

Perhaps the comments of hon. members tonight in relation to the situation of Polymer demonstrates the wisdom of removing such corporations from this type of political argument, from this partisan argument and placing them under the control of the Canada Development Corporation, an investment corporation designed, in the spirit of the law, to develop properties owned by Canadians, to develop investments for profit and to be managed by the best possible management with the view that it should invest more and more in Canadian equities and serve the purposes for which it was set up. It is to do something important, namely, acquire Canadian equities for Canadians so that instead of saying negatively, "Do not invest," it will work positively and say, "Yes, we are going to see to it that we have a positive impact in Canada. We will provide an opportunity for Canadians to invest in Canada. We are going to see that more and more of our resources, of our manufacturing and other industries, are owned by Canadians and are not in the hands of people from outside this country." That is an important objective.

The passing of Polymer into ownership by the Canada Development Corporation will, in view of the management of that corporation, lead to further development and is an extremely important step in the attainment of this extremely important objective, the continuation and development of Canadian ownership in Canada by Canadians, for the good of all Canadians. That is why the sale has been completed, Mr. Speaker. That is why the Canada Development Corporation will continue on its way as an important instrument in the development of Canadian interests in our economy.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps I might begin by talking about the Canada Development Corporation since there has been a good deal of discussion on it. Let me take a minute to remind hon. members of the House who were not here in the last session, or perhaps have forgotten, why I am opposed to the Canada Development Corporation as it was established.

I agree with what has been suggested, I think by the hon. member for York South (Mr. Lewis), that if this corporation was simply set up for purposes of profit it is in effect an investment company and we do not need it. If it was not to invest for profit for the purposes of its investors, there must have been some other strategy behind its setting up which the government has never defined. The Canada Development Corporation was established, so far as I can see, without any strategy except the establishment of another investment company in Canada in which the government would have some interest. It is meaningless in this sense, and for that reason I oppose it, Mr. Speaker. For that reason, I see little significance in it, despite the repetition of ministers of the crown that it is a vehicle to enable Canadians to invest in Canada. It might even be that some people will be hurt in the process.

Secondly, the President of the Treasury Board (Mr. Drury) has taken the position that transfer of shares of Polymer Corporation to the Canada Development Corporation is just some kind of intergovernmental transaction. I am sorry the President of the Treasury Board is not here at the moment; but that, of course, was not an honest

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statement as to what the facts are, because the directors, that is, the management of the Canada Development Corporation, have already announced their intention to have a public issue of the shares of the corporation. So it was a very dishonest procedure for any member of this government to stand up in the House and pretend that this is simply another intergovernmental transaction. That may have been technically true at the time of the transaction, but when the transaction was put through, the members of this government knew perfectly well that before long the Canada Development Corporation would not be a government wholly-owned corporation. Indeed, they said the corporation was established for the purposes of disseminating ownership among shareholders. So that was a very dishonest presentation of the situation, Mr. Speaker.

• (2030)

The point has to be made that there is always a conflict of interest. There is obviously a conflict of interest between the government, as the representatives of Canada and the owners of Polymer Corporation, on the one hand, and the government as the owner, for the time being, of the CDC on the other. There is an obvious conflict of interest because the Canada Development Corporation is a creature of the government.

The government wants the Canada Development Corporation to be a success. It wants the CDC to get off to a good start. It wants it to appeal to public investors with something attractive. Nobody should pretend, and nobody can convince me, that this is an arm's length transaction between the government as the owners of Polymer Corporation and the government as owners of the Canada Development Corporation.

Some hon. Members: Hear, hear!

Mr. Stanfield: This circumstance in itself is sufficient ground for requiring every opposition member in this House to examine this transaction with the closest of scrutiny and the keenest of scepticism. We have been given no information about the appraisals. The government says that appraisals were made, a couple within the government service and one outside. Why does the government not table these appraisals upon which the valuation was based, particularly in view of the obvious conflict of interest that exists? The Minister of Supply and Services (Mr. Goyer) said it might not be fair to the future of Polymer Corporation. I wonder whether the government is as much concerned about fairness to the future of Polymer as it is concerned with trying to protect itself.

Some hon. Members: Hear, hear!

Mr. Stanfield: What we have here is the government making what has been described as an interest-free loan to the Canada Development Corporation, because the CDC is not paying cash for the shares of Polymer; it is simply turning over to the government CDC shares. It is also reserving the right to buy back these shares in so far as they might represent more than 10 per cent—

An hon. Member: Shame!

Mr. Stanfield: "Shame" is right. I heard the hon. member.