

Income Tax Act

the section. I should like to know what recourse an individual or a group of individuals might have who want to qualify a bona fide registered retirement savings plan which the minister or his officials have deemed not to comply with the subsection. To some extent the same thing would apply to subsection (3) where we find the words, "The minister may accept", and so on.

Let me turn to subsection (5) and again ask for an explanation from the parliamentary secretary. While there is a modification here, I should like him to confirm that the date February 28 is still the operative date in respect of any registered retirement savings plan. If an individual wishes to exercise his option during the first two months of 1972, can he qualify for a registered retirement savings plan for 1971 and be entitled to deduct the appropriate contributions made in 1971 from his net income before arriving at his taxable income?

Then I should like an explanation of subsection (6). What can be done for the disposition of non-qualified investments? May I say here that I have run into problems where a taxpayer has changed his or her mind regarding a registered retirement savings plan. The contribution was put forward but the deduction was not made on the income tax return. As a result of misunderstandings we do encounter situations where an individual may be chastised, or it may be put to the taxpayer that he furnished improper information in the return. I suppose every case depends on the circumstances. In any event, I should like a full explanation of subsection (6).

We then have a whole series of new subsections—(9), (10) and (11). I should like an explanation from the parliamentary secretary in respect of these. This section has 16 subsections, but many of the others are carried forward from the present act and I need not go into them in detail or get explanations in that regard.

Mr. Hogarth: Mr. Chairman, I should like to reply briefly to the remarks of the hon. member who has just spoken in respect of the position of the B.C. teachers regarding section 146(1)(g). As the hon. member has suggested, the B.C. Teachers' Federation sent representatives to Ottawa to meet with all persons concerned, including the B.C. caucus, to discuss problems which have arisen pertaining to the provisions of section 146.

As I understand it, the Parliamentary Secretary to the Minister of Finance will be commenting on this matter shortly. But as I understand it, the government is extremely sympathetic to the views of the B.C. teachers who have a particular form of investment which, as it now stands, offends the provisions of the bill before this House. Theoretically, we should move to amend the act in order to correct this deficiency. However, the B.C. caucus in unanimity has taken up the problem with the Minister of Finance, his parliamentary secretary and officials of the department and we are assured that by virtue of the provisions of section 146 regulations will be passed to accommodate the peculiar position of the B.C. teachers pertaining to their investment in their retirement savings plan.

We ask, as the hon. member for Edmonton West has asked, why it is that we do not move to amend the act? The government's position and the position of the B.C. caucus is precisely that any move to amend the statute at

this stage would probably accommodate many other situations which offend the substance of the provisions we are considering in section 146 and would permit further tax avoidances which section 146 as it now stands is designed to prevent.

There is no doubt in the minds of the B.C. caucus that the government will be moving more or less with the passage of this act to provide by regulation—

Mr. Lambert (Edmonton West): What is the B.C. caucus?

Mr. Knowles (Winnipeg North Centre): What group is this?

Mr. Hogarth: As far as we are concerned, the B.C. caucus is made up of government members on this side of the House. The government will be moving by regulation to accommodate this organization and such other organizations in the country that can show themselves to be bona fide and within the purview and substance of this particular provision of the bill.

Mr. Lambert (Edmonton West): It is very touching to note that there is a sub-party or sub-group in this House which seems to have taken up the cudgel. It is quite proper that B.C. members should do that. I, too, met with the B.C. teachers. It came to my attention, through another source, that they were down here to see me. I did speak about this on a previous occasion, and that possibly inspired the hon. member to make some inquiries.

I must say the suggestion that the government will pass regulations governing this and other bodies, if they can show they are affected in the same way, is one thing. But this does not deal with the problem of individual members of the teachers' federation who want to know whether they should continue making payments into the retirement savings plan. They want to know now, not six months hence. They are not interested in the suggestion that in the normal course of events—and that is very slow when it comes to the Department of Finance and the Department of National Revenue—regulations will be passed permitting these people to go forward.

Since their plan was registered, legal and in existence, nothing should be done now by bringing in an amendment to the act which would nullify the present plan and its arrangements. It is perfectly bona fide, and surely to goodness the 1,200 or more members in this savings plan are entitled to an answer now. I trust the parliamentary secretary will