

*Supply*

producing those products? Is the Hon. Member really arguing that people in the private sector should lose their jobs so more jobs can be created in the public sector? Is that the basic thrust of his argument?

● (1130)

**Mr. Riis:** Mr. Speaker, it is with pleasure that I respond to the question raised by the Hon. Member. Before I respond, however, I would like to remind the Hon. Member that when the Progressive Conservative Party formed the Government for that short period back in 1979, it seems to me that it took all of the job-creation programs across the country and scrapped every single one. In my constituency, I remember, there were very progressive ideas. It was felt we needed certain infrastructure development in our community. The people went to their Member of Parliament, who at that time happened to be of the Conservative Party, saying: "We know the Government has these programs in place; we desperately need some funds". The answer was: "Go home; we have scrapped the development of the safety net". That is the kind of caring, compassion and concern which the Conservatives had when they were in power for that brief time. They simply cut out all of the job-creation programs.

To answer the nonsensical question raised by the Hon. Member, if he had listened to my speech carefully—and even if he did not, I made the point very clearly on a number of occasions—he would know that we do not want these across-the-board, broad-axe concessions to corporations because they have not resulted in the development of new product lines, new plants and investment in new equipment. They have resulted in mergers and takeovers which, in turn, resulted in a net decline of jobs and a net decline in investment in the kind of things he mentioned.

What I suggested, and what we have proposed, is that if we give tax concessions to corporations—and there is a place for it, make no mistake about that—if we are going to give them taxpayers' money as grants, tax concessions, loopholes, or whatever, we should expect something in return, such as investment in new product lines, research and development, new marketing techniques, new production techniques, job creation and job training. They should not get the money unless they do that. That is the expectation we have.

If these companies are going to perform as good corporate citizens and add to the Canadian economy directly or indirectly, tax concessions can make a great deal of sense. But to give away billions and billions of taxpayers' dollars and see in return a skyrocketing increase of mergers in this country's industry, I ask any Hon. Member how this benefits the Canadian economy or Canadians directly or indirectly. It is just taxpayers' dollars being spent on investment in mergers or in overseas investments.

**Mr. Evans:** Mr. Speaker, I listened carefully to the Hon. Member's speech and I do not feel any of us in this House could disagree with the passion and concern of the Hon. Member for individual Canadians. We have concern for those who are in greatest need in our society and agree that we must

do something about it. Where I disagree violently with the Hon. Member and his Party is in the prescription they have for changes, for rectifying the situation.

The Hon. Member said that corporations were not paying their fair share of taxes. Two weeks ago in this House, the Hon. Member for Kamloops-Shuswap (Mr. Riis) spoke and I asked him a very straightforward and simple question: Was he aware that over the period of the 1970s, after inflation, in real terms, personal disposable income doubled, wages and salaries doubled?

**An Hon. Member:** What about 1980 to 1984?

**Mr. Evans:** Corporate profits during that period had gone down by 5 per cent in real terms.

**Mr. Broadbent:** Talk about the last four years.

**Mr. Evans:** A doubling versus a decline of 5 per cent. That has to say something to the Hon. Member about the incentive to reinvest—which is what he wants—in more research and development, more investment, more job creation. However, if the facts are that over that period of time corporate profits have declined, it says something about the incentive to reinvest. Do you not really think that instead of standing up and railing at corporations, saying they are not doing their share, we should look below the surface and ask what are the fundamental problems? We are not going to get to a solution of those problems by condemnation, by railing in the House of Commons, or by looking at superficialities. We must look at the fundamental problem of why jobs are not being created in the private sector. That is the question. What does it have to do with profitability of business in the private sector and how can we resolve that problem?

**Mr. Riis:** Mr. Speaker, there are many questions raised by the Hon. Member and I will respond to them as best I can. First of all, I want to challenge a point made by the Hon. Member when he raised the question two weeks ago in the House. I distinctly recall him doing so. I asked our parliamentary research department to analyse his statement. I must say it was found to be incorrect. When one looks at corporate profits from 1960 to 1980—

**Mr. Evans:** 1970 to 1973. You changed the time period and changed the whole thing.

**Mr. Riis:** Using 1982, profits came down, but the Hon. Member is using statistics in a very limited way. In response to the Hon. Member's question as to what can be done, I would like to quote from *The Globe and Mail* of two weeks ago wherein the chief executive officer of the Bank of Montreal was quoted as saying that the corporate sector in Canada is awash in tax concessions. They cannot deal with them. They do not know what to do with them. The problem in this country, Mr. Speaker, is that this country lacks an industrial strategy. This country has no concept of where it is going in terms of corporate or public growth and development.

**Mr. Pepin:** Name one country which has one.