

*Unemployment Insurance Act*

I asked the Minister of Finance about that yesterday, and he said he felt sufficiently confident about his own judgment that with respect to this important decision he had not consulted in any way the governor of the Bank of Canada. I can draw only one conclusion, and I think this is something upon which the government must satisfy our worries by a further reply.

The budget was to come down on April 9. This decision was made by the cabinet on April 2. This indicated a further huge, massive deficit under the operations of this government. I suppose the government had some knowledge as to what effect this would have on the bond market of Canada. I want to repeat that 80 per cent of the funds of the unemployment insurance commission are non-public funds which are put up by private people.

I said the other night that more than 50 per cent of the capital losses related to the bonds that are pledged to the Minister of Finance in connection with this loan occurred within a matter of weeks after the second budget of the minister. We had nine months from the date of the issue of the conversion loan; but within a matter of six or seven weeks 50 per cent of the capital losses occurred with respect to the bonds pledged in connection with this new departure from long time practice. I say the significant thing is that that occurred after the second budget of the Minister of Finance.

I do not propose to pursue that further, but I do think this committee is entitled to know why, if the unemployment insurance commission was formally prepared to write a letter to their agents the Bank of Canada on March 25 and say that their cash requirements would be such and such, \$57 million, I think, for the forthcoming month of April, the unemployment insurance commission changed its mind between March 25 and April 2, the date of the order in council. Everybody realizes that in between those few days there was paper work to be done and necessary delay. I want to know whether or not this was cabinet interference or cabinet judgment, or whether or not the unemployment insurance commission had, because of section 86 of the act, come to the conclusion in a formal way in a meeting as a commission that this step should be taken.

This morning I was not angered very much but I did have regret when I listened again to some remarks made by one of the newer members of the house. Everybody knows that I am pretty lenient with newer members of the house as they are with me; but I do wish to say that I was rather disappointed with some of the remarks made not only this

morning but the other night by the hon. member for Brome-Missisquoi with respect to the proceedings of the committee. He said in the committee that some of us in the committee were rude; that we had had one of the most distinguished witnesses before this committee that could possibly come before any House of Commons committee. Mr. Chairman, somebody to my left has asked the question whether I was rude. If I was rude, Mr. Chairman, I want to say only this. It was the judgment of some of these new young Tories who should be aggressive with respect to parliamentary rights but were not so. It happens that I have had a long acquaintance not only with the witnesses but with the other members of the investment committee for whom I have said in this house I have a tremendous regard as to their ability and efficiency. This morning I corrected a statement which I had not seen in the committee proceedings. The word "incompatibility" should have appeared instead of "incompetency". I think any member of that committee will support me when I say that I did not use the word incompetency. The point I want to make is that I was surprised that a person who had had Liberal feelings in the past, as he said in this house, a former member of this party—

**Mr. Graftey:** I will never live it down.

**Mr. Benidickson:**—would say that. We felt for a while, when he was near us and had the opportunity of getting a little fresh breeze from this particular section of the house, that he would not deteriorate as much as he has, as indicated by the words he used the other night. I find that that is typical of every Tory. They have this undue reverence for a banker, but when they get the banker of the banks then, Mr. Chairman, you cannot imagine how a young Tory, a Turk or otherwise, can really bow down and say that anybody who criticizes for a moment the views of those people is rude in the interrogation that he carries on. Anybody who has any regard for parliamentary rights, in a committee or otherwise, will support me when I say I am disappointed that some of the younger elements in this new government who hold these views certainly do not hold the parliamentary views held by the Minister of Finance when he was opposition critic. I think it is very tragic that this should develop, and that a member, such as the one I have described, would have such reverence for a banker that he would think a parliamentary committee was not justified in inquiring about some of his activities.

The hon. member for Brome-Missisquoi asked this question, and this is what I want