• (1810)

We last had a royal commission into the question of corporate concentration in 1975. That was brought about at the time of the threat of Power Corporation trying to take over Argus which at that time held such companies as CFRB, Dominion Stores and so on. The conclusion of the royal commission, which reported back in 1978, was that there was no real threat of lessened competition in the market-place, so nothing was done.

I feel very confident that if we were to thoroughly examine the record over just the last five years, we would see that the wave of mergers and acquisitions has accelerated. A professor at Dalhousie University reported recently that the ratio of our last 20 mergers is something like two and a half times as great in size as those in the United States. I believe it is time for action. The Government has taken certain steps. Bill C-91, which was debated extensively today, is a step in the right direction. However, I doubt that it was drafted with the real threat of the huge conglomerates having such extensive power in mind. I do not believe it has roll-back provisions.

Today another important Bill was brought forward by the Minister of State for Finance (Mrs. McDougall). Bill C-103 does indeed have the type of power for which I am looking. It could stop the Imasco deal right in its tracks. I believe under Clause 48.19 that Imasco would need to have the Minister's approval in writing before the deal could be consummated. I want to go on record as being strongly against that particular merger. One of the finest and largest trust companies, with assets well over $20 billion, could be gobbled up by this group and who knows what use could be made of its huge deposit level.

Another aspect of these takeovers I would like to comment on is the loss of jobs. All too often through these mergers and acquisitions hundreds and thousands of jobs just evaporate. The process is called "rationalization". It happened recently with the merger of Canada Permanent and Canada Trust. Hundreds of employees were no longer needed both in head offices and in the branch structures. If the two companies had outlets on the same corner, one of them would go in the name of efficiency, with the resulting loss of jobs.

There is an argument for size of scale. For us to be competitive at the world level we need large companies, but we do not need them at the expense of thousands of jobs or at the expense of competition being lessened. We certainly do not need laws which will permit consumer funding, not only by way of deposits but through foregone taxes, because a large corporation is given a tax concession of $500 million.

In summary, I want to recommend in the strongest possible terms that the subject be given a fresh look because of these activities over the last five years. I do not really know whether a royal commission would be the best vehicle, but that is the one I favour. If it does go to a finance or special committee, it must be given the financial wherewithal and the people to do an in depth study. A superficial look will not do on an issue which is so serious. I hope the Government will move in this direction. The train is moving. We cannot pause and look at this forever. We need to get on with this important topic in an in-depth way in order to protect the consumers of Canada.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Hon. Member for Don Valley East (Mr. Attewell) has always been quick to speak out in support of consumer issues. No doubt the two events which took place in the House today will bring some ray of light to a very involved, comprehensive and serious problem. I refer to the introduction of Bill C-91 by the Minister of Consumer and Corporate Affairs (Mr. Côté) and the introduction of Bill C-103 by the Minister of State for Finance (Mrs. McDougall), both of which have been mentioned by the Hon. Member for Don Valley East.

Over the years we have tried desperately not once, twice or three times, but many times—in fact, the former administration worked on it for 16 years—to try to bring about major changes to the competition legislation. We did this in order that we could deal with companies which had acquired, or were acquiring, a dominant position in the market-place through mergers, thus creating unfair competition to small businesses which were having very difficult times.

I think that the pre-notification provision initiated in Bill C-91 answers many of the questions raised by the Hon. Member. No longer will large corporations whose assets total over $500 million collectively be able to merge without first being reviewed by the tribunal which will be set up under the new legislation. If either one of the two being merged has sales or assets of more than $35 million, then they will fall into this trap whereby they will have to pre-notify. Within a period of approximately 21 days the Government, through the tribunal, will have a chance to respond to the pros and cons of such a merger. I think that a volume of $35 million alone will handle the problems brought to the attention of the House by the Hon. Member. Under the merger pre-notification provision we will be able to first review whether or not it will have a negative effect or impact on business.

The one exception under Bill C-91 is that we will permit companies to merge which, perhaps, will create a dominant position, but only for export purposes. That is to say that such a move would have to make us competitive on a world basis. They would then be able to merge.

We are seriously looking at the situation. I am optimistic, as is the Minister of Consumer and Corporate Affairs, that all Parties in the House will come to the realization that after 75 years our competition legislation is obsolete and that it is time to move on for better protection for consumers and small businesses.