Canada, if incorporated, may not be wound up unless parliament so provides.

● (2120)

The two clauses have no direct relationship whatsoever. Surely the minister does not expect us to accept his argument at face value. Hon. members should read the clause he feels is so properly worded. It states that the corporation has the power to sell or dispose of any part of the undertaking of the corporation for such consideration as the corporation thinks fit. There are no minimum requirements.

The corporation can sell 99.9 per cent of whatever it has at any time under the power given to it by subclause (n). Clause 28 would not come into play if it did that. For the minister to tell this House that while the corporation can sell 99.9 per cent of its undertaking, it would be totally intolerable to allow the corporation to sell all its undertaking, is, I say, just specious.

The minister is a lawyer. He comes from a reputable law firm. As he indicated, this clause or something comparable to it is often found in private corporations or in other types of corporations.

The minister will have to agree that the customary wording is much more in line with the wording of my colleague. In short, it is better draftmanship. I am surprised that with a bill that lacks so much the minister would not be more willing to accept better draftsmanship, such as that being suggested by my colleague. The truth is that there is absolutely no difference in the impact of these two clauses. It is a very technical argument that the minister is relying on to justify his opposition to the amendment suggested by my colleague.

I urge hon. members to support the better wording suggested by my colleague, the hon. member for Calgary Centre.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

Petro-Canada

The Acting Speaker (Mrs. Morin): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

[*Translation*]

Mr. Sinclair Stevens (York-Simcoe) moved:

Motion No. 4.—That Bill C-8, An Act to establish a national petroleum company, be amended in Clause 22

(*a*) by striking out line 34 at page 15 and substituting therefor the following:

"determine,

and any amount so advanced by way of loan or purchase shall bear interest at a rate that is not less than the rate approved by the Minister of Finance for that quarter of the year in which such amount is advanced as the standard rate of interest for loans to Crown corporations that are repayable within a period not exceeding twelve months".

(*b*) by striking out lines 41 to 43 inclusive at page 15 and substituting therefor the following: "option of the corporation".

[*English*]

He said: Madam Speaker, if I may have the indulgence of the House, I would like to give some background on why I believe this is a very important amendment to be included in the bill in its present form. I refer hon. members to clause 5, which reads:

Subject to sections 22 and 25, the authorized capital of the Corporation is five hundred million dollars divided into one hundred common shares of the par value of five million dollars each.

In short, it is contemplated by the minister that the common shares of this corporation will be worth $500 million. That being the authorized amount, presumably it will be the issued amount of capital. We then turn to clause 22 on page 15 of the bill where we find, and I quote:

(1) Subject to section 23 and upon the recommendation of the Minister and the Minister of Finance, the Governor in Council may, when so requested by the Corporation, from time to time authorize the Minister of Finance to advance to the Corporation, out of the Consolidated Revenue Fund, amounts

(a) by way of loans on such terms and conditions as the Governor in Council may determine; or

(b) by way of purchases of preferred shares to which may be attached such rights, restrictions, conditions or limitations as the Governor in Council may determine.

(2) The authorized capital of the Corporation is increased by the amount of any preferred shares issued pursuant to this section.

(3) All preferred shares issued pursuant to this section shall be redeemable at the option of the Corporation but they need not bear any stated rate of dividends or be cumulative with respect to dividends.

Clause 23 reads:

(1) The aggregate of

(a) the principal amount outstanding of debentures or other securities guaranteed under section 21, and

(b) the amount outstanding of loans or preferred shares under section 22

shall not, at any time, exceed one thousand million dollars.

If you read these clauses together, and I believe it is important that members understand this, the corporation may not have only $500 million worth of common share capital, it may have in addition $1 billion of preferred shares. Those preferred shares need not have any dividend attached to them. For that matter if, instead of having preferred shares, the Crown decides to have debt obligations from this corporation, the net result would be the