

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

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• (1510)

[English]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 19.

[Text]

MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY LAWYERS

Question No. 19—**Mr. Howie:**

How many lawyers are employed by the Ministry of State for Science and Technology?

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): There are no lawyers employed by the Ministry nor are there any assigned to the Ministry from the Department of Justice.

[English]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

Mr. Dick: I would ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

MEASURE TO AMEND

Mr. Speaker: Pursuant to Standing Order 58, I do now leave the chair for the House to go into Committee of the Whole.

House in Committee on Bill C-7, an Act to amend the Income Tax Act and related statutes—Mrs. McDougall—Mr. Danis in the chair.

Income Tax Act

The Chairman: Order. House in Committee of the Whole on Bill C-7, an Act to amend the Income Tax Act and related statutes. Shall Clause 1 carry?

Clauses 1 to 15 inclusive agreed to.

On Clause 16—*Idem*

Mr. Gray (Windsor West): Mr. Chairman, I do not want to hold up the progress of this Bill, but it just occurred to me that it might be helpful to the Committee if the Minister would draw to the attention of the Committee any divergences in this Bill from the Bill presented by the previous government. I think it important to have confirmed on the record that the Government finds that the legislation presented by the last Liberal government is the best thing it could come up with at the beginning of its mandate.

Mr. Hnatyshyn: Mr. Chairman, as always, I am prepared to join issue on matters raised by my distinguished colleague, the Hon. Member for Windsor West. As the Hon. Member will know, we are very much interested in cleaning up a lot of the legislative items that were not addressed by the previous government. My colleague, the Minister of State for Finance, will point out the details with respect to the specific inquiry made.

We are interested in proceeding with these items at an early date for a very good reason. It has been recognized by the Government, and the Minister of Finance will address this, that after a Budget is brought down there is some uncertainty with respect to the specific legislation that will be passed by Parliament to bring into effect items specified in the Budget. We have brought these matters before the House as a result of the Budget which was brought forward by our predecessor government in February, 1984. We have done this at the earliest possible date with a view to bringing clarity and certainty to the people of Canada regarding the Budget that did pass.

My colleague, of course, will address the specific question. However, I did want to put on record that we are beginning to clean up the matters left hanging by the previous government. There are great and better things to come.

Mrs. McDougall: Mr. Chairman, there are six essential differences in this Bill from the Bill that was presented before. The first change clarifies the timing surrounding the small business tax simplification measures. These measures will be effective for 1985 and subsequent tax years in an effort to provide greater certainty for taxpayers by defining the date precisely.

The second change is that the small corporation test for eligibility for the 35 per cent rate of credit on research and development and for the 40 per cent rate of refundability of the investment tax credit for an extra month to pay any balance of tax is now to be based on taxable income for the preceding rather than the current tax year. This is also a clarification to provide more certainty and more precision in that planning.