

Oral Questions

technical defence requirements, using Canadian facilities that are already under the control of the people of this country?

Hon. James Richardson (Minister of National Defence): Definitely not, Mr. Speaker. Apart from the military requirement and the commitment to NATO, there are very substantial industrial benefits to Canada arising out of this contract once it is underway. They are benefits which I think the hon. member would want to see taking place.

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[Translation]

FINANCE**REASON FOR RAPID INCREASE IN FINANCIAL INSTITUTIONS**

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the Minister of Finance.

Considering that for the last eight years Canada has had three times as many foreign financial institutions as before, is the Minister of Finance aware of that situation and can he tell the House for what reasons?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we have followed the establishment of many such institutions in Canada. The Bank Act, which was passed by Parliament in 1967, included only very strict provisions governing foreign financial institutions. We are now considering amendments that could be made to the Bank Act this year, as well as the possibility of enacting wider regulations concerning these institutions.

REASON FOREIGN CREDIT GRANTING INSTITUTIONS HAVE ADVANTAGES OVER BANKS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question.

I understand the minister is going to introduce amendments about this, but considering that at present those foreign organizations enjoy rights that our own Canadian chartered banks do not have, for instance loans, credit, leasing or account farming, where those financial institutions may extend credit, buy back accounts or open credits which chartered banks are not allowed to do, I wish to ask the minister pursuant to which laws do those financial institutions enjoy more protection, more room for expansion, more facilities than our own Canadian banking system?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker. There are two questions to be considered here, first the matter of competition against Canadian banks, second that of permitting foreign agencies to conduct transactions in Canada.

As I have said, we shall put forward regulations in view of extending to those institutions the same restrictions Canadian institutions have to comply with. I must add there is a problem with some Canadian institutions such as caisses populaires and credit unions which operate very much like banks and which can also engage in many deals which are not open to Canadian banks. Thus we should

[Mr. Broadbent.]

consider the so-called Canadian "near-banks" as well as the foreign banks operating in Canada.

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[English]

ROYAL CANADIAN MOUNTED POLICE**ALLEGED PARTICIPATION OF FORCE IN BREAK-IN AT QUEBEC NEWSPAPER—REQUEST FOR REPORT**

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the Solicitor General being aware of the circumstances involving the activities of an anti-terrorist squad's alleged break and entry of the premises of a Quebec newspaper in which it is suggested RCMP personnel had participated, can the Solicitor General now say to the House whether the former Solicitor General was informed in advance of this raid and, if not, who precisely authorized the participation of the RCMP in this venture?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as soon as we learned about this declaration by Mr. Samson at the trial, where it was brought to our attention, we immediately started an investigation. That investigation is still underway. We do know that there was no notice to either the Solicitor General or officials of the RCMP in Ottawa, but we will have more to announce in this respect when we have more news as a result of the investigation.

Mr. MacKay: I want to thank the minister for his answer, Mr. Speaker, and I understand he will give us further details on this as soon as they become available. In view of revelations made public by a committee of the United States Senate in respect of illegal activities of the FBI in the United States, can the Solicitor General assure Canadians, at least on the basis of his present knowledge of the situation, that no such activities have gone on in the past or are going on at the present time which would cause Canadians to have any concern about the activities of our federal police force?

● (1430)

Mr. Allmand: That is exactly the purpose of the investigation which we have undertaken and which was started as soon as this matter was brought to our attention, so I cannot answer that question right now. However, we are investigating that very point.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in view of the very great importance which we all place on the reputation of the RCMP, I wonder whether the Solicitor General when conducting this investigation will either be able to report to the House confirmation or otherwise that the raid was carried out by an anti-terrorist squad consisting of Montreal urban police, Quebec provincial police and the RCMP and whether he will at that time indicate if he is satisfied, on the basis of his investigation, that these break-ins occurred legitimately or under the guise of state security? Would he give us that assurance when he makes that report to the House?

Mr. Allmand: Yes, Mr. Speaker. I hope to give as much information as possible. The hon. member is correct. This