

Competition Tribunal Act

convinced there is not a single Member of the House of Commons in his or her heart of hearts who believes that the Imasco takeover of Genstar is in the best interest of Canada, Canadians or the future of the Canadian economy.

The decision is clearly now in the hands of the Minister of State for Finance (Mrs. McDougall), who has the authority under the Bill now before the House, retroactive to the end of November, 1985, to stop this transaction and to say here and now that the Government of Canada will not tolerate the takeover of financial institutions by non-financial institutions.

If the Government were wise enough, it would follow the recommendations of the New Democratic Party in the White Paper where we recommended that financial institutions, such as banks and large trust companies, should abide by the 10 per cent rule, that no group ought to own more than 10 per cent of a bank. Those are the rules we have today. I believe when you look at the large trust companies in Canada, there is no logic, no justification for not having that 10 per cent rule apply to them.

If that were the case, this discussion and concern, now reflected in the House of Commons for many days, would not be in evidence. This takeover would not be allowed.

In closing, we oppose this so-called competition legislation, because we see that it will not result in more fair competition. In fact, quite the contrary. This Bill does very little toward easing the accelerating corporate economic and political concentration emerging, best reflected, as I said earlier, in nine families controlling 50 per cent of the value of the Toronto Stock Exchange.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I want to thank you for giving me the floor, and I would like to say a few words about this competition legislation.

First of all, it is clear that this is an extremely complex Bill which required months of preparation. Several ministers with responsibilities in this area have worked on the subject, and although the Bill is not perfect, there will be discussions in committee. The Official Opposition intends to support the principle of the Bill and help improve the present situation and protect consumers against excessive concentration.

When we look at the problem as a whole, and we realize that a limited number of families and corporate groups control over 50 per cent of the Canadian stock market, on the exchanges in Toronto and Montreal, there is reason for concern not only about the consumer but about the survival of our free enterprise system. I have often told businessmen, when I had occasion to speak to them as a colleague or as a politician, that excessive concentration is probably the greatest enemy of free enterprise, a principle they tend to uphold in their professional associations. When faced with excessive concentration, not just of economic activities in general but in a specific sector, which is very similar to a monopoly situation, I thought it was clear that if voters had a choice between a

public monopoly and a private monopoly, they, or our democratic system in general, would opt for the State monopoly. I think that, in this respect, the business community may be somewhat to blame for Government intervention in this area.

I therefore support the idea of legislation that will allow and promote increased competition and make it possible to avoid concentration as far as feasible, in such a way that the consumer will benefit and that our enterprise system, which encourages individual initiative, will continue to prosper in this country.

Mr. Speaker, had this debate on the Bill before the House taken place two or three weeks or a month or two months ago, perhaps the context would have been different.

Today, in addition to the Bill before the House, there is another matter on our minds, and I am referring to a transaction that would place one of this country's largest trust companies under the control of Imasco.

Mr. Speaker, first of all, I would like to define the position we of the Liberal Party have taken on this matter. The report made to the House by the Committee on Finance and Economic Affairs last November, says in Recommendation 58, which we approved, and since I have the English text, I will quote the recommendation in English:

[*English*]

58. That the Minister of Finance not approve any merger between Canada Trust and Canada Permanent Trust until an ownership policy for financial institutions has been developed and implemented.

[*Translation*]

Mr. Speaker, we endorsed this recommendation of the report tabled in the House by the Standing Committee on Finance, Trade and Economic Affairs.

The Minister of State for Finance (Mrs. McDougall) did not do anything. To my knowledge, the Hon. Member for Mississauga South (Mr. Blenkarn) and the Hon. Member for York-Scarborough (Mr. McCrossan) did not intervene publicly to stop the deal between Genstar and Canada Trust. All of a sudden now, because Imasco seeks to do the same thing with Genstar, they are raising hell.

Mr. Speaker, I must tell you that I personally approved Recommendation 58. More than that, we presented a minority report stating that in principle the Official Opposition did not agree with non-financial institutions being allowed to take over financial institutions, particularly larger ones. But I do not see any explanation, and I certainly intend to fight this one to ensure fairness. If the deal was good for Genstar, so it is for Imasco. What is good for Peter is also good for Jacques. If the Imasco deal is to be blocked, in the context of the Bill now under study concerning concentration, I will ask the Government to be consistent by honouring and implementing Recommendation 58 which was unanimously proposed to the House by the Standing Committee on Finance, Trade and Economic Affairs.