

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, whether we take any steps or not will depend on the policy decisions to which I have just alluded. Because there are these rumours I am stating officially that the government is concerned about these events. There is a need for us to look carefully at such take-over bids. I emphasize that, this position does not contradict the position of our welcoming foreign capital into this country. Nevertheless, we believe there are certain areas of our economy which are of great importance to us, and a decision will be taken by the government with regard to them.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Since the company will take a decision within a matter of days and since another government acted very quickly in the matter of an attempted take-over by a United States bank of a Canadian bank, will the government act or make some statement of policy before this merger goes into effect?

Mr. Trudeau: Well, Mr. Speaker, I am sure the hon. member realizes that under the constitution banks come squarely within federal jurisdiction. The institutions we are considering here do not fall squarely into the same category, and therefore we are not in a position to state policy with as much strength as would be the case if banks were being considered.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. I realize that what the Prime Minister has just said is entirely correct. Having regard to the serious potentialities in the take-over of Royal Securities Corporation, I wonder whether the government has considered having an investigation conducted under the Combines Investigation Act with a view to taking immediate action?

My understanding is that the directors of Royal Securities Corporation Limited will meet today or tomorrow. Considering the great importance of Canadian financial security and the preservation of our economic independence, I ask why the government would not act as I suggested it should. This is a most serious matter which I raised two or three days ago, and I am gratified to hear the Prime Minister's general statement. But can no specific action be taken now? Can he not communicate with officials of the Royal Securities Corporation and ask them to delay this merger? It is dangerous for Canada when we allow our financial institutions to be taken over in this way.

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Mr. Trudeau: Mr. Speaker, there appears to be unanimity in this house about the seriousness of this proposition. I believe the Minister of Consumer and Corporate Affairs reported the other day that he was considering the matter. Thus far his information has been that we cannot act under the Combines Investigation Act. The matter is still being reviewed however. I envisage that if we cannot act in a strictly federal sense we might possibly alert the provincial governments to take some joint action in an area as important as this one to the Canadian economy and government.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. In view of the prevailing concept of co-operative federalism, will the suggestion I am about to make have any appeal? Could the government of Canada not communicate with the government of Ontario, which has a securities commission with jurisdiction to act in this field? Has the government considered such action?

Mr. Trudeau: Mr. Speaker, I am hopeful that the questions which are being asked in the house this afternoon and the answers being given will in some appropriate way be brought to the attention of the government of Ontario.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary question, Mr. Speaker. The federal government has power in the matter of granting rediscounting facilities with respect to the Bank of Canada. Will the government indicate whether these facilities will be denied to Royal Securities Corporation Limited so that Merrill Lynch and associates will not be able to do through the back door what they are unable to do at the present time under their own name?

Mr. Trudeau: Mr. Speaker, the answer to the first part of the question, as I indicated when talking about the technical aspect of the matter, can more properly be dealt with by the Minister of Finance.

[Translation]

LABOUR

MONTREAL—LAY-OFF OF CANADIAN VICKERS EMPLOYEES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

As Mr. Michel Chartrand, a friend of the minister, advised 500 workers of Canadian