

*Bank Act*

● (1630)

Really the history has not changed much. The wheel has turned, but we have the same problem at a different level. The interlocking directorates exist and the annual reports of the Bank of Canada are sitting here. No one has to examine those to see that the most powerful corporations in Canada are represented on the boards of directors and vice versa. But an interesting article appeared in *The Globe and Mail* which indicated that as a result of some of today's problems with Chrysler, Massey-Ferguson, and a variety of other companies which were previously doing well and are now firmly locked on the public trough, the directors of companies should not be permitted to serve as directors of banks from which the companies borrow, nor should the banks be represented on the boards of directors of client companies. That was an editorial statement which appeared in *The Globe and Mail*. When I look at the amendments we propose, I realize those are the things we are proposing.

I do not want to draw this out too long, but the Royal Commission on Corporate Concentration, which I believe is called the Bryce commission, has largely been viewed as an apologist for the government and the corporations in Canada. It has come forward with recommendations which almost defy logic, yet when we look at the recommendations concerning the power of corporate directorships, it is asking for modifications which do not appear in the Bank Act. So, we have *The Globe and Mail* and even the Bryce commission, which bears very little credibility in the real world—even they have the timidity to come forward asking for changes in the manner in which we structure the leaders of our industrial and financial corporations. I urge the minister to review those and to take a look at the problems. Those interlocking directorates exist, the old boys exist, and really Canadian consumers or the people who depend on them suffer for that. It is not just the consumers who suffer.

For example, today we had a very interesting question for the Minister of Consumer and Corporate Affairs, but unfortunately he did not arrive in the House until the last five minutes of oral questions. We had a question about his role in investigating the unacceptable concentration of the print media. Also we have had many questions concerning his role in investigating oil companies. Over the last seven years the ministry, through the minister, has fooled with this question and not brought it to a satisfactory resolution.

We have George Weston and food chains which control the price of food. We have a variety of organizations which control housing and availability of money for housing. We have the banking industry which is the most powerful and influential of all those groups. They fuel the engines. They make concentration tighter and tighter all the way down the line, always in the interests of a buck. Quite often it is in the interests of efficiency, but always in the interests of a buck, not in the interests of the people they serve. As they make the concentration tighter, there are fewer and fewer opportunities to serve the people.

As the hon. member for Kamloops-Shuswap (Mr. Riis) pointed out, small businesses often get chopped in the process, but it is not just the small ones. So, the corporate concentration exists. It seriously affects our lives. It starts with interlocking directorates, and we have looked at the costs of it. There is a lack of competition and even a lack of an ability to compete, which results in high prices. People pay significantly more for the goods and services they require because of that concentration.

The points I made before also deal with the business of development in the country. There are areas of the country which are not developed because the return is not quite as high as it is in other areas. They kiss that group of people good-bye and say hello to the areas with the most profitable return. The tighter the concentration, the more deliberate that development. We have seen that with banks. As I have stated in the House before, in my particular riding there are communities such as Sayward, the Campbell River area, the central coast area, the North Island area and even Victoria where banks have withdrawn services because there is not the kind of return for which they are looking. To put up branches in downtown Vancouver, Ottawa or Montreal gives them a better volume for less investment. Unfortunately the people in rural areas suffer from the effect of strictly corporate concentration because there is no other competition.

We asked for some public input, public presence and public accountability to remedy that, and it did not happen. It was totally rejected by the government. Now we are asking for this simple thing—after making a series of retreats—which is backed by the Bryce commission, *The Globe and Mail* and, in fact, the electorate. There are areas in the country where the present government does not enjoy the confidence of the people, and it continues to erode confidence because of lack of action. At any rate, the costs of corporate concentration are very evident and they are growing.

No one would deny that corporate concentration movements are fueled by the banks, the Big Five. We have heard the minister say, "Yes, but the caisse populaire and credit union movements are competing with them". But it is at a much lower level. When we look at the billions in assets which they control, we are not really talking about the same thing. When we look at the concentration of control of those assets, we are not even talking in the same ball park. It is very unrealistic to say that the credit union movement is out there competing at the same level as the banks. That is just not so. Certainly I would appreciate the minister coming forward and saying, "We will unshackle the hands of the credit union movement and allow them to compete in some of the other areas". At any rate, the costs of corporate concentration are very high.

I should like to spend just a moment reflecting on what has been the government's attitude to this. Unfortunately the Department of Consumer and Corporate Affairs is the bulwark upon which we depend to protect us from the less desirable, the evil aspects of corporate concentration. Whether it heads over into an illegal activity or whether it is just contrary to the interests of people, the government moved