

*Income Tax Act*

I think the arbitrary age of 60 is nonsense and that that limit might well be removed. The size of the fund will obviously be less because it will not have been invested as long. I can see no reason whatever why, with notice, the funds should not be available with the same or even more options whenever the investor wants it, whether it is before 60 or after.

At the other end of that 60 to 71 time limit why should anyone have to roll over his savings at age 71? I see no reason at all. Maybe an investor finds himself comfortable financially at age 71 and is prepared to let his money go on growing. Why should he not be able to do so? Why should he be obliged to roll over his RRSP into an annuity? At 75 he may feel like a world cruise or decide to cash in his RRSP. Why shouldn't he? Perhaps some of his other investments have not panned out as expected and at 75 or 78 he needs extra support. Maybe inflation has caught up with him. It could happen. In other words, why should he not be able to defer the roll over of his RRSP until he wishes? Or, as in the case of the lower end of that age bracket, why should he not get those funds without penalty when he wants them at age 55, 58 or even 50?

My other comment concerns age 71 and the fourth option, which is a self-managed fund. It is a pretty ridiculous proposal when you look at it. In 99 cases out of 100, who at 71 and over that age until reaching the age of 90 will be able to manage his own investment fund? It takes a very long life of studying the markets in order to be able to make a fund grow. If he does, can his trust company know with any certainty what the annual pay-outs will be? As one commentator in the *Financial Post* said on April 15:

This is going to turn the industry on its ear. Can you imagine the absolute chaos caused by an RRIF owner being able to run his own account but the trustee (i.e. the Trust Company) having at the same time to liquidate the fund according to a strict formula year by year?

Self-administered RRIFs at any age sound to me to be self-defeating. At age 71 they would probably be self-liquidating in the majority of cases.

Now, this age 90 limit brings me to my final comment. Many people live beyond 90. Life expectancy at 71 is nearer 85, true. But some die before 85, and some obviously live to 90 and beyond. Figures available to me indicate that in 1976, for example, there were 52,160 Canadians living over the age of 90.

These options nearly all close at age 90. The only one that does not, of course, is the life annuity option. This is the first one, the payment of an annuity for the life of the annuitant, be that for one or for 40 years. But even under this option presumably—at least this is the way I read the bill—an individual can contract with an insurance company for a period certain plus a life annuity which could carry the annuitant beyond age 90 should he live beyond that age.

● (2042)

Options three and four, however, foreclose at age 90. Why? Not only why, but what happens after age 90, for those who live that long? Who chose the mystic 90 figure and what does it represent? At age 91 an annuitant could feel way out on a

limb if he had opted for either plan three or plan four, because both terminate at 90. The choice of that age baffles me.

I would far rather see the 90, if it has to appear at all, as a "for example." Let the annuitant decide the length of time he wants to enjoy his RRSP, but he should have explained to him all the options open to him. This is basically the role the insurance companies play—life only, fixed term only, term certain plus life, and the terms can be ten, 15, 20 or even 30 years, of course, with corresponding changes in the size of the annuity payments. As variations on these, there are joint life and term certain plus joint life when man and wife are deciding on working out their annuity as a joint operation.

I say again, in conclusion, that the RRSP owner ought to be able to get his RRSP without penalty, at least after leaving it invested for five or ten years, whenever he wants. He should be allowed to defer if he so chooses, even beyond 71. He should not be limited by the mystic age 90 either, only to find at 91 he is completely dependent on others for his everyday care.

Besides the individual criticisms, I find the broadening choice offered by the RRSP in this bill commendable. For that reason, I suppose we must commend the Minister of Finance for having such a brilliant group of public servants to bring forth these items for him, because I am sure it would not be on his own volition.

**Mr. Bruce Halliday (Oxford):** Mr. Speaker, during the past ten days we have had two special debates in the House when two opposition parties, first the Creditistes and second the Progressive Conservatives, choose a subject having to do with the economy to be debated for the day. It illustrates the importance which the opposition parties place on the fact that the economy of Canada is indeed in difficulty. The present government is doing very little to correct it and shows little concern about doing much in the future.

We have before us tonight, and have had for a number of days and, I suppose, a number of weeks, Bill C-56 which in a sense deals with the economy. This bill deals with amendments to income tax law, and sales tax in particular.

For the past several days we have heard a lot in this debate about the ridiculous proposal encompassed in this amendment involving the sales tax. I do not want to spend more time tonight on that aspect of this bill. Rather, I would like to summarize what in my view has been the general feeling around the country as to the effectiveness of Bill C-56. In particular, I want to discuss it in relation to the aspect dealing with the amendment of the sales tax.

People across this country realize that the government has shown itself to be very incompetent in the way it presented this particular cut in tax via the sales tax. Further, people realize that the government has once again shown a special status for one or more parts of this country which most of us feel is unwise. Third, there is no question but that the way they have implemented the tax with the province of Quebec is an attack on the poor which, again, the people of Canada do not appreciate seeing. Fourth, but not a bit surprising, this bill has