

conglomerates, it takes in rubber and tires and the operations in almost every major sector of the economy. There is no essential public control or demand that there be competition in the area of economic activity in which these corporations are engaged.

There is another sector of the economy in which some of my colleagues to my right and some members of my own party are involved. They run a small independent type of business which may have assets of a quarter million or a million or two million dollars. These businesses have to account to Statistics Canada and fill out the forms. Any action initiated by competition legislation will be directed toward them. They are operating in a market system of supply and demand where the rate of return is rather low and the profit marginal. In a modern economy such as ours they are constantly under pressure. One company may compete with another company with assets of between \$1 million and \$2 million, and the competition may continue until one company has its throat cut. Before they reach that point, they might make a deal and set prices. Companies like this are also under pressure from the public sector, in that they must observe certain minimum wage and salary levels. Such regulations may make their operations marginal.

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Further, such companies can be under pressure because multinational conglomerates are always looking for new companies in which to invest money. They purchase small companies and absorb them. Thus, small companies often face frustration. They are hemmed in by regulations made by the public sector and frustrated in the market place, as they must often compete with multinational companies which plan their operation from the stage at which raw material is taken out of the ground until it is marketed in finished form. Further, these multinational conglomerates operate in the economy without being subject to public control, in that they do not compete. I submit that those who are concerned about the economy of North America or about the international economy should not waste their time, when dealing with multinational companies, in uttering pious hopes that the multinationals will compete. The suggestion, often put forward in this latter half of the twentieth century that any country by itself can force multinational conglomerates to compete, is preposterous. For over 150 years it has been proven that they do not compete that, indeed, they fix prices.

What alternative is open to us? I say that the democratically elected representatives of the Canadian people must make sure that there is a measure of public control over the activities of such corporations. I include the steel conglomerate in my remarks. We can no longer live in the dream world in which people believe that multinational conglomerates compete. The public sector, the representatives of the people of Canada, must have a voice in the operations of such conglomerates. It must have the right to involve itself in pricing policy; it must have the right to hold such companies publicly accountable with regard to taxes they pay. Operations which use our resources, many of them non-renewable, must come under public scrutiny.

We assume, as was assumed in the latter part of the nineteenth century and the earlier part of the twentieth century, that we can break up conglomerates and force

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them to compete. That thinking has been dominant in the philosophy of political parties in this country, including my own. The liberal theory has always been that you can induce competition if you break up the conglomerates. I suggest that such theories are outdated. They do not work, either in Canada or in the United States, as is evident from events. Therefore, any attempt to break up the conglomerates will be futile.

I suggested just now that these large corporations should be accountable to the public. It is our responsibility, as legislators, to make sure that smaller companies can operate and survive in the market. We must try to make them as flexible as possible so that they can survive and use what is called initiative in their operations. As for the large conglomerates, we cannot expect to break them up.

Let us see the extent to which directorships of Canadian corporations interlock. To that end, I want to direct the attention of the House to the board of directors of Canadian Pacific Limited. Directors of Canadian Pacific Limited also serve on the boards of many other companies. Consider, for instance, the directorships held by Mr. Sinclair, the President of Canadian Pacific Limited. He sits on the boards of Canadian Pacific Investments, Canadian Pacific Securities, Canadian Pacific Air Lines, Midland Simcoe Elevator Company, Cominco Limited, Pacific Logging, Marathon Realty, Canadian Pacific Steamships, Trans-Canada Pipe Lines, Great Lakes Paper Company, Soo Line Railroad, Canadian Pacific (Bermuda), MacMillan Bloedel, Sun Life Assurance Company, Cascade Pipe Lines and Pan Canadian Petroleum.

The foregoing companies all belong to the CP family. In addition, Mr. Sinclair sits on the boards of Royal Bank of Canada, Union Carbide of Canada, the firm which is telling farmers in my area that they must pay more for anti-freeze because there is a shortage but which will not tell them how much anti-freeze it has on hand; on the boards of Hockey Canada and of Canadian Marconi, which is connected to the Power Corporation, which, in turn, has connections with the Liberal party and with the President of the Treasury Board (Mr. Drury), who is present in this chamber. In addition, he sits on the boards of Canadian Investment Fund, Canadian Fund, Sun Alliance, London Insurance Group, the group which is supposed to be competing with Sun Life Assurance Company previously mentioned, Chase Manhattan Corporation, which is supposed to be in competition with Royal Bank of Canada, on the board of which Mr. Sinclair also sits, and, to show that he is interested in some public service, he also sits on the board of Royal Victoria Hospital.

What about other Canadian Pacific directors? Consider the case of Mr. William Arbuckle. He, too, sits on the board of Canadian Pacific Limited. As well, he sits on the boards of Canadian Pacific Investments and of Rio Algom Mines. Those companies are in the Canadian Pacific family. Turning our attention to companies outside the family, Mr. Arbuckle sits on the board of Investment Secretariat Limited. Actually, he is the president of the company. In addition, he sits on the boards of Owen, Owen Canada, of G.W. Robinson Company Limited, and Standard Life Assurance. He sits, with Mr. Sinclair, on the board of Sun Life, which, by these interlocking directorships, is connected to the Royal Bank. In addition, Mr. Arbuckle is on