

parliamentary duties, will bring before this House the legislation which the country so badly needs. So far as we are concerned, with regard to the two proposals which are now in their final stages, the old age security bill and the bill dealing with war veterans allowances, we are prepared right now to make a firm arrangement that should the government be defeated we would still be prepared to pass the final stages of those two bills.

Of course, the hon. member for York South has made it quite plain that he is not going to cross his friends at this stage. But if some of his followers had a change of heart, and decided to do something for the people of Canada rather than something for their leader, it might well be that the government could be defeated. Those two bills should have been passed long ago, but some of our friends in the Creditiste party wanted a debate. That is their right. We do not want to interfere with that right. It was at our insistence that the pensions bill was speeded up initially. The Leader of the Opposition (Mr. Stanfield) made a suggestion along those lines during the course of the Throne Speech debate. So far as we are concerned, we have stood willing and ready at all times to expedite the passage of that legislation. We stand prepared to do so again, despite the results of the vote on this motion tonight.

What about my hon. friends to my left? I should quote from last Friday's *Hansard*, but the hon. member for Yukon has done so already. But I note with some interest that the *Globe and Mail*, in its edition of Saturday last, stated that in the comments to this House of the hon. member for York South he intimated, when he had been questioned by the hon. member for Yukon as to his intentions with regard to this bill, that he would condemn the bill with all his honour. Of course, this appears in *Hansard* as "with all his vigour." I quite take it that that is what he did say. I am sure that if he did say honour he would have made sure it would not appear in *Hansard* because, so far as the attitude of the NDP to this legislation is concerned, honour is one characteristic that seems to be singularly lacking.

The hon. member for York South said something about the juvenile attitude of this party. I would like to see a little more juvenility on the part of the NDP. What has happened to them, to their enterprise and interest? I think the hon. member for York South has dragged them rather hurriedly into a form of political menopause, and one must make allowances for them running around like a lot of headless chickens. I would remind the hon. member for York South of the phrase, "Oh, what a tangled web we weave when first we practice to deceive." With respect to this legislation, during the last day or so they have turned, and twisted, and struggled, and gone through such contortions as would break a snake's back if it attempted to follow their course of conduct.

They are only interested in staying as close as they can to the seats of power, to the seats of the mighty, to hold on with their trembling little hands to the few crumbs of power thrown to them by the Prime Minister (Mr. Trudeau) and the government. I do not think there has ever been such a case of distorted sharing of power since the days of the early Roman emperors when the tyrant Caligula attempted to make his horse the proconsul.

Sale of Polymer

Mr. Fraser: Which end?

Mr. Baldwin: The result has been that the NDP has been into a state of sputtering inertia, and we all know who does most of the sputtering. I would suggest that a review of the facts in this case would indicate that one party throughout has taken a position consistent with its principles, consistent with the position it took in 1971 on all stages of the legislation, consistent with the position it took in committee.

We have presented this motion in good faith and in honesty. If we did not do it we would be derelict in our duty as Her Majesty's Loyal Opposition, having once had it brought to our attention as it was last week, that the government had attempted to consummate this sale. And in the light of our previous attitude, in the light of the position we had taken, if we did not move a motion of this kind we would not deserve to be and continue to be Her Majesty's Loyal Opposition for the time being, and to be the government after the next election, which I hope may not be too long delayed.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, much comment has been offered in this House by the hon. members of the opposition on the comparison of Polymer's book value as at December 31, 1971, of \$118 million and the government's selling price to Canada Development Corporation of \$62 million to \$72 million. For the information of the House, I would like to describe the approach used in arriving at what is considered to be a fair and reasonable selling price.

First, to touch on a conceptual aspect of investment valuation, as hon. members know the book value of a company is not primarily the basis upon which an investor arrives at a price which he is prepared to pay for a company's shares. Rather, it is the earnings capability of a company as a going concern which generally governs its price. One merely has to look at the recent price actions of company shares listed on the North American exchanges to confirm this.

In recent weeks there has been a substantial decline in the prices of these shares, which is quite unrelated to their book values. The downward share price changes reflect not so much the change in book value but investor concern about the future level of corporate earnings in the face of higher interest rates, inflation and international monetary conditions. It is not unusual for the market value of companies to fall below their book values. The shares of a number of major Canadian companies have sold in recent years, at one time or another, at levels well below their equivalent book values.

I will now deal specifically with the valuation of Polymer for sale purposes. One of the difficulties in establishing a valuation for Polymer is that, not being a company with its shares traded in the market place, there are no share market values, current or past, to which reference can be made. At the time of the sale one might have said that the sale value ranged from \$30 million, the government's original investment, to the shareholders' book value equity of \$118 million. Neither of these extremes could have been realistically supported.

However, it was possible to approach the valuation in the same manner as would an outside investor. An