

Adjournment Debate

Finally, we think that the ceiling of \$10,000 is no longer realistic and we are prepared to recommend an amendment to the act so the amount will be increased to \$25,000.

[English]

CANADA DEVELOPMENT CORPORATION—REQUEST FOR
TABLING OF DETAILS OF APPRAISAL OF POLYMER FOR
SALE TO CORPORATION

Mr. Don Blenkarn (Peel South): Mr. Speaker, on March 21 last, as recorded at page 2455 of *Hansard* I asked the Prime Minister (Mr. Trudeau) to file with this House details indicating that Polymer Corporation was sold to Canada Development Corporation at fair market value. The Prime Minister said he would look into the matter and reply in detail, and that he was informed that an independent assessment had been made which was the basis for the price. I assumed the Prime Minister would have filed that material with this House and I did not expect that I would need to appear on the adjournment debate at this time. I expected the Prime Minister to have some respect for this House and its members, to have the material here, or at least to come personally and explain to the House the matter raised by my question. I am disappointed that he is not here.

Finally, after considerable pressure being exerted, Polymer Corporation, through the Minister of Supply and Services (Mr. Goyer), filed its annual report for the period ending December 31, 1972. To give some indication of the profitability of this company and its hopes for the future, let me read an excerpt into the record from that report. In their report the directors of Polymer Corporation said, among other things:

Polysar has set strategic plans for growth and backed these with operational plans. They are designed to achieve world-wide sales in excess of \$500 million, with accompanying gains in profits, in five years' time. The keys to both corporate and personal achievement—the environment, the organization and the systems—have been strengthened. We look forward now with confidence to fulfilling our expectations in the fourth decade in the Polysar story.

This was the corporation that, at a supposedly fair market value, was sold at half the book value. It was illegally sold by this government, Mr. Speaker, because I submit the Canada Development Corporation Act requires that if Polymer was to be transferred, it had to be transferred at fair market value. I repeat, this corporation was transferred at half the book value.

When I asked the question of the Prime Minister I had been led to believe that the deficiency in price below the book value was \$42 million. However, after examining the statement of Polymer Corporation for the year ending December 31, 1972, I find that the book value of that corporation was \$124,109,000. For \$62 million it was transferred. I defy the Prime Minister, the President of the Treasury Board (Mr. Drury), the Minister of Supply and Services and, indeed, any member of the government to show the House one major corporation in the past 50 years of the history of this country that has been sold at half its book value.

• (2220)

Mr. Bell: How about the *Bonaventure*? That went for nothing.

Mr. Deputy Speaker: Order.

Mr. Blenkarn: They do a lot of things. The Wood Gundy report is suppose to be around. That report supposedly indicates that Polymer was a sad shock and was not worth very much—only half its book value of \$62 million, or maybe \$72 million if the company was lucky enough to show a bit of profit over a four-year period.

The people of this country have been hoodwinked; they have been defrauded. This transaction is illegal. The Prime Minister does not even have the courage to come here and answer. This is what is called a rip-off. The leader of the New Democratic Party made great gains in the last election by talking about corporate rip-offs. I can understand why he can get into bed with the Prime Minister, because they are both pretty good rip-off artists.

We in this House have been given glowing reports of Polymer Corporation since it was incorporated in the late forties. We have been told of the tremendous investment in growth, patents, development and expertise. If this transaction was at fair market value, Parliament has been misled for many years. The statement given to the minister on December 31 setting out a glowing report of Polymer must be a phony. Presumably the buried report done by Messrs. Wood Gundy was correct and Polymer is a poor goose. I suggest that this House is being goosed and their goose is not being properly prepared. There is something goosey about the whole thing. It is time this House demanded a full accounting of this sorry mess so that we will know what happened to the assets of the people of Canada.

[Translation]

Mr. J.-Roland Comtois (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, one of the objectives of the Canada Development Corporation, as defined in the act, is to help develop and maintain companies which would be managed and controlled by Canadians in the private sector of our economy. Furthermore, the act requires that the CDC achieve its objectives to realize a profit and in the best interests of all shareholders. Given this undertaking to operate in the private sector to realize a profit and since the CDC must also offer Canadians the opportunity of investing in the Corporation and thus participating in this development, the CDC must operate so that all its operations constitute an attractive investment for all Canadians. It is therefore with this in mind that last year the CDC purchased Polymer Corporation from the government.

While there has been much talk about Polymer's profits, several of its operations were found to have made very little profit and some have led to deficits which have affected the efficiency of this company, to the point that they would be made less spectacular for the period preceding the sale to the CDC.

However, Polymer was to be sold to the CDC at a fair and reasonable price, under Section 39(1) of the Canadian Development Corporation Act which reads as follows: