

*Competition Tribunal Act*

**Mr. Bill Attewell (Don Valley East):** Mr. Speaker, I do want to say a number of things about comments that have been made recently by my honourable colleagues on the other side. As they know, I serve on the finance committee and also served on the Committee that studied Bill C-91, the Competition Bill. I do not think this amendment should be passed, and I would like to explain why. As you will see from my remarks, I am very strongly in favour of tackling this issue of financial institutions being owned by non-financial institutions. As well, my opinions are very clearly on the record regarding the problems that are emerging in this country as a result of the corporate concentrations of huge conglomerates in the hands of a very few people.

Just to address the first matter, as a member of the finance committee I was very concerned when the Imasco offer was made. Members of the committee were equally concerned earlier when Genstar went after Canada Trust. This is a very well run trust company, one of the best in Canada. It is large in size with intermediary assets of some \$22 billion. To all intents and purposes it really is a bank, and I think the Chief Executive Officer of that fine institution, Mr. Lahn, has had that objective all along.

Here we have a situation where we did not have the legislation in place to actually block this move. The Minister of State for Finance, as she explained, was considering many different aspects and many different reports. One of the main reports she is awaiting is that of Chief Justice Estey, and it should be along within a matter of weeks. Then the Department will be in a position to come forward with proper legislation, not only on the issue of financial corporations being owned by non-financial, but other aspects of ownership as well. Our committee in its unanimous recommendation last fall had to deal with a sliding scale of ownership levels; when an institution had assets beyond X level, and I think the top level was \$40 billion, the maximum ownership would be at a 10 per cent level, similar to banks. In light of some of the facts that have come to light in the last few weeks and months I think it is fair to say we may want to rethink those exact levels. I, for one, am still in favour of that basic concept. I do not think we should throw the baby out with the bath water.

Many smaller trust companies in this country owe their existence to one or two shareholders getting them started. They also owe their continued existence to some of those shareholders coming to the front when they needed some extra capitalization. Thanks to those original investors we have quite a number of what I call small and medium-sized trust companies? While we must be careful not to over-react, certainly when an institution attains assets of \$5 billion or more, we should consider a similar ownership structure.

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It is also time to deal with the situation of non-financial companies owning financial companies. This is disallowed in the United States. Many different laws could be drafted to prohibit the abuse of deposits or trust funds, but in times of crisis the temptation may be too great for some management.

However, I do not believe it is proper to include this matter in this legislation. It is a critical matter which the Minister of State will address in legislation some time this fall.

I have a number of views about the question of corporate concentration of power in this country. Our Party supports free enterprise and believes that success should be rewarded. We do not believe that "big is bad". The United States is a leader of free enterprise in the world in many respects, yet that country has found it necessary to introduce legislation from time to time when certain companies through legal means acquired awesome economic power and clout in the market-place and began to block entry into business, which had an impact on pricing. That country has introduced legislation from time to time to break up these huge conglomerates.

We must address that problem, but not in the Bill before us. Perhaps it could be the subject of a royal commission such as the Bryce Royal Commission commissioned in 1975 when there was some concern about the Power Corporation making a bid for Argus. With all due respect to those two corporations, this commission took place 10 years ago and those companies are peanuts compared to the size of the corporations in existence today. The final conclusion of that Royal Commission, which took place between 1975 and 1977, was that there was not a problem in terms of widespread corporate concentration in Canada. However, it is an issue today and Canadians expect the Government to deal with it.

There are many aspects to this problem of corporate concentration of power. For instance, a number of charitable organizations across the country have indicated that the number of corporations from which they can seek donations are declining. Since many of these companies are owned by a larger corporation, the charitable organizations are told that they give at the corporate level. Some might suggest that this is an obscure instance, but I suggest it is very important in terms of the donations required by many charitable organizations throughout the country.

A major concern about corporate concentration of power is the loss of jobs. Let us consider the case of a merger involving a company with a network of branch plants. All too often these mergers result in branch plants being closed, with the loss of jobs. The head office will rationalize that there is no need for two computer departments or a need for two comptrollers. While this rationale may be logical, the result is that hundreds of people are put out on the street. I have talked to many men and women, some in their mid-fifties, who might have been virtually married to a corporation for a number of years and have built strong loyalties, only to find themselves on the street after a reorganization or merger. Given their age, many of them have tough prospects for assuming a similar position.

We should thoroughly examine this situation, perhaps through a royal commission, but it should not be addressed in this Bill. It is too complex an issue to be dealt with quickly. We should deal with this question soon in view of the enormous