

Limiting of Foreign Ownership

order, Mr. Speaker, I should like to leave the reading of the second letter until after the dinner adjournment, as I see it is now six o'clock. May I call it six o'clock?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order, please. I understand the Minister of Energy, Mines and Resources (Mr. Greene) seeks leave to revert to motions for the purpose of making a statement. Does the minister have the consent of the House?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS**THE CANADIAN ECONOMY****URANIUM INDUSTRY—REGULATIONS LIMITING FOREIGN OWNERSHIP**

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I should like, pursuant to the Prime Minister's statement of March 2, to inform the House of the government's position with regard to ownership in the Canadian uranium industry. That position rests upon the special importance of this industry in relation to the national interest, as reflected, for example, in the Atomic Energy Control Act and in a number of statements of general policy of which the most recent was made in the House on June 19 of last year. In light of that special importance, the ownership and control of enterprises in Canada engaged in the extraction and processing of this vital mineral are matters of important concern to the national interest and to Canadians generally. For this reason we propose to limit, by regulation, the extent of ownership of uranium-producing enterprises in Canada by non-residents of Canada.

The regulations will apply to any uranium property or plant in Canada which the Atomic Energy Control Board may determine to be producing, or to have the capability of producing, a specified quantity of uranium oxide per annum. They will require that by a specified date following such a determination by the board the property or plant be owned

[Mrs. MacInnis.]

legally and beneficially by a company incorporated in Canada.

The regulations will limit foreign ownership both in the aggregate and on the part of any individual or group of foreign investors. They will distinguish between existing properties of demonstrated productive capacity and those developed in future on the basis of exploration. Specifically, the regulations will set a limit of 33 per cent upon the aggregate foreign ownership of any uranium property of established productive capacity, and a limit of 10 per cent on the ownership of such a property which may be held by any one foreign investor or group of associated investors.

It is not our intention to limit the ownership of enterprises engaging in exploration, but when such exploration leads to the discovery of a commercially exploitable uranium ore body, the foreign ownership of the company bringing it into production will be limited to 33 per cent. In this case of a new mine, however, the regulations will allow the permissible 33 per cent of ownership to be held by the single foreign investor or group of associated investors which held it through the exploration and development phase.

With regard to existing mines, our regulations will be effective as from the date of the Prime Minister's statement on March 2, but will not be retroactive in the sense of requiring foreign interests then holding more of the ownership than the prescribed limits to divest themselves of those surplus holdings. However, any transaction which would bring either individual or aggregate foreign holdings above their prescribed limits, or if they are already above them would increase the amounts by which the limits are exceeded, will be precluded. Present foreign owners will be permitted to retain their existing holdings, but if they reduce them by sale to Canadians with a consequent reduction in the percentage of ownership in foreign hands, that reduced level of ownership will become the new permissible ceiling down to the prescribed limits of 10 per cent and 33 per cent.

Furthermore, we shall require, in the case of foreign holdings by an individual or group of associated investors amounting to 50 per cent of total ownership or higher, that while such holdings may be retained by their present owners, any transfer of them must be to Canadians only, down to the 33 per cent aggregate foreign ownership limit. Where individual holdings by foreign interests are now below 50 per cent, however, their trans-