.

Mr. Rick Perkins: They've been about 20 seconds.

The Chair: Please, just try to keep that in mind going forward, for all members.

Mr. Perkins, the floor is yours.

Mr. Rick Perkins: When you began the crusade on the grocery stores, did you clear your stand with the Ethics Commissioner, because of your brother's conflict, before you chose to attack all the other grocers except the one he works for?

Mr. Jagmeet Singh: First of all, that's patently false, and the member knows it. I've attacked every CEO who's ripping off Canadians, including Metro's, including Sobeys' and including Loblaw's. The member knows that. The member's lies will not change the fact that right now I'm talking about taking on corporate greed, when the Conservatives want to talk about everything but that, trying to attack family members rather than attacking the corporate greed of these large corporations.

Mr. Rick Perkins: You've gone after Loblaw's over 70 times, and hardly ever mentioned the word "Metro" until we just asked you. Are you saying that you did not clear your attack on the grocers and your direct conflict with your brother's work with the Ethics Commissioner? You didn't bother to do that?

Mr. Jagmeet Singh: The member knows that I have attacked all corporate greed by name, specifically including the CEO—

Mr. Rick Perkins: Except for your brother.

Mr. Jagmeet Singh: —of Loblaw's, the CEO of Metro—

Mr. Rick Perkins: Did your brother ever meet with the CEO of Metro?

Mr. Jagmeet Singh: —the CEO of Sobeys. I've attacked Walmart and Costco.... The Conservatives, though, are unwilling to go after corporate greed. It is very telling that they are unwilling to go after corporate greed.

Mr. Rick Perkins: Your answer [*Inaudible—Editor*] my questions. Did your brother ever meet with the CEO of Metro?

The Chair: Thank you, Mr. Perkins and Mr. Singh. That's enough, we're out of time.

I'll now turn it over to MP Badawey for five minutes.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Singh, for being here today.

I'm not going to attempt to put the focus on the politics of the life that we live here in Ottawa, nor the parties that we represent. I want to put the focus on people and fairness.

When the government introduced Bill C-56 and Bill C-59, that's in fact what we did: We put the emphasis on people and on fairness with respect to competition reform. To some extent I think that's what you're trying to do here, too, and I appreciate that.

With that said, through those bills we have established strengthened market studies and the power to compel. We've clamped down on anti-competitive behaviour and cross-industry collaboration. We've removed the efficiencies defence, strengthened the right to repair, strengthened anti-greenwashing provisions, strengthened merger review and cracked down on unfair pricing practices—including drip pricing—as well as strengthening monetary penalties.

I've read your PMB, and I appreciate the intent, but also appreciate what we've accomplished through Bill C-56 and Bill C-59.

What I really want to do is get a bit more granular, Mr. Singh, and drill down on the business part of it, not the politics of it.

You mentioned some of the missing elements of those bills. Correct me if I'm wrong, but you said they were missing strengthened penalties. Therefore, my first question is: What more strengthened penalties do you want to have, over and above what are identified in both of those bills? My second question is whether certain mergers should be banned if they reach a certain level.

Can we get a bit more granular on that? Quite frankly, my intent is to take something away from this discussion and accomplish what you, we, the committee—I would only assume all of us—want to accomplish with respect to being fair, and again, attaching it to the people whom we represent.

• (1140)

Mr. Jagmeet Singh: Thank you.

I think it's an important reflection to just bring it back to whom this bill is about. This bill is about people. It's about people who are going to the grocery store and getting ripped off. It's about people who are paying cellphone bills and Internet fees that are among the highest in the world, and knowing that Canadians need some relief. This bill is about protecting people, protecting consumers and putting in stiffer penalties.

While I agree we've been able to push for amendments that have addressed a number of changes, including the ability of the Competition Bureau to investigate examples of anti-competitive behaviour, including stiffer penalties when there is anti-competitive behaviour, the piece that's missing is a piece that I spoke about. It is when we look at one of the most glaring examples of large corporations ripping off Canadians, it's when they colluded or worked together to jack up the price of bread. That is termed "price-fixing". It could also be referred to as a "conspiracy". It's also referred to as "collusion". That behaviour, when large corporations work together to rip off Canadians, that specific area was not addressed by the Liberals. We had pushed for changes. Those changes were not accepted.

What we've included in my bill is addressing the specific matter that I pointed out—that in one of the most egregious examples of collusion, bread price-fixing, the highest penalty was \$50 million on Canada Bread Company. That \$50 million is barely a slap on the wrist for that corporation, given the total amount of revenue that all partners in that collusion were able to accrue. The amount that they ripped off Canadians was tallied at \$5 billion.

What my bill does is provide guidelines to a judge that in a case as severe as that, here are some areas where they can go. They can go to 10% of the revenue of a company. You can go to triple the benefit they accrued. That is severe deterrence. Those are severe penalties that would deter these companies from ripping people off. That's the specific measure.

The other measure that I've included is in the case where a merger would result in 60% or more of a market share. In that case, it should be immediately banned.

Mr. Vance Badawey: Thank you, Mr. Singh.

Again, I mentioned what Bill C-56 and Bill C-59 contained. You mentioned those two points. Are there any other missing elements in those two bills?

Mr. Jagmeet Singh: The third area that's missing is strengthening penalties for agreements or arrangements between federal financial institutions to a fine of \$25 million, to match the existing provisions where it applies to criminal cartel penalties. This again is another way of capturing the idea of collusion or working together. These are arrangements in which large corporations co-operate to rip off Canadians, and so to make the fine in line with what we would impose on a criminal cartel, we're saying that it should be a crime to rip off Canadians, and if there's a crime, corporations should pay the fine. That's what this bill is really about—making sure companies are not ripping off Canadians and that CEO greed doesn't take precedence over Canadians' need. That's what we're doing in this bill.

[Translation]

The Chair: Thank you, Mr. Badawey.

Mr. Garon now has the floor for two and a half minutes.

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

Mr. Singh, I would like to ask you a technical question. Can you name a non-regulated Canadian market in which one company has a market share of more than 60%?

Mr. Jagmeet Singh: When Rogers and Shaw merged, it rose to almost 60%, but it was not exactly.

• (1145)

Mr. Jean-Denis Garon: Can you name a single merger in Canadian history that your 60% threshold could have prevented?

Mr. Jagmeet Singh: This is a preventive measure with an eye to future mergers.

Mr. Jean-Denis Garon: So this is something that has never happened. Is that correct?

Mr. Jagmeet Singh: The current situation is unprecedented.

At present, just three telecommunications companies hold a majority market share. If there is another telecommunications company merger, regardless of which ones it might be, they are going to hold a more than 60% market share, and that would be a serious problem.

Mr. Jean-Denis Garon: I understand the need to reduce the threshold to 30% from 35% and do a study. On the 60% threshold, I think this is an aspect of the legislation that will probably never have any teeth.

I have one last question for you, Mr. Singh. My time is running out—you know what it is like not to be part of the official opposition.

I would like to talk about Glentel. As you know, Bell and Rogers have formed a joint venture, and it is soon going to have a monopoly on the sale of cellphone plans in Loblaw's grocery stores. Your bill tackles market structure, but it seems to me that even after Bills C-56 and C-59, there are still behaviours that seem anti-competitive but are still allowed.

What is your opinion about this business model? What do you think about the idea of two competitors forming a joint venture and holding the monopoly in a big grocery chain?

Do you think these are anti-competitive practices? Do you think we should go even further than what Bills C-56 and C-59 have already done?

Mr. Jagmeet Singh: The short answer is yes. In fact, I have put that question to the Prime Minister during question period in the House of Commons.

Mr. Jean-Denis Garon: What would you do?

Mr. Jagmeet Singh: I told him this was a big problem and the Liberal government should take action. This kind of situation had never been foreseen.

There is an alliance between the biggest grocery company and big telecommunications companies. As you said, it will mean that this joint venture will have a monopoly on telecommunications services in the grocery stores. This is definitely not a good thing.

The government has to act immediately. There should be a bill to settle the issue of anti-competitive practices.

Mr. Jean-Denis Garon: Should that be done before the election?

Mr. Jagmeet Singh: I hope so, because it can be harmful to people.

I hope measures will be taken to prevent it.

The Chair: Thank you.

Mr. Masse, the floor is yours.

[English]

Mr. Brian Masse: Thank you, Mr. Chair.

