

Oral Questions

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I reject the premise and innuendo of the hon. member's question.

The SIRC was created by an act of this Parliament to operate at arm's length from the government, from Parliament itself and from CSIS. I really question why he thinks a subcommittee of this House made up of people linked directly to political parties is less partisan than the arm's length Security Intelligence Review Committee. There is a contradiction in what he says.

* * *

[Translation]

TAX CREDITS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of Revenue.

While the major Canadian banks are declaring record profits of over \$4 billion this year, we learn that these same banks will benefit from some \$300 million in tax credits for research and development, in particular for expenses to develop software used in current operations, such as automated teller machines. The Auditor General has denounced such tax credits as ineffective.

Can the revenue minister confirm that nearly \$300 million in tax deductions will swell the banks' profits, which already amount to \$4 billion, and that these credits are for so-called R&D expenses which are really nothing but current expenditures?

[English]

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member can rest assured that there will be no payment on pseudo claims for tax credits.

We have a very strict procedure for dealing with the tax credits for scientific research and experimental development. The three criteria are: first, there must be advanced knowledge; second, there must be a real risk of failure involved; and third, the research must be undertaken by experts.

We are now assessing the applications. I might add that anybody can put in a request for such an application. It simply does not mean that Revenue Canada will accept it. We are looking at it closely with over 300 auditors and also a large number of scientific experts to make sure that in fact no money is paid under this scheme other than that which is due to be paid.

[Translation]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my supplementary question is for the Minister of Finance.

First of all, I would like to remind him that he started by saying that the Bloc Québécois had no suggestions. Five min-

utes later, he was up to \$5 billion. So that he can do his figure work better, I would like to remind him that we are talking about \$1.6 billion for defence, \$3 billion in corporate subsidies, and \$6 billion in unpaid accounts. The Minister of Finance should get his figures straight and by the end of Question Period, we may find that the deficit is much smaller.

Yesterday, the Minister of Finance asked us where to cut. Here is another suggestion. Does he intend to end the waste of public funds denounced by the Auditor General and reduce his spending by \$300 million, in addition to savings suggested by the Bloc Québécois?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I fully endorse what the Minister of National Revenue just said. The purpose of these tax credits for research and development is certainly to create new technology. It is not for companies to do things that they should do anyway as good management.

I think that the Minister of National Revenue answered the question very well and I can tell you that he has just stated the finance minister's position too.

* * *

[English]

SECURITY INTELLIGENCE REVIEW COMMITTEE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the SIRC report on the Heritage Front affair is full of contradiction. It states that CSIS did not investigate the Reform Party or its membership. Yet in the same report it has acknowledged that a CSIS Ottawa region investigator searched the names of the contributing individuals and companies to the Reform Party leader's 1988 campaign against the CSIS databases.

I ask the minister if this does not constitute an investigation of the party and its membership, what does?

● (1435)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the report of the Security Intelligence Review Committee which is the report of the committee and not of the government said in part that the service had an obligation to investigate whether the government of the foreign country was involved in attempting to influence the outcome of a Canadian election. It also went on to say that CSIS did not investigate the Reform Party or its membership.

If my hon. friend does not agree with this, I suggest she question SIRC directly when it appears before the subcommittee. I understand her concerns, but the vehicle to which she should address her questions is the SIRC itself.