

Income Tax Act

Advanced Technology Association. The members of that association expressed a number of concerns. They were not allowed to participate in the process of preparing guidelines which, up to now, seem to have been prepared by academics, auditors or accountants. There has been a lack of representation by people in the private sector who actually do research and development in the preparation of these guidelines.

In addition, the Minister of National Revenue (Mr. Mackay) has refused to make draft guidelines public. This is very difficult to understand. The previous Liberal Government and the present Government have talked about improving the regulatory process for a number of years. In fact, I participated in a task force on regulatory reform several years ago.

One of the cardinal rules of effective consultation is to publish draft guidelines to give those affected by these regulations the opportunity to comment on them and ensure that they are appropriate to the every day reality of the private sector. It is difficult to understand why the Minister has refused to make these guidelines public when we have been talking about the definition of research and development for the past three years.

The only justification given for not publishing these guidelines is the necessity to adopt them quickly. However, I suggest it would be foolhardy to adopt the guidelines at this point if they do not meet the needs of the private sector. Therefore, I urge the former Minister for Science and Technology, the present Minister of Fisheries and Oceans, to speak to his colleague, the Minister of National Revenue, and suggest that these guidelines be published to meet the very

minimal request of the members of the Canadian Advanced Technology Association.

Another concern is that the abuses of the scientific research tax credit will result in the Government and Revenue Canada officials going overboard and making it very difficult for small business research and development performers. I also understand that Revenue Canada is planning to audit 100 per cent of claims for the refundable investment tax credit before these tax credits are issued. We were told in the committee last week that this could lead to delays in small companies obtaining tax credits which they desperately need to stay alive and that this over-zealousness could lead to several companies going into bankruptcy.

In conclusion, we support this technical amendment which will allow Revenue Canada to exceed the 120 day limit in collecting tax at an early stage from people who owe tax under Part VIII. However, I want to re-emphasize that the whole question of a flow-through mechanism for funding research and development has not been satisfactorily answered by the Government. On the other hand, there is a concern that the abuses of the SRTC will result in greater hardship in the application of other programs for small businesses which conduct research and development.

Mr. Deputy Speaker: It being 6.25 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.