

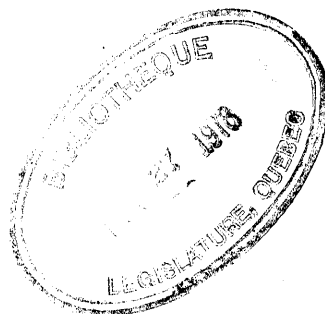
THIRD SESSION

THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 108

An Act to amend the Charter of the General Investment
Corporation of Québec



First reading
Second reading
Third reading

M. RODRIGUE TREMBLAY

Ministre de l'industrie et du commerce

L'ÉDITEUR OFFICIEL DU QUÉBEC

1 9 7 8

EXPLANATORY NOTES

The main object of this bill is to increase the authorized capital of the General Investment Corporation from \$140 900 000 to \$200 000 000. It provides for the payment of \$10 000 000 to the company by the Ministre des finances during each of the calendar years 1980, 1981, 1982, 1983 and 1984. It also authorizes him to subscribe \$52 330 000 in share capital of the company, to be employed for purposes agreed by the Government.

The bill is also designed to enable the Ministre des finances to lend the company up to \$18 000 000 and pay it a grant of \$10 000 000, before 31 December 1979, so as to compensate the losses and pay the expenses relating to six ships belonging to Marine Industries Limited. The bill allows the Minister to agree to a contingent obligation to repay the loans and pay the interest on them. It also provides that for each ship, the Ministre des finances guarantees proceeds of sale of \$17 350 000.

A further object of the bill is to authorize the company to establish a fund for the implementation of an industrial conversion plan at Marine Industries Limited.

Finally, the bill is designed to specify the objects of the company, to modify the composition of the company's board of directors, and to enable the Ministre de l'industrie et du commerce, with the approval of the Government, to issue directives respecting the aims and objectives of the company.

Sec. 1 and 2. *These amendments provide concordance with section 8 of the bill.*

Sec. 3. *Section 4 of the act presently reads as follows:*

“4. The objects of the company shall be:

(a) to stimulate and promote the formation and development of industrial undertakings and, accessorially, of commercial undertakings, in the province, so as to broaden the basis of its economic structure, accelerate the growth thereof and contribute to full employment;

(b) to induce the people of Quebec to participate in the development of such undertakings by investing a part of their savings therein.”

Sec. 4. *This provision is meant to increase the authorized capital of the company from \$140 900 000 to \$200 000 000.*

Bill 108

An Act to amend the Charter of the General Investment Corporation of Québec

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

962, c. 54,
2,
repealed.

1. Section 2 of the Charter of the General Investment Corporation of Québec (1962, chapter 54) is repealed.

962, c. 54,
3, am.

2. Section 3 of the said act is amended by adding at the end the following paragraph:

Designa-
tion.

“The company is hereinafter called “the company”.”

962, c. 54,
4,
replaced.

3. Section 4 of the said act is replaced by the following section:

Objects.

4. The objects of the company are:

(a) to establish an industrial group for the purpose of operating, alone or in partnership, profitable undertakings of significant size within certain fields deemed to have priority for the economic development of Québec;

(b) to induce Québec administrators to take part in the management of such undertakings.”

962, c. 54,
7,
replaced.

4. Section 7 of the said act, amended by section 1 of chapter 78 of the statutes of 1971 and by section 7 of chapter 52 of the statutes of 1972 and replaced by section 2 of chapter 12 of the statutes of 1976, is again replaced by the following section:

Authorized
capital.

7. The authorized capital of the company shall be \$200 000 000.

Shares.

It shall be divided into sixteen million, three hundred thousand common shares of a par value of ten dollars each and into

Sec. 5. *This provision is new law. It is meant to add eighth and ninth paragraphs to section 9.*

Sec. 6. *This provision is meant to insert, in section 9a of the act, a reference to the ninth paragraph enacted by section 5 of the bill.*

Sec. 7. *This provision is new law. Section 10 of the act has already been repealed by section 10 of chapter 52 of 1972.*

three million, seven hundred thousand deferred-dividend shares of a par value of ten dollars each.”||

1962, c. 54,
s. 9, am.

||**5.** Section 9 of the said act, amended by section 2 of chapter 76 of the statutes of 1966/1967, by section 1 of chapter 72 of the statutes of 1969, section 2 of chapter 78 of the statutes of 1971, section 9 of chapter 52 of the statutes of 1972, section 1 of chapter 69 of the statutes of 1973 and by section 4 of chapter 12 of the statutes of 1976, is again amended by adding at the end the following paragraphs:

Government
subscription.

