

*Income Tax Act*

time for this government to put definite policies in place so that the business community may have some clear indication of its intent. They must know what this intent is so that they can plan for months and years ahead and so that the risks they are willing to take are minimized. Thank you, Mr. Speaker.

**Mr. Deputy Speaker:** Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

**Some hon. Members:** Agreed.

**Mr. Knowles:** On division.

Motion agreed to, bill read the second time and the House went into committee thereon—Mr. Francis in the chair.

**The Chairman:** Shall clause 2 carry?

**Mr. Andre:** Just to seek clarification, Mr. Chairman, did I hear you say clause 2? Are we not commencing with clause 1?

● (2020)

**The Chairman:** I called clause 2. I am standing clause 1 for the moment and we will come back to it.

**Mr. Knowles:** Mr. Chairman, I gather from what you have just said that you have a special reason for starting with clause 2. As far as the Standing Order is concerned we start with clause 2 only if clause 1 is a title, and in this case that is not so.

**The Chairman:** Shall Clause 1 carry?

On Clause 1—

**Mr. Andre:** Mr. Chairman, I have a few brief remarks as we begin this stage of this legislation. Most of the remarks which I wanted to put on the record with respect to Bill C-54, I made in second reading debate. I would like to give the Minister of Finance some indication of the kinds of information we will be seeking as this bill proceeds, however, in order that he might be prepared with the information with some accommodation. As I and others remarked during second reading, this particular income tax bill flows from three budgets or, really, two and a half budgets. The October 8 budget, which contained very little additional information, was primarily an energy policy. Although it was delivered to the House by the Minister of Finance, it was in fact authored by the Department of Energy, Mines and Resources.

Most of the important provisions will come along later in the form of excise tax legislation and other special legislation. The other provisions of this legislation flow from the mini-budget of April, 1980, when the minister bootlegged that particular budget in through a statement on motions in the House. It was based primarily on the budget of December 11, 1979, introduced by his predecessor, the hon. member for St. John's West. In this budget, the Small Business Development Bond was introduced as a policy of this government, but with some significant changes.

The applicability of the Small Business Development Bond was restricted to certain types of expenditures and for many months there was a great deal of uncertainty as to just who

was eligible and which financial institutions were participating. A number of hon. members from our side will be interested in obtaining the government's explanation as to why there was this restriction on the Small Business Development Bond. We will be offering suggestions to the government about how the provisions might be extended beyond the current expiration date of March 31 or April 1, in the hope that it might be put to better use and to more use by the small business community and thereby generate the employment which Canada so desperately needs.

A number of speakers on this side will express their interest in why the provision with respect to capital gains and the family farm, which was contained in the budget of the predecessor of the Minister of Finance, the hon. member for St. John's West, was not adopted by this government. This provision was particularly important to the western farmer. We will be interested in knowing the government's reasons for not proceeding with it and will try to convince it to do so.

Also, at the appropriate clause, I will remark on the government's approach to Canadianization. In the budget of the minister's predecessor, the hon. member for St. John's West, there was a very important, very innovative program called the Canadian stock investment plan which would have provided very considerable stimulus and incentive to average Canadians—not people of substantial means or people known for their active involvement in the investment community, but ordinary Canadians—to participate in investment in Canadian stocks.

Had the plan of the minister's predecessor been carried on by this government, it would have had a very significant and important effect, that of causing more and more average Canadians to be involved in investment in Canadian industry. It seems strange that a government, which claims it is interested in Canadianization, would drop that particular provision which was more important to the Canadianization of Canadian industry over all, not just oil and gas, than any facet of the budget of October 28 or the mini-budget of last April.

It is sad that the government would state that its goal is Canadianization, while it cancels or fails to carry on a very innovative and important program which would achieve that aim. One can be forgiven for perhaps suspecting that the goal is less Canadianization than simple nationalization, because that is the thrust of the October 28 budget, to provide a special tax which Petro-Canada could put in place so that it might buy out oil companies. There was nothing in the budget, however, to promote or encourage ordinary Canadian citizens to become involved.

Yet, the budget of the predecessor to the Minister of Finance introduced a program which would not have been costly to the treasury. This program would have resulted in a modest deferral of taxes by a segment of our society which heretofore has not had that opportunity. For the rich and for those who can afford the high-prices lawyers and accountants, there are innumerable tax deferral systems in which one can get involved, whether they be MURBs, films, oil and gas or various real estate investments. The tax deferral opportunities to those who can afford the high-priced lawyers and account-