

Competition Tribunal Act

the oil business three or four years ago and are now selling those companies at huge losses because they realize they do not know the businesses they acquired.

Does this Bill in any way give the Government, Parliament or an agency of the Government the authority to look into these conglomerate takeovers which have become so prevalent and decide whether or not they are good for the country?

Mr. Blenkarn: First, Mr. Speaker, the pre-notification requirements in this Bill require every takeover company with over \$500 million in sales or \$500 million in assets, the big companies about which the Hon. Member and I are concerned, to notify the Government.

● (1250)

Let us look at the Gulf and Hiram Walker transaction for a moment. Hiram Walker is involved in the energy industry, and Gulf is also involved in that industry. There may well be something which would reduce competition, and if the Bill were in place it may well be that the takeover could be prohibited. With takeovers such as the one of which I am speaking we often find that they are occurring because another interest is ancillary, like or close to the interest of the business of the company taking over. In most cases the pre-notification and the provisions of the Bill will allow the Government to come to grips with the problem. Perhaps it will not in every case. However, if we take a look at the Bill, and at Bill C-103, we come to the realization that most takeover activity will be subject to pretty serious review.

Mr. Orlikow: Mr. Speaker, let me explore further the illustration which the Hon. Member used, the takeover by Gulf of Hiram Walker. I think Hiram Walker has been in the liquor business for more than 100 years. I presume it knows that business because of that, and it is a profitable business. In its desire to diversify, it bought into the oil and gas business. It is very new in that business and I doubt that it knows as much about it as it knows about the liquor business. Gulf is now proposing to take over Hiram Walker. Apparently Hiram Walker is not selling its oil and gas interests, just its liquor interests. Would the Hon. Member explain the economic rationale of that? I am not referring to the point of view of the people who own and manage Hiram Walker. I am sure that whatever they do will protect their interests, but how can that takeover possibly help Canadians?

Mr. Blenkarn: Mr. Speaker, as I said earlier in my remarks, obviously the question of whether or not Canadians will be helped in the takeover is one that would have to be reviewed under the provisions of the Bill. I really do not think that the details of the Hiram Walker and Gulf dance around the mulberry bush in court and elsewhere should be a concern of ours in discussing the particular Bill and its details. In that the Bill would require pre-notification, in that Hiram Walker is now partly an oil company with the ownership of Home Oil

and Consumers Gas, and in that Gulf is in the oil and gas business, surely there is the possibility of a lessening of competition. It would seem to me that the Bill would cover that takeover. The dancing around the mulberry bush, which the directors are doing to protect their jobs or other interests, is a matter which perhaps the Hon. Member and I can enjoy and understand; if we want, we can invest in the stock-market and take our chances. However, the essence of the Bill is that it is a review mechanism so that the lessening of competition by the takeover route can be prohibited.

Mr. Orlikow: The tribunal which will be conducting the review, does it have the power or the right to say in respect of one of these takeovers that there is no benefit to the country, that it will not produce any new jobs or provide any new technology and therefore it cannot be done? Does the tribunal have that power? If not, what is the point of the review?

Mr. Blenkarn: The point of the review is that this is a piece of competition legislation, and if there is a lessening of competition then a decision will be rendered on that basis. Surely it is not the business of the Government to worry about whether there are profits or no profits in a transaction.

Mr. Orlikow: How about jobs? Should the Government not worry about jobs?

Mr. Blenkarn: We cannot expect one piece of legislation to solve all the problems of a society as complex as ours. Surely the Bill goes a long way toward getting at the issue of competition.

Mr. Orlikow: No way.

Mr. Blenkarn: I hear the Hon. Member. I suggest to him that the Bill is a good step forward. It is far better than anyone heretofore has been able to produce, certainly within the last 16 years.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Sudbury (Mr. Frith) rising on a question or comment?

Mr. Frith: Mr. Speaker, I should like to make a comment. In view of the fact that I will be the next speaker, I wonder whether there would be unanimous consent to call it one o'clock so that we can start afresh after Question Period.

The Acting Speaker (Mr. Paproski): The period provided for questions and comments is now terminated. I will recognize the Hon. Member for Sudbury as the first speaker. Does the House agree to calling it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.57 p.m. the House took recess.