

Adjournment Debate

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, it was very interesting to listen to the analysis of the hon. member for Calgary North (Mr. Wright), especially with regard to his estimation of the value of securities and how they achieve their value. He seemed to imply, and I think *Hansard* will indicate this, that it is the value of current dividends that determine the value of shares. I hate to disillusion the hon. member, but I used to teach people like himself who were in the investment business—

An hon. Member: There goes his credibility.

Mr. Evans:—and at that time the value of shares was based upon the present value of future dividends, not current dividends, and if you talk about future dividends, you are saying that the cash flow of the firm in the future determines its value.

The hon. member asks how much we are prepared to pay. It depends on the estimate of the future cash flow and dividends. And when he says we cannot stop money from flowing out of the country in a nationalization or Canadianization program, whatever he wants to call it, he is right. When we or a Canadian company buys the assets of a foreign multinational, certainly there is always the chance those funds will leave the country, but the alternative is that if foreign ownership is

retained, then dividends will flow out of the country in perpetuity, and if the system works as the hon. member and I both agree it should, then the present value of the dividends leaving the country will equal the present value of the money that is leaving the country as the purchase price.

All we say is that by improving Canadian ownership we are getting a bigger control of our own resource base in Canada. Canadians should participate more in the control and management of resources in Canada. That is the purpose of the Canadianization program, and the price being paid for those assets, as it was with Petrofina, is a fair price, as analysts have indicated, and reflects the value of the benefits that Canadians will receive from those assets in the future.

An hon. Member: Nonsense. State control; no benefits at all.

Mr. Evans: Thank you very much, Mr. Speaker, for the opportunity to respond to the hon. member.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.