

Income Tax Act

and then has no confidence in its own financial policy. It withdraws, it revamps, it revises, it removes whole sections. There is little of the original budget left intact.

I am not going to deal with the budget in detail except, so far as it is necessary, to refer to two or three portions of this bill which are completely unworkable. Neurotic nonsense is comprised in clauses 28 and 16. Clause 28 deals with the degree of Canadian ownership and control, and the hon. member for Simcoe East dealt with this matter yesterday. I ask anyone to read section 139A of the act and make any sense of it at all. That section can only detrimentally affect Canada, investment in Canada and the expansion of Canada. With regard to clause 16, which is amending section 71A relating to manufacturing or processing businesses and the action to be taken in that regard, subsection 3 is entirely unworkable; and if the interpretation which has been given to it is correct it is meaningless in so far as achieving the purposes for which it was intended.

The businessmen want to know, he said, what the rules are. Sir, no government in so short a time has revamped and retreated in the way this government has done. Here is all that remains of Bill C-95. The minister said it has been fully debated. We discussed the budget. It was debated and voted on, and then the minister's own colleagues showed they had very little confidence in their own budget. In fact they voted non-confidence in it by the changes which were made.

I was very much interested to read the views of Mr. Bruce Hutchison, who in a sense is the philosopher and soul of Liberalism. He was here in Ottawa recently, and he wrote a series of articles on the Ottawa scene. He felt there were differences within the cabinet. He said the cabinet is apparently divided between those who are practical and those who are theoretical. He writes this:

To say that the government is turning to the right would be a misleading definition but certainly it is turning toward more practical policies as the real power of the inner cabinet is flowing from the academic to the practical men.

I do not want to engage in a Gallup poll to find out which are the practical ones and which are the academic ones. Oh, the Secretary of State identifies himself as being that. Now is there anyone else who wants to join with him by way of identification? The hon. gentleman, for one, has admitted he is not practical. What about the Minister of Finance? Is he in the academic group? The article goes on to say:

There is the nagging problem of the budgetary deficit likely to be as large this year as last, or larger. If it lives by debt in the present magnitude, says Mr. Gordon, Canada will land "on the rocks."

How is he to arrest this rake's progress? By cutting costs? By higher taxation? Or by waiting for economic growth?

Then it goes on:

Canada's economic relations with the United States are gravely misunderstood by most Canadians, including some members of the cabinet—

This is the man who worships this government. He says some of you people opposite are impractical and you are getting behind. I wonder if the Minister of Finance is in that group. I hope he stays in his place. I do not like to see him criticized. I made a forecast recently that he would be out. The only reason he is still in is because I made that prediction.

Mr. Pickersgill: Is that the reason you did it?

Mr. Diefenbaker: No, I have not yet got any of that practical sense which characterizes the Secretary of State at all times. That would have been his way of going about it. But I am glad the hon. gentleman admits that in the conclusion I just came to I was speaking correctly.

Do you remember how the businessmen across Canada used to worship at the Gordon throne? They said "There is a man. There is a leader." During the four or five years when we were in office they said "We will put him on a pedestal. He has a plan." Does the minister remember that?

An hon. Member: He fell off the pedestal.

Mr. Diefenbaker: He now joins the ranks of the academic. Remember, Mr. Hutchison was down here; he saw the Prime Minister, and it has leaked out that he whispered in the Prime Minister's ear that Gordon must go. That is the report which is general across the country. Well, he says that certain ministers are growing fast.

An hon. Member: Fat?

Mr. Diefenbaker: I am not going to argue that. I am just quoting Mr. Hutchison. He says certain ministers are growing fast. If I asked for a Gallup poll on that, they would all be standing. But Mr. Hutchison says this government is changing from the academic to the practical. Well, what have they done about relations with the United States? I remember that the Prime Minister said on March 27 in Regina:

A new Liberal government will not as at present irritate them—the United States—gratuitously in a way which hurts our own country.

The Secretary of State for External Affairs put it in more grandiloquent language when he spoke to the Lions International in Miami:

Investment from abroad is as welcome today as ever. I assure you it will always be fairly treated in Canada.