

*Supply—Defence Production*

of money. But it seems to me, Mr. Chairman, that with an industry of this type contributing to private industry in Canada and in the United States by supplying them with the raw material, we in Canada should be getting some benefit in the products which are being manufactured from rubber.

You will recall, Mr. Chairman, that not long ago the member for Charlotte was speaking about the price of automobile tires in the United States. He said that in the United States a tire was selling for about \$19, while in Canada it cost about \$37 and the companies got their raw material from the same source, namely Polymer. I know the minister will say he has no control over that, and probably he is right. Will the minister say what relationship there is between the price which Polymer sells to Canadian industry and the price at which Polymer sells to United States industry. I understand that the prices are about the same, and I would be greatly surprised if they were not the same. I am not asking the minister to state the exact price, because I do not think that would be good business ethics. I do feel it is a fair question to ask the relationship that exists, so that Canadians will know if they are getting a fair share of the value of the products which are being produced in this country as compared to United States products which are produced from the same raw material.

**Mr. Howe:** Mr. Chairman, I think I should correct the first statement the hon. member made that we are asking for \$38 million. No money changes hands. The investment in Polymer shows on the books of the government as \$38 million, and the ownership of Polymer now rests with the federal government. At the moment it is proposed to turn the ownership over to the company. The \$38 million is there simply to remove the investment in its present form from the government's books. The investment is being replaced in the form of shares and debentures which represent exactly the same property that was represented by the \$38 million now held in the form of direct ownership.

So far as the price of rubber in the United States and Canada is concerned, we sell rubber in the United States at the current United States price. We sell rubber in Canada at the current Canadian price. For the last several months the price in the United States has been somewhat higher than the price in Canada. A month or so ago there was a reduction in the United States price, and at the moment rubber sold in the United States is somewhat cheaper than rubber sold in Canada. We felt that, having given our

Canadian manufacturers cheaper rubber for a while we might have a breathing spell before adjusting the Canadian price.

**Mr. Johnston:** Is there any material difference?

**Mr. Howe:** No, only a cent or two.

**Mr. Johnston:** Not enough to affect the price of tires?

**Mr. Howe:** No, the difference will not affect the price of tires.

**Mr. Huffman:** I listened closely to the remarks of the hon. member for Lambton West. He was very complimentary to everyone connected with Polymer, but at no time did he mention the fact that the Right Hon. C. D. Howe, Minister of Trade and Commerce, had the vision and confidence in Canada to promote such a project in Canada. I think we should give credit where credit is due.

**Mr. Murphy:** I said that about two years ago.

**Mr. Nowlan:** I am not going to indulge in any discussion of the merits of parliament. I agree substantially with everything that has been said here this afternoon. I should like to go back to the item, because I notice that it reads:

To authorize execution and performance of an agreement—

Is that agreement signed now or are we awaiting the passing of this item before it is signed?

**Mr. Howe:** When this item is passed, the agreement will be drawn and signed.

**Mr. Nowlan:** I suspected that might be the answer. I feel that some comment should be made about it. The minister, having heard a laudatory statement, will perhaps listen to a critical one which should be made in connection with this item. It is an amazing item, No. 654, and the first part of it reads:

To authorize execution and performance of an agreement between Her Majesty and Polymer Corporation Limited by way of amendment to existing agreements between them:

Then there are paragraphs (a), (b), (c), and (d). They provide for the authorization and issuance of debentures, shares and so on. As I understand it, the authorization for that depends upon the passing of this item. If that is so, Mr. Chairman, I am suggesting that in passing this item we are going further in legislating by vote than we have ever gone before, and further than we should. I am not questioning the merits of the transaction. So far as my limited knowledge goes, I agree with what has been said about Polymer. But if you can transfer title from the crown to a