

The Governor-in-Council will be given authority to sell to the CDC at a fair and reasonable price the Government's interests in the following: Polymer Corporation Limited, Eldorado Nuclear Limited, Panarctic Oils Limited and Northern Transportation Company Limited.

In addition, the Minister of Finance may ask the Governor-in-Council for approval to convert Northern Canada Power Commission into a corporation for sale to the CDC.

DIRECTORS

The CDC will have a board of 18 to 21 directors. The Minister of Finance will have the option of voting the Government's shares or appointing annually up to four members of the board. All other directors are to be elected in the normal way by shareholders.

Until Government holdings are reduced to less than 50 per cent of total issued and outstanding voting shares, the Deputy Ministers of Finance and of Industry, Trade and Commerce will also be non-voting members of the board.

All directors must be Canadian citizens and the majority of directors must be residents of Canada.

SHAREHOLDERS

The Corporation will be uniquely Canadian, with its voting shares held only by Canadian citizens and residents of Canada. Non-voting preferred shares may, however, be held by both residents and non-residents unless bylaws stipulate otherwise.

No individual shareholder or group of associated shareholders, with the exception of the Government of Canada, may hold more than 3 per cent of the outstanding shares of the Corporation.

The Corporation will have power to require declarations from shareholders if necessary to determine their citizenship, residence and extent of holdings.

CDC shares will be authorized investments for insurance, loan and trust companies, subject to federal law.

OTHER POWERS

In addition to its broad powers of direct investment and participation in joint action with other Canadian investors, the CDC will be empowered to lend to other companies, guarantee their contracts and assist them in other ways. It will be able to apply to any stock-exchange for listing of its shares and securities. It will be able to operate outside Canada where this is directly necessary to promote development in Canada or Canadian ownership of our resources.

The CDC will not be an agency or Crown corporation responsible to Parliament. It will be a private corporation operating basically within the provisions of the Canada Corporations Act. But because it is created by an act of Parliament, any change in the capital structure, objects and powers of the Corporation passed by the directors and share-

holders will require approval by a resolution passed by both Houses of Parliament.

REPURCHASE

To make it possible for the Corporation to achieve the maximum possible degree of public ownership of its shares, the CDC can reduce shareholdings of the Government to 10 per cent by repurchasing the Government's shares at not less than the average price paid by the Government for those shares, or, in certain circumstances, at their net asset or "break-up" value. It is expected that the Government will want to show a continued interest in the Corporation and that it will normally keep its holdings of voting shares at a minimum of 10 per cent.

The CDC will also have the power to redeem shares illegally held. These would include voting shares that have come to be held by non-residents and shares that bring individual or group holdings to more than 3 per cent of the outstanding total.

The Corporation is given the further power to buy its own common shares in the market out of surplus funds, when specifically authorized by its board of directors, and subject to any regulations established by Order-in-Council. These transactions must be made public under the "insider trading" terms of the Canada Corporations Act.

For income tax purposes, the funds used by the CDC to redeem or purchase its common shares will not be considered to be a distribution of the profits of the Corporation - that is, as taxable dividends. Consequently persons whose common shares are redeemed or purchased by the CDC will be in the same tax position as if they had sold these shares to a third party.

STUDENT ACTORS

A theatrical company made up entirely of high-school students recently concluded a successful two-week tour of the Ottawa area. The Student Young Company is the product of the youth program section of the National Arts Centre (NAC) in co-operation with several boards of education in the capital region.

Believed to be the first of its kind in Canada, the project was based on a new idea of "activist" teaching in the arts. Students missed three weeks of their regular classes in order to rehearse and perform under professional direction; they then returned to their schools to share the knowledge they had acquired.

Each of the 21 school performances, which lasted for about 50 minutes, was followed by a short question-and-answer period. The response from the student audiences left no doubt that they were more deeply moved by these presentations than they had been in previous years by professional companies. (The schools paid a fee of \$150 for each performance.)