

Interim Supply

nationalism but in a spirit of common co-operation between the two countries concerned, to give to the world evidence of what freedom can do and what two nations dedicated to freedom can achieve. We in Canada have vast resources that the United States must have if the forces of freedom and the defences of freedom are to be maintained. Until the unfortunate circumstance which arose within the last few days this government has been too timid and too fearful. The Minister of Trade and Commerce spoke in Chicago and the representatives of the multi-billion dollar United States corporations never heard of the speech.

Sir, we believe that through a policy of national development and income tax incentives for Canadian mineral development will come that development in our country which we know is so necessary. I have just had brought to my attention a submission made to the government on August 18, 1956, on this very subject by those who believe that Canadian mineral development should be entitled to those incentives I have mentioned that are available in the United States. I shall read but the second paragraph of this submission to support what I have said:

The purpose of this report is to submit practical proposals for amendment of Canada's income tax law in order to provide incentives for increased participation by Canadians in the development of the nation's mineral resources.

Recent statistical studies make it clear that new direct investment in resource development since 1949 has largely come from non-resident sources. While several convincing economic reasons can be given for Canada's attractiveness as a supplier of mineral wealth, it is also manifest that a powerful stimulant of Canadian investment by United States citizens and corporations who are concerned with resource development has been the relatively favourable tax position in which those investors have found themselves in recent years.

This deals in very great detail with the recommendations on action to be taken. Suffice it to say that the government has taken no action and that for the last eight or nine years this party has been demanding action; yet now, in 1957, there is an acceleration of United States investment into Canada, in particular risk capital, and Canadians are denied their right—I repeat, their right—to contribute to Canada's greatness and her future because of the income tax laws of this country, which deny Canadians equality of opportunity in investment.

Mr. Knowles: Mr. Chairman, I will not take the time to read the resolution which is now before the committee. If I did so it would greatly reduce my allotted time. The resolution, if I understand it correctly, will result in giving to the government at least seven-twelfths of all the items in the estimates

[Mr. Diefenbaker.]

and in some instances as much as eleven-twelfths. I arrive at this calculation by recalling that before the end of March the house passed an interim supply bill granting one-twelfth of the estimates, and now we are asked to vote another six-twelfths of all the estimates, plus additional fractions which in some instances will bring the total up to eleven-twelfths.

I recognize that this is more or less standard procedure when we are on the eve of a general election, but I should point out that the government is today putting parliament in what might well be called an impossible position. The government is putting parliament in the position where it really does not matter what we do. If parliament passes this interim supply bill it will facilitate the holding of the election, which has already been indicated. It will facilitate it by making it possible for the government to draw on all the estimates from now until after the election is over, even though those estimates have not been individually debated and passed either in the committee of supply or in the House of Commons. If we were successful in opposing this bill, that would force an election. This confirms my statement, Mr. Chairman, that the government is putting parliament in the position where it does not matter what we do; either way brings on the election.

There is a third choice. Despite our being in a minority in this house and therefore unable to vote down this measure even if we wanted to, which we do not, we could keep on talking; we could delay the passing of the bill. In that event, if the government wants to hold the election on June 10—and we think it should have been held even sooner—all the government has to do is prorogue and dissolve parliament anyway, and rely on governor general's warrants until the election is held. Therefore, in terms of parliament making a decision, the decision has already been made. The election is to be held; the government needs money for the period until the election is over, and it is going to have that money one way or another no matter what parliament does.

Nevertheless, as I had occasion to indicate yesterday in another connection, parliament's job is not only to pass or defeat legislation. Parliament's job is to discuss matters which are brought before us and to reflect the views of the people of Canada whom we represent. I want to indicate a view which I feel is widespread in this country; that what the government is doing today, in presenting this measure and giving us literally no choice, is typical of the attitude of this government