

*Government Monetary Policy*

not accept this position, then we do indeed face a major constitutional crisis. So we expect the Minister of Finance (Mr. Fleming) to make a clear statement on behalf of the government on this question during this debate.

The Minister of Finance, contrary to what he has said in opposition, has been contending that such an over-all responsibility has been assigned by parliament to the Bank of Canada. We do not accept that interpretation of the Bank of Canada Act because, among other things, it would be completely incompatible with our system of responsible parliamentary government. If the government maintains its position during the present debate, then the best way to determine this issue is to refer it at once to the banking and commerce committee which could have full power of examination and the right to call expert witnesses and which could begin its work immediately.

If the committee comes to the conclusion that under the provisions of the present act the government has responsibility, then let the government discharge that responsibility. If the committee decides that parliament has assigned complete responsibility for monetary policy to the Bank of Canada, then the government should take the initiative as soon as possible during the present session and introduce an amendment to the Bank of Canada Act in order to correct this fundamental weakness.

One thing surely is obvious. The present uncertainty and confusion must be cleared up as soon as possible. That cannot be done by a long drawn-out royal commission. It can be done effectively and quickly by the government either by recognizing now that it has the responsibility for the general direction and control of monetary policy or by having the banking and commerce committee investigate and report on this matter without delay.

As far as we are concerned, Mr. Speaker, we are convinced that the government has such a responsibility. We say that it must also answer for public debt management, interest rates on housing loans and the management of the unemployment insurance fund. We believe that the government has mismanaged this whole matter, one of such great importance to our economy and of particular importance to our economy at this particular time. Therefore, Mr. Speaker, I move, seconded by the hon. member for Kenora-Rainy River (Mr. Benidickson):

That all the words after the word "that" be deleted and the following substituted therefor: "this house regrets the refusal of the government to accept and discharge its proper responsibility in the field of monetary policy and its demonstrable incompetence to manage the public

debt in the interests of the Canadian people, resulting in unduly high interest rates, erosion of business confidence, and consequent deepening and lengthening of the economic recession."

**Mr. Fisher:** On a point of order, Mr. Speaker, I should like to ask your opinion of an amendment which has the house regretting its own demonstrable incompetence. I would draw your attention to the amendment. If you parse the sentence I think you will find that the way the amendment is now grammatically constructed we have this house regretting its own demonstrable incompetence. I suggest to you that this is quite apparent from the grammar of the sentence and it seems to me it would invalidate the amendment completely. I do not want to make any remarks with respect to the grammatical competence of the people who framed the amendment. I would appreciate having your views in the matter.

If you want to come down to specifics, I would ask what the "its" refers to. It is apparent that in the mind of the person who framed the amendment the antecedent of "its" was "government". However, I suggest to you that according to the structure of the sentence it must go back to "house". Therefore I think I have a valid point of order.

**Mr. Pickersgill:** Mr. Speaker, on this egg-head point of order, if I may say so, I may say I have always understood it is the normal rule of construction when there is some doubt as to the antecedent of a pronoun that the next immediately preceding noun to which it can apply is the one to which it does apply. It is perfectly obvious that the next preceding noun to which it can apply is "government" and that, of course, is its clear intent.

**Mr. Argue:** Did you draft it?

**Mr. Pickersgill:** No.

**Mr. Fisher:** On the point of order, if we are going to accept the argument of the hon. member for Bonavista-Twillingate I suggest that the next antecedent is "refusal" which comes between the grammatical antecedents "house" and "government".

**Mr. Pickersgill:** I said the preceding one to which it could reasonably apply.

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, from the official figures we understand that at the present time there are nearly 700,000 unemployed Canadians, or 10.8 per cent of the total working force, and ministers have told us that they expect the situation to get worse. Without any question, that is an emergency. Repeatedly during recent days we have heard demands from the official opposition that the government have a day's debate on unemployment. We in this group have sat here with bated breath waiting for