

year. That is \$13 million—\$13.01 million to be closer—versus the \$50 million claimed by the Minister of Finance.

If one takes a very optimistic value of the incentive, say 15 per cent per annum growth rate, and takes the figure of \$631.6 million invested in industry at a 15 per cent growth rate—which is almost 50 per cent greater than the actual rate from 1971 to 1975—at 20 cents on the dollar you would come up with a figure of \$18.95 million. Even that, Mr. Chairman, is a long way from the \$50 million presented by the minister in his April 10 budget address.

If, on the other hand, one took the figure of \$50 million advanced by the Minister of Finance and extended it on the basis of a growth rate of 20 cents on the dollar, one would have something like \$250 million. Then if you divided that by the 631.6, one would have an actual growth rate of 39.6 per cent per annum, a figure which is absolutely impossible.

● (2102)

In the simplest terms I can muster within the environment of this debate, I say that the \$50 million figure of the Minister of Finance in his budget address and in his presentation to parliament and the Canadian people is just complete flim-flam, if I may use my colleague's term.

Another aspect of the research and development program which troubles me is that the Minister of Finance completely ignored all the representations from the industrial sector of this country. There has been much talk in recent months by the government side and by the Prime Minister that the government is going to do all kinds of things for the private sector to pull this country out of the doldrums and get the one million unemployed people back to work. We have to get the private sector working.

If that is so, why does the government not listen to the private sector once in a while? Why does the government listen to academics in closets in the ivory towers of government, those people who have come from the land of Academe? They have worked on campuses and established themselves with honours degrees and secure tenure, and then moved as experts in their fields up here to the halls of government. They have got themselves into isolated environments where they draft legislation and impose upon the people of Canada the legislation which comes down through the government into this House. There is no input at all from the private sector. Why did the government not listen to the private sector when it favoured a 25 per cent tax credit without increments?

Mr. Maine: Hear that, Harvey?

Mr. Huntington: An hon. member opposite is giving the needle to my colleague, the hon. member for Calgary Centre, who is an academic. However, let me tell the House that he is an academic with great experience in the world of industry. He is well respected in the world of industry and makes valuable contributions to it. He has not isolated himself in the sterile environment I am talking about where we have drafters of legislation who have had no experience out in the world of work or in the world of adding to the value of goods. One of

the great problems the country is facing today is the lack of experience of academic drafters of legislation.

The hon. member shakes his head. Let me take him and waltz him into the Treasury Board. That is a place to end all ivory towers, believe me. There we can find very respected individuals, and I respect them too. They are very well qualified individuals. They are responsible for allocating the tax resource of Canada, and they look after the priorities set on the tax resource by the cabinet. Here we have these gentlemen in this sterile environment allocating this resource. They have all kinds of problems, and they are tearing their hair out because too many departments want too much. They are hard, tough, mean people as far as the departments, agencies and Crown corporations of government are concerned.

It has been my experience that those gentlemen, as respected as they are in their fields, have absolutely no concept of what the taxpayer in this country has to go through. The taxpayer in this country is accountable to the tax collector, but the people who spend and are responsible for the use of the tax resource in this government are on a cash-flow accounting basis and have been accountable really to no one. That is one of the dilemmas this country is in today, and it is a cause of concern for many people and one of the pressures this government is under.

If the people who allocate the tax resource had the same degree of training that people in the private sector have had to go through, there would be a lot more care and attention and much more accountability demanded by the people and by the government. Some of us in this House are certainly working on the word "accountability" right now.

I interrupted what I was saying about research and development. I take issue with the minister's \$50 million figure. My arithmetic says that there is no way that there is truth in that figure, and that the figure is between \$13 million and \$18 million at the most. I think the people behind that other arithmetic should have their heads examined or should be on the carpet in front of the Minister of Finance tomorrow morning.

One other thing about research and development which troubles me is where federal government expenditure on research and development is directed. Looking at the intramural component—which means the in-government component—we find that in the fiscal year 1976-77 federal government expenditure in the field of natural sciences was \$460.8 million. In the fiscal year 1977-78 it was \$511 million. In the fiscal year 1978-79 it is \$567.1 million, for an average growth rate of 10.9 per cent per annum. That is just a little bit ahead of the inflation component.

However, if we look at the extramural expenditure—that is, organizations outside government, industry—in 1976-77 expenditure was \$222.3 million. In the fiscal year 1977-78 industry got \$214.8 million. What happened there? In fiscal year 1978-79 industry gets \$217.6 million, for an actual loss of 1.1 per cent per annum. The university component went up 10.4 per cent per annum. In the "other" category, expenditures have gone up 8.8 per cent per annum.