

FILMS

GOVERNMENT INVESTMENT IN ALLEGED
"NUDIE FLICK"

Mr. Steven E. Paproski (Edmonton Centre): I should like to direct a question to the Prime Minister. This is a matter dealing with films and flesh upon which the Prime Minister is an authority. Did the Canadian government invest a substantial amount of public money in a motion picture now being made in Montreal by Cinepix described as a nudie flick and, if so, how does this help Canadian culture?

Mr. Speaker: Order.

Mr. Paproski: On a point of order, Mr. Speaker, recently I received from a number of Edmonton school children signed petitions urging the showing of more family type movies in the theatres. I understand this is only the beginning of a major expression of opinion against the kind of material now being put out—

Mr. Speaker: Order, please. That is not a point of order. The hon. member will appreciate that the question he asked in the first instance would normally be placed on the order paper. If he believes there is urgency and that the matter should be debated it can be considered at the time of adjournment this evening.

• (2:50 p.m.)

GOVERNMENT ORDERS

CANADA CORPORATIONS ACT

ADMINISTRATIVE AND CONSEQUENTIAL
AMENDMENTS

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved the second reading of and concurrence in amendments made by the Senate to Bill C-4, to amend the Canada Corporations Act and other statutory provisions related to the subject matter of certain of those amendments.

He said: Mr. Speaker, in moving concurrence in the amendments made to Bill C-4 in the other place on the recommendation of the committee on banking, trade and commerce of the other place, I think it appropriate that I say a few words in explanation thereof.

First of all, the amendments made in the other place, and in which concurrence is sought today, make no fundamental change to

Canada Corporations Act

Bill C-4—the amendments to the Canada Corporations Act. In fact, in my view and that of the government the amendments made in the other place improve upon the bill as originally drafted and as originally presented and passed by this House. I trust that this afternoon those amendments made in the other place will be acceptable to the members of this House.

As I said, a number of changes were made in the other place, many of them of a very technical nature. I do not propose this afternoon to deal with them all, but it might assist hon. members if I were to refer to those changes which appear to me to be of the greatest significance or importance.

Firstly, amendments were made regarding section 38 of the Canada Corporations Act, the part of the act relating to constrained-share companies. An amendment was put forward in the other place by me that would allow a federally incorporated company which is engaged in the publication of a newspaper to qualify as a constrained-share company so that it could restrict, if it so chose, the transfer of its shares to non-residents.

Such a company, as hon. members know, must maintain a requisite degree of Canadian shareholder participation if the advertising expenses incurred by Canadian taxpayers in the advertising in such newspapers are to be deductible under the provisions of section 12A of the Income Tax Act. The amendment that was made in the Senate is designed to give a newspaper company—that is, a public company—the means to comply with section 12A of the Income Tax Act and, in this way, to protect its necessary qualifications under that act.

Another amendment to the constrained-share company provisions to Bill C-4 which was made in the other place would allow a company incorporated with the objects of investing in the shares of other corporations, and which has a significant or controlling interest in a federally incorporated trust, insurance, loan, small loans or sales finance company, to become a constrained-share company. Although the intention had been from the beginning to cover the situation of these holding companies, the actual wording used in the bill did not extend to them. This has been corrected in the other place, and in my view is a desirable change as a federally incorporated holding company could lose its voting rights in its insurance, trust, loan, small loans or sales finance company if con-