Actually, I'm glad this point was raised because, as New Democrats, we were opposed to a number of these takeovers. A good review of some of the ones that took place, if we remember, is that we actually lost Future Shop to Best Buy. We opposed that. We lost Zellers. It was taken over by Target, and then Target even abandoned Canada, after Zellers actually had a union and above average wages and benefits for their workers, and was blown out of the Canadian market altogether. Because of that, we opposed it. Another one, which is important for Quebec, was the Rona takeover by Lowe's, which we opposed. The market share you mentioned, 60%, is actually getting ahead of things. I appreciate that because, when you look what's left over in the market, we have Telus, Bell, Rogers, Videotron and Cogeco, so we have those as the major pieces that are left in the puzzle, and a 60% threshold is possible if we don't get in front. Perhaps you can elaborate about how, yes, we can't predict the future, but we can send signals to the corporations that we just can't be treated like a colony anymore, in terms of Canadian consumers.

Mr. Jagmeet Singh: It's a great example. I touched on it in the previous question, but it gives me a chance to elaborate on it.

In terms of the 60% threshold—not just in telecommunications, but also in grocery stores—with the massive amount of market share that each of these corporations now hold, if there are any additional mergers, we would see that 60% threshold being hit. The message we're sending with this bill is that, no, that's not allowed. You cannot merge in such a manner that's going to hurt Canadians.

These mergers will be banned outright. It would stop these companies from even considering those type of mergers. I think it's very important, sadly, given how concentrated things are at this point.

As you mentioned in your question, Mr. Masse, there are already such significant concentrations in the telecommunications market that any additional merger would easily hit that threshold. We want to say that, no, that shouldn't happen.

I appreciate, Mr. Masse, you going through the history of all the mergers that New Democrats have opposed. We can see clearly that again and again both Liberals and Conservatives have allowed these mergers to move forward. They have had the opportunity to oppose them and have not. That has been bad for Canadians. That has done injury to Canadians.

That's why I'm putting forward a bill right now that would actually stop this from happening.

• (1150)

Mr. Brian Masse: Lastly, really quickly, it was mentioned about how the European Union and Australia use these models because they are Commonwealth nations. Yes, the United States is close to us, but they also have antitrust laws.

Do you want to touch on the advantage they have in protecting their consumers over what Canada does? It can be from automotive to grocery store to a whole series of different things. We haven't been treated fairly.

Mr. Jagmeet Singh: Certainly. It's a really good point that Canadian laws around competition are amongst the weakest in the world. That's one of the things we realized when we started digging deeper.

The Competition Bureau has been raising this concern for a long time. It's that they don't have the tools and the ability to go after abusive behaviour.

In the States, with the antitrust laws and with their competition laws, they have much better protection for consumers. We need to do a lot more to ensure consumers aren't getting ripped off by large corporations.

[*Translation*]

The Chair: Thank you, Mr. Singh.

Mr. Williams, the floor is yours.

[*English*]

Mr. Ryan Williams: Mr. Singh, I want to go back to the cell-phone question.

After the Rogers-Shaw merger, I asked you if you knew how much the prices went up and how much the wireless revenue per customer went up. I didn't get an answer.

It's 1% for the year on already the highest prices at a time when this government promised that it would reduce prices by 50%. Actually, it said it did that.

At the end of the day, we're seeing a government that's promising something that it's not then delivering. We're seeing that you're standing behind them and not doing enough to force them. You have the power, sir.

Even when you were at the heritage committee last week, you had the Bell CEO, Mirko Bibic, in front of you. You didn't even ask him a question about the new Loblaws rates and No Name rates that are being offered through Bell.

What is your red line, sir, in order to hold this government up to stop mergers that are hurting Canadians?

Like you say, it's not just about bills or asking a question in Parliament, but what is your red line to hold this government up to ensure you're standing up for Canadians? We've not seen that at all.

Mr. Jagmeet Singh: I'm glad you brought up the Bell CEO.

I think it would be important to note that I was the only leader who went up against CEOs. I've gone against the Bell CEO. I've taken on the grocery CEOs. Again, I was the only leader there to take on these wealthy and powerful corporations that are ripping off Canadians.

I'm proud to be the only leader. I wish other leaders would understand how important this is and how much they're abusing Canadians.

They expect leaders to show up. I believe it's the role of government to stop big corporations from ripping off Canadians. That's why I showed up to ask these questions. That's why I will continue to take on big corporations.

Mr. Ryan Williams: Mr. Singh, you folded. You've allowed these corporations to roll over you. Canadians see right through you.

Mr. Jagmeet Singh: In addition, I have to say—

Mr. Ryan Williams: Mr. Chair, I cede the rest of my time to Mr. Perkins.

Mr. Jagmeet Singh: I'm going to finish my answer. The question was quite long. I'm going to finish my answer and then I'm happy to take any more questions.

It is clear—and the Conservatives know this very well—that I've taken on corporate wealth, greed and the exploitation by these CEOs. On the question specifically about Bell, the matter had not arisen. I would love to have asked that question of the Bell CEO.

I asked the question of the Prime Minister when I learned of it, but it would have been a great question to put to the CEO.

Let's point out that neither Pierre Poilievre nor Justin Trudeau asked any questions of these CEOs, but I did.

The Chair: Thank you, Mr. Singh.

Mr. Perkins.

Mr. Rick Perkins: I want to go back to MP Singh. I want to go back to my question.

Did your brother meet with the CEO of Metro, yes or no?

Mr. Jagmeet Singh: Can you repeat the question?

Mr. Rick Perkins: Did your brother, who works for one of the largest lobbyist firms in Canada, meet with the CEO of Metro?

Mr. Jagmeet Singh: You know, it's really interesting. The Conservatives want to attack my family, but not the corporate greed of the CEOs of Metro, Loblaws and Sobeys. I wonder why.

Mr. Rick Perkins: On April 1, 2025, the Prime Minister is going to increase the carbon tax again, which is jacking up the cost of everything, including food, which you seem to be concerned about, but unwilling to do anything about, other than a puffery bill here.

On April 1, 2025, when the carbon tax increases again, will you oppose that carbon tax increase, yes or no?

Mr. Jagmeet Singh: I think it's very telling that the Conservative member just called a bill that goes after bread price-fixing, goes after collusion and goes after large corporations ripping off Canadians a “puffery bill”. That is very insightful into the Conservatives' viewpoint of corporate greed.

Mr. Rick Perkins: So the answer is no. You're not going to—

Mr. Jagmeet Singh: They think that stopping corporate greed... I want Canadians to know this.

Mr. Rick Perkins: [*Inaudible—Editor*]

Mr. Jagmeet Singh: I'm going to answer; I'm going to finish the question. I'm going to respond to your question.

Mr. Rick Perkins: You are not going to stop the carbon tax.

You're taking longer than I asked.

Mr. Jagmeet Singh: Not at all. They specifically are referring to a bill that's going to take on corporate greed and stop what happened with the bread price-fixing, and he's referring to that as a “puffery bill”. That shows you where the Conservatives stand on this.

Mr. Rick Perkins: I want to go back to the ethics, and the ethics issue.

Before you went out against the grocery companies, did you talk to the Conflict of Interest and Ethics Commissioner to inform them and get clearance because of your brother's role in defending and lobbying for Metro? Yes or no? Did you do that? Answer with a yes or no. Did you get clearance?

• (1155)

Mr. Jagmeet Singh: First of all, that's patently—

Mr. Rick Perkins: Are you breaking the ethics laws?

Mr. Jagmeet Singh: First, that's patently false, and second, I've attacked the CEO of Loblaws, the CEO of Metro and the CEO of Sobeys. I've directly called them out for ripping off Canadians. I've not heard the Conservatives do that. I wonder why.

Mr. Rick Perkins: You haven't gone to the Ethics Commissioner. That's what you're saying.

Mr. Jagmeet Singh: I believe the reason is that the Conservatives have no interest in going after the real reason why Canadians are paying the highest prices for groceries, which is corporate greed—

Mr. Rick Perkins: It's because of the carbon tax and the budget that you continue to support—

Mr. Jagmeet Singh: They're going to ignore that, and note what they're willing to do: They're going to attack anyone else—

Mr. Rick Perkins: [*Inaudible—Editor*—inflationary spending that you continue to support.

The Chair: Mr. Perkins, Mr. Singh, it's impossible to hear.

[*Translation*]

I think we can do better.

Mr. Perkins, the floor is yours.

[*English*]

Mr. Rick Perkins: It would be nice to get a straight answer from you for once. You sound just like a Liberal minister.

Give me a yes or no answer: Did you talk to the Ethics Commissioner to deal with your obvious conflict of interest?

Mr. Jagmeet Singh: The thrust of your question is: Who am I attacking? I'm attacking the CEO of Metro. I'm attacking the CEO of Loblaws.

