

*Bank of Canada Report*

do if the governor came before such a committee. The hon. member would draw him once again into the arena of narrow partisan politics. Specifics would be asked for, when we have been told they cannot be asked for. I think this is a logical answer to what the hon. member for Essex East seeks.

I should also like to say this. I think all hon. members of this house and the people at large should note well one statement made by the hon. member for Essex East, who said he was speaking for his party at large. The hon. member said, and perhaps I agree with him, that the government is responsible for the policy and the acts of all emanations of the crown. This is a very interesting statement made by the hon. member for Essex East and it is one I think it would be well for us to remember in future debates on other aspects of government policy.

I can only say this. The rights of parliament are being adhered to by this government and I think all hon. members of this house realize that the governor of the Bank of Canada cannot be dragged into partisan, political debate where specifics which cannot be asked would be requested. I think this is where the test of sincerity lies.

**Mr. Erhart Regier (Burnaby-Coquitlam):** Mr. Speaker, I should like to begin by assuring the minister that I have no intention of denying him adequate time to reply to the particular grievance that has been raised. However, I must rise to support the grievance raised by the latest candidate for the new party leadership, namely the hon. member for Essex East (Mr. Martin). I consider it—

**Some hon. Members:** Oh, oh.

**Mr. Martin (Essex East):** Would the hon. member permit me to point out—

**An hon. Member:** Don't be hasty.

**Mr. Martin (Essex East):**—that the Liberal party is indeed the "new" party.

**Mr. Regier:** I know that the hon. member who raised the objection is not referring to the Liberal party of the past. However, as I indicated earlier, I consider it an insult to the sovereignty of parliament when the man who is the governor of the Bank of Canada is denied the opportunity to meet with a committee of this parliament and yet has to appear before a committee of the other place. The other place, as has already been pointed out, consists of appointed people and it is not representative of the Canadian people in that its members have not been elected by the Canadian people.

To me the money supply of a country is almost identical to the blood supply in our

[Mr. Graftey.]

bodies. If the bloodstream is inadequate or is diseased there is very little that can be done until this has been remedied. There is a feeling all over Canada that present monetary policy is not meeting the needs of the nation. I believe it is high time the operations of the Bank of Canada were subjected to a review by the banking and commerce committee or a specially appointed committee of this house, if the government so desires. This committee should have the chance to examine the opinions of the officials of the Bank of Canada and their reports.

The hon. member for Brome-Missisquoi (Mr. Graftey) attempted to make a great point of the fact that the governor of the Bank of Canada is unable or would refuse to answer specific questions. I cannot buy that argument at all, because the governor of the Bank of Canada is an employee of the people of Canada and he is accountable for all his actions to the elected representatives of the people of Canada.

I should like to know what is the hidden mystery that must remain hidden at all costs at this time; why this government should refuse to reveal to the public and to the representatives of the public exactly what is happening in the field of monetary policy.

We have been told so many times by the Minister of Finance (Mr. Fleming) that he is not responsible for the activities of the Bank of Canada. I deny that assertion of his; I deny it most vehemently, because the Minister of Finance, according to the terms of the Bank of Canada Act, is the sole owner of the Bank of Canada on behalf of the people of Canada. The Minister of Finance is certainly responsible for each and every activity of the Bank of Canada. However, even assuming that the minister's assumption was adequate and accurate and that the Bank of Canada is responsible not to the government but to parliament, in the same breath the minister by his actions is denying the right of parliament to examine this organization which, he claims, is responsible to parliament. I should like to ask the hon. gentleman in what way is the Bank of Canada responsible to parliament if parliament is denied the right to examine its operations? Is this bank to operate in a vacuum, in a world of its own? It is not responsible to him, he claims, and at the same time he refuses to allow it to become the responsibility of parliament.

I should like to meet with officials of the bank in the banking and commerce committee. I should like to hear their report and their opinions with regard to exactly what happened in connection with the bond conversion deal, a deal which was primarily responsible for increasing interest rates on