

Supply—Finance

The hon. member talks about the decline in market values of the outstanding issues. He fails to say that for the two years before this government came into office there was a very substantial decline in the market values of outstanding issues, and the discounts at which good government bonds were selling at that time were quite substantial, running up to 15 per cent.

He has a great fondness for call features of bonds, and always when he speaks he raises the question why there are no call features, why we do not issue bonds that are callable. Well, for the very good reason that these callable features are not too popular, and if we are going to impose on bond purchasers the possibility of calling those bonds in when it happens to suit the interest of the treasury, well, then we are going to find it that much harder to sell them and we shall have to provide some other inducement; and this means higher interest rates, the very thing the hon. member has been talking against. He cannot have it both ways. He will either have to be content with the issuance of bonds without callable features or he will have to be prepared to advocate some other inducement to overcome the detrimental effect marketwise of adding callability.

The hon. member said "the minister has not been able to sell his bonds in the long end of the market." That is not true.

Mr. McMillan: I said "in volume".

Mr. Fleming (Eglinton): The fact is, Mr. Chairman, we have deliberately stayed out of the long end of the market for some time now for the purpose of assisting the provinces and municipalities with their borrowings. We have left that end of the market clear for them. We have gone into the short end of the market for that very reason.

The next question that was raised, Mr. Chairman, was in regard to the Customs Tariff amendment regarding the class or kind definition.

Mr. Pickersgill: I am raising a point of order at this time. Any debate on this subject would be of course clearly out of order because there is another item on the order paper dealing with it. It was mentioned by my friend from Laurier solely because the Prime Minister had gratuitously mentioned it yesterday. I am just pointing out to you, sir, before the minister proceeds, that if the minister wishes to have a debate on this subject I hope both sides of the house will be allowed to debate it.

Mr. Fleming (Eglinton): Mr. Chairman, this is a fine example of justice. Apparently the hon. member for Laurier is to be entitled to

raise this point but nobody else is to be permitted to make any comment on his observations.

Mr. Pickersgill: The Prime Minister started it yesterday.

Mr. Fleming (Eglinton): Very well; he made the announcement which he had been asked to make earlier in regard to that question.

Mr. Chevrier: And quite irregularly.

Mr. Fleming (Eglinton): Not at all, he made it by consent of the house.

Mr. Chevrier: That may be true. I raise a point of order.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Laurier chose to make reference to this. I indicated that I am making a review of the points that have been raised and I have been doing it very briefly. I propose to make a brief comment on this if the hon. member for Bonavista-Twillington pleases.

The hon. member for Laurier undertook to make reference to this subject and to comment on it when he tried to lay responsibility for delay at the door of the government. I say this was not the government's responsibility; this was brought up frequently in the house. If he will be fair he will remember that we did debate the measure on nine different days. It was not the government that held it up; it was the opposition that fought the measure. If they want to do that it is perfectly within their rights. They can resist it.

Mr. Chevrier: Why was it not brought down in the early part of the session?

Mr. Fleming (Eglinton): There was other business that had to be dealt with, and this measure was brought up on nine different days.

Mr. Chevrier: If it was to provide so many jobs why did the government not bring it forward earlier in the session?

Mr. Fleming (Eglinton): This was brought up not as the minister for Laurier said, in November; it arose out of the budget that was brought in on December 20, and this matter, along with the other job-making proposals in the budget, was brought forward when we reassembled after the Christmas recess, and with those other measures it was brought forward until it was passed. It was brought up on nine different days. That is the record. Therefore, what is the sense of saying that it was not pressed by the government?

Mr. Chevrier: It was not pressed and we will prove that in a moment.