Mr. Rick Perkins: That's not the question.

Mr. Jagmeet Singh: I'm attacking the CEO of Sobeys, but the Conservatives want to attack everyone else—even my family—rather than go after corporate greed.

That's very telling.

Mr. Rick Perkins: No, I'm willing to go after you for your hypocrisy, your blatant hypocrisy.

The Chair: Thank you, colleagues. That's all the time we have.

We'll now turn it over to MP Gaheer for five minutes.

Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.): Great. Thank you, Chair, and thank you to Mr. Singh for appearing before the committee.

I want to cover the overlap between what the government has presented and this bill. Obviously, we passed major competition reforms with Bill C-56. It empowers regulators to hold the companies accountable, and it does stand up for Canadians. We gave more power to the Competition Bureau to conduct more effective investigations. We made it easier to block mergers that are not in the best interest of Canadians and took action against collaborators that stifle competition and reduce consumer choice.

If there were something lacking in Bill C-56, I think that was largely covered by Bill C-59, whose amendments have resulted in a more modern and effective competition law. Among other things, they help prevent harmful mergers and anti-competitive collaborations, and they hold the large firms accountable.

I want to talk about your testimony in response to Mr. Badawey's questioning. You talked about how, perhaps, what your bill brings is more of a focus on price-fixing and on penalties, but then I look at Bill C-19, which is from 2022 and says:

Division 15 of Part 5 amends the Competition Act to enhance the Commissioner of Competition's investigative powers, criminalize wage fixing and related agreements, increase maximum fines and administrative monetary penalties, clarify that incomplete price disclosure is a false or misleading representation, expand the definition of anti-competitive conduct, allow private access to the Competition Tribunal to remedy an abuse of dominance and improve the effectiveness of the merger notification requirements and other provisions.

When I look at all these bills in combination, it largely seems that what Bill C-352 is proposing is already covered.

What are your comments on that?

Mr. Jagmeet Singh: I would first point out that the changes in both Bill C-56 and Bill C-59 were amendments specifically brought in by the NDP to address higher penalties and anti-competitive behaviour. Those amendments were successful, and we're happy that we were able to push for those things.

The same approach to anti-competitive behaviour is not being mirrored by the approach to price-fixing. It is not the same approach. Even when you cited Bill C-19, it doesn't have the same rigour when approaching anti-competitive behaviour as when approaching price-fixing.

Specifically, when I talk about price-fixing, we're talking about the situation when corporations collude, work together or have a conspiracy to set prices higher together. Specifically what I'm referring to is the bread price-fixing. That matter, the bread price-fixing, has not been addressed. It is one of the most egregious recent ex-

amples of large corporations ripping off Canadians. That specific matter has yet to be addressed. What I'm calling for are clear penalties that address that matter. That is the area where we suggested amendments that the Liberals turned down.

The Liberals have not shown a willingness to go after what has been the most egregious recent example of corporations working together to rip off Canadians, which is when they colluded to rip off Canadians with the price of bread. That's what I'm going after, and that has not specifically been addressed.

We are setting a guideline for penalties to address the matter. The \$50 million fine, which was the highest fine on one of the most egregious cases, was far too low. It was barely a slap on the wrist. The guidelines that we're providing would give judges serious remedies to put in place a penalty as severe as 10% of the revenue of the corporation, which, in the case of a company like Loblaw's, would be \$6 billion. That's what I'm talking about when I talk about remedies.

● (1200)

Mr. Iqwinder Gaheer: I'm not a competition lawyer, but insofar as I have knowledge of this area, price-fixing is a type of anti-competitive behaviour.

We are both lawyers. From my read of these bills in collaboration, they largely do cover the same thing. There are some enhancements that Bill C-352 brings, but I think the government has really worked hard in this area over the years. These three bills speak to that.

I want to ask about the efficiencies exemption. Your bill will repeal the efficiencies exemption, but then it places the efficiency and competition comparison as a factor that could be considered in the substantial lessening or prevention of a competition test.

Maybe an unintended consequence of this is that your bill would still allow anti-competitive mergers to withstand the challenge on the basis of efficiencies, but on a discretionary basis.

Was that the intent of your bill?

Mr. Jagmeet Singh: The intent is to get rid of a loophole that allows corporations to merge, even though it hurts Canadians.

If there is an amendment that would further strengthen the bill to protect Canadians against abuses, I'm always open to hearing that. As it stands, this is a matter that's not been addressed and needs to be addressed.

I do want to reiterate that, while there are three bills, and while New Democrats have forced this government to bring in strong amendments that would strengthen protection, it still does not address the specific nature of a conspiracy or a collusion. The anti-competitive behaviour matters that are addressed do not directly address what happened with the bread price-fixing. That is what I'm trying to get at in this bill, the most egregious case and one thing that Canadians can still recall. Canadians remember when the 2018 ruling found that these companies had colluded and had worked together to rip them off, the penalties were so minor that they were barely slaps on the wrist. That has to be remedied.

That's why this bill is very explicit and clear in addressing price-fixing, those collusion scenarios, those conspiracy scenarios, where large corporations rip off Canadians.

Mr. Iqwinder Gaheer: That's great. Thank you.

[*Translation*]

The Chair: Thank you, Mr. Gaheer and Mr. Singh.

Congratulations on your bill, which has reached a crucial stage: consideration in committee. Thank you for taking part in this exercise.

Colleagues, in the second hour of the meeting we will be speaking with witnesses who are here to talk to us about Bill C-352. We are going to suspend the meeting briefly to give people time to set up.

The meeting is suspended.

• (1200) _____ (Pause) _____

• (1205)

The Chair: Colleagues, I would ask you to take your places so we do not lose too much of the scheduled time.

[*English*]

Colleagues, I'll ask you to take your seats. We're resuming the meeting.

Before we go to the witness testimony on Bill C-352, you've received a copy of the budget for the study of Bill C-352, which is \$10,500. It was circulated. Do I have unanimous consent to adopt it?

(Motion agreed to)

The Chair: Thank you very much.

[*Translation*]

Thank you for joining us for this first of the committee's meetings on Bill C-352. With us is Pierre Larouche, professor of law and innovation in the faculty of law at the Université de Montréal.

Welcome, professor.

We also welcome, from the competition bureau of Canada, Matthew Boswell, commissioner of competition, and Anthony Durocher, deputy commissioner, competition promotion branch.

Last, we welcome, from the Canadian Bar Association, Antonio Di Domenico, secretary, Competition Law and Foreign Investment Section.

[*English*]

Thank you very much for joining us.

Without further ado, I'll yield the floor to Professor Larouche for five minutes.

The floor is yours.

[*Translation*]

Dr. Pierre Larouche (Professor, Law and Innovation, Faculty of Law, Université de Montréal, As an Individual): Thank you, Mr. Chair.

Thank you for this invitation to appear before your committee.

Allow me to introduce myself briefly. I am a full professor of law and innovation in the law faculty at the Université de Montréal. I have 30 years' experience in competition law and economic governance, partly in private practice, but mainly as a professor of competition law in Europe. I taught in Europe for 15 years. At the College of Europe, I taught a number of European Commission officials who work on major competition cases. I taught American competition law during a sabbatical year at Northwestern University. For the last seven years I have been at the Université de Montréal, where I continue to work in this field. I am back in touch with Canadian law.

It is a pleasure to speak to you this morning. I would like to start with a slightly theoretical comment on all of this. There are a lot of good intentions behind the proposed amendments to the Competition Act, such as Bill C-56, which has been passed, and Bill C-59, which is under consideration. However, if we compare Canadian law to the law of other member countries of the Organization for Economic Cooperation and Development, the OECD, it stands out in two regards: first, the act is very long and very complex; second, the institutional framework is deficient. As a result, Canadian competition law is weak and difficult to enforce. The defendants, the corporations, will be easily able to defend themselves, and they will generally succeed in avoiding enforcement.

Since the act is long and complex, it is my opinion that we have to stop adding details to it. Instead, we need to go back to broad principles, take clear broad policy positions, and give the commissioner and the competition bureau more room to do their work.

Regarding the institutional framework in Canada, the bureau should have decision-making powers the way it is done everywhere in Europe, even in the United Kingdom, and, in part, for the powers of the American authorities. I think that if we look at what has happened recently in Canadian law, especially with the merger between Rogers and Shaw, the tribunal was the main problem. It should have acted only as an appeal body or, even better, should do judicial review on the basis of a decision of the bureau.

