

are vertically related—could be addressed under the terms of the bill. But this was not enough, added Professor Stanbury. The purpose of the amendment moved by our colleague the Hon. Member for Winnipeg North would precisely permit to correct this anomaly in the legislation. I cannot help remembering the remarks made by the Leader of the Liberal Party, the Leader of the Opposition in this House, when he said on April 9, and I quote: "We have witnessed an escalating takeover fever in the last number of months resulting in, we believe, an overconcentration of corporate power in Canada". In his remarks during debate on second reading of Bill C-91, the Leader of the Opposition emphasized that the Government should address this issue immediately and try to find solutions to the overconcentration problem.

The Leader of the Opposition reminded the House that the Government, in its discussion everywhere in Canada, had claimed that Canadians needed large multinationals in this country to compete with foreign multinationals and that although this argument could be valid to a certain point, it was necessary to have corporations powerful enough to meet the competition head-on both on the domestic and foreign markets. But, according to the Leader of the Opposition, if corporations of this type must exist as the Government claims, this does not mean that the recent takeovers in Canada confirm this argument that it is essential to have large companies on the domestic market.

I cannot help but reflect openly on the extensive concentration which exists in the food industry in Canada and wonder whether the disappearance of our small corner stores and grocery stores and their replacement by large food chain stores have really benefited Canadian consumers. We have only to look at the prices we pay today for food and ask ourselves whether the consumer was not better served by the small corner store than he now is by large chains which make us pay for their big stores, their nice displays and their pretty packaging, because the consumer has to pay a high price for all this window dressing. Of course, the consumer did not shop in a nice environment when he went to the corner store. He did not have nice things to look at as he does today in the large chains, but I think that he left the store with more money in his pockets than he does now.

Because of corporate takeovers, bigger and bigger corporations are forgetting that quality often comes in small packages. We have to wonder about some of the recent takeovers. As the Leader of the Opposition said on April 9: "Where are the new jobs? Will two merging companies be more efficient after their merger and do these takeovers really improve competition in Canada?" And most important, is Canadian technology improved by these takeovers? Actually, Mr. Speaker, we realize that takeovers often result only in a loss of jobs for the workers whose employer is absorbed by the larger company. These takeovers bring about rationalization, and very often, this means, not more jobs and more work, but fewer jobs in a specific area. Very often, it also means a loss of efficiency and technology because big companies, like big Governments, are not necessarily very efficient.

### *Competition Tribunal Act*

We must ask ourselves to what extent the Government is taking the right approach when seeking to promote corporate concentration in Canada and support large and big Canadian companies.

That is why I endorse the motion introduced by the Hon. Member for Winnipeg North (Mr. Orlikow), and I think that as far as the director of investigations is concerned there is no absolute rule. Obviously, certain large companies may be in the interest of Canada.

I believe that concentration in certain sectors is essential and necessary in Canada. But I would like independent officials, I would like the Competition Tribunal which is to be established to be in a position to make an impartial assessment of each take-over and say on occasion: No, this is too big and not in the interest of Canada. Even though it may not bear directly on competitiveness, the very size of the company poses an immediate threat and we must put a stop to that.

I conclude by saying that the amendment of the Hon. Member for Winnipeg North would improve the Bill and I hope the Government will support it.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey).

● (1220)

[*English*]

**Hon. William Rompkey (Grand Falls—White Bay—Labrador):** Mr. Speaker, I want to support this amendment because I think it addresses one of the most serious problems we have in the country at the moment. There is a shuffling of corporate directorships taking place which, I suggest to you, is at the expense of one of the main planks in the Government's platform, the creation of jobs. In fact, rather than seeing the creation of new jobs in Canada we are seeing a closer and closer integration of the interlocking directorships, something which is probably more apparent and prevalent in Canada than in many other countries. That has been adequately documented by people like Peter Newman. Even some people in the corporate world admit that that is going on and that it is not good or healthy for the economy of Canada. I refer particularly to the takeover of financial institutions by other sectors in the corporate world and the conflict of interest which that engendered.

In Mr. Newman's article he quotes Mr. Ghert of Cadillac-Fairview who, in his conversation with Mr. Newman, said:

When one entity is both a creditor and an owner of equity in a company, there is an obvious conflict of interest.

That is probably one of the most dramatic instances of corporate concentration and takeovers acting detrimentally. It is an over-all problem. We are essentially seeing the shuffling of directorships and stocks among a very few people to the detriment of the majority of the population. Rather than that kind of bridge playing or finessing of shares by corporate directors, we need some imagination from the corporate sector.