

Mr. Clarke (Vancouver Quadra): The problem here is one of interest rates. The law requires these Canadians to wind up their plans by the time they reach the age of 71, and since they are effectively precluded from taking advantage of the higher interest rates available I think it is proper to ask that consideration be given to changing this rule. I suggest this could be handled in much the same way as securities are held under the present rules governing Registered Retirement Savings Plans; securities are held by trustees and are not accessible to the individual.

● (1510)

My question to the minister is this: why does he see such a difficulty in having a continuing trustee administer a plan after the age of 71 when all that the taxpayer wants in these instances is income paid out, and the income would be equal to, or in some cases greater than, the income available to him from an annuity?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, perhaps the difficulty which the hon. gentleman reflects is that the RRSP has become, in a lot of people's minds, a private savings plan. It was originally conceived as a pension plan which, instead of being funded jointly by employer and employee, was funded primarily by an individual, though it was oriented toward the pension concept. If we were to revise it, we would have to look at a whole new set of concepts; that is our difficulty. We have really put the plan on the books now as a unilateral pension plan.

Mr. Clarke (Vancouver Quadra): Perhaps I could ask a final question, Mr. Chairman. Does the minister see it in the same way as I and some taxpayers do, and that is that the government, under the present rules, is giving a benefit to the issuers of these annuities and is penalizing the very people whom it sought to serve in the first place by establishing these plans?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that depends on the interest rates of the day. We will be reviewing the whole pension field, including interest rates and the effect they have on annuities.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise only for a minute. I hope the minister will not say that I am asking him to do something that he has already agreed to do, and that I do not need to repeat my request. In view of what he has just said, I press the point about asking for a review of the position of the pension plan of the International Typographical Union in so far as it affects Canadians who are members of that union.

What prompts me to get to my feet is the minister's statement a moment ago that registered retirement savings plans are, in effect, unilateral plans. The International Typographical Union has that type of plan. Members who are working put money into a fund out of which pensions are paid to those who are retired. There is no employer or anybody else matching the contributions. It seems to me to be unfair that the contributions to that plan are questioned in terms of their deductibility. I thanked the minister the other day for his assurance that he would look into that matter.

Income Tax

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman, and I reiterate it. One of the happiest things that has ever happened to that union is that somehow the hon. gentleman put his thumb in some printer's ink.

Clause agreed to.

On clause 100.

Mr. Turner (Ottawa-Carleton): May I put before the committee the amendment that was circulated to clause 100, which is on pages 243 and 244. I want to correct a typographical error in paragraph (a) and to segregate the registered home ownership savings plan from the educational savings plan. Therefore I move:

That clause 100 of Bill C-49 be amended

(a) by striking out line 15 on page 243 and substituting the following:

"or capital losses other than from the disposition of"

and

(b) by striking out lines 20 to 23 on page 244 and substituting the following:

"and subsequent taxation years."

(3) Section 146.2 of the said Act as enacted by this section is applicable to the 1974 and subsequent taxation years except that in its application to the 1974 taxation year the references therein to "60 days" shall be read as "90 days" and where a contribution is made to a registered home ownership savings plan before April 1, 1975, the plan shall be deemed to have been registered on January 1, 1975 and the contribution shall be deemed to have been made on that date."

This extends the registered home ownership savings plan qualifying date to April 1, 1975, and I will ask my colleague, the Minister of National Revenue, to see what he can do with the RRSP's.

Mr. Paproski: I have one question, Mr. Chairman. In the French text there is reference to 90 days—"90 jours"—whereas in the English text it says 60 days. What is the reason for that?

Mr. Turner (Ottawa-Carleton): There is not doubt, Mr. Chairman, that bilingualism has its advantages. The hon. member is right. It should read quatre-vingts-dix jours en français, as well as "90 days" in the English version. I think the hon. gentleman has displayed a facility that should get him into the leadership battle over there.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Chairman, a moment ago the Minister of Finance made reference to my previous involvement with printer's ink. I was a little surprised that so soon after that he referred to this amendment as correcting a typographical error. I do not see any typographical error there. It is a technical error.

Miss MacDonald (Kingston and the Islands): Mr. Chairman, I should like to direct some questions to the minister regarding RHOSP and to ask for some clarification of the plan itself. I think it has raised a number of questions in the minds of people who would like to take advantage of it.

First of all I should ask how many people living in rented accommodation with their families and who hope to purchase a home—the situation in which many potential home buyers find themselves—will in fact be able to save \$1,000 a year so as to take advantage of this plan. The