

Combines Investigation Act

court without convicting any merger but asking that an order for dissolution be instituted. That is a different course and is not consistent with the minister's first approach to mergers.

The hon. member for Port Arthur on second reading of the bill placed a number of instances on the record of knowledge of mergers in his own constituency and the growth of concentration, what we should do about it, and should we not be looking toward this as some problem which should be tackled by the combines legislation? Those of us who are from British Columbia are familiar to a degree with the development and the growth of concentration of control in the forest industry in the coastal areas which has taken place within the last few years. We used to have a number of large outfits, large logging and milling companies, which were in effect in competition one with the other. In fact, we had the two arch-enemies, as it were, in the lumber industry, Bloedel, Stewart and Welch and the H. R. MacMillan Corporation. These two bitter enemies, some time around 1952 I believe, undertook to merge and become MacMillan and Bloedel, and they became a huge concern.

Just last year an announcement was made that another huge lumber company on the west coast, the Powell River Company, was considering merging with MacMillan and Bloedel. So we have three formerly large concerns, a lumber, pulp and paper company and a milling concern, integrated and merged into one group, MacMillan, Bloedel and Powell River.

We have also seen the same thing with respect to the Alaska Pine Company, where Rayonier is now involved. Abitibi Pulp and Paper Company was involved in mergers. The British Columbia Pulp and Paper Company when it obtained a forest management licence no sooner had the ink dry on the licence than it sold out to other interests. Then we had another case in Crown Zellerbach. Gradually there has been a concentration of control in the hands of Crown Zellerbach as well as the Alaska Pine Company on the west coast. So that we now have on the west coast perhaps four or five major concerns which, by the process of merging and absorbing other companies, now control the entire lumber industry in British Columbia.

This is a situation which has been developing over the years and a situation toward which we should be directing our activities, and toward which we should be trying to gear our legislation so that we can properly deal with the circumstances.

I think that perhaps in this field, dealing with mergers, it is not necessary to enter

[Mr. Howard.]

directly upon a prosecution. I am of the view that there are a number of alternatives to straight prosecution which could be developed. Perhaps a review commission could be set up on the lines of that which exists in Britain or something similar to the federal trade commission of the United States which carries out studies of this sort of thing and makes recommendations as to the course to follow. Perhaps more power could be given to the present restrictive practices commission to study and deal with these things.

To this end we should be bending our efforts, because the concentration of industry in fewer and fewer hands has accelerated tremendously in the last few years. I gave one example, the lumber and milling industry on the west coast of British Columbia which has become concentrated into four or five hands. It is the same in other fields. On one hand, the government has no policy with respect to dealing with the growth and concentration of industry and is unwilling to take any steps in this regard until it understands the situation better either as a result of court decisions or reports from the restrictive trade practices commission. Then, on the other hand, the government says it does wish to deal with the situation as far as prosecution or dissolution orders are concerned, which seems to me to be inconsistent. The minister has been in office for three or four years and he tells us that soon after he took up his duties he directed his attention toward this legislation. If he had bent his efforts to dealing with this question of the concentration of industry and how that might be effectively dealt with perhaps he would have a much better bill to place before the committee than the one which we are now discussing. I do think it is inconsistent to say, on the one hand, that he wants no change in the approach to monopoly because he does not know enough about the effects on the economy while saying, on the other hand, that he wants to take action and get a dissolution without recourse to prosecution instead of having the prosecution first as a means of getting an order.

Though this may be getting away from the subject of the amendment proposed by the hon. member for Bonavista-Twillingate it is, nevertheless, relevant to mergers and monopolies and I think this is as good a place as any at which to make the suggestion I have put before the committee.

Mr. Lambert: Would the hon. member permit a question? Is he of the opinion that the mere size of a corporation is wrong per se?

Mr. Howard: I merely pointed out what has been occurring. We have not yet been