

Private Bills

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills.

PRIVATE BILLS**CENTRAL-DEL RIO OILS LIMITED**

Mr. Hu Harries (Edmonton-Strathcona) moved that Bill S-12, respecting Central-Del Rio Oils Limited, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the purpose of this bill is to permit Central-Del Rio Oils Limited to acquire the status of a company incorporated under Part I of the Canada Corporations Act and, subject to the provisions of that act, to amalgamate with its wholly owned subsidiary Canadian Pacific Oil and Gas Limited. The circumstances are these. The Central-Del Rio Oils Limited is a public company incorporated under the Alberta Companies Act of 1947. Canadian Pacific Oil and Gas Limited is a company incorporated under letters patent under the Canada Corporations Act. All shares issued and outstanding are wholly owned by Central-Del Rio. Canadian Pacific Oil and Gas Limited is, therefore, a wholly owned subsidiary of Del Rio.

• (5:00 p.m.)

The operations of these two companies, both of which are engaged in the exploration and development of oil and gas resources, mainly in the Prairie provinces and and in the Northwest Territories, have been completely integrated for a considerable period of time. For administrative reasons only, it is desirable at this time to amalgamate the two companies. Section 128A of the Canada Corporations Act provides for amalgamation of companies incorporated under that act but Central-Del Rio is not, of course, incorporated under that act at the present time. The Alberta Companies Act under which Central-Del Rio is incorporated provides that the company, if authorized by special resolution of its shareholders and the laws of Canada, may apply to be continued as if it had been incorporated under federal law. No comparable provision is contained in the Canada Corporations Act, hence the necessity for this bill.

The bill authorizes the Minister of Consumer and Corporate Affairs (Mr. Basford), on application of the company authorized by a special resolution of its shareholders, to issue letters patent to Central-Del Rio continuing it as a company under Part I of the Canada Corporations Act. It will then have the same status as if it had been incorporated under that act in the first place. I should point out that no change is proposed in the authorized capital or in the powers of the company and, of course, all of the rights of creditors are preserved.

In addition, the bill provides that an amalgamation agreement, adopted at a meeting of the company shareholders at which the special resolution approving the application to continue the company as a company under

the Canada Corporations Act was approved, shall be deemed to be an amalgamation agreement for the purposes of section 128A of the Canada Corporations Act. You will readily understand the reason for this.

The alternative would be that a shareholders' meeting would be necessary to pass a special resolution to authorize the company to apply to become a continuing company under the federal act. Then, a second shareholders' meeting would be necessary to approve an agreement for the purpose of amalgamating the two corporations. There is, therefore, a provision in this act which avoids the necessity for these two shareholders' meetings by providing that the amalgamation agreement passed at the same time as the special resolution authorizing the company to apply for continuation under the federal statute will be regarded as an amalgamation agreement under the Canada Corporations Act.

I might add, as a matter of interest, that Canadian Pacific Investments Limited is the majority shareholder in Central-Del Rio Oils Limited. Canadian Pacific Investments Limited holds 89.27 per cent of the outstanding equity shares. Out of a total of 83,074 shareholders, 72,047 are residents of Canada and hold some 29,825,000 shares. There are fewer than 1,000 shareholders who are resident in the United States, and they hold in the aggregate only 311,000 shares. The remaining group of shareholders, about 128 in number, are resident in other than the United States and Canada and hold in total approximately 319,000 shares.

The bill really contains a simple provision which is necessary if these two companies are to amalgamate. The only alternative procedure would be to disband the existing company and re-incorporate under the federal act which is a much more complicated procedure than that proposed by this legislation. I therefore urge that this bill be accepted.

Mr. Frank Howard (Skeena): Mr. Speaker, I should first like to commend the hon. gentleman who introduced this bill for the clear way in which he explained its purpose. I followed his introductory remarks word for word and noticed that he stayed close to the extent, and that with one or two exceptions which are appropriate in this House as distinct from the Senate, his speech was identical to that of a great Canadian, Senator Manning.

An hon. Member: Senator Manning! Who is he?

Mr. Howard (Skeena): In any event, Mr. Speaker, there is something with which this House should concern itself beyond what Senator Manning said and beyond what the hon. gentleman from Edmonton has said. We should be concerned about the position of resources in Canada and the potential and existing relationship between Central-Del Rio, Canadian Pacific Oil and Gas Limited and foreign corporations. As I understand it, and this is not clear from either reading or listening, Central-Del Rio is considered to be a Canadian owned corporation in the sense that Canadian Pacific Investments owned it and that there are fewer than 1,000 shareholders resident in the United States holding \$311,000 shares compared with 29 million shares in Canadian hands.

[The Acting Speaker (Mr. Richard).]