I am now going to talk about the two more specific questions that concern you today regarding Bill C-352, which Mr. Singh referred to earlier. Increasing penalties under section 45 is a good idea in itself, but again, this shows how complex the Canadian law is, forcing a choice between sections 45 and 90. Obviously, the penalties need to be high under section 45, but that is criminal law and it is not as easy. An appropriate penalty, as mentioned here, would be 10% of worldwide revenues. Ideally, if we look at the practice of the European Commission and the American authorities, the level of the penalty should be about the same as the level of the corporation's profit for it to really hurt; it is generally about 5% to 6% of revenues. By adopting a maximum penalty of 10%, Canada is in the right league, and that means that the penalties should easily amount to hundreds of millions of dollars.

However, regarding the second proposal, the market share thresholds for controlling concentrations, I think that is a reference point that is a bit outdated. It is preferable to have a good general test and let the bureau do its work. Market shares may cause errors in both directions. First, there may be the exceptional case of a merger with high market shares where it would still be possible to prove that it is good for consumers. Second, and most importantly, there are also mergers with lower market shares that may be harmful to consumers, for example where the two merging parties are close competitors in the market.

These are factors that are definitely part of the contemporary analysis of competition law and that cannot be addressed in terms of market share thresholds, which obviously create the illusion that the only problem arises out of horizontal mergers, when vertical mergers, or conglomerate mergers, can be just as problematic.

Those are my introductory comments.

Thank you again for hearing me today.

• (1210)

The Chair: Thank you, Professor Larouche.

I now give the floor to Mr. Boswell from the competition bureau of Canada.

[English]

Mr. Matthew Boswell (Commissioner of Competition, Competition Bureau Canada): Good afternoon, Mr. Chair. Thank you for the invitation to appear before you today.

• (1215)

[Translation]

My name is Matthew Boswell and I am the commissioner of competition. With me is my colleague Anthony Durocher, who is the deputy director of the competition promotion branch.

We are pleased to be here today to discuss Bill C-352. As a result of several pieces of legislation, competition policy in Canada is undergoing a generational upgrade. We are grateful to the members of this committee and other people who have particularly stressed the need to strengthen competition in the Canadian economy.

As you undoubtedly know, most of the important points in Bill C-352 have been incorporated into past and future legislation: Bills C-19, C-56 and C-59. Those amendments give effect to a large

number of recommendations by the bureau and better harmonize our competition framework with the best international practices.

[English]

Just as competition in the marketplace forces firms to offer products and services that better meet consumer needs, competition in the marketplace for ideas leads to better public policies. In my view, the sponsors of Bill C-352 and other private members' bills introduced this session deserve credit for prompting substantial improvements to the Competition Act. These improvements include, among other things, a significant revamp of our abuse of dominance provisions, including stronger penalties, the addition of rebuttable structural presumptions in merger reviews and stronger remedies for anti-competitive mergers, the possibility for formal market studies to be initiated by the commissioner, and insulating the commissioner of competition from adverse cost awards at the Competition Tribunal.

By my count, there are only a few outstanding elements of Bill C-352 that have not been taken forward already in other legislation. In the grand scheme of competition law modernization that has taken place, the remaining issues are not of pressing concern, but certainly, some of them could further enhance the Competition Act. We would be happy to discuss those few elements.

There are also some aspects of the bill that would, in my view, represent a step backward, given prior reforms, such as the reintroduction of a cap on cartel fines. We would be happy, of course, to discuss those as well.

During our time today, or perhaps in a future appearance before this committee, it might also be productive to discuss what I often refer to as the elephant in the room in Canada. That is regulatory barriers to competition in this country.

The Competition Act is a foundational tool to protect and promote greater competition in Canada, but it is not the only tool. To build on the incredible progress made in modernizing the Competition Act, all of us in the public sector, at all levels of government, need to examine what more can be done to address the regulations and policies that hold back competition in Canada, often unintentionally. We know that Canada's competitive intensity has decreased over the last two decades. It will take a whole-of-government approach to turn the tide, with the federal government working alongside municipal, provincial and territorial governments.

Increased competitiveness is key to tackling affordability challenges, improving consumer choice and fostering stronger, more inclusive growth over the long term and, importantly, addressing Canada's pressing need for more productivity.

Competition policy in Canada is clearly having a moment. We need to seize that moment. There has never been a stronger consensus that Canada needs more competition. Now is the time for governments across Canada to work together to make competition a national economic priority.

[Translation]

In conclusion, the competition bureau is determined to apply the law in a transparent and evidence-based way. We have been unwavering in our efforts to implement the new and improved tools that Parliament has given us, and we will stay on this course.

Thank you for giving us the opportunity to appear before you today.

It will be our pleasure to answer your questions.

• (1220)

[English]

Thank you. We look forward to your questions.

[Translation]

The Chair: Thank you, Mr. Boswell.

Mr. Di Domenico, the floor is yours.

[English]

Mr. Antonio Di Domenico (Secretary, Competition Law and Foreign Investment Review Section, The Canadian Bar Association): Thank you, Mr. Chair.

I want to express appreciation on behalf of the CBA section for the invitation to appear today. Our members have significant experience advising a wide range of clients in competition matters. We appreciate the opportunity to be heard, so thank you for that.

By way of overview, many of the issues addressed in Bill C-352 have either been addressed in Bill C-56, which received royal assent in December 2023, or contained in Bill C-59, which is currently before the Senate. I would like to speak today regarding two proposals in Bill C-352, namely, the merger prohibition and structural presumption provisions, at clauses 8 and 9 of the bill; and the inclusion of efficiencies as a factor when assessing competitive effects for mergers and civil competitor collaborations, at clauses 7 and 10 of the bill.

Beginning with the merger and prohibition provision, Bill C-352 would create an arbitrary bright line precluding Canada's Competition Bureau and the Competition Tribunal from evaluating the competitive effects of mergers with a combined market share at or above 60%. The proposal would not take into account or differentiate between any level of increased concentration, even if the acquired target had, for example, a share of 1%.

This would be unprecedented and would make Canada a global outlier. Competition and antitrust laws globally recognize that market share and concentration alone are not themselves determinative of market power and competitive effects. As the Competition Act already recognizes, a conclusion regarding the competitive impact of a merger must evaluate such important factors as the likelihood of entry and expansion, the role played in the market by the acquired entity, the presence of other vigorous and effective competi-

tion in a market, and the nature of change and innovation in a market, among other things. In our submission, it would be inappropriate to fetter the ability of the Competition Bureau and the Competition Tribunal to conduct an analysis of market power and competitive effects based on the facts and evidence before them.

Bill C-352's emphasis on market share and concentration to the exclusion of other factors also presents three further significant problems.

First, the approach would remove entirely the analysis of what matters most, which is competitive conditions pre- and post-merger, in favour of a focus on just market share statistics that are not themselves determinative of market effects.

Second, in many cases a factual conclusion regarding market share cannot be reliably drawn based on a company's current market share.

Third, merging parties frequently do not have the requisite data to determine what their market share is in any relevant antitrust market. The Competition Bureau collects such information as part of its review, but unless the bureau plans to share this information with merging parties or their counsel as part of the enforcement process, which they don't currently do unless required to in litigation, significant due process concerns arise for merging parties.

Turning to the structural presumption provisions, the CBA section does not support the inclusion of structural presumptions in the Competition Act. We agree that concentration and market share levels can provide a useful preliminary screening mechanism to identify potentially problematic mergers. However, we disagree that a merger should be presumed to cause anti-competitive effects on the basis of market share alone.

Further, including structural presumptions in the Competition Act, a statute, will not harmonize Canadian law with U.S. law. This is important. In the U.S., structural presumptions were introduced in non-statutory enforcement guidelines, which are flexible in nature and are preferable to a fixed statute. It's not part of any U.S. legislation. If structural presumptions are introduced, we would submit that the appropriate place to introduce them would be in the Competition Bureau's merger enforcement guidelines, similar to the approach that continues to be taken in the U.S.

Finally, turning now to efficiencies, Bill C-352 proposes the inclusion of efficiencies as an explicit statutory factor in sections 93 and subsection 90.1(2) of the Competition Act when assessing whether a merger or a civil competitor collaboration would likely substantially lessen or prevent competition.

The CBA section agrees with this inclusion. It's well recognized in Canada and globally that efficiencies are a relevant factor when assessing competitive effects, because they can result in mergers or competitor collaborations being pro-competitive, enhancing productivity and benefiting consumers. The Competition Bureau has advocated for efficiencies to be among the list of factors that the Competition Tribunal can consider when assessing competitive effects. This change would also reinforce the bureau's current approach when assessing the competitive impact of mergers and civil competitor collaborations, in any event.

