

exchange for shares. Until that time there had been no shares. It was assumed that these shares had a value of \$30 million. The government took 2 million shares in exchange for that. In addition, the corporation was required to give debentures for \$8 million with one million to mature each year. The company has paid off all debentures. Currently it has assets in excess of \$60 million and liabilities of about \$8,600,000. It is a very profitable concern. We audit this account and it declares a dividend each year. In the year in question it was \$4 million.

Mr. CHAIRMAN: The public investment is \$30 million.

Mr. SELLAR: It is so rated. Actually the original investment of the crown was more than that, but after you have taken into calculation depreciation on assets and so forth at the time it was changed, \$30 million was fixed as the value for share purposes, plus \$8 million. The crown really estimated its worth at \$38 million.

Mr. SMITH (*Simcoe North*): Have you any record of the actual cost of the plan?

Mr. SELLAR: You cannot pin down original costs on anything, because the structure was continually being enlarged as we went along. For example, at the outset steam boilers had to be taken where you could find them. These were not economical; so when they could obtain boilers after the war, they scrapped the powerhouse and erected a new one which was more efficient. They kept enlarging and put in various other things. I do not have the statement with me, but I think something like \$70 million has gone in, either by ploughing back profits or government money, recovering some by way of dividends and so forth. If you were to try to sell Polymer today, I have no idea what the market price would be.

The CHAIRMAN: Why was the company started in the first place?

Mr. SELLAR: No one was prepared to take the risk. It was necessary because the Japanese were cutting off supplies of raw rubber and we had to get synthetic rubber somewhere, or build; it was established at Sarnia because operations are tied in with the petroleum industry.

The CHAIRMAN: Would you give us the background of Eldorado Mining and Refining Limited?

Mr. SELLAR: Eldorado Mining and Refining Limited was originally an Ontario incorporation. Shares were sold in the usual way; the government had no interest in it. The government's interest started as a result of a request. At this point I am guessing, but I think you could pin it on Mr. Churchill, as the person who indicated to the government of Canada that it was highly desirable to get control of Eldorado. At that time the atom bomb and the like were very hush, hush; but they placed such great emphasis on it that Mr. Howe arranged with Mr. Gilbert Labine, president of the company, to buy up by direct negotiation all the shares that he could obtain on the market. If my memory serves me, the market price of the shares at the time of that decision was around 60 cents; he was authorized to offer \$1.25. Mr. Labine sold all of his own shares at that price and obtained a large number of other shares. He did not get all; but once we got control it was decided to clean up everything by expropriating all outstanding shares, and for that purpose the price was increased to \$1.35, with the understanding that all who had already sold shares at \$1.25 would get the extra 10 cents. It was also provided that any shareholder who objected had the right to go to the Exchequer Court and have the price fixed.

There was some agitation at the time among some of the shareholders that the price was not fair; but none of them went to the Exchequer Court.