

*Sale of Polymer*

**Mr. Lambert (Edmonton West):** I invite the hon. member to stand on his feet and express his ideas at the appropriate stage. All he does is sit in his seat and heckle like a crow on a fence post. There are a number of questions raised today, first of all having to do with the valuation of Polymer. This question has been discussed back and forth. I am not going to go into detail, but this is an important matter within the portfolio of the Canada Development Corporation. We have been told by judicious press releases from the management of the CDC that there will be shares of the CDC put on the market before too long. We know that Polymer is the flagship of the CDC and is its chief earner.

We want to find out these things on behalf of potential investors in the CDC, and this is where I quarrel with the minister when he says it is not entirely within the public interest to release valuation reports of Polymer as a going concern. Does he not consider that when the CDC does go public it will have to file that information with the securities commissions across the country? They will have to disclose the valuation of the assets of the CDC. I suggest that the CDC does not have one asset of a productive nature. It is a holding operation entirely controlled by the government. Ultimately, some of the shares of the CDC may be sold to the public. At that time there will have to be full disclosure of valuation, and I do not refer to book valuation; we will want asset valuation. Surely the CDC will have to make full disclosure of that information when it puts its shares on the market.

I know that my friends in the NDP, and many others, are critical of the secrecy which surrounds the issuance of the stock of various corporations. This is one corporation that will have to show the whole picture covering the total valuations of Polymer, Venturetek, Raylo Chemicals and R & L Molecular Research Limited. These companies are in Edmonton and are such that very few people have heard of them. I happen to know most of the principals. The point is that if hon. members wish to make a study of these things, they should look at the reports of the committee which considered this matter. Perhaps then they will understand some of the questions raised. We want to know what these companies are and what will be their earning record. Everything of this nature has to be disclosed.

• (1740)

However, when dealing, as we are now, with the sale of a Crown corporation which reported to parliament and which was sold, or passed on in a paper transaction to another Crown corporation, the minister says it is not in the public interest to disclose the valuation to parliament. It is as though the minister and his officials are the only ones, apart from the responsible directors of both concerns, Polymer and the CDC, entitled to this information. That is essentially the position the minister adopted this afternoon. The Parliament of Canada, to which both organizations are responsible, is to be denied, by government decision, this information because it is said not to be in the public interest for us to have it. Is it sufficient to accept what the minister discloses and what was judged to be the value by his predecessor and his officials? No, that is not enough. Parliament has a right to know.

[Mr. Lambert (Edmonton West).]

[Translation]

**Mr. Irénée Pelletier (Sherbrooke):** Mr. Speaker—

**The Acting Speaker (Mr. Laniel):** Order. Is the hon. member rising on a question of privilege or on a point of order?

**Mr. Pelletier (Sherbrooke):** Mr. Speaker, I have a question for the hon. member.

**Mr. Lambert (Edmonton West):** When I have finished my remarks. That, moreover, is the position the hon. minister took earlier, so I can do likewise. The hon. member will get a chance to ask his question later on.

[English]

The other point I want to bring forward to this House is that debate on vote 16b is the only way in which parliament can comment on the sale of Polymer. This was foreseen in the passage of the CDC bill in 1971. Certainly there were objections. The New Democratic Party opposed the passage of section 39 of the act for its reasons. We opposed it for our reasons. It seems to me that this goes back to the fundamental weakness of the CDC; that is, it is a development corporation, allegedly, in purpose. Therefore, its purpose is to invest funds, to gather funds from the public for the development of Canadian industry. It can do that in various ways so that it can establish the trust that is necessary.

I can tell the minister, although he knows, that a number of previous attempts to do this were unsuccessful. All that has been done for the public is that the public's money has been invested in certain things. La Société Générale de Financement is one example. The Alberta Development Fund is another. That was a real turkey. What must we have? We must have a dividend record company. Investors will want their dividends or they will want an idea of what is the anticipated growth. Of course, this government has brought in a form of capital gains tax which will certainly discourage most people from going after growth stock. Unless these corporations which will be bought into the CDC, or in which the CDC will invest money, provide income to the CDC there will be no way they can pay dividends.

I draw to the attention of the hon. member for Sarnia that this is one of the big difficulties which I foresee. One of the more limiting factors which may apply to the future expansion of Polymer will be what the directors of the CDC decide. Are they going to maintain a good front before the public, utilizing the medium chiefly provided by the profitable operation of Polymer and payable to the CDC, so as to pay dividends on CDC stock; or are they going to withhold the dividends of the CDC in order to leave the moneys available to Polymer for development capital? You can put a company under in many ways. One of the surest ways is to bleed off all its financial resources through dividends, leaving no money whatsoever for expansion and necessary working capital. This is the danger. There will be a conflict of interest in the management of the CDC which will operate to the potential detriment of Polymer.

This is where I have some difficulty in accepting the tie-in of Polymer within the CDC when it is not part of the purpose of CDC. Let us take Venturetek: it is possible. With the other companies in Edmonton, it is possible.