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Barrick presses Newmont as it weighs bid

Toronto miner buys a small stake so that it can push for rule change that makes it easier to call a shareholder vote

NIALL McGEE MINING REPORTER

Barrick Gold Corp. is attempting to turn up the heat on **Newmont Mining Corp.** by forcing a change to its corporate bylaws as it weighs a hostile bid for the Colorado-based miner.

Newmont said on Sunday that Barrick has indicated it will try to lower the ownership threshold that would allow a Newmont shareholder to call a special meeting. If the manoeuvre is successful, it could make it easier for the Toronto-based miner to put forward a takeover offer for its American rival, then force a vote on it.

Barrick has taken a small stake in Newmont that would give it the right to push for a resolution at Newmont's next annual general meeting, a Newmont spokesperson said Sunday. Currently, Newmont's bylaws stipulate that shareholders must own a total of 25 per cent of the company in order to call a special meeting. Barrick is proposing cutting that threshold to 15 per cent.

The developments could signal Barrick's intention to forge ahead with a plan to table a hostile takeover offer for Newmont. On Friday, Barrick said it was mulling an all-share, no-premium bid but no decision had been made.

Barrick has recently purchased 1,000 shares of Newmont, the spokesperson said. But regardless of whether Barrick itself owns enough shares, it could team up with other Newmont shareholders to call for the special meeting, as long as the Barrick group gets to the cutoff level.

BlackRock Inc., Vanguard Group Inc. and Van Eck Associates are the top three holders of Newmont's stock with a collective stake of more than 30 per cent, according to Thomson Reuters data.

▪ BARRICK, B8

Family doctor Maryam Zeineddin says her base rent for her West Vancouver medical centre has climbed 30 per cent. ALANA PATERSON/THE GLOBE AND MAIL

For Vancouver doctors, a bitter pill

Soaring commercial lease rates in the region are squeezing physicians, forcing some to give up their practice and join other ventures or relocate ▪ B3

Real estate industry lobbies Morneau to help first-time home buyers in budget

JANET McFARLAND REAL ESTATE REPORTER

Federal Finance Minister Bill Morneau is facing growing pressure from Canada's real estate industry to use his March budget to help first-time homebuyers as house sales continue to slump in many major markets.

In recent weeks, organizations representing real estate agents, home builders and mortgage lenders have separately met with government officials and politicians to pitch their lists of reforms.

While there is no broad industry consensus about what changes are needed, the main proposals on the table include modifying new mortgage stress-test qualifying rules, expanding the 25-year amortization period for insured mortgages, increasing the amount first-time buyers can take from their registered retirement savings plan for down payments, and raising the first-time homebuyer tax credit.

The lobbying comes as home sales have slowed in most markets in Canada, particularly in the Vancouver and Toronto regions. On a national basis, home sales fell 11 per cent in 2018 over 2017, including a 32-per-cent drop in the Vancouver region and a 16-per-cent decline in the Greater Toronto Area.

Mortgage Professionals Canada, an industry association for mortgage brokers and lenders, has met with Liberal and Conservative MPs to lead the charge for relaxing the government's mandated mortgage qualification stress test, arguing it is shutting too many buyers out of the market, particularly first-time buyers. The stress-test rule, introduced Jan. 1, 2018, for uninsured mortgages, requires buyers to prove they can still afford their mortgage even if interest rates were 200 basis points – two percentage points – above the negotiated borrowing rate.

Paul Taylor, chief executive officer of Mortgage Professionals Canada, said interest rates have risen five times since mid-2016, which has helped cool down overheated housing markets, and it is not necessary to ensure borrowers can withstand such a large increase in rates. He is urging the federal government to require borrowers to qualify at a rate 0.75 per cent above the negotiated rate.

"I think given the slowdown that we're seeing in housing activity, it's pretty easy to suggest that maybe they overshot with a 200-basis-point stress test," he said.

His association has also asked the government to extend the 25-year maximum amortization period for insured mortgages to 30 years for first-time buyers, reducing their monthly mortgage costs.

▪ HOMES, B8

Partisan battles threaten plans for U.S. data-privacy law as congressional hearings set to begin

TAMSIN McMAHON
U.S. CORRESPONDENT
SAN JOSE, CALIF.

U.S. lawmakers are pushing ahead on a national data-privacy law, driven by a political backlash to the growing power of Big Tech and calls for regulation from Silicon Valley itself.

But partisan battles over whether to safeguard a growing array of individual state privacy laws could threaten to derail efforts by Congress to pass its first sweeping consumer protection legislation this year.

Congressional committees are set to hold hearings Tuesday and Wednesday on how to regulate tech giants such as Google and Facebook. Both Democrats and Republicans have published a raft of proposed legislation, and the Senate is expected to release its first bipartisan bill as early as next month.

The hearings come as lawmakers find themselves under increasing pressure to tackle data privacy. Earlier this month, the Government Accountability Office, the Congressional auditor, warned the United States lacked significant safeguards over how companies use personal data.

The Federal Trade Commission, the national consumer protection watchdog, is reportedly readying to level a U.S. record-setting fine against Facebook nearly a year after revelations last March that the social media giant failed to prevent political consulting firm Cambridge Analytica from accessing data on millions of users without their permission.

Privacy experts say the change in tone in Washington over the past year has been striking. Lawmakers had long resisted calls for comprehensive national privacy regulations, fearing that restrictions would stifle tech firms' abilities to innovate.

▪ PRIVACY, B8

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