• (1225)

Thank you for the opportunity.

[*Translation*]

The Chair: Thank you.

We will now start the discussion. Mr. Vis, the floor is yours for six minutes.

[*English*]

Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC): Thank you to all the witnesses for being here today.

I think, no matter what part of the country you come from, Canadians are wondering, in the context of this legislation, why the heck do I have to pay so much for groceries?

I looked in great detail during the first hour of our meeting today at the Competition Bureau report entitled “Canada Needs More Grocery Competition”. Two key points were sort of addressed that I almost find right now are going to be hard to achieve, and may even be contradictory.

The report outlines, in addition to some other studies conducted by the Competition Bureau, that when the largest firms in an industry consolidate their position, their market share, they are less likely to be replaced or face significant challenges to their market share. The report also notes that we need to encourage growth in the entry of new competitors.

In the context of grocery stores, though, what I essentially read this morning was that the Competition Bureau outlines that it's going to be hard to see competition in our grocery store sector in Canada.

Would that be a fair assumption, Mr. Boswell?

Mr. Matthew Boswell: Thanks for the question.

My colleague Mr. Durocher will answer this.

Mr. Anthony Durocher (Deputy Commissioner, Competition Promotion Branch, Competition Bureau Canada): What our report outlined were steps the government can take to increase competition in the grocery sector.

I'll give a few examples of addressing restrictive covenants and property controls, which can keep out new entrants across the country.

Another is to draw attention to the benefit of a foreign entrant coming into the Canadian marketplace, as informed by others.

We continue to work with governments to prioritize and get movement on these.

We have since launched an investigation into the use of property controls by the largest grocers as well. There are steps that can be taken to protect and promote competition in the industry, and this is a priority sector for the bureau.

Mr. Brad Vis: Agreed. More broadly, though, would you agree with my assumption that it will be difficult to achieve greater competition given the concentration of the large firms right now?

Mr. Anthony Durocher: Competition takes time to manifest itself. Certainly, the sector is concentrated right now, but if a new entrant were to come into markets across the country, that would have an impact. I think there is no question that it is a concentrated market. That is why we are working with governments to take meaningful steps to try to make it more competitive.

Mr. Brad Vis: Would the Competition Bureau face the same types of challenges the federal government would face when seeking to encourage the municipal level of government to rezone property to allow for more grocery stores in our communities?

Mr. Anthony Durocher: In that regard, one of our key recommendations was for governments to limit and consider banning the use of property controls. That is within provincial and municipal remit, so it's not clear that there's a role for the federal government. However, if they violate competition laws by virtue of being anti-competitive in nature, then there is a role for them to be addressed through the Competition Act, which is federal legislation.

Mr. Brad Vis: Thank you.

It's noted in this report that margins of our major grocery stores have increased by 1% to 2%. I don't believe that's insignificant when you factor in the more than \$1,000 the average Canadian family is spending on a monthly basis at the grocery store.

Would you agree that prices have also increased because of supply chain issues, carbon taxes, labour costs and real estate as well?

• (1230)

Mr. Anthony Durocher: You're absolutely right. Our report stated that margins increased by 1% to 2%, which is modest but meaningful, in the sense that it impacts...and underscores the fact that we need more competition in the sector.

We did not do a deep dive exploring all of the ways that prices have gone up. There are a number of factors that came into play in the inflationary environment. There have been supply disruptions. However, we did not do a deep dive into all of the issues. We concentrated on examining competition because that's where our expertise lies.

Mr. Brad Vis: Has the Competition Bureau looked at food production in Canada as a key variable in the cost of food and the competition for products. I come from the part of Canada where we have the highest farm-gate sales in the country, and that's largely due to the supply-managed industries, but we're also the key producer of raspberries, blueberries, strawberries, amongst other products that Canadians use.

What impact does our current capacity to grow food have on what Canadians are paying at the grocery store?

Mr. Anthony Durocher: In our work, particularly in merger control, there are a number of cases where the bureau has acted to protect competition, be it to make sure that farmers are protected in terms of either the price they pay for fertilizer or their ability to sell grain. There are a number of examples in that regard to make sure that the food supply chain is as competitive as it can be.

Within the context of our market study, we did not do a granular—

Mr. Brad Vis: Well, let's just touch touch base on that for a second, though—the supply chain. I also have the CN and CP rail lines going directly through my riding in the Fraser Canyon. Have we invested enough in critical infrastructure to allow for cheaper costs for the flow of goods in Canada? Do we do a good enough job of allowing farmers to get their products to market in Canada?

Mr. Anthony Durocher: If we look at rail competition, for example, we see that is critical for farmers and food producers to get their goods to market. That is a regulated space. We made recommendations in 2015 in the context of the Canada Transportation Act review for how to ensure that the rail system is as competitive as it can be.

Mr. Brad Vis: Is it competitive enough?

Mr. Anthony Durocher: I think our mantra at the Competition Bureau is that Canada needs more competition. I think we can point to a number of sectors where we need more competition in this country, and as—

Mr. Brad Vis: That would be a no.

Mr. Anthony Durocher: I can't opine on any specific—

Mr. Brad Vis: Okay, then, I have one other point with my limited time.

On the cost of labelling, I have a one-and-a-half-year-old daughter, and the cost of formula at Costco is through the roof. It's a real expense for young mothers. The number one thing we're being told at Costco is that it's due to labelling issues. We face the same thing with children's Tylenol. What can we do to make labelling cheaper? How can we reduce red tape, so mothers can get the formula they need quickly?

Mr. Anthony Durocher: We're constantly advocating for ways to lessen barriers to entry and expansion.

Mr. Brad Vis: What key recommendation can you provide—

[Translation]

The Chair: Mr. Vis, that is unfortunately all the time you have.

Thank you, Mr. Durocher.

Mr. Arya, the floor is yours.

[English]

Mr. Chandra Arya (Nepean, Lib.): Thank you, Chair.

First, we have to recognize that Canada, by population, is small at 40 million; geographically, we are very big.

Our southern neighbour has a big population, big economy, etc., so we are in some sort of a special situation when it comes to allowing, or not allowing, companies to scale up and serve Canadians across this vast country.

Professor Larouche, I'm glad to hear your comments on the length and complexity that is there. The only people who benefit from the complexity are the lawyers, and it just adds to the cost of administering the competition laws in the public sector and in dealing with these big companies.

You also mentioned the institutional framework. I have so many bills regarding this particular issue. Are you suggesting that maybe we should have a totally new bill starting from scratch? It's not as if that were possible, but I'm just saying so.

• (1235)

Dr. Pierre Larouche: If you ask me as an academic, yes, I would redraft the bill from scratch and make it way simpler. I think the commissioner explained it very well. All the modifications that are on the table do some good, but they also make the law more complex and heavier.

The context is the same everywhere. When the stakes in this litigation get in the \$100 million range, or in the billion-range in Europe—I've been in practice—it's very great. You have an open bar. You can bill as much as you want, because everything will be challenged and every little piece of text will be taken apart. I've seen it done everywhere. I think the better approach for me is to keep the law general, let the authority do the job, hammer the authority on the work it did and spend time controlling that work.

Mr. Chandra Arya: I agree with that approach of keeping the law and the legislation passed through Parliament as nimble as possible, and delegating the authority for the regulation. That can be flexible, depending on the market needs or the changing circumstances.

We are politicians. As political parties, we have to show people that we are working hard for them. Anyway, that is a different thing for a different time.

On the market share, again, I agree with you on keeping up the right number of 30%, 50% or 60%, without recognizing whether it was a vertical merger or a lateral merger, or the nature of the industry and the sector, etc.

Is there anything on the market share that other countries are doing better and we can adopt?

Dr. Pierre Larouche: First of all, earlier, Mr. Singh mentioned 60% as a European figure. I don't think so. I think in Europe, the threshold for a firm to be found dominant is around 50%. In the U.S., it's around 60%. However, this is a different question. It's not about merger control.

What is now in Bill C-59.... Again, we can argue whether it should be in Bill C-59 or in guidelines, but the HHI approach is in line with what is being done in the U.S. and in Europe. The thresholds are not quite the same, but they're typically a good way to get into a case and spot the cases that deserve some closer attention from those you can just let go to focus your resources elsewhere.

Mr. Chandra Arya: Thank you.

I know you have ideas. If there are more ideas, you can give them in writing to the committee so that we can consider them when we prepare our report.

Mr. Boswell, you mentioned the regulations and policies with different levels of government. If we work together with one, single approach and some objectives, we can benefit.

