

Committee Reports

refers clients to a family corporation he will be rewarded by receiving shares.

Mr. Orlikow: Maybe the customer would be better off if you referred him to a different company.

Mr. Riis: As my friend from Winnipeg has said, the best advice in some cases may be to refer a client to a different company. Again, there is this incestual dealing, this corporate concentration, and now the potential of financial and non-financial corporations working together. In a sense, we are looking at a 21st century brand of feudalism here. Powerful groups will have tremendous, concentrated power in our economy through the economic, financial and political muscle that will accrue to them.

We are pleased to have an opportunity today—no thanks to our Liberal friends—to discuss the implications of this Imasco-Genstar takeover and to make the point that we in the New Democratic Party, the members of the finance committee, the Consumers' Association of Canada, and even the Superintendent of Insurance himself, Mr. Robert Hammond, have suggested that this kind of takeover is not in the best interests of Canada or Canadians.

Mr. McCrossan: Mr. Speaker, I am pleased to take part in this debate because I was a member of the finance committee and worked on the study of financial institutions—

The Acting Speaker (Mr. Charest): Order, please. Just to make things clear, I understand that the Hon. Member for York-Scarborough (Mr. McCrossan) is either asking a question or making a comment.

Mr. McCrossan: That is right, Mr. Speaker. Actually, I intend to do both.

As I was saying, I appreciate being able to question the Hon. Member because I was a member of the finance committee and I both helped produce the report and indeed voted for the particular resolution. I might begin by making a comment about the process.

On the day the takeover was announced, members of the free enterprise party were questioning this takeover in the House and three days later the representative of the Official Opposition, the mixed economy party, recognized that this was a potential threat and raised it in the House. However, it did take the Party of the Hon. Member who moved concurrence today two weeks to recognize that this was a serious threat and to raise it in the House.

I raise that point because of the process we are going through today. I value the opportunity to discuss today's motion but I would have valued much more the opportunity to discuss the Bill that the Minister of State for Finance (Mrs. McDougall) had brought in some two weeks ago.

Mr. Orlikow: Let her bring it forward.

Mr. McCrossan: Exactly. I have three or four questions to ask the Hon. Member. Perhaps I could ask them all at once and he could respond to them all at once.

First, does the Hon. Member support the principle of Bill C-103 controlling membership, and if so, has he spoken to his House Leader about giving rapid approval in the House to that Bill so that we can get it into committee for study?

The second question I wish to raise is more a matter of record. Would the Hon. Member confirm that both he and the committee do not object to Imasco *per se* or favour Genstar, but indeed would object to any major non-financial corporation taking control of a major financial corporation, whether it be IBM, the Belzbergs or Dominion Stores?

Third, would the Hon. Member confirm that indeed, contrary to the allegations made in this week's *Financial Times*, the committee's recommendations do not imply a *status quo* for Genstar, but indeed the committee recommended that the first step was to stop future control and the second step was to move back the control which already exceeded the committee's limits and that the committee recommended that Genstar in particular would have five years to choose between divesting itself of its non-financial assets or reducing its concentration of its financial assets?

Fourth, would the Hon. Member confirm that the principal concern in his mind and in the minds of members of the committee has to do with non-arm's length dealings and in particular the concern that such dealings are taking place today as mentioned by the President of Canada Trust over the weekend? In a CBC interview Mr. Merv Lahn alleged that non-arms length transactions had indeed taken place between Genstar and its subsidiary trust company.

● (1550)

Mr. Riis: Mr. Speaker, I am pleased to respond to the thoughtful question of my colleague. Just for interest, since we are talking about Canada Trust, I should like to state on the record that according to its 1985 financial statement it made \$63,430,000 before taxes. If we look to see what taxes it paid, we find that it did not pay any taxes in 1985; in fact it received a \$3 million tax credit. Therefore its net profit for that year was \$66,697,737.

This helps me to understand why Merv Lahn is still with the company, considering some of the things he was saying on Sunday morning this past weekend. He, in his position of chief executive officer and president of Canada Trust, said that it was in the best interest of depositors to have a widely held company. In a sense he was arguing against what was going on. However, he remained on as president and I understand why he was able to pull off that kind of situation.

First I should like to say to the Hon. Member that we have no intention of unduly holding up consideration of Bill C-103. It is what we have been calling for—