

We are permitting sales in precisely the very areas that have been proven by government surveys to be the most efficient, the most likely to provide employment and the most resistant to inflation.

What did the Minister for Science and Technology (Mr. Grafftey) say, commenting on the recent FIRA report, from which I have quoted, as reported in the *Toronto Star* for October 18, 1979? He said this:

I'd be less than frank if I didn't say I was worried about these takeovers . . . But the only solution is to try to ensure that more research and development is done in Canada in the long term and then there will be fewer takeovers.

That is the kind of statement that governments have been making for as long as I have been a member of Parliament, and that goes back more years than I like to think of.

The tax incentive programs of the former government and the tax incentive programs promised by the present government when it was in opposition will fail, just as the tax incentive programs of the former government failed in meeting the needs of the Canadian people. The multinational corporations will not devote increasing effort to research and development voluntarily. They will not devote increasing effort simply because the government asks them to do so or because we give them a few more carrots in the way of tax incentives. They will not do that unless the government has the courage to tell them that if they intend to operate in Canada, they must act as good corporate citizens here. That is something which they have not been prepared to do.

If we want the large corporations of this country, and particularly the multinationals, to play the role which they should be playing, then we need the kind of tax measures which no government in Canada has been prepared to implement up to now. We need a system of tax surcharges whereby those large corporations which refuse to do research in Canada would be taxed at a certain figure and the money so collected would be returned to them only if they were prepared to finance research and development here.

I suggest to the minister that he look at the tax program in Sweden which does precisely that, in that part of the corporation tax which companies pay in Sweden is set aside in a special fund which can be drawn out by those corporations only when they are prepared to expand their facilities and employment in Sweden. That is the kind of program that we need to apply to research and development in Canada.

In closing, I say to the minister that we have no objection to deficit financing if there is any indication—which we have not seen—that the government has an objective of meeting the needs of this country, or if the government has an objective of seeing that there is full employment or that our manufacturing industries, which have been employing a smaller and smaller percentage of the work force, are re-equipped, re-invigorated, and can begin to play the role which they ought to be doing. Until the government devises programs and policies which will ensure that Canada takes its place with other industrialized countries in expanding manpower and finances, and makes an effort to meet our needs in scientific research and development—which has not been done for the last 15 or 20 years—

until that is done we see no real purpose in permitting or encouraging the government to continue with deficit financing.

Despite the words of encouragement expressed by the hon. member for Edmonton West (Mr. Lambert) earlier this afternoon, we believe the deficit will be just as large next year as this year, and just as large under a Conservative government as it was under a Liberal government because this government, just as the Liberal government before it, does not have the desire or program to meet the needs of Canadians.

● (2040)

**Mr. Paul E. McRae (Thunder Bay-Atikokan):** Mr. Speaker, I enjoyed the brief remarks of the Minister of Finance (Mr. Crosbie) when he introduced Bill C-10. If you do not have much else to do, a bit of humour can help while away the time.

I find it difficult to understand why this should be the first bill the Minister of Finance brings before this House. The hon. member for Windsor West (Mr. Gray) made it quite clear that the need for this borrowing authority at this time is dubious, and perhaps it is not needed at all since there is some borrowing authority left over from the previous Parliament.

It was almost seven and a half months that Parliament was not sitting, and it has been almost five months since this government took office. At times during the Twenty-ninth and Thirtieth Parliaments our ministers made small local announcements, possibly in Regina, Skeena, Prince Rupert or somewhere else. Usually it was an announcement that only had local significance. The Tories would stand up; including their leader, their former leader, and the one previous to that, the Right Hon. John Diefenbaker, saying how we had mistreated and insulted Parliament by making statements away from the House of Commons. That certainly went on for the six and a half years I have been here. I am sure it went on before that.

The four and a half months that Parliament was not sitting was the longest such period when any government was in power. What happened during that time? We had no budget for the eighties. We still do not have that. There was a whole series of announcements. Three substantial increases in interest rates were announced. It was announced there would be no tax cuts, even though the Tories promised during the election campaign they would implement a \$2 billion tax cut when they came into power.

There was an announcement that the government's main fiscal measure would be the mortgage deduction scheme, which would cost half a billion dollars in the first year and probably \$2.5 billion when fully implemented. There were several other announcements which tended to weaken the whole federal fabric. A board was set up to advise the government on PetroCan and it was announced the government would break up that corporation.

It was announced that several Crown corporations would be sold, and there were several announcements regarding transfers to the provinces, including the transfer of offshore resources. Even though Parliament was not sitting, they announced they would do away with the constitution in terms