Are there any examples you would like to give of that?

Mr. Matthew Boswell: There are many examples.

Let me just back up to say that Canada has been dropping like a stone over the last several decades in terms of regulatory barriers to competition throughout our economy. The OECD does a report on what it calls product market regulatory indicators. In the last report, which came out in 2018, Canada was second-last among OECD countries for regulatory barriers that hinder competition.

They are everywhere. They are at all levels of government—

Mr. Chandra Arya: I'm sure.

You and I agree that there are problems. My question is if you can share an example of what we can do and how that can change things for the better.

Mr. Matthew Boswell: Absolutely. There's interprovincial trade. If we were to eliminate the barriers to interprovincial trade in this country, we would immediately see a significant increase in our GDP. Most notably, it would benefit the poorest provinces the most. There's a great example.

Foreign restrictions on investment also hinder competition in the country, and they are in many different sectors. You can go down, which is why we talk about all levels of government attacking this problem, and it is urgent. We need to attack this if we want our productivity to get back on track and to remain a G7 country.

Go down to the municipal level. There are restrictions on where food trucks can park relative to restaurants—

Mr. Chandra Arya: When it comes to interprovincial trade, we have signed free trade agreements with over 51 countries, covering

most things, but we don't have free trade within Canada. If you talk to any federal politician, everybody will say we have to work on free interprovincial trade, but nobody bells the cat.

[*Translation*]

The Chair: Thank you, Mr. Arya.

[*English*]

That's all the time you have.

[*Translation*]

Mr. Garon, you have six minutes.

• (1240)

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

First, welcome to all of you. It is kind of you to be here today with us.

I want to come back to your testimony, Professor Larouche. We are studying bills here whose purpose is to improve the competition regime, such as Bills C-56 and C-59. As you said, there are always additions that seem to have a lot of merit, but they are always minor additions.

What I understand from your testimony is that there are two ways of reforming the Competition Act. The first would be to establish a very clearly defined framework that would give the competition commissioner a lot of latitude, and the second would be to add interminable conditions, which would give the impression of action but would ultimately make the law so complicated it ceased to be functional.

Recently, I spoke with some people about the case of the United States in connection with the structural presumption question. They told me that in the United States there was a presumption in favour of consumers, and that in some cases the competition authorities did not necessarily have to justify their decision to the extent they have to do here in Canada. It would seem that this makes the regime more flexible and faster and reduces the volume of potential appeals, since it provides better protection for consumers. We know that consumers have very diffuse interests, while the interests of corporations, which have resources, are concentrated.

Could this presumption in favour of consumers be adopted into the Canadian competition regime?

Dr. Pierre Larouche: Yes, it could.

I would like this to be clear. What you are discussing in the bills and in this one are largely reforms that are going in the right direction. As you say, the work is being done piecemeal.

Take, for example, the well-known exception for efficiency gains, referred to as the “efficiency gains defence”, which has been abolished. It was created in 1980. In 1980, it came out of the legal literature. It was thought to be a good idea, and it was put into the legislation. It took 30 years, or even 40 years, to get rid of it. In the meantime, everywhere else, it was something that was in the authorities' guidelines. In the 1990s, the idea was added that actually it was all very well to have greater efficiency, but it also had to be proven that consumers would get something out of it at the end of the day.

Mr. Jean-Denis Garon: So we have to ask ourselves how the efficiency gains will be redistributed.

Dr. Pierre Larouche: That's correct.

In the other territories, that work was done in the 1990s, through reinterpretation and progress made in the community. Here, we continued to be limited by very inflexible legislation. We had an absolutely astounding interpretation by the Supreme Court in the Tervita Corporation decision. With all due respect to the Supreme Court, what it did is incomprehensible. We went even further in the wrong direction. Now, it is being abolished.

I think we should leave it to the competition bureau to do what it wants with those arguments. In any event, those arguments are going to be made in every case. The bureau has to take them into consideration.

Mr. Jean-Denis Garon: Is my interpretation correct? I am not a lawyer, but I have worked with people in the field of economics and competition in the private sector. I have the impression that there are so many constraints, so many loopholes in the act, that a company with deep pockets to defend itself will ultimately always be able to get around the act as it now stands.

That is the first part of my question. I will give you the rest of my time to answer my questions after.

The second part of my question relates to the 60% market share issue.

I asked Mr. Singh where he came up with the 60% figure. He answered that he had looked at regimes around the world. When asked which ones, he did not know. Ultimately, we see that there are really no 60% cases, 60% is an arbitrary percentage, and ultimately it is better to be consequentialist and try to look at what the effect of a merger would be on the price to consumers: how the efficiency gains would be redistributed.

I have the impression that this is still adding constraints that may again be going to further complicate the regulator's job. Am I right about that?

Dr. Pierre Larouche: Yes, I would tend to say you are right.

On the first question regarding the behaviour of the corporations, we have to understand that corporations do what they have to do. They have legislation. They hire lawyers and consultants, and they make arguments. The more legislation there is, the more arguments there will be. Especially when it is in the law, judges feel they are able to interpret it. The end result is precisely judgments like Tervita Corporation.

When it is policies of the competition bureau or the authority in place, judges tend to show a certain restraint and give the bureau the benefit of the doubt. I think it is still a good idea to have a balanced law.

On the 60% figure, in the other territories, so that is the European Union and the United States, on the issue of controlling concentrations, they start with tests based on the Herfindahl-Hirschman index, or HHI: all of the concentration indices we have at present or we will have if Bill C-59 is passed. Market share does not play an enormous role because it is not a very good indicator.

• (1245)

Mr. Jean-Denis Garon: From what I understand, in the case of the Herfindahl-Hirschman index or other things of that nature, there can be two different distributions of market share that give the same index, for example. Ultimately, reducing it all to market share virtually prevents the work of the competition commissioner from doing its job, because it reduces the commissioner's tools to just one: a threshold.

Dr. Pierre Larouche: Yes, that's correct.

The HHI takes into account not only the biggest one's market share, but also the way that all the other actors are positioned in the market. Take the example of a concentration where one actor has 30% of the market but two other actors have 30% of the market, as a counterweight. It is not the same thing as if you have one actor that has 30% of the market and all there is after that—

Mr. Jean-Denis Garon: You have 200 others that divide the rest up among themselves.

Dr. Pierre Larouche: That's right. The HHI captures that, and it is the tool that all the authorities use.

Mr. Jean-Denis Garon: That is all I have to say.

The Chair: Thank you, Mr. Garon.

Mr. Masse, the floor is yours.

[English]

Mr. Brian Masse: Thank you, Mr. Chair.

Thank you to the witnesses for being here.

I notice a difference in tone from my Conservative colleagues. It must be the early morning caffeine injection they had during the previous witness' testimony.

Voices: Oh, oh!

Mr. Brian Masse: I'm glad we are talking about this issue here and appreciate the fact that there have been some changes to the Competition Act over the years. The efficiencies exemption is one that I've been after for a long, long time, and there are others.

We're here, and I think this context is important. I'll ask this question across the board here, maybe starting with Mr. Boswell.

It is correct that this is a very difficult process bringing a private member's bill through. It is one of the tools that's available to us as members of Parliament. As well, we've recently seen that the government did act on changing some legislation, not to the full extent, but here we are with some pros and cons in some of this bill here.

Essentially, the options in front of us right now are either to amend the bill in different aspects and carry on with the work, where there's some good, strong consensus on items, or, alternatively.... Quite frankly, with the date and the things we're looking at, we're probably not going to see other types of changes in the Competition Act for another two to three years. I can't predict the future, but I just don't see that happening given that we have a Parliament whose time frame is winding down right now, given the fact that there will be another electoral call and the fact this committee would have to take this up again.

I'm pleased to hear the competition commissioner's comments about productivity and efficiencies related to regulatory issues—and that's probably a study we could even look at doing—but the chances of our getting to all those things is very, very reduced.

With all that in mind, I'll start with you, Commissioner.

What do we do at this point? Do we look at amending the bill to give extra tools and strengthen competition in Canada right now and work with what we have, or do we wait the time frame that it's going to be and hope, at a bare minimum, that we deal with this years later? That's really kind of where we're at now.

We have the other private member's bill in the Senate, which is great. We don't know what that's going to be, but these are the practical steps that are in front of us to choose from, and those are the paths that we have available to us.

Again, I do take the point that it would be better if a better process were there. While our democracy is one that may fail us in many respects, I still don't know a better process. The alternatives that other places in this world have are not better.

