

*Government Orders*

identified in recommendation No. 3; encourage broader participation by private sector business and financial institutions; and promote skills development initiatives.

[English]

**Mr. Boudria:** I ask, Mr. Speaker, that the remaining questions be allowed to stand.

**The Acting Speaker (Mr. Kilger):** Shall the remaining questions stand?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

### INCOME TAX ACT

The House proceeded to the consideration of Bill C-9, an act to amend the Income Tax Act, as reported (without amendment) from the committee.

**Hon. David Anderson (for the Minister of Finance)** moved that the bill be concurred in.

**The Acting Speaker (Mr. Kilger):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Motion agreed to.)

**The Acting Speaker (Mr. Kilger):** When shall the bill be read the third time? By leave, now?

**Some hon. members:** Agreed.

• (1010)

**Mr. Anderson (for the Minister of Finance)** moved that the bill be read the third time and passed.

**Mr. David Walker (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I would like to take this opportunity to lead off the debate on third reading of Bill C-9. The bill proposes to implement a number of amendments to the Income Tax Act that were announced by the previous government.

Legislation to implement these measures was introduced last June but the bill died when Parliament was dissolved. For these measures to have legal effect new legislation must be passed now by this Parliament.

Let me be clear at the start by explaining why we are going ahead with this legislation. Simply put, these past tax measures were introduced some time ago and many were said to be effective immediately when announced.

Many thousands of Canadians took the government at its word and relied on these announcements when making important personal decisions. Many have, for example, used their RRSPs

to buy or build houses. Other Canadians have relied on these announcements in making significant investments or hiring new employees.

The commitments these taxpayers have made are for the most part irreversible. Consequently, if we were to reverse course many people would be put in a difficult position, an unfair situation, and the trust that Canadians have in their government, a trust that we must always strive to keep and enhance, will be dealt a powerful blow.

However, we do not approach this question as prisoners of the previous government's actions or inactions, to put it more precisely. We have carefully reviewed the measures in this legislation and believe we can support them in their own right.

With this in mind, let me review briefly the measures in this bill. First of all, there are measures that affect individual taxpayers. One is the extension of the homebuyers plan by one year through to March 1, 1994. As I mentioned before, to renege on this program would cause undue and unfair difficulties to many thousands of Canadians.

As well, the legislation provides that starting next September certain higher income Canadians will have to make quarterly instalment payments on their taxes. At the same time some 300,000 low income filers will be excused from quarterly payments and required to pay only once a year.

Another area addressed by this legislation is one of the few small attempts of the previous government to foster job creation. The December 1992 economic statement announced a one-year program of relief for unemployment insurance premiums for increased employment by small businesses.

This program has come and gone unnoticed by the far too many Canadians who are unemployed in this country. Nevertheless, a number of small business people have taken the government of the day at its word. We shall honour the bargain as a matter of public trust.

The same considerations also apply to other measures targeted at small businesses. These include the temporary small business investment tax credit for purchases of eligible machinery and equipment from December 2, 1992 to December 31, 1993; the extension of the small business financing program to the end of this year, allowing small businesses in financial difficulty to refinance up to \$500,000 of debt at low interest rates; the removal of any limits on holdings of small business shares in RRSPs and RRIFs; and the extension of the 35 per cent investment tax credit available to small Canadian controlled private corporations for eligible research and developmental expenses.

In addition, this legislation will give effect to some general improvements in the tax credit incentives offered to encourage Canadian research and development. As well, it removes the annual limits on investment tax credits. This limit introduced by the previous government in 1987 reduced the effectiveness of