

Canada Business Corporations Act

Messrs.

Erola (Mrs.)	Lalonde	Ouellet
Ethier	Lamontagne	Parent
Evans	Landers	Pelletier
Ferguson	Lang	Penner
Fisher	Laniel	Pepin
Fleming	Lapointe	Peterson
Flis	(Charlevoix)	Pinard
Foster	Lapointe	Portelance
Fox	(Beauce)	Regan
Fritch	LeBlanc	Reid
Gendron	Leduc	(Kenora-Rainy River)
Gimatiel	Lefebvre	Roberts
Gingras	Loiselle	Robinson
Gourde	MacBain	(Etobicoke-Lakeshore)
(Lévis)	MacGuigan	Rompkey
Guilbault	Mackasey	Rooney
Henderson	MacLaren	Rossi
Herbert	MacLellan	Schroder
Hervieux-Payette	Malépart	Smith
(Mrs.)	Maltais	Tardif
Hopkins	Marceau	Tobin
Hudecki	Massé	Tousignant
Irwin	Master	Turner
Kaplan	McRae	Veillette
Kelly	Nicholson	Weatherhead—104.
Killens (Mrs.)	(Miss)	
Lachance		

NAYS

Messrs.

Andre	Gurbin	Neil
Baker	Halliday	Nickerson
(Nepean-Carleton)	Hargrave	Nielsen
Beatty	Hawkes	Nowlan
Blaikie	Heap	Oberle
Blenkarn	Hees	Orlikow
Bosley	Howie	Parker
Bradley	Huntington	Reid
Broadbent	Jarvis	(St. Catharines)
Cardiff	Kempling	Sargeant
Carney (Miss)	Kristiansen	Schellenberger
Clarke	La Salle	Scott
(Vancouver Quadra)	Lewis	(Hamilton-Wentworth)
Crosby	Mazankowski	Scott
(Halifax West)	McCain	(Victoria-Haliburton)
Crouse	McCuish	Skelly
Darling	McDermid	Stevens
Fretz	Mitges	Taylor
Friesen	Munro	Towers
Fulton	(Esquimalt-Saanich)	Waddell
Greenaway	Murphy	Wilson
		Wright—57.

[Translation]

Madam Speaker: I declare the motion carried. The bill is therefore referred to the Standing Committee on Energy Legislation.

Motion agreed to, bill read the second time and referred to the Standing Committee on Energy Legislation.

* * *

● (2040)

[English]

CANADA BUSINESS CORPORATIONS ACT

MEASURE TO AMEND

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-105, an Act to amend the Canada Business Corporations Act, be read the second time

and referred to the Standing Committee on Energy Legislation.

He said: Madam Speaker, the bill that we are now considering is Bill C-105, a bill that amends the Canada Business Corporations Act, a piece of legislation that was formerly a part of Bill C-94, the energy security bill. In essence, the changes this bill will make to the Canada Business Corporations Act will allow federally-chartered corporations to place constraints and, in certain circumstances, to acquire their own shares. This will permit firms to obtain and maintain specific levels of Canadian ownership among the shareholders of the firms in a manner that existing shareholders decide is appropriate.

The National Energy Program proposes a reordering of the energy industry in Canada, particularly in relation to ownership and control. Increased ownership by Canadians will help ensure that Canadian supplies will be secured for Canadian use, that Canadians will have full and fair opportunity to participate in the economic benefits that will flow from the massive investments in equipment and labour for energy-related projects, and that such projects will result in fair prices for Canadians.

[Translation]

Hon. members are aware that the Petroleum Incentives Program and the plan for determination of Canadian ownership rate and control status proposed in Bill C-104, an Act respecting Petroleum Incentives and Canadian Ownership and Control Determination, constitute the framework for a Canadian ownership policy as outlined in the National Energy Program. Criteria are to be established to measure the level of Canadian ownership and control in companies operating in the Canadian oil and gas industry. In fact, determination of the Canadian ownership rate is required for a number of programs connected with the National Energy Program.

The most important of these is, of course, the Petroleum Incentives Program, which will provide funds to companies on the basis of their Canadian ownership rate. The Canadian ownership rate is also an indispensable part of other areas of the National Energy Program. For instance, the Canada Oil and Gas Act requires an applicant to have a Canadian ownership rate of at least 50 per cent in order to qualify for a production licence for the Canada lands. The enterprises themselves decide whether they want to raise their Canadian ownership rate and how they want to go about it. Our position in this respect is neutral. However, in some cases, companies may wish to take steps to increase the number of shares held by Canadians. The proposed amendments to the Canada Business Corporations Act, which governs incorporation of companies at the federal level, will enable these corporations to take the necessary steps to have their shareholders meet the conditions laid down in Bill C-104.

Mr. Speaker, these changes in the Canadian Business Corporations Act were necessary. A company's Canadian ownership rate is very important for certain measures of the