

*Sale of Polymer*

before that by hon. members in connection with the status of Polymer Corporation. From time to time there has been the suggestion of doubt or difficulty respecting the legal position. I should simply like to elaborate on the position of Polymer Corporation at the present time as the property of the Canada Development Corporation.

As hon. members know, Mr. Speaker, members of this House of Commons debated the question of the proper status of Polymer Corporation, its ownership and relationship to CDC, when some long time ago they were deliberating the creation of the Canada Development Corporation. They were considering it as an instrument, and an important one, for the development of Canadian equity in companies owned by Canadians, in a positive way, through the development of investment which, through the instrumentality of the Canada Development Corporation, could obtain and hold ownership of many different and varied Canadian enterprises in the years of its future existence.

Members of parliament, in the course of debating that legislation, very specifically gave approval to the transfer of Polymer to the Canada Development Corporation—

**Mr. Baldwin:** The Liberal members did.

**Mr. Lang:** —on arriving at a satisfactory agreement about the price at which it should be transferred. Indeed, the legislation itself very consciously and clearly set out the procedures which were to be followed: the approval of the governor in council, the transfer at a fair and reasonable price and, indeed, some financial arrangements that would result in the structure of the Canada Development Corporation upon completion of that sale. Through its interest as a shareholder in the Canada Development Corporation and in Polymer, the government subsequently saw the determination of a fair price, which my colleague the Minister of Supply and Services (Mr. Goyer) referred to this afternoon, and by order in council approved the transfer of Polymer through the Canada Development Corporation Act.

Hon. members have had occasion to raise questions about the impact of the sale pursuant to the statute, and its legal meaning and effect. They did so in connection with other proposals which were before the House in another form dealing with specific aspects of the remaining references to Polymer Corporation in the statute. The point I wish to make is that the sale of Polymer Corporation was complete and perfect within the letter and spirit of the law, and its transfer was approved by governor in council in accordance with the statute which parliament itself had passed, which envisaged the possibility of such procedure.

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The sale was perfect and complete. The only question which can be raised is with respect to the total impact and effect of that sale, particularly the impact or effect of the sale on the references to Polymer in the statute and, in one or two cases, in schedules where it had been mentioned because of its former status as a Crown corporation. The proposal was put before the House in another form. It was suggested that the references to Polymer in the Crown Corporations (Provincial Taxes and Fees) Act

[Mr. Lang.]

should be eliminated, and that the references should also be eliminated from the Financial Administration Act where, because of its former nature as a Crown corporation, it had been mentioned along with many corporations of a similar nature.

The purpose of these changes was simply to make clear to anyone who might want to look at the statutes what had happened to Polymer Corporation. I should like to say that the purpose was to make clear what in fact had happened, namely, that the legal effect of the complete and effective transfer of Polymer Corporation to the CDC, as approved according to statute, was that it had effectively extinguished its status as a Crown corporation; that this had been done by the workings of a statute which parliament had passed and the natural consequences which flowed therefrom.

**Mr. Baldwin:** But you still need another statute.

**Mr. Lang:** That is to say, the purpose of the removal from the schedules was simply to remove any misunderstanding or misapprehension which could result. It was not in any way to change the legal effect of the transaction which was complete with the sale and which at that point terminated the status of Polymer Corporation as a Crown corporation. Indeed, hon. members may have noticed, if they looked closely at these two proposed changes, that one was designed to extinguish the reference to Polymer with respect to provincial taxes. That reference was specifically to make clear that as a former Crown corporation it was nonetheless liable for taxes. The proposed removal of that language was due to the conclusion that the reference was no longer needed because, that corporation no longer being a Crown corporation as a result of the sale to CDC, there was no longer any requirement to refer to it in the statute. In the other change the status was changed fully, legally and effectively.

As I say, in order that there should be no doubt about it, a change in legislation was sought. The government will no doubt at some point seek to clarify that in some further way, simply to put beyond doubt any question for those who might come along and examine the statutes and wonder, without examining the cross-references to which I have referred, what is the real situation of Polymer Corporation. The sale, therefore, was complete and effective in accordance with the statute. Polymer Corporation moved to ownership by the Canada Development Corporation and ceased thereby to be a crown corporation for the purposes of the operation of the law.

I will not say much more about the principle of the issue. My colleagues have spoken about it and others will also. The change of Polymer Corporation into what we expect to be a dynamic corporation for investment in Canada, which we have structured in such a way that it is protected significantly from mere political interference, really speaks for itself. It is our view that these holdings, in their nature private enterprise but not necessarily held any longer by the government for government purposes and not necessarily any longer instruments of government policy, should indeed be removed from the petty politics which can on occasion affect such a corporation only to its detriment.