

Unemployment Insurance Act

encourage and to popularize this controversial bond conversion plan. The reason that \$15 million of the unemployment insurance commission securities was invested in the C.N.R. issue at 4 per cent, maturing in 1980, was that that was an unpopular issue and it would have popularized it for the public to have known that funds contributed to by workers and by the employers of this country were being invested in the C.N.R. issue.

Mr. Fleming (Eglinton): You do not know what you are talking about.

Mr. Martin (Essex East): I say further that when the minister concurred in the decision to have this loan he must have had knowledge of the intention of the investment committee to make this investment.

Mr. Fleming (Eglinton): I did not.

Mr. Martin (Essex East): It was a bad investment.

Mr. Fleming (Eglinton): At the time of the approval of the C.N.R. loan?

Mr. Martin (Essex East): Yes.

Mr. Fleming (Eglinton): Well, I did not.

Mr. Martin (Essex East): My hon. friend says he did not. I accept his word; I have no other course. If he says he did not I believe him; but I say the facts are so significant in their implications as to cause one to wonder greatly whether or not the unemployment insurance fund has been used to bolster up doubtful programs of finance, which were very close to the heart of this government, and particularly to the Minister of Finance. In any event, we have had our lesson. The Minister of Finance sees the situation now. He knows that there is conflict of duty and function. Whether he admits it or not there is a conflict of interest between the members of the investment committee when the same gentlemen are participants in the debt management policy of this government.

Mr. Fleming (Eglinton): I just denied it.

Mr. Martin (Essex East): My hon. friend denied it. The more denials he makes the more ridiculous he makes himself in this particular situation. Here we are asking for further contributions from the employers and the workers because of bad judgment in the investments of the unemployment insurance commission, as well as other contributing circumstances.

Mr. Fleming (Eglinton): That is absolutely untrue.

Mr. Martin (Essex East): My hon. friend says that is not true. That is no argument. I am stating the facts here.

Mr. Fleming (Eglinton): You are making ridiculous statements and utterly untrue statements.

Mr. Martin (Essex East): I am trying to show why this government is trying to saddle the people of this country with a form of hidden taxation not disclosed in the budget in order to relieve this government of responsibilities which it should be courageous enough to shoulder. That is the situation.

Mr. Fleming (Eglinton): I would not be permitted in this house to say what you are trying to do.

Mr. Martin (Essex East): If the members of the two opposition groups had not persistently in the committee, in the face of great opposition, in the face of great obstruction, sought to elicit some of these facts we would not have been able to demonstrate to the Canadian people why this bill is so inadequate and undeserving of support. No wonder the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Canadian Labour Congress, les syndicats catholiques, and the director of the united automobile workers and others have protested against this bill. They have protested against this bill because it represents one of the unfairest and most ill-conceived propositions ever put before parliament by a government of this country.

Mr. Fleming (Eglinton): Mr. Chairman, I hope it will be fully appreciated by the members of the committee just what it is that the member for Essex East has been saying. I offer the committee this extract from the evidence of Mr. Coyne, the chairman of the investment committee, given to the standing committee on industrial relations, in part, on page 363 of the committee's proceedings of June 9. Here is what Mr. Coyne had to say to the committee about the work of the investment committee:

We did what we thought was in the best interest of the fund, and we have done this throughout the period when we, or our predecessors, have been acting as an investment committee for the fund.

The fund is not one which can quickly, or in large volume, switch out of one kind of security into another. There are times when it seems desirable to do that, but usually it can only be done on a limited scale without taking a loss, or indeed having an adverse effect on the market.

In the circumstances, it is our opinion we did what was in the best interests of the fund as we saw it from day to day, week to week, month to month and so on, over this period.

The member for Essex East says that the committee should not have converted their