

Canada Development Corporation

We anticipate that it will give special attention to industries considered to be of greatest potential and importance to Canada's future economic development. It should emphasize areas involving the development and application of new technology, those which involve the exploitation and utilization of Canadian natural resources, those which have special relevance to the development of the north and those in which Canada now has or can develop significant comparative advantages by international standards.

To take full advantage of future opportunities to develop our economy, some significant steps must be taken to rationalize and improve various sectors of Canadian industry. Some of these steps will involve mergers, amalgamations and other corporate arrangements designed to strengthen the competitiveness of Canadian industry. However, it is often in the process of making such desirable changes that Canadian control of a corporation involved becomes most vulnerable.

The CDC should be in a position to play an important catalytic and facilitating role in making such constructive changes possible and reducing the risks of an undesirable degree of foreign control of the industries concerned. Thus, it will work in close and creative co-operation with Canada's business and investing community, in helping to build the kind of Canadian institutions which will enlarge the opportunities for Canadians to use their management and technical skills and to develop greater markets for Canadian goods and services.

● (8:10 p.m.)

The primary role of the CDC will be to help shape and secure the future rather than to recover the past. Its approach must be a dynamic, positive and forward-looking one. Just as the forces at work in our economy are many and complex, the measures we must take to shape our economy in the 1970s must be varied and flexible. The CDC has been designed with broad investment powers to give its management the resources and the flexibility to achieve, in the most effective way, the objectives set out for it.

The corporation will operate within the private sector of the economy with the capabilities and constraints of a private corporation. It will be expected to carry out its objects, in the words of the bill, "in anticipation of profit and in the best interests of the shareholders as a whole." Since the shares of the corporation will as soon as practicable be sold to the public in competition with all other investment vehicles, the management of the corporation will at all times be fully aware of the need to earn a competitive rate of return on invested capital fully commensurate with the risks involved.

The CDC cannot and must not be expected to make investments which do not meet its criteria for profitability. The national interest and the profit motive are not always compatible, but there is a broad area over which they are or can be in harmony. It is in this area that the corporation's activities and interest will be concentrated. This means that there are limits to what the corporation can be expected to accomplish. It should be regarded as only one of the measures to promote greater ownership

[Mr. Benson.]

and control of our economy by Canadians. But I am confident that the role it can play will make a very important contribution to our efforts to deal positively and constructively with these concerns.

The other major purpose set out in the bill is that the corporation should be owned by the Canadian public, with as wide a distribution of the shares as possible. The corporation will be uniquely Canadian with its voting shares held only by Canadian citizens and residents. Through it a new opportunity will be provided for every Canadian to invest in Canadian industry and to share in the profits of such an investment. It is intended that these shares will, when widely held, be listed on Canadian stock exchanges.

I have described the objectives and the kinds of activities set out for the CDC. The government believes these purposes and activities are overwhelmingly supported by Canadians. I am confident that the business community is also behind the CDC, subject to the very important reservation that the CDC must be free to make good business decisions. That prescription has been written into the bill. It is the CDC's mandate.

Comment on the CDC since the introduction of this legislation has, of course, included some strident voices of the political right and left. From the left, my friends of the New Democratic Party cry of a "sell-out to private enterprise" in a statement by their leader that appeared without so much as a cursory examination of the bill. Having now read the bill, the NDP may wish to recognize that the CDC will be widely held, that it will have a specific role to promote Canadian ownership and control and that it will pursue industrial development and greater processing of primary products in Canada. However, I see very little hope for the CDC because this afternoon, in doing something we on this side would have been condemned for, they issued a press release saying what their amendment to the second reading of the bill would be, in which they really propose that we should have a Canada Development Corporation which is designed to take over industry in Canada and have it owned by the government of Canada. That is what they believe in for the CDC.

Mr. Knowles (Winnipeg North Centre): Would the minister—

Mr. Benson: When I am finished.

Mr. Deputy Speaker: Order, please. Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

Mr. Knowles (Winnipeg North Centre): It was to be on a question, but I will make it on a point of order. What did the minister mean when he said, "I now see very little hope for the CDC"?

Mr. Benson: Oh, no. I said I had no hope for the NDP.

Mr. Knowles (Winnipeg North Centre): Don't fuddle with *Hansard*. It was "CDC".