

Oral Questions

[English]

FINANCE

RECOVERY OF TAX EXPENDITURE UNDER BILL C-20

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Finance. In view of the government's determination to ram Bill C-20 through Parliament, thereby depriving members of a full opportunity to put questions to the minister and to come forward with reasonable amendments, can the minister inform this House how he intends to recover the mammoth tax expenditure under the bill? Will it be by the introduction of capital gains tax on the sale of principal residences of Canadians, or will it be by scratching the registered home ownership savings plan? How will the Canadian people pay for the election goodies?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the hon. member was certainly scratching when he made those suggestions. We are hopeful that hon. gentlemen opposite will stop their obstruction of this tax credit legislation in the next few days so that it can go through before Christmas. The way it will be paid for is this: the taxpayers of Canada who are now home owners, who pay federal taxes, who have mortgages or who pay or do not pay municipal taxes, will retain in their pockets next year \$575 million that they would otherwise have had to pay the government in taxes. However, if hon. gentlemen opposite had their way, the taxpayers of Canada would not be in a position to do that and would pay \$575 million more next year, \$1,200 million the year following, up to \$2,900 million. I hope they will see reason and allow the taxpayers to keep that.

Some hon. Members: Hear, hear!

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RESEARCH AND DEVELOPMENTACHIEVING OF LEVEL ESSENTIAL TO ECONOMIC DEVELOPMENT
IN 1980s

Hon. Judd Buchanan (London West): Mr. Speaker, my question is for the Minister of State for Science and Technology. At committee, the National Defence officials indicated that the cost of the new fighter aircraft in 1982 dollars would be approximately \$3.5 billion. What guarantees can the minister give Canadians that such a massive expenditure of taxpayers' funds will help to achieve the level of research and development that his government has stated is so essential to the economic development of Canada in the eighties?

Hon. Heward Grafftey (Minister of State for Science and Technology): Mr. Speaker, I can assure the hon. member that officials of my department are on the review panel for the new fighter aircraft. We are ascertaining to as great an extent as possible that research and development offsets and technological transfers will be maximized as much as possible.

Let me repeat, that my officials are monitoring this matter very, very closely. I appreciate the hon. member's interest. I

[Mr. MacDonald (Egmont).]

can assure him that everything possible is being done with either of these aircraft—as he knows, the choice has not yet been made between the aircraft—to ensure that the R and D offsets are as great as possible.

Mr. Buchanan: Mr. Speaker, all available information indicates that there will not be one ounce of Canadian technology in these fighter aircraft. Can the minister indicate how much indigenous, high-Canadian technology will be in the aircraft and how much will be simply paint-by-numbers or work-to-drawings type of assembly?

Mr. Grafftey: I am sure that when the last government narrowed the choice down to these two, they did not agree with what the hon. member has just said. One is never satisfied: I am the first to admit, with the hon. member, that we are never satisfied with the totality or the quality of the R and D offsets. But we are making sure, by monitoring this matter as closely as possible, that they are going to be maximized as much as possible in terms of R and D done in Canada from whoever gets this contract.

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POST OFFICE

DIRECTIVE FOR TWO PER CENT REDUCTION OF STAFF

Hon. J. Gilles Lamontagne (Langelier): Mr. Speaker, my question is to the Postmaster General. The President of the Treasury Board has issued a directive for a 2 per cent reduction of staff in each department. In the Post Office, these cuts would mean a requirement of about 3,600 person-years in the remaining four or five months of this year.

Since the Postmaster General told us last week in committee that, and I quote, he cannot tolerate a 2 per cent cut in person-years in the Post Office, because if he did he could not even maintain the limited service that he is trying to maintain under very difficult conditions—that was his public answer to the Treasury Board—can the Postmaster General tell us if he has received a favourable answer to his ultimatum to the Treasury Board making the Post Office an exception to this arbitrary directive?

Hon. John A. Fraser (Postmaster General and Minister of the Environment): Mr. Speaker, the statement that I made was to a committee of this House. That statement and that information stands. It is the best assessment that we in the Post Office can give it. It has been transmitted to my colleague, the President of the Treasury Board. There will no doubt be discussions. I remain of the opinion, and it is soundly based, that a 2 per cent across the board cut in person-years is not possible at this time.