

Expansion (Mr. Stevens). We have to ask whether there been a change of heart on the road to Damascus so that the Minister can now endorse the Bill of his colleague, the Minister of Consumer and Corporate Affairs. Of course not.

We have seen many changes to the earlier Bill C-42 as originally proposed. It has deteriorated and has been watered down into the present Bill C-91. Undoubtedly, we know that the Government has no great enthusiasm for this Bill. "We can live with it" is possibly how members of the Government explain it. But given Conservative ideology, a strong competition Bill is a must.

The Government repeatedly calls for maximizing the role of the private sector. It believes in a closer trade relationship with the U.S. and lower international tariffs. But lower tariffs are not a substitute for effective competition in the domestic market. We know that certain cabinet Ministers who often profess belief in the market frequently run into difficulties. For example, the Minister of Finance (Mr. Wilson) believes in letting markets set the value of the Canadian dollar. He believes that until the value drops too low and then he talks about burning the speculators. Let us consider the Minister of Energy, Mines and Resources (Miss Carney). She believes in letting the markets set the value of petroleum products. She says she believes that, even while gasoline prices have declined by only three cents a litre while crude oil prices have dropped by one-half or more. She continues to say she will be patient with the companies, while Canadians motorists want to see some real action from her, action that would cut gasoline prices by 12 cents a litre.

I wish to take a few moments to deal with a tremendously important decision being made right now out there in the real world about the future of this country, with which this Bill does not even deal. I am talking about the proposal by Imasco to take over Genstar. Before I point out what is wrong with that proposal let me put on the record the fact that it is not just New Democrats who are opposed to the takeover of Genstar by Imasco. I would like to quote from a news report which appeared in *The Globe and Mail* a couple of days ago. It is headlined: "Debate sought on Genstar takeover, Tory MPS oppose Imasco deal". I would like to read into the record a couple of paragraphs from the story.

A group of Conservative back-benchers are preparing to stage a special debate to oppose the takeover of Genstar Corp. by Imasco Ltd.—

The \$2-billion deal, accepted by Genstar yesterday, would give Imasco, a Montreal-based cigarette, drug store and fast-food conglomerate, control over Canada Trustco Mortgage Co., a Genstar subsidiary. Canada Trust, with assets of more than \$20-billion, is the seventh largest financial institution in Canada.

The protest is led by Paul McCrossan, Tory Member of Parliament for York—Scarborough, who opposes any particular takeover of a major financial institution by a company not already in the financial services industry.

He argues that such a purchase creates a situation whereby a trust company can become the captive of its new parent—a compliant source of financing for deals that might not be in the best interests of the financial institution's depositors.

The article goes on to quote the Hon. Member for Don Valley East (Mr. Attewell).

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Mr. Attewell, Conservative MP for the Toronto riding of Don Valley East and a former vice-president for corporate planning with the Guaranty Trust Co., added that in the wake of recent takeovers, there is widespread support within the Conservative caucus for Government action, both on the Imasco-Genstar deal and on the broader question of corporate concentration.

This is what the Hon. Member for Don Valley East said, and I again quote from the article:

"My interests are a little broader—the whole subject of corporate concentration," Mr. Attewell said. "We need to put the brakes on. Takeovers don't create jobs. Often it's just the opposite, with rationalization that occurs after a takeover."

Members of the New Democratic Party have been saying that for years. We have been laughed at, scoffed at and told that we do not understand anything about business. Yet here we have the Hon. Member for York—Scarborough (Mr. McCrossan) and the Hon. Member for Don Valley East opposed to such a move. On *As It Happens* a few nights ago I heard the Chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), make the same point.

I ask the Minister where he is living. Is he living in dream land while bringing forth this Bill and telling us that it will deal with the major problems in Canada? Before us is one of the biggest financial deals that we have ever seen in Canada. It is one which will cause tremendous hardship and trouble for most Canadians. Yet, the Minister does not say a word about it. His Bill does not deal with the situation at all. That is the real world which the Minister so conveniently, either by design or ignorance, avoids.

The fact is that conglomerate mergers are beyond the scope of Bill C-91. Neither Imasco nor Gulf has a horizontal or vertical relationship with the companies they want to take over since they are unrelated companies. Thus the Bill does not deal at all with conglomerates under its merger provisions. However, there is a linkage between the real economy, which makes goods and provides services, and the financial economy of intermediaries which provide capital.

This relationship has been the subject of the Green Paper on the regulation of Canadian financial institutions and hearings by the House Standing Committee on Finance, Trade and Economic Affairs. The Green Paper was confronted with the problems of financial conglomerates controlled by diversified companies. It decided to embrace them by calling them financial holding corporations and sought to regulate them through rules which would ban certain practices and restrict access in other areas. But now the nature of the problem has become more clear. The largest industrial companies have integrated financial holding companies. Brascan has Trilon, which has assets of \$65 billion. Power Corporation has Power Financial Corporation, which has assets of \$29.6 billion. Imasco now has Canada Trust, which has assets of more than \$20 billion.

The problems with this type of relationship have become well known in recent years. There is the potential for self-dealing, to which the Conservative Members I have quoted have faced up. In such a situation the financial institution loses