

PROPOSAL COMMUNIST CHINA PARTICIPATE IN GAMES  
RATHER THAN TAIWAN—GOVERNMENT POSITION

**Mr. Otto Jelinek (High Park-Humber Valley):** Mr. Speaker, I have a supplementary question for the Acting Secretary of State for External Affairs. In view of the fact Communist China has approached the International Olympic Committee with the proposal that it be accepted to the 1976 Olympics on the condition that Taiwan, which has a fully recognized national Olympic committee, be expelled, and because of the fact that these games will of course be held in this country and the federal government is in fact responsible for deciding who will be permitted into this country, can the minister advise, therefore, whether or not the Canadian government will support the participation of both nations at the games and, if not, what is the government's position in that regard?

**Hon. Mitchell Sharp (Acting Prime Minister):** Mr. Speaker, these decisions have to be made by the International Olympic Committee. We are the host for the Olympic games but we do not decide who participates.

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### THE MINISTRY

#### INQUIRY AS TO POSSIBILITY OF CABINET CHANGES

**Hon. George Hees (Prince Edward-Hastings):** Mr. Speaker, I have a question for the Acting Prime Minister.

**An hon. Member:** Welcome back.

**An hon. Member:** What a beautiful tan.

**Mr. Hees:** It is nice to be missed, Mr. Speaker.

In view of the announcement in the last 24 hours of the shuffle of six deputy ministers in an attempt to make the operation of the government more effective, is it the intention of the Prime Minister, when he returns from the south, to make a similar type of announcement regarding members of his cabinet? It is well-known that the ineffectiveness of the government is due to the operations of the ministers and not the deputy ministers.

**Hon. Mitchell Sharp (Acting Prime Minister):** Mr. Speaker, this is not one of the prerogatives of the Acting Prime Minister.

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### FOREIGN INVESTMENT REVIEW BOARD

#### POSSIBILITY OF ENLARGING POWERS TO DEAL WITH PROPOSED ARGUS-POWER CORPORATION TAKEOVER

**Mr. Max Saltsman (Waterloo-Cambridge):** Mr. Speaker, I would like to direct my question to the Acting Prime Minister, in connection with the announcement yesterday regarding the royal commission. Before deciding on establishing a royal commission, did the government consider the possibility of enlarging the responsibilities of the Foreign Investment Review Board in order to put Canadian mergers under scrutiny? It seems to me that that could

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have been done, and the question of the Argus-Power merger could have been dealt with effectively.

**Hon. Mitchell Sharp (Acting Prime Minister):** It seems to me that it would have been most improper to have amended the statute, which was directed to the problem of foreign takeovers, or potentially to the question of foreign investment, to apply to purely domestic matters.

**Mr. Saltsman:** Since the government did not feel it had the authority to amend or to send that as a term of reference to the board, did the government consider coming to the House of Commons and asking the House to amend those terms of reference so that there could be a very quick referral of the Argus-Power situation, rather than waiting for a royal commission to report, which would probably be after the fact?

**Mr. Sharp:** Mr. Speaker, I think the Chair might have taken some exception to amending an Act, which is designed to deal with foreign takeovers and foreign investment, to include mergers within Canada. Moreover, generally speaking, I think it would be more appropriate to proceed under other legislation, and if we do receive recommendations to that effect and adopt them, we will have no hesitation in bringing legislation before the House.

**Mr. Saltsman:** Is the Acting Prime Minister saying to the House that he is going to have a different set of rules, or is it the intention of the government to have a different set of rules regarding takeovers, the question of concentration in size as it affects Canadian corporations, as against foreign corporations?

**Mr. Sharp:** There are various approaches to this. There is no doubt whatever that foreign takeovers can produce mergers and concentrations of power. Those factors are taken into account when decisions are made whether to permit foreign takeovers to occur, but I think that the two issues are separate and should be treated separately.

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### COMBINES

#### PROPOSAL TERMS OF REFERENCE OF BRYCE ROYAL COMMISSION INCLUDE CROWN CORPORATIONS— GOVERNMENT POSITION

**Mr. Eldon M. Woolliams (Calgary North):** Mr. Speaker, my supplementary question is for the Acting Prime Minister.

**Some hon. Members:** Oh, oh!

**Mr. Woolliams:** I am glad to see that the hon. member for Prince Edward-Hastings and I receive the same response from the House. I always like to see this equality.

Coming back to my question I would like to ask the Acting Prime Minister whether, in light of the fact that the government is setting up a royal commission to look into corporate power—

**Mr. Guay (St. Boniface):** Oh, oh!