

*Oral Questions***INDUSTRY****RESEARCH AND DEVELOPMENT—REQUEST FOR INCREASED ASSISTANCE**

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Prime Minister, because I do not want him to feel left out today.

The United States and Japan both spend twice the percentage of their Gross National Product on research and development that this country does. This enables them, and has enabled them, to take a great many important orders away from Canadian producers, because of lower prices, better quality and design, and it has enabled them to increase their share of the Canadian market from 19 per cent 15 years ago, when the Prime Minister took over, to 31 per cent today.

Is the Government giving any consideration and, if not, will it give consideration to offering the same incentives to Canadian industry to increase its research and development as are offered in the United States and Japan, so that our industry can do a great deal more research and development and, in so doing, become more competitive and win more orders and more jobs for Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy that the Hon. Member is showing interest in this particular subject. Perhaps he realizes that he is not talking of spending by the federal Government in terms of percentages compared to the Government of Japan. He is looking at just one aspect of this. No doubt his remarks are addressed mainly to the private sector and to the university sector. The university sector, of course, is being assisted by the federal Government through some research grants.

The figures the Hon. Member is quoting are quite misleading because they seem to indicate misinformation on his part, that there is only one source of R and D, whereas there are many in a country.

Mr. Hees: Madam Speaker, I can assure the Prime Minister that the figures I have given come right from Statistics Canada and are accurate figures. They show that those countries have increased their share of our market from 19 per cent, when he first took over as Prime Minister, to 31 per cent today. That is very serious.

REQUEST THAT PRIME MINISTER TAKE ACTION

Hon. George Hees (Northumberland): Madam Speaker, I would ask the Prime Minister if he would stop putting this matter aside, as he always does, take it seriously, and start to do something about it while he is still in office. I can assure him that it is later than he thinks.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can assure the Hon. Member that I am not challenging his figures. When he talks about twice the percentage of GNP, is he talking of the percentage by the federal Government as opposed to the national Government of Japan, the percentage spent by the universities, or by the private

sector? If he says his figures are accurate, perhaps he can enlighten me on that.

Mr. Hees: I am talking about the total.

* * *

INCOME TAX**TIMING OF REFUND PAYMENTS**

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of National Revenue. Yesterday in reply to a question from my colleague, the Hon. Member for Simcoe North, the Minister said that he expected Parliament to pass the Government's massive income tax legislation, Bill C-139, before the end of March, in which case the time allocated for issuing income tax refunds this year would be the same or about the same as last year.

If Parliament is not able to pass Bill C-139 before the end of March, will the Government withhold income tax refunds due to taxpayers across the country until the legislation is passed, which could be as late as May, or even June?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am a bit surprised at the pessimistic assumptions made by the Hon. Member, since this morning, I attended the proceedings of the House which was sitting in Committee of the Whole, and I realized that we had made very substantial progress in the debate on Bill C-139, and I am still convinced that we shall be able to pass this legislation well before the end of March.

[*English*]

EXPLOITATION OF TAXPAYERS AWAITING REFUNDS

Mr. Tom McMillan (Hillsborough): Madam Speaker, I will repeat my question. If Parliament does not pass Bill C-139 by the end of March despite the Minister's optimism, will the Government still withhold income tax refunds due Canadians?

While the Minister is answering that question, would he also answer this one. Does he know that it is the Government's foot dragging on income tax returns that is forcing desperate Canadians into the hands of fly-by-night firms that will pay on the spot cash to Canadians for their tax refunds before they are received from the Government? If he does, would he at least arrange to have processed on a priority basis the income tax returns of Canadians in desperate need in order to avoid that kind of exploitation?

● (1450)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I am surprised, and not agreeably so, at the alarmist comments the Hon. Member makes so often, and I would like to ask him to stop making assumptions that are