was charged to $2.9 billion of non-lapsing borrowing authority obtained earlier and carried forward. Virtually all of this non-lapsing authority has been exhausted. Since July 17 all borrowing has been charged to the new authority for the fiscal year 1980-81. As at January 15, 1981, there was approximately $5.1 billion of this authority outstanding. This is more than enough to complete the planned debt program in the final quarter of this fiscal year, and a considerable portion of this amount will likely expire on March 31, 1981.

To summarize our 1980-81 financing operations, at the start of the fiscal year there was $2.9 billion of non-lapsed borrowing authority outstanding. This was reduced to just over $100 million by July 17 when $12 billion in additional authority became available under the Borrowing Authority Act, 1980-81. At the end of December the amount still available was $5.1 billion.

This description of our recent debt program and the current position with respect to borrowing authority provides the important pieces of information necessary for consideration of this part of the bill. If members wish further detailed information I will be happy to provide it to the House at the appropriate stage in the proceedings.

Part II of the bill, hon. members may be surprised to learn, is the first government income tax bill to be introduced for debate since the fall of 1979. It includes certain measures first announced in the budget brought down by the former government on December 11, 1979, and which were reintroduced in the ways and means motion which I tabled on April 21 of last year, along with the income tax measures announced in the budget of October 28 last.

Some of the measures contained in the bill affect the 1980 taxation year and it is therefore important that this legislation receive consideration at this time so that Revenue Canada can be given authority, by law, to proceed with the processing of 1980 income tax returns. Taxpayers are already filing returns, many of which will require the payment of refunds as a result of measures proposed in this bill. Among the measures which affect the 1980 income tax returns, all stemming from the recent budget or the statement of last April, are the following:

—deduction of remuneration paid to a spouse by a person carrying on an unincorporated business,

—the exclusion for overseas employment,

—the refundable abatement for individuals in Quebec,

—changes relating to property transferred between spouses,

—deductions for travelling expenses of part-time employees,

—increased deductions allowed volunteer firemen,

—deduction of the cost of an aircraft used by an employee,

—changes affecting the child tax credit, employee loans, and teachers at Canadian forces bases abroad.

This is not a complete list but it does illustrate that 1980 income tax returns for a large number of individuals are affected by measures in this bill.

There are also a number of important measures for corporations, some of which went into effect on December 11, 1979, and most of which apply to the taxation year 1980. In addition to tax assessments, many business transactions and corporate plans are being delayed awaiting passage of this income tax bill.

I should also point out, Mr. Speaker, that draft material relating to the tax measures in this bill was made public on five occasions during the past five months. In addition to the details set out in my notice of ways and means motion last April 21, 169 pages of draft legislation were issued on August 28. Another ways and means motion and supplementary information were introduced with the October budget, and an exposure draft of the legislation was tabled in this House on December 19. Finally, additional information on the budget measures was set out in the ways and means motion tabled on Monday of this week.

These documents which were provided afforded taxpayers and professional tax advisers an opportunity to comment on technical aspects of the law before the formal introduction of the legislation. I would like to express my thanks to the many who responded with suggestions for improvements. The legislation now before us has been improved significantly by those suggestions.

In this regard I would like to refer to one important change which has been made in the oil and gas sector. The October budget proposed a change in the treatment of drilling costs that would qualify for the 100 per cent write-off as Canadian exploration expenses. It was to apply to expenses incurred after 1980. My colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), and I received a number of representations on this particular change and its possible adverse effect on drilling activity in the period before the new petroleum incentives program becomes fully operational. As a result, I have agreed to postpone until 1982 the changes proposed to the tax treatment of exploration drilling expenses. This change should have a significant effect on exploration activity in the current year, particularly that activity undertaken by Canadians whose exploration expenses also qualify for payments under the petroleum incentives program.

I would also like to mention that many of these measures, which make up the larger part of the bill, were proposed by the previous government and should therefore be generally acceptable to members opposite.

In addition, the bill contains the various income tax proposals announced in the October budget. Several important changes were proposed at that time. There is the new 50 per cent investment tax credit designed to encourage new manufacturing investment in the poorer regions of the country. There are important changes in the tax rules affecting credit unions to accommodate a number of problems of concern to them. One of those changes will facilitate the pooling of credit union funds for major investments in Canadian equities.

In order to help reduce shortages of rental accommodation and stimulate the construction industry, this bill will reintroduce the tax incentive for multiple unit residential buildings for construction starts between the budget date and the end of this year.

The bill will implement a number of changes to the treatment of exploration and development expenditures as a conse-