

The Address—Mr. MacKay

record should be put straight on this particular point as well.

As far as finance is concerned, there are many more learned members than I who have given discourses on the subject. I do not intend to repeat what they have said better than I could. However, one thing that is indicative of the government's lack of commitment to do anything tangible in the field of finance on the domestic scene is the continuing neglect of the Minister of Finance of what should be a routine housekeeping measure, setting a very bad precedent—to rest. We in this country have a bond issue of some \$50 million that was issued in 1936. It is known colloquially as the perpetuals. These are Canada Savings Bonds that were bought by Canadians in good faith many years ago. Today they are selling at ridiculously low prices because the sky-rocketing interest rate, on present-day Canada Savings Bonds has made their return so negligible that nobody wants them. These bonds are selling on the open market for about \$35 or \$40. The Minister of Finance has been approached by many members, including myself, and requested to do something about this situation.

I think it is disgusting for bonds of a nation like Canada to be kicking around the financial markets of this country like orphans, selling for less than half their face value. Many members have approached the minister about this matter and I know he has given it some thought. He said the government is a little puzzled about what it should do. It does not want to see windfall profits made: it does not want to do anything unfair. Well, Mr. Speaker, windfall profits are made and money is lost on the market every day. Any government so insensitive toward bringing in a selective capital gains tax to protect people from being hurt by it, which tax was never really designed to apply to them, should not worry too much about a little windfall gain for some people who bought their country's savings bonds years ago in good faith. Perhaps the minister should raise the interest rate on the bonds current rates and raise the rate of return.

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I am sure the serial numbers of these bonds are on record. Perhaps the minister could say that if anyone held these bonds and could prove ownership for five or ten years, they could be redeemed at face value. This would be an equitable solution for some. After all, this is no more than is possible with respect to the current bond issue regarding redemption, I find it almost ludicrous that the Minister of Finance, who is responsible for a highly complex portfolio and who is no doubt a very capable minister—I am not denigrating or denying his capability—cannot find a way to redeem these bonds. After all, he is a spokesman for Canada at complex negotiations such as those conducted under the International Monetary Fund, and I think this is as good a time as any to put this request forward on behalf of many Canadians who are being hurt by the government's lack of action.

Perhaps I might take a minute in which to urge the Minister of Finance to do something else, too. I think it is time he considered varying the present unimaginative capital gains tax. Other nations which impose such a tax and have done so for some years have found it possible to make interesting variations designed to take the sting out

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of the tax in cases where it was not really meant to apply. I fail to see why a man who has systematically purchased securities over the years, for example to provide for his retirement or for the education of his children, or a man who has bought securities through a payroll deduction plan and has retained them for years, should be taxed when he sells them on the same basis as one who habitually deals in the stock market.

I fail to see why the minister, if he sincerely wishes to give ordinary Canadians a break, especially when they are trying to provide for worthwhile projects in their future, cannot put together a workable scheme to vary capital gains on sales of securities and make the tax more flexible. Perhaps he could say that up to a certain sum, maybe \$20,000, a Canadian who purchased securities in Canadian companies and retained them for five years, or ten years, would not be subject to the same type of capital gains tax when he sold them as, say, a financier who on the basis of his intuition or some inside information bought a thousand shares of Cominco or Imperial Oil and made a few thousand dollars in two or three weeks.

As the hon. member for Ontario has said, there is much to be done in the field of transportation. I would say to the Minister of Transport (Mr. Marchand) that it is time the government addressed itself seriously to some of these long-standing problems. It is not that the problems are not known. They are. Indeed, the solutions are known in many cases. It is just that the government has been too timid or too preoccupied or too lazy to act. For example, two years ago the then minister of transport said he was going to make sweeping legislative changes. He did nothing. What would be wrong about severing the association of Air Canada with the Canadian National Railways' system? Ministers have themselves agreed that this is a good idea in principle, but nothing has been done about it.

What would be wrong about reconsidering part III of the National Transportation Act and setting up a system designed to cope with the requirements of motor carriers across the nation, perhaps an interprovincial trucking board? What would be wrong about establishing a separate Crown corporation to handle ferry services to our island provinces? What would be wrong about considering the staggering of labour contracts affecting our major transportation systems so that all the contracts would not expire at the same time, paralysing the nation and effectively destroying the normal collective bargaining process? There are all sorts of innovative and common sense things which could be done to improve our transportation system. We could improve passenger facilities, for example, or get on with a program of electrification of the CNR and improve the roadbeds. As I say, there are many things which could be done, but they can only be achieved if the government is sincere in wanting to see them accomplished.

I return now to the theme with which I began. How can we in the opposition really take the Speech from the Throne seriously? We have heard of the little boy who cried "wolf" too often. The government and its supporters are apparently sincere. They say they have a constructive program, and they ask for our co-operation. They may be sincere, but on the basis of past experience we can hardly be blamed for being skeptical. There is no doubt the