Mr. Boswell, please go ahead, and then we'll go across the witnesses. Please take the time you need. I think we have about four minutes to go.

Mr. Matthew Boswell: Thank you for that very pragmatic question. I was hoping to have an opportunity to address that head on.

From the Competition Bureau's perspective, as I said in my opening comments, we're really pleased with the attention that's been paid to competition in this private member's bill, and other private member's and government bills to amend the law. I agree with Professor Larouche. It was probably too complex out of the gates in 1986, when it was, some say, drafted by the business community.

In terms of this bill, from the Competition Bureau perspective, I would say that we don't need to address clauses 2, 3, 5, 6, 7, 8, 9, 10 and 11. Clause 4, which deals with the penalty provision for federal financial institutions, is great in terms of the 14 years, but it should be a fine at the discretion of the court—not a maximum fine, the \$25 million that it has now.

On clause 12, the bureau believes—and we put this in our recommendations to ISED—that a three-year limitation period for notifiable transactions is a good step forward. Right now, it's only one year. With our colleagues in the United States, there's no limitation period on reviewing mergers.

Finally, with respect to the costs award, that has been addressed in Bill C-59, but I would just point out that in our submission to ISED, we talked about full immunization. Bill C-59 is a pretty reasonable balance so, one way or the other, we're pretty happy with how that comes out. Really, quite strongly, we don't believe that we need those other clauses. They've been addressed in Bill C-19, Bill C-56, and hopefully soon in Bill C-59, but this has been a valuable contribution to the debate and the marketplace of ideas.

• (1250)

Mr. Brian Masse: In summary, we should just carry on our work while looking at all the things you've had there.

Mr. Matthew Boswell: Yes. You can go ahead with a few sections, and the rest has been addressed adequately in other bills.

Mr. Brian Masse: Okay, thank you for that.

Dr. Pierre Larouche: I mentioned earlier, I think that many clauses are addressed already. From those that were left and that were discussed earlier, I think clause 3 is a good idea, but I would venture that it's going to run into trouble before the courts. The merger thresholds, clauses 8 and 9, are, to me, not a good idea for the reasons I explained earlier.

Mr. Antonio Di Domenico: The only thing I would point out, as you noted, is that the efficiencies defence has already been abolished. With respect, that is actually the current law of the land.

The key, though, is there's a lacuna in that. In abolishing the efficiencies defence, efficiencies were not added as a factor that the commissioner of the Competition Tribunal can consider in the context of a proposed merger or a civil competitor collaboration. I would characterize that as an oversight, because antitrust laws globally do see efficiencies as a factor that can be considered when assessing competitive effects.

As a result of that, then, efficiency should be built into sections 93 and 90.1(2) of the Competition Act.

Mr. Brian Masse: Commissioner, did you have opinion on that?

Mr. Matthew Boswell: Respectfully, I don't agree with Mr. Di Domenico, who is a friend.

I believe that it's been made very clear with the repeal of the efficiencies defence in the merger provisions and in the competitor collaborations. We still have a section that says “any other factor that is relevant to competition”.

Minister Champagne has said that this “any other factor” could be efficiencies that are pro-consumer.

Mr. Brian Masse: Okay.

Mr. Matthew Boswell: We can look at it. We will look at it. We're not turning a blind eye to it.

We do not need to reintroduce this complicated offsetting and outweigh test that existed in the old version. It's going to complicate things and stick us in the old version where there's a notion that if you have these efficiencies and the merger harms consumers, it could still go ahead.

I'd say leave it out entirely. We will consider it under the “any other factor” provision that's in the act.

Mr. Brian Masse: Okay. We can follow up on this as well.

I guess the point I'm trying to make here is that things moved on as the bill was crafted and created, and that's normal in terms of processes here. It's the same with my position on the tribunal. Going through Bill C-27, I've kept myself open to creating a tribunal for part of it, but from the evidence that's been presented—and we around this table have never really dealt with tribunals before—I've come to some conclusions that give me great concern. Therefore, we left the door open for an amendment to the tribunal, but not to get rid of it. I mean, we could even get rid of the tribunal here, if this body actually chose to do so.

At any rate, that's kind of where we're at. We're in a work-in-progress environment here. I hope we can actually kind of continue to add on while we have the opportunity.

[*Translation*]

The Chair: Thank you, Mr. Masse.

Mr. G n reux, the floor is yours for five minutes.

Mr. Bernard G n reux (Montmagny—L'Islet—Kamouraska—Rivi re-du-Loup, CPC): Thank you, Mr. Chair.

Thank you to the witnesses.

Mr. Boswell, earlier, you talked about a generational upgrade. What did you mean by that?

That said, before you answer that question, I would like you to answer this one. Earlier, my colleague Mr. Vis asked the killer question, if I may put it that way. He asked whether a bill like this was really going to have an effect on the cost of groceries tomorrow morning.

Mr. Matthew Boswell: I thank the member for his question, Mr. Chair.

If Mr. G n reux agrees, I will answer in English, because there are technical details.

• (1255)

[*English*]

The combination of the bills that have come in front of this committee, the House finance committee and the Senate over the last several years will, I believe, have an impact in the long term on aspects of competition throughout our economy. It's not going to hap-

pen overnight. There's no doubt about that. Also, we don't want to be in the business of over-promising.

However, this country has not paid attention to the importance of competition in the organization of its economic affairs for decades—literally decades. We're a country where we have multiple oligopolies and very significant competitive intensity problems.

This is one important piece to drive competition, which drives down prices, increases consumer choice, drives innovation and drives productivity. Those are the important, long-term benefits of having a country that places importance on competition.

Can it, overnight, fix the affordability crisis we're experiencing? No, and we're not promising that.

However, these are important reforms that turn the ship around. It's a ship that's been sailing since at least 1986.

[*Translation*]

Mr. Bernard G n reux: If a government chose, tomorrow morning, to eliminate the carbon tax, would that have a direct effect?

The people who produce the food we eat in the grocery stores are taxed in various ways, including, now, by a carbon tax. The people who transport that food are also taxed. The people who process it are as well, by the carbon tax. Obviously, the carbon tax is then passed on by corporations directly to consumers.

If a government abolished the carbon tax, would that have a direct effect, tomorrow morning, on consumer prices?

[*English*]

Mr. Matthew Boswell: Generally speaking, as a matter of economics, if you remove costs in the supply chain, you're going to end up being able to offer products at a lower price.

[*Translation*]

Mr. Bernard G n reux: So the answer is yes.

Earlier, you used the word “productivity”. In Canada, to my knowledge, an hour worked represents approximately \$55 for the country, while it represents \$75 in the United States and \$80 in Europe.

What is the problem that explains our lack of productivity in Canada, and what is the connection between that and the bill we have in front of us?

[English]

Mr. Matthew Boswell: I would say that it goes beyond the bill before us today, Bill C-352. It goes to the point that I was making that competition drives productivity. There are innumerable studies that point to that very clearly. Competition drives productivity in an economy, and it is a key pillar of a capitalist economy for that very point.

As I was saying, we have not placed significant emphasis on competition in this country for decades. This was pointed out. The government put together a blue-ribbon panel in 2008 to look at competition in the economy. That panel—in 2008—pointed out how competition has been neglected in Canada and how competition is a key driver of productivity.

We're at the point now where the senior deputy governor of the Bank of Canada said a month ago that "it's time to break the glass". There's an emergency. There's urgency. We need to address these. In a speech, she pointed clearly to competition as vital to address this productivity problem in our country.

[Translation]

Mr. Bernard Généreux: Thank you.

I would like to leave my colleague Mr. Williams a few seconds so he can ask a question.

[English]

The Chair: Ask a brief question.

Mr. Ryan Williams: Thank you. It's a brief question.

Commissioner, thank you for coming today. I know you're starting an airline industry study. The public submission deadline is June 17. These are the new powers by Bill C-56, so we're just testing those out.

One concern we have is that there's a letter written by the industry minister that says "to focus on domestic...airline services", not airports. Obviously, we think you should be looking at the whole thing. Airport competition is just as important as the domestic side.

If that comes back, do the powers through Bill C-56 allow the minister to change the course of the study after we've reviewed it or after you've gotten the public consultation on the 17th, yes or no?

• (1300)

Mr. Matthew Boswell: My understanding is that, with the changes to the law from Bill C-56, we consult on the terms of reference, which we have out there now, as you rightly point out. Once we hear input from Canadians—and I can tell you that we're getting a lot of input—we then may amend the terms of reference, depending on points that people have made in our consultation. We then provide the terms of reference of the study to the minister

Mr. Ryan Williams: Can he change the study if he wishes?

The Chair: Thank you, Mr. Williams, but that wasn't a short question you asked.

[Translation]

In fact, Mr. Généreux got me. I thought it was his speaking time he was sharing with you.

Colleagues, it is 1:00, but we started at 12:08. If you agree, just to be fair to everyone, I propose that we go a few minutes longer.

Mr. Van Bynen, the floor is yours for five minutes.

[English]

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Thank you, Mr. Chair. This has been very interesting.

We heard an earlier reference to a report from the Competition Bureau, and the bureau underlined the need to modernize Canada's competition laws to respect the realities of today's economy. We know that some of those elements have been introduced, and we've heard that regulatory barriers are one of the major items, specifically interprovincial trade.

Are there any other elements that should be considered as we go forward in relation to improving the competitive intensity?

Mr. Matthew Boswell: In terms of improving—

Mr. Tony Van Bynen: I have a point of order, Mr. Chair.

I'm getting the French translation.

[Translation]

The Chair: There seems to be a technical problem.

[English]

Can we try again?

Are you still on [*Inaudible—Editor*]?

Mr. Tony Van Bynen: I'm on English.

The Chair: That was the wrong channel. Okay, it should probably work now, Mr. Van Bynen.

Mr. Tony Van Bynen: I'm sorry.

Go ahead, Mr. Boswell.

Mr. Matthew Boswell: I do think that this whole-of-government approach I spoke of earlier is something that we as a nation should undertake, with leadership from the federal government. When I talk about that, and when we talk about that at the bureau, it's not like we've created this out of thin air. This is what other countries have done and are doing.

In the 1990s, the Australians had a productivity commission where they examined 1,800 laws and regulations with a view to enhancing competition throughout the Australian economy at the federal level, and the Australian states also participated. It resulted in a significant increase in the Australian GDP of 2.5% as a result of that work. It was worth about 5,000 Australian dollars per household, which was a significant amount of money in the 1990s. There's the Australian example.

The United States currently has a whole-of-government approach to competition in the American economy. There's a White House competition council where all of the secretaries of the various departments in the U.S. government are tasked with identifying competition problems within their areas of remit and fixing them.

We're not talking about something that hasn't been done elsewhere in the world, but it's something we desperately need to get to work on in Canada if we want to solve the problems we have.

Mr. Tony Van Bynen: It's good for us to hear about other examples that are happening outside of Canada. That might be a good starting point for us to go forward from.

We've heard the price on carbon being referred to as an issue in terms of the cost of food. I heard earlier a statement about how we would measure the effectiveness of competition and the value, and how the value of these efficiency arguments was translated into value for the consumer.

How could we accomplish that? If we're looking at efficiencies, how do we ensure that those efficiencies are realized by the consumer?

Perhaps Mr. Larouche could address that.

Dr. Pierre Larouche: In terms of legislative texts or guidelines, typically you add language to the efficiencies defence to say that the party invoking the efficiencies defence must show that the efficiencies flow through to the consumers—at least in a reasonable part. Then the authority has the tools to ask, “You're going to save 10% on your costs with this merger. How much of this is going to be passed through to the consumer?” That's the type of provision that you need.

• (1305)

Mr. Tony Van Bynen: Are there any examples that could be used as a reference point?

Dr. Pierre Larouche: Yes. It's standard in EU legislation. I believe it's in the guidelines in the U.S. as well.

Mr. Tony Van Bynen: Could you forward that to us so it can be part of the record here, as well?

The other item I was looking at was the clauses that you felt weren't as effective. You referenced clauses 3, 8 and 9. Do we have all of the details of your reasons for the need to change clauses 3, 8 and 9, Professor Larouche?

Dr. Pierre Larouche: On clauses 8 and 9, I would think that what is now in Bill C-59 with the HHI is good. That's more in line with worldwide standards than market share thresholds, for sure.

As far as clause 3 is concerned, to me, the underlying problem is this need to always choose between sections 45 and 90.1 as a vehicle. That will not be changed. Then it would be a good idea to put some serious sanctions in clause 3 as well, but it will run into problems before the courts, because these are criminal provisions.

If you want to have a level of sanction that matches what is done elsewhere, it should be around 10% as a theoretical maximum. Typically, the authority will go around 4% or 5% of turnover at the level where the profits should be. That's the practice. That would

mean, in Canada, if you go by a factor of one to 10 with the EU or the U.S., we would be playing in the \$100 million range.

[*Translation*]

The Chair: Mr. Van Bynen, that is all the time you have.

Mr. Garon, the floor is now yours for two and a half minutes.

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

I was not expecting to talk about this, but since Mr. Williams has addressed the subject, I have a question for the commissioner, Mr. Boswell, whom I also want to welcome.

There are three large airports in the Montreal region: one in Saint-Hubert, one in Dorval, and one in Mirabel. One airport authority administers two of those airports, with the result that it has virtually shut one down to travel for the general public, for commercial flights.

This scheme seems to me to have been designed by the federal government to be anti-competitive and to generate anti-competitive behaviour on the part of Aéroports de Montréal.

Is that one of the subjects that interests you, now that you have new investigative powers?

[*English*]

Mr. Matthew Boswell: Thank you for the question. I apologize for answering in English

I think we are going to be looking at a broad array of issues in this market study. We have the draft terms of reference out now and hope to have those finalized later in June or July. Right now in the draft, we talk about looking at airport governance as it impacts competition and we'll see if that becomes part of the final terms of reference.

[*Translation*]

Mr. Jean-Denis Garon: In the private sector, would it be tolerated, for example, for one company to buy another, acquire virtually all its market share, and shut down its business activities?

In a field like aviation, would that kind of practice be tolerated if the sector is having capacity problems?

[*English*]

Mr. Matthew Boswell: It's difficult to speculate on hypotheticals on the fly—

[*Translation*]

Mr. Jean-Denis Garon: Have a bit of fun.

[*English*]

Mr. Matthew Boswell: —so I will refrain from the temptation to give you an answer.

[*Translation*]

Mr. Jean-Denis Garon: Thank you.

Professor Larouche, you talked about regulatory constraints that are constraints on competition in themselves. Having worked in Europe, a region that is quite well known for having a fairly substantial regulatory framework, how much do you think we have to do if we want to start working on having more regulatory flexibility?

Where should we start, and how?

Dr. Pierre Larouche: That is a big question.

The Chair: You have 12 seconds left.

Dr. Pierre Larouche: I think Mr. Boswell is entirely correct when he talks about the horizontal or transversal approach. There is a huge amount of work to do. The investigative procedure that will be applied for the first time in the airline services industry in Canada should also, if it is used as in the United Kingdom, for example, allow the competition bureau to propose specific recommendations about the regulatory amendments to be made. That is a transversal approach. The competition authority can also point out problems in other sectors.

Apart from all that, a change of mentality is under way. I came back to Canada seven years ago, and I think things are quiet in Canada; the markets are lazy. Take the example of grocery stores, which has been discussed today. We are seeing surprising things there. First, the margins are high. Here, we think a 5% margin is not much. In reality, they are about 2% in the United States and 1% in Europe. So the margin achieved in Canada is very high.

In addition, the major actors here practise identical policies. They all have supermarkets that look like one another. If people complain about prices being too high, they open supermarkets where the range is expanded, with Maxi and Super C, for example. In the United States and Europe, business models are much more diversified.

There are entrants. Whole Foods may position itself in the high-end market. From time to time it will engage in a price war. At the

low end, there will be a supermarket with lower prices that will from time to time say it too offers quality. So each supermarket has its own business model and they attack each other.

In these markets, a situation has to be created in which the companies are afraid of what the others are going to do, rather than a situation in which the companies can easily predict what the others are going to do, as is the case here today.

• (1310)

The Chair: Thank you. That is very interesting.

[*English*]

Mr. Masse, you have two minutes and a half, but if you can use less than that I would be grateful.

Mr. Brian Masse: I will, Mr. Chair, so I'll let our guests go as well.

However, I do want to make sure I get on the record something about the 60%. This committee did deal with a situation that had a 60% threshold and it was Superior Propane. They used the efficiencies defence and this had an effect on rural communities in particular.

In this committee I think we would even have a recommendation or work on this in the past with regard to Superior Propane, as it was a significant issue that we dealt with in the study of this before.

Thank you, Mr. Chair, and I'll let everybody get their extra two minutes now.

The Chair: Thank you very much, Mr. Masse.

[*Translation*]

Thanks to the witnesses for participating in this exercise.

(Meeting adjourned.)

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