

Sir THOMAS WHITE: My hon. friend raises the question: Why were there not? I am dealing with the situation that existed in 1916 and with the charge put forward that the Government should not have allowed nickel matte to go out of this country. If we had not allowed nickel matte to go out of this country Great Britain would not have been able to obtain the munitions with which she was fighting the war. The British Government had to have available nickel in the United States for the manufacture of munitions and other supplies. The Dominion Government, through its officials, kept as close a supervision as was possible upon the output of nickel by the International Nickel Company. Mr. Graham Bell of the Railway Department, and, I think, another official visited the head office of that company on several occasions and checked up all receipts of nickel matte and all production of nickel. My hon. friend suggests that some of the nickel may possibly have got into the hands of Germans. I do not believe that is so, but if it were so, would the Dominion have been justified, there being no nickel refineries in this country, from shutting off the exportation of nickel matte, on which, as I have said, Great Britain depended for the manufacture of munitions for which she had contracts with the United States' manufacturers?

There is another thing I would call to the attention of the Committee. Had the action suggested by my hon. friend been taken, a difference of a very serious character would have arisen with the United States. The United States depends upon us for nickel matte, but this country depends upon the United States for coal, and the United States has treated us very generously with regard to coal. She has treated us most generously with regard to the coal we got last year and the year before. We depend also upon the United States for raw cotton. We must look at this question as statesmen. To come to the other point: My hon. friend says that the International Nickel Company pays a large business profits tax to the United States. So it should, if its earnings are such as to come within the scope of the United States law. The International Nickel Company is not a Canadian company; it is, as a company, absolutely outside of the jurisdiction of this Parliament. The International Nickel Company has no office in Canada, and so far as I am aware, does not carry on operations here. The operating company in this country is the

[Mr. W. F. Maclean.]

Canadian Copper Company, and that company, which owns the mines here, under titles granted, I believe, by the Provincial Government, is assessed by the Dominion Government in respect of its excess profits, and we have found that company very ready and willing to pay the excess profits tax to the Dominion Government. I provided in the Business Profits Tax Act of 1915 that, where any contract existed between an outside company such as the International Nickel Company and the Canadian Copper Company operating in Canada, in determining the profits of the latter, regard should be had, not to the contractual price at which its product was purchased, but to a fair market price.

The reason for that provision was that an American company holding the stock of a Canadian subsidiary might make a contract at much less than a fair price. I submit that this Government is not to blame for not assessing the International Nickel Company, which is not within our jurisdiction. The only question that could arise is as to whether we have assessed—and we have—the Canadian Copper Company, which is alone within our jurisdiction.

My hon. friend has spoken about a national policy to develop the nickel industry. I have pointed out to him that two large plants are in process of construction in this country. The Ontario Government required the refining of ore by refineries in Ontario, and as a result we have a large refinery going up at Port Colborne, and there is another large refinery in course of erection by the British-Canadian Nickel Company at Deschenes Falls. So I do not see what ground my hon. friend has for his statement that there has been dereliction on the part of this Government in framing a national policy for developing the resources of this country, or what ground he has for saying that there has been failure to collect the business profits tax. We must deal with facts as they are, and we were obliged in war time to have regard to the international condition that existed and the supreme necessity of the British Government obtaining nickel for the use of its armies in France and Flanders.

My hon. friend puts forward the view that some tremendous revelation is about to take place involving governments, in connection with their acts respecting nickel. I want to say as a member of this Government that we have worked absolutely in accord and in perfect understanding with the British Government, and I cannot understand this House blaming the Dominion Government for co-operating in time of war