that it has been travelling across the country to hear the views of Canadians. In the meantime, another initiative with regard to unemployment insurance which is being carried out by the Government is that the premium rates for employers and employees will remain constant in 1986 even though they were subject to change this year by the legislation of the former Government.

The Bill itself does represent a substantial component of the Government's program of economic renewal for Canadians. The Bill will ensure that economic growth is powered primarily by new initiatives in the private sector. Those kinds of initiatives will be supported, wherever possible, by the Government.

The Bill undertakes a number of amendments which provide important measures to ensure that our economy gets up and is moving in the way in which all Canadians would like to see. One of the most important measures is the lifetime $500,000 capital gains tax exemption provision. There is also a provision with regard to capital tax on larger financial institutions to ensure that large companies in the country pay adequate tax. There are modifications to the rules governing investment in small business by pension and other retirement income plans, on which I will elaborate more in a few moments. There are rules preventing taxpayers from splitting income among family members to reduce tax, again ensuring that the taxpayers of Canada all pay their fair share. There are changes to Revenue Canada's powers to audit and examine taxpayers' books and records, including its powers of search and seizure. These measures touch on a wide variety of issues including tax fairness, fiscal responsibility, taxpayers' rights, and efficiency of Government programs.

I think that the $500,000 personal lifetime capital gains tax exemption is perhaps the most important and most significant measure in this Bill, simply because it sets the direction and character of the kind of tax system which the Canadian Government wants to encourage. It, of course, recognizes that our economy can be dynamic and productive when the successes of individual Canadians are rewarded.

It is an especially positive step with regard to Canadian farmers because it enables them to reap immediate benefits. Commencing in 1985, the full $500,000 capital gains tax exemption becomes immediately available when a farmer sells qualified farm property. Part of the objective of this particular provision is, of course, to spur investment interest in small and medium-sized businesses in Canada. It is the feeling of the Government that these measures will create new investment income because people have been able to realize those capital gains and are able to turn them into equity in new businesses.

Even in this year significant steps will take place with regard to that capital gains provision. In 1985, the exemption will have a cumulative limit of $20,000 in capital gains. That will increase to $50,000 in 1986, $100,000 in 1987, $200,000 in 1988, $300,000 in 1989, and $500,000 in 1990 and subsequent taxation years.

Another important tool in economic recovery in this Bill, Mr. Speaker, especially as it relates to some of the more disadvantaged areas of the country, is the special investment tax credit. The fact that an investment tax credit of 50 per cent exists is encouraging new businesses to locate in my own area. I can think of companies that have located in our area specifically because that tax incentive is in place. I hate to point out individual companies, but one success story is that of a company called Wevea Canada which is now manufacturing harvester belts in Brudenell, P.E.I. That company exports throughout North America and around the world. I am sure that the 50 per cent investment tax credit had something to do with that location. This legislation extends this provision for another year. I am hopeful that other companies will take advantage of that extension in order to reap the tax benefits offered by this particular provision.

The Bill deals not only with economic initiatives, Mr. Speaker, but has taken into account many social needs as well. It is important to recognize at least some of the inequities that this Bill overcomes. The Income Tax Act currently allows a special deduction to be claimed by disabled persons, but this applies only to those persons who are blind or confined to a bed or wheelchair.

• (1520)

As a result of the proposed changes in the Bill, the definition of disability is broadened to include many severely disabled people in the country who are not necessarily confined to a bed or wheelchair. I believe that this is an important initiative because it is estimated that some 185,000 Canadians will benefit from these expanded provisions in this amendment.

The Government's attempt to attract investment income for small business is also obvious in the changes to the Registered Home Ownership Savings Plan. The objective of the measure is to allow some $2 billion in funds to be injected into the Canadian economy. Individuals will be allowed to withdraw their funds tax free and use that money to stimulate economic growth in the country.

At the time of the Budget some $2 billion had accumulated in RHOSPs and the availability of these funds to Canadians on a tax-free basis, coupled with other incentives in the Budget, represent a very large pool of funds that can be used to support entrepreneurial job-creating investments and the purchase of consumer goods. The Government is considering what pools of capital are available in the country to be invested and thereby stimulate the economy and create jobs.

The Government has certainly recognized in the Bill that there are those in the business and agriculture sector who continue to face economic difficulties. It is for that reason that the small business bond development program has been extended for two years. That program has provided reduced interest rates for farmers and small businesses in financial difficulty, and the Bill will simply ensure that its provisions can still be utilized for the next two years. In fact, Bill C-84 introduces measures which will allow taxpayers who have borrowed under the program either to refinance existing loans or to obtain new loans at any time before 1988, when the borrowers are in financial difficulty.