“The Ministre des finances shall pay to the company out of the consolidated revenue fund, during each of the calendar years 1980, 1981, 1982, 1983 and 1984, a sum of \$10 000 000 for five million common shares of the company subscribed on the same behalf.

Government
subscription.

He is also authorized to subscribe on the same behalf a sum of \$52 330 000 payable, in one or more instalments, out of the consolidated revenue fund, for five million, two hundred and thirty-three thousand common shares of the company.”||

1962, c. 54,
s. 9a,
replaced.

6. Section 9a of the said act, enacted by section 3 of chapter 78 of the statutes of 1971 and amended by section 2 of chapter 69 of the statutes of 1973 and by section 5 of chapter 12 of the statutes of 1976, is replaced by the following section:

How
amount
used.

“**9a.** The company shall not use any amount which was paid to it under the fourth, fifth, sixth, seventh and ninth paragraphs of section 9 for purposes other than those approved by the Lieutenant-Governor in Council.

Third
persons.

Third persons are not obliged to see to the observance of this section, which shall not be invoked by or against them.”

1962, c. 54,
ss. 10, 10a,
added.

||**7.** The said act is amended by inserting, after section 9b, the following sections:

Loans
authorized.

“**10.** The Ministre des finances is authorized to grant loans to the company and to its subsidiaries, before 31 December 1979, up to a sum of \$18 000 000, payable out of the consolidated revenue fund, to compensate the losses and pay the expenses related to the building, use, maintenance, financing and sale of six ships built by Marine Industries Limited, a corporation constituted under the Canada Corporations Act (Revised Statutes of Canada, 1970, chapter C-32), designated in that corporation as hulls numbers 424, 425, 426, 427, 428 and 429. He may agree with the company or its subsidiary, as the case may be, that the obligation to reimburse a loan and pay the interest due or to come due on it will be contingent.

Sec. 8. *Section 12 of the act presently reads as follows:*

“12. A savings and credit union, with prior approval, where required, of the federation to which it is affiliated, may acquire and hold bonds or other titles of indebtedness issued by the company up to one-fourth of its general reserve.

A union affiliated to a federation that is itself affiliated to the Fédération de Québec des unions régionales des caisses populaires Desjardins must obtain the approval of the latter federation.

A federation does not incur any liability by giving such approval.

A union not affiliated to a federation must obtain authorization from the Minister of Consumer Affairs, Cooperatives and Financial Institutions.”

Sec. 9. *Section 17 of the act, repealed by this provision, is about the first directors of the company. Sections 15 and 16 presently read as follows:*

“15. The affairs of the company shall be managed by a board of seven directors.

“16. No person may hold the office of director unless he resides in the province.”

Grant. For the same purposes as those contemplated in the first paragraph, the Ministre des finances shall pay out of the consolidated revenue fund, before 31 December 1979, a grant of \$10 000 000 to the company or one of its subsidiaries, as the case may be.

Proceeds of sale guaranteed. For each of the ships described in the first paragraph that is sold, with the previous approval of the Minister, to an acquirer other than the company, one of its subsidiaries or one of the subsidiaries of Marine Industries Limited, the Ministre des finances guarantees to the latter corporation or, as the case may be, to that one of its subsidiaries or of the subsidiaries of the company which owns the ship at the time of the sale, proceeds of sale of \$17 350 000, payable, if necessary, out of the consolidated revenue fund.

Fund. “**10a.** The company may establish a fund for the implementation, at Marine Industries Limited, of an industrial conversion plan approved by the Government.”]]

1962, c. 54,
s. 12,
repealed.

8. Section 12 of the said act is repealed.

1962, c. 54,
ss. 15-17,
replaced.

9. Sections 15, 16 and 17 of the said act are replaced by the following sections:

Board of directors.

“**15.** The affairs of the company are managed by a board of directors of not fewer than seven nor more than thirteen members.

Directors.

Those members are the directors of the company within the meaning of the Companies Act but they need not be shareholders.

Domicile.

At least two-thirds of the directors must be domiciled in Québec.

Directives.

“**16.** The Ministre de l'industrie et du commerce may issue directives respecting the aims and objectives of the company in the carrying out of the functions entrusted to it by the act.

Approval. Such directives shall be submitted to the approval of the Lieutenant-Governor in Council. If so approved, they are binding on the company which must comply with them.

Tabling. Any directive issued under this section must be tabled before the Assemblée nationale within fifteen days after its approval by the Lieutenant-Governor in Council. If such directive is issued while the Assemblée nationale is not in session, it must be tabled before it within fifteen days after the opening of the next session or resumption, as the case may be.

Third persons. Third persons are not obliged to see to the observance of this section, which shall not be invoked by or against them."

Coming into force. **10.** This act comes into force on the day of its sanction.