

● (1125)

Mr. MacBain: Start by giving James Laxer back his job, Ed.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, obviously no one would take comfort from any increase in the number of unemployed in Canada, which I have always said is too large. However, I have also indicated that this question of unemployment, which is a very troublesome one, and one which we should address with all our strength and determination, will not be resolved in a matter of weeks. It has to be addressed systematically and this will be done fundamentally by ensuring that our economy is going to grow. As the Prime Minister has said, there are over 30 million unemployed in the OECD countries at the present time, and, contrary to what the Hon. Member for St. John's West said, the U.K. has not done better than Canada; its unemployment level today is higher than it is in Canada.

Mr. Broadbent: With a Tory Government.

Mr. Lalonde: I would like to point out to my hon. friend that since this time last year we have, nonetheless, created in Canada 310,000 jobs that we did not have. So there have been significant improvements in job creation in the last year. Contrary to what my friend has said, there has been job creation in this country; not as fast as I would have wished, and I am sure not as fast as every Member in this House and every Canadian would have wished. But the fact is that jobs will have to be created fundamentally in the private sector. It is not the federal or provincial or municipal Governments which by themselves are going to create all the jobs needed in Canada. This is why we must have a vigorous private sector which will create the steady, well-paying jobs to which Canadians are entitled.

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FINANCE

USE OF CORPORATE TAX CUTS—FOREIGN INVESTMENTS MADE BY CANADIAN COMPANIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question concerns *l'idée fixe* of the Government, a single economic policy. I want to put it fairly, and I hope the Minister responds to the question and does not go off on a tangent.

The Minister has said that the more than \$2 billion in tax cuts in different forms he has given to corporations, through more than 200 loopholes in the tax system, would have a trickle down effect and create jobs. Well, investment was down, not up, in 1983. The forecast for 1984 and 1985 is down, not up. At the same time these same corporations have indulged in a record number of mergers and invested more than \$2 billion outside Canada in the past year. Will the Minister tell the House if he has a single mechanism attached to these corporate tax cuts that guarantees this money will create jobs in Canada?

Oral Questions

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will take the recommendations of the Hon. Member as a representation. I would like to add that, if it is true that Canadian firms have invested abroad, it is also true that a large number of foreign firms have invested in Canada. If he looks at what has happened—

Mr. Broadbent: Investment is down, not up.

Mr. Lalonde:—in terms of net flow of foreign investment in this country, I believe more money came into Canada last year than went out. As far as the projections for investment this year and next year are concerned, I will be in a position to address this particular issue at the time of the Budget, and my hon. friend will have an opportunity to examine those particular forecasts.

● (1130)

Mr. Broadbent: Mr. Speaker, for the million and one half unemployed it is a little late for the Minister to start listening now. If he had listened to some of the suggestions we were making six months ago on this matter, maybe we would have more jobs now instead of unemployment up 150,000 in one month.

ACQUISITION OF UNITED STATES BANK BY BANK OF MONTREAL

Hon. Edward Broadbent (Oshawa): My supplementary question to the Minister specifically concerns one of these corporations. The Bank of Montreal paid no taxes in 1982. In fact it got a tax credit from the Government. During that period of time the same bank invested \$673 million in the United States to take over the Harris Bank Corporation. The Government is giving the taxpayers' money to one of the largest Canadian banks, which uses that money to buy up another bank in the United States. Will the Minister explain to the unemployed in Canada today what that kind of give away of taxpayers' money did to create a single Canadian job?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to remind my hon. friend that the Government has put more money than ever in the history of any federal Government into direct job creation, either through job creation by the Department of Employment and Immigration or through the Special Capital Recovery Projects.

Mr. Broadbent: Answer the question.

Mr. Lalonde: We have addressed this issue ourselves through direct spending by the federal Government, not only spending by the private sector.

Mr. Broadbent: Answer the question.

Mr. Lalonde: I would be very pleased to answer the question if my hon. friend would limit his questions to specific points. He always makes long introductions. I am going to address every point he has made in his introduction which is not correct. He refers, for instance, to the recommendations of the