

[***EXTERNE/EXTERNAL***]

Senator Howard;

Thank you for starting the process of discussing updates and modifications to the Canadian *Competition Act*. The *Competition Act* needs to be updated to better meet the needs of individual Canadians in all parts of our country. This is even more important as we recover from the COVID-19 pandemic.

I disagree with the framing that we need to reform the *Competition Act* for the digital era. That is incorrect; we need to reform the Competition Act for Canadians. I live in Amherst, Nova Scotia, a rural part of the country that has historically had a large manufacturing base. Amherst was the center that supported rural farms, and has been a community full of thriving small and medium-sized businesses. I run a small business in my community developing real estate.

My business and my community are not part of the digital economy. In fact, we have been left behind by the digital economy, and the digital economy is not coming to save me, my community, or any of the independent businesses and farms that still exist.

We need to leave the 'digital economy' framing behind. Instead we must restore and improve upon the previous assumptions of the *Combines Investigation Act* that focused on promoting equal opportunities for businesses no matter what size or part of the country. We need to re-introduce and enforce the rules that prevent large businesses, both Canadian and international, from exploiting others through the use of anti-competitive behaviours such as predatory pricing, exploitation of workers, or price-fixing.

The size of the massive digital firms does create new issues that need to be resolved and dealt with. Some of these issues we must deal with are data harvesting, the surveillance advertising industry, and privacy issues that have arisen because of the size of these companies.

I would argue that the largest digital companies, such as Amazon, Alphabet, and Facebook, only reached the size where they can create these systemic problems through anti-competitive acts. We are seeing the evidence of these behaviours as the American government proceeds through their investigations of the largest digital companies. We've seen that [Amazon sold diapers significantly below cost to force diapers.com to sell their business](#). We've seen Amazon use [self-preferencing](#) to promote their own products over small and independent retailers. We've seen evidence of Alphabet and Facebook creating [anti-competitive agreements around advertising markets](#). We've seen Alphabet [run both sides of the digital advertising auction market](#). We've seen Uber, Lyft, DoorDash, and other ['gig' economy companies exploit workers](#) for their own gain. These are just some that have been discovered so far. These are all behaviours and actions that we historically have identified as anti-competitive and sought to prevent through enforcement of the *Competition Act* or *Combines Investigation Act* or other regulations.

We do not need to update the Competition Act for the Digital Economy. We need to update and enforce the Competition Act for the Canadian economy and the Canadian people.

I develop real estate in Nova Scotia. In 2020 the price of lumber tripled at the lumber yard. This significantly increased our cost to build new housing. I know a number of owners of hardware stores and I know owners of woodlots in Cumberland County. When I asked, they both told me their profit

margin on their sales did not change. The cost of a 2x4x8' tripled from about \$3.50 to \$11.50. If the retailers and the producers did not make any more money, where did that extra \$8 I spent go?

In 1932, at the height of the Great Depression, the price of bread increased significantly and the amount paid to farmers on the Prairies dropped. In response to this the Canadian Parliament formed the [Royal Commission on Price Spreads](#) to investigate what allowed this to occur. The conclusion of this report is that consolidation in the Canadian economy allowed the monopolists to exploit consumers by raising prices and forcing the producers to accept less for their goods. Some solutions from this report were more robust, combines investigation and reforms of the finance industry. The purpose of all these reforms was to act in the best interest of individual Canadians, and to protect their ability to make a living in a fair and open Canadian economy.

We need to move away from our current focus on consumer welfare and efficiency only to revert back to the goal of preventing anti-competitive behaviours and exploitation of Canadians. This will create a fairer economy so individual Canadians workers will not be exploited, and small and medium sized businesses can thrive and flourish. All of this will renew our small and rural towns, and provide opportunities for future generations.

Sincerely,

Andrew Cameron