

Competition Tribunal Act

Members of Parliament, the Government and the people of Canada should be asking what questions we should be asking in regard to conglomerate concentration and what questions the director of investigation and the tribunal should ask on our behalf in regard to conglomerate mergers if they are to take their jobs seriously and get the information they need in order to judge, as we believe they should be able to, whether a takeover of a large corporation by another corporation in a different field is of benefit to the people.

Fortunately, the House of Commons Finance Committee will be examining the officers of Brascan and Genstar next week. My colleague, the Member of Parliament for Kamloops—Shuswap (Mr. Riis), who is our spokesperson on finance, has prepared a list of questions, which he has already sent to the officers of Brascan, which he wants them to answer when they appear before the committee next week. The questions he asks should be asked by the people of Canada, the Government, the director of investigation and the tribunal whenever a large corporation proposes to take over another large corporation.

I will put these questions on the record. We propose that Brascan, or any corporation in this situation, should answer the following questions. What are the companies in which Brascan has an equity position that results in effective control of that company? What is the percentage of voting shares that Brascan holds in each case? When were these companies acquired? What was the price paid at the time of acquisition for each of these companies? What were the strategic benefits to the company as they perceived them to be that led to these acquisitions, i.e. tax benefits, diversification, etc.? What tax savings were there, if any, in making each of these acquisitions?

I remind Members of the House and the Parliamentary Secretary that in the takeover of Gulf by Olympia & York they were able to use the Egyptian bump to benefit to the extent of some \$500 million in tax savings. Most Canadians would appreciate a very small fraction of such a tax benefit.

What benefits were paid to senior officers of the acquired companies? I have already mentioned the benefits which the officers of Genstar and Hiram Walker are going to get. What was the number of employees in each of the acquired companies before the acquisition? What is the number of employees in each of the acquired companies today? In other words, are there more people or less people working for these companies? If there are less people, of what benefit is that to the country?

How much money was allocated for each company for research and development before the takeover? How much money is being allocated by each of these companies for research and development today? In other words, are they doing any more in the way of research and development to make the companies, and therefore the country, more efficient, innovative and able to compete in international markets? Has there been any reduction in the cost of production by any of these companies since they were acquired? Has there been any

reduction in prices to consumers by any of these companies since their acquisition?

We should be asking some very important questions on behalf of all Canadians. What benefits or improvements in their lives, if any, result from the mergers we have seen in recent years, or do all the benefits go to the initiators and promoters of these mergers? We have been told that we must move from the resource-based industries which have been the foundation of the economy of this country for most of the years that it has been a country. We have told that they must become more efficient and innovative and move to newer fields of endeavour to which the world is moving in communications, computers, steel, aluminum and ceramics. If we are to provide jobs for Canadians in the labour market now and those entering it in the very near future, that is what we have to do. Yet, instead we see our captains of industry and finance increasingly involved in takeovers, a policy which has been described as paper entrepreneurship. It benefits only a few powerful individuals and corporations.

● (1540)

Where is the effort to help the small independent businesses which we know have provided most of the new jobs in recent years? Where are the plans to help the slow growth regions of Canada? They are certainly not in the thinking of these conglomerates. That is why we believe the kind of amendment I have moved is of crucial importance if this Bill is to do what it is supposed to do.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, being as brief as I can, I would first like to address Motion No. 9 presented by the Hon. Member for Papineau (Mr. Ouellet). The motion recommends that the tribunal consider, as a factor in its deliberations on whether or not to allow a merger, the history of the anti-competitive behaviour of the parties to the merger. This was deleted from the list of factors which appeared in Bill C-29 introduced by the previous Government because past behaviour is not necessarily a good indication of future behaviour. I suggest to the House that the tribunal may consider any other relevant factor, including the past behaviour of parties to the merger. For that reason I recommend that the House reject Motion No. 9.

As to Motion No. 10 moved by the Hon. Member for Winnipeg North (Mr. Orlikow) it recommends adding to the list of factors for the tribunal to consider under the merger provision a factor which, as drafted, has no place in this Bill. It deals primarily with concentration of ownership and control of financial institutions by non-financial corporations. As I already indicated, if this House believes those issues should be added by legislation, they should be dealt with in other appropriate legislation. The motion also includes factors which are already explicitly included and are implicit considerations the tribunal will most certainly take into account where it is appropriate. For those reasons I recommend that the House reject Motion No. 10.