

road block to prevent us from getting the information that a committee of the House was set up to inquire into. We had the Auditor General there, and the same process took place, but despite the refusal of the government to come forward with information, despite this deliberate suppression of fiscal information which is necessary for any meaningful inquiry into a matter so important to Canadian people as a whole, we have managed to garner some facts. They are not up to date facts, but we hope that before this debate is over the government will come forward with additional information.

I see here the minister who, I believe is in charge of Information Canada.

**Mr. Faulkner:** No, Mr. Speaker.

**Mr. Nielsen:** He should be here because this is an agency that is supposed to supply Canadians with information. What do we know about the Polymer Corporation?

The Polymer Corporation Limited was incorporated as a Crown corporation in 1942 at the time that C. D. Howe was the wartime minister of munitions and supplies. By the 1960's, the company had grown into what was essentially Canada's only publicly owned multinational company with manufacturing and marketing activities extending into most of the major nations of the world. By 1971, the company's Polysar products, which include rubber, latex and plastics, were being sold in over 90 of these countries.

With a head office at Sarnia,—and I hope to see the hon. member for Sarnia-Lambton (Mr. Cullen) participating in this debate because I imagine this matter is of importance to him and his constituents—Polymer during its growth established not only a large petrochemical complex there but also established other plants in France, Belgium and in the United States. Although far from being dominant, the company is a significant factor in the world rubber industry, as well as being the world's second largest producer of synthetic rubber supplying 10 per cent of the world's needs for this material. These remarkable achievements were no doubt the result of top-notch industrial expertise coupled to an aggressive development of export markets.

The company's remarkable achievements since its incorporation are also reflected in its contributions to Canada's growth and development. In 1962, Polymer employed 2,972 individuals, and by 1971 this number had grown to over 4,400. Salaries and wages paid out to these employees during this same 10 year period amounted to over \$300 million. With net sales increasing from \$87.5 million in 1962 to over \$174 million in 1971, the company was able to make other positive contributions to this country. Polymer, in the same 10 year period, paid over a total of \$33.7 million in income taxes at all levels while at the same time returning a total of over \$34 million in dividends to the Crown.

Although perhaps not always a steady performer from year to year, Polymer has in its 30 year history demonstrated a strong and consistent ability to stay viable. The company serves as an example of how important and necessary it is to have the independence and free initiative of a top calibre management team in order to survive in

### *Sale of Polymer*

one of the most competitive industries in the world. Witness, for example, the company's ability to withstand the 1971 revaluation of the American dollar which reduced net income by \$6 million, while at the same time encouraging competition from imports. While external factors and general world economic conditions have always been important to the company, particularly since more than half its employees are located in Sarnia where manufacturing operations supply over half the corporation's worldwide sales, Polymer has withstood the test of time to become a jewel in the nation's crown.

• (1520)

This then was the situation as at the end of June, and as at July when the sale took place. This was the situation even as of last Friday when the Minister of Supply and Services (Mr. Goyer) got to his feet and tried to leave the pessimistic impression that this company is in some difficulties, with declining profits and inhibited ability to diversify. I could go on and describe the diversification which has taken place over the years in this company's operations, and the President of the Treasury Board (Mr. Drury) nods his head in agreement. It has been a truly remarkable record for a Crown corporation. There was nothing unhealthy about the operation of that company or about its economic position at the time when the transaction which is under discussion here today took place.

At its July 13, 1972, meeting the cabinet approved the sale of Polymer to the Canada Development Corporation. The terms of this attempted back door sale are recorded in an Order in Council which is set forth in the motion, P.C. 1972-1715, dated July 27, 1972. It is interesting to have a look at that Order in Council which followed a letter, which I think could be termed a letter of offer, dated July 6, and a letter of acceptance signed by the then minister of supply and services now the Minister of National Defence (Mr. Richardson), dated July 14. The interesting part of that exchange is the terms of the Order in Council itself.

First of all, I think we must refer to section 39 of the Canada Development Corporation Act which reads:

The Governor in Council may sell or cause to be sold to the company, at such fair and reasonable price as may be agreed upon by the Governor in Council and the company, the whole or any part of the capital stock of any or all of the following:

Included in the following was Polymer Corporation. Nowhere in the Order in Council to which I have referred, dated July 27, is there any mention of the price being fair and reasonable. The only reference to the fairness and reasonableness of the price is to be found in the letter of acceptance which was signed by the then minister of supply and services, where there is set forth in the last paragraph of the CDC letter of July 6 the following sentence:

We believe that this offer is a fair and reasonable one for both sides . . .

Nowhere does the Governor in Council make the statement that the price is a fair and reasonable one. Nowhere does the Governor in Council commit itself to that statement. Perhaps there is a reason behind that. Perhaps I am being overly suspicious when I fear that there might be a reason behind that rather glaring omission.