

*Oral Questions***ORAL QUESTION PERIOD***[English]***FINANCIAL INSTITUTIONS****IMASCO BID TO TAKE OVER GENSTAR**

Miss Aileen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. Last November the finance committee unanimously expressed concern about concentration of ownership in the financial services industry and about the implications of financial institutions being owned by non-financial interests.

The Government has not responded to that report but we now have the fast food and tobacco giant, Imasco, set to take over Genstar Corporation, which owns Canada's largest trust company. The Minister of State said on March 24 she was reviewing the situation. Can she now tell us her action plan and a timetable?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is an issue which does fall under the provisions of the Bill which we introduced in the House this morning. We will be reviewing all aspects of it under the criteria that we outlined last fall. That review is continuing, and I will be announcing a decision as soon as we have considered every factor.

REVIEW OF TAKEOVER BID

Miss Aileen Nicholson (Trinity): Mr. Speaker, will the Minister confirm that Imasco offered her and her officials all the documents to participate in a review as though the legislation had been passed some time ago before the takeover bid was made public, and that she failed to do so?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my officials have been in constant touch with Imasco as a result of this and we have reviewed the criteria. They were not quite in the final form but they have been made available to Imasco.

MINISTER'S POSITION

Miss Aileen Nicholson (Trinity): Mr. Speaker, the Minister has had information and was in a position to act before now. Why does the Minister wait until she is under public pressure before deciding to move?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we are not taking any action on the Bill which was introduced this morning under public pressure. That Bill was introduced in draft form last fall. As a result of public discussion there have been some changes in it. It was produced as soon as it was ready. We are proceeding on track, as we always have. It is not a case of there being a response to pressure.

*[Translation]***EFFECT OF LEGISLATION**

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Does he realize that his own legislation, not the one mentioned by his colleague, could not prevent a merger such as that given as an example by my colleague from Trinity? What does he intend to do about that?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Last December, Mr. Speaker, we did introduce amendments to the combines legislation. One of the provisions of that legislation is aimed at establishing a competition tribunal responsible for screening proposed mergers and indeed for ruling on such deals.

MINISTER'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, does the Minister realize that he is trying to weaken the combines legislation section dealing with mergers with respect to Bill C-29? Can the Minister tell us why he thinks that the non-competitive history of a corporation should no longer be viewed as a criterion for assessment in the case of a merger? Where is the logic in that?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): As it happens, Mr. Speaker, the ultimate objective of Bill C-91 is to increase competition on the domestic market and enable companies to be more competitive on world markets, create jobs, and boost economic growth. That is precisely the kind of Bill which the House is now considering.

*[English]***COMMITTEE'S OWNERSHIP RECOMMENDATION**

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question directed to the Minister of State for Finance. Since it was the unanimous recommendation of all members on the committee of this House that non-financial institutions should not be able to own financial institutions in order to avoid self-dealing or a conflict of interest, why does she not announce now that she is not going to permit the takeover of Genstar by Imasco?

• (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have a Bill before the House which suggests that transmissible ownerships are subject to ministerial approval. Among those matters that will be considered are the very excellent recommendations of the parliamentary committee.

However, as I understand the parliamentary committee recommendation, this trust company could be owned 50 per cent rather than 100 per cent. We are looking at all those questions as we reach our decision.