

Unemployment Insurance Act

committee, we discussed there every financial structure which might in one way or the other affect the unemployment insurance fund. As the industrial relations committee went into the matter of the treasury bonds acquired by the commission at the time of the conversion loan in replacement of debentures, and since the industrial relations committee has now tabled its report, it seems to me we should be allowed to examine the whole financial structure which affects the unemployment insurance fund. I therefore submit that the minister is wrong when he contends that we are out of order in dealing in the regular way with matters which were discussed in committee. It has been the standard practice in the house to allow discussion of evidence brought before the committee. For that reason, I ask that the hon. member who has risen be permitted to pursue his remarks.

The Chairman: I listened carefully to the remarks of the hon. member for Hull (Mr. Caron). As a matter of fact, it is quite logical that matters which were dealt with during the meetings of that committee be discussed in this debate. However, the issue of bonds or debentures which took place yesterday certainly has not been discussed by that committee.

Now, I will ask hon. members to limit their remarks to the section now under study. I want to point out to hon. members that, under a quite specific rule of this house, continuous repetition is not permitted. Consequently, it is to my mind reasonable that hon. members should restrict their remarks to the subject now before the house and refrain from a continuous repetition which draws out the debate and makes it perhaps somewhat irksome for the committee chairman and for hon. members themselves.

Mr. Martin (Essex East): Mr. Chairman, we want to co-operate with you. We fully appreciate the heavy task which is yours. I am convinced that the hon. member for Welland (Mr. McMillan) has no intention of speaking indefinitely on this matter. He is only referring to it incidentally. I mean yesterday's loan. He was just mentioning it in passing and I believe you will find that as the hon. member for Hull (Mr. Caron) pointed out, there will be no difficulty in that respect.

The Chairman: I quite understand the point made by the hon. member for Essex East. I am convinced that the hon. member for Welland does not propose to carry the discus-

[Mr. Caron.]

sion into a field which might involve infringement of the standing orders. I merely wish to suggest to hon. members that they should limit their remarks to the section now before the house, and thus simplify the debate.

(Text):

Mr. McMillan: I was just inquiring about the high cost of the current loan. The interest is 8 per cent net—

Mr. Fleming (Eglinton): On a point of order, the hon. member is going right ahead to do the very thing you have ruled out of order.

An hon. Member: It is just in passing.

Mr. Fleming (Eglinton): He is not discussing any bond transaction of the unemployment insurance fund at all. He is going on to introduce into the debate some remarks which he evidently wishes to get off his chest with regard to a bond issue sold this week. As far as I am aware the unemployment commission has made no purchase whatever which has anything to do with that transaction.

Mr. McMillan: I am sorry the Minister of Finance is so touchy about the bond issue rate, and I won't refer to that.

Mr. Fleming (Eglinton): Stick to the truth, and stick to the point under discussion.

Mr. McMillan: I will say that yesterday the minister accused us of hindsight, and gave example after example, but we cannot answer him here today. That is not fair to members of the House of Commons.

What has happened to this unemployment insurance fund? We had a \$10 million loss on the sales of bonds of that fund and there was a paper loss of between \$60 million and \$65 million on bonds held in that portfolio, had they been sold at today's prices. We know they could not be sold at today's prices, because if they were put on the market it would decrease the prices of those bonds. Then we have \$80 million borrowed at 5 per cent interest, so that leaves something under \$350 million in the fund.

I think the first thing the minister must do to help this fund and to help other funds is try to create confidence in the government's fiscal policy. I cannot refer to interest rates, but certainly the hon. gentleman's policy lately has not created any confidence in fiscal policy. And when I think of fiscal policy, if I dare mention interest rates, an effective interest rate of over 8 per cent—

Mr. Fleming (Eglinton): Are we to have order or not? Is the hon. member to go on defying the ruling you have made, Mr.