

*Oral Questions*

request for an improvement in the capital cost allowance.

If the hon. member does not believe that I will bring him lots of evidence to prove it.

[*Translation*]

**Mr. Benoît Tremblay (Rosemont):** Mr. Speaker, yesterday the Minister of Finance announced that tax incentives for research and development would be improved.

Does this mean that federal tax credits will be harmonized with Quebec's so that Quebec businesses will no longer be penalized for their research and development efforts, as requested by the Quebec minister of finance at the last first ministers' conference?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, what we propose to do is to improve the administration of the research and development incentives with industry and to provide further funding for that purpose.

There have been some difficulties in the administration of that. We will be sitting down with industry officials to try to work out the difficulties and the obstacles that have been in place so that the industry can truly take advantage of the R and D incentives that were provided for in previous budgets and indeed in this budget.

[*Translation*]

**Mr. Benoît Tremblay (Rosemont):** Mr. Speaker, the Minister of Finance knows perfectly well that by obliging Quebec businesses to subtract the R and D tax credits they receive from the Quebec government from their deductions when calculating federal tax credits, the federal government is actually taxing 39 per cent of the tax credits granted by Quebec to its research and development sector. That is what the finance minister wanted to know. Is the federal government prepared to stop requiring businesses to deduct what they receive from Quebec when they ask for federal deductions, as is the case in Ontario?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, as the hon. member

knows, there are several key initiatives in this budget that will improve the manufacturing and processing sector and particularly the opportunities to use research and development incentives.

I am pleased to note the provincial minister of finance for the province of Quebec, Mr. Levesque, has expressed a very great deal of satisfaction with the budget. It would seem to me he likes the direction and the thrust of the budget.

I should remind the hon. member that several other provinces are very much supportive of the initiative we have taken in this budget. I hope the hon. member will support it as well.

**Mr. Maurizio Bevilacqua (York North):** Mr. Speaker, my question is for the Minister of Finance. The government's plan to privatize the Canada Student Loans Program is a slap in the face of Canadian students. Many will be seriously hurt and their chances of obtaining an education will be seriously damaged.

Why does the minister feel it is necessary to hide behind the bankers? Why is he getting the bankers to do his dirty work? Why does the minister not put an end to this masquerade and give students the support they need?

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, there are several initiatives in this budget that will help the students in terms of the student loans program.

My colleague, the Secretary of State, will be undertaking negotiations with the bank to improve the administration of that, with a view to removing the 3 per cent administration fee. I am sure the hon. member will be pleased with that.

**Mr. Maurizio Bevilacqua (York North):** Mr. Speaker, essentially the minister is saying: "Don't call us as a government; call your banker if you want an education".

We have a serious problem in this country. We have 400,000 young Canadians on the unemployment rolls of this country. That is a problem we cannot sweep under the carpet. That is what the government is trying to do with this budget. There is nothing here for young people. They have been condemned to chronic unemployment and the government refuses to act.