

Perpetual Bonds

Mr. Gillies: All you need do is look at the bond register.

Mr. Milne: With respect, I do not think so. If there were some way of accurately knowing for what length of time people held these bonds, in the late 1930s or early 1940s, I could accept the hon. member's argument. We do not know for how long present holders have held the bonds.

I understand the hon. member for Vancouver Kingsway (Mrs. Holt) argued that there is no register, that there is no way to validate who held these bonds, and for how long. I am just arguing the case. I merely want to know how you are to treat fairly those people who held the bonds in the 1930s and 1940s.

There was also some question as to how good a value these bonds are. I was advised not long ago that there have been some sales, that there had been some movement of these bonds, and this puzzles me. If they are as bad a buy as some say, why would people given present day economic conditions be buying them?

Mr. Gillies: They are speculating.

Mr. Milne: If they are speculators, that is fine.

Mr. Douglas (Nanaimo-Cowichan-The Islands): They are paying 38 cents on the dollar.

Mr. Milne: I am merely trying to argue that perhaps the yield is not over 8 per cent. I do not follow the mathematics of this business and do not know if I am correct. I think the Minister of Finance (Mr. Turner) has looked at this problem; I think perhaps more than half the members of this House have talked to him about this particular problem, or they have written to him. Some have met with him, in the company of other members.

Let me indicate that I am in favour of some solution to this problem. I should be only too happy to respond favourably to my constituents who have written to me about this matter if there were some way—I am sure the Minister of Finance has said this too—to deal equitably with all those people who today hold those bonds, the maturity date of which is, as set out in the advertisement, 1996. To this day I have not heard how this problem is to be solved, except for those 148 previously alluded to. What are you to do with regard to the people who have held these bonds for almost as long as the original investors, who have incurred as great a penalty in their investment portfolio as the original investors, but whose length of possession cannot be validated?

I sympathize with those who mean well. But I suggest that many who bought investments in those days gone by may well have misunderstood the nature of these bonds.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Milne: Some may have thought that the bonds had no maturity date but were callable. Probably a number of Canadian investors incorrectly assumed that the bonds would mature after 30 years. When the government decided not to exercise its call option, new certificates were issued, and now of course we have 30 years to wait before the government will call them.

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Prud'homme: Madam Speaker—

The Acting Speaker (Mrs. Morin): The hour set aside for private members business having expired and it being five o'clock, I do now leave the chair.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.