

*Inquiries of the Ministry***FINANCE**

POSITION OF ROYAL SECURITIES CORPORATION AFTER TAKE-OVER BY U.S. COMPANY—POSSIBILITY OF COMBINES INQUIRY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the concern the Prime Minister expressed yesterday regarding the serious consequences which could flow from the take-over of Canadian financial institutions by foreign corporations, I ask the Prime Minister whether it is his intention to make a statement to the house fairly soon with respect to the government's policy, with a view to preventing such take-overs in the future.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I had not planned to make such a statement except on the occasion when the Canadian Development Corporation bill is introduced. It will be a matter of how much time we have left to introduce it and proceed with it in this session. There is beginning to be some doubt whether we will be able to proceed with all the subjects which were announced in earlier statements by the house leader.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Has the government reached any decision with respect to the question I raised yesterday as to whether or not the right to use the rediscount facilities of the Bank of Canada will continue to be extended to the Royal Securities Corporation in the event of its being taken over by Merrill Lynch and Associates?

Mr. Trudeau: No, Mr. Speaker. I referred this matter to the Minister of Finance, who is now in Europe. I wonder whether the acting minister has been given an answer on this question. I have not been in communication with the Department of Finance on the matter.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I have received no information on that matter, Mr. Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask when we may expect such information, in view of the fact that the matter is urgent.

Mr. Chrétien: The minister will be making a statement on this at some time, Mr. Speaker.

[Mr. Trudeau.]

THE CANADIAN ECONOMY

WATKINS REPORT—GOVERNMENT ACTION TO PROTECT ECONOMIC INDEPENDENCE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. May we expect during this session a statement by the government regarding its intentions with respect to the recommendations of the Watkins report on foreign ownership and control of the Canadian economy?

Right Hon. P. E. Trudeau (Prime Minister): Not except for a statement being made, as I indicated in a previous answer, if a debate does arise on the Canadian Development Corporation.

[Translation]

TRADE

WHEAT—POSSIBILITY OF FURTHER SALES TO MAINLAND CHINA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a question to the Minister of Industry, Trade and Commerce.

Since we have information to the effect that the wheat crop in China has been very poor, has the minister initiated talks with China or does he expect that Canada can make larger wheat sales to that country?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be grateful to the hon. member if he would join me in my prayers to that effect.

Mr. Caouette: Mr. Speaker, I should like to ask a supplementary question.

Can the minister's prayers touch the heart of the Chinese Communists?

[English]

NATIONAL DEFENCE

NATO—DEFICIT IN STRENGTH THROUGH WITHDRAWAL OF CANADIAN FORCES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Defence. Will he advise our NATO allies in a few days that Canada intends to withdraw its air division from Europe by the end of 1970, and does he intend also to make suggestions on how this deficit should be made up so that the principle of maintaining the NATO force in Europe at full strength—a policy with which this government says it is in full accord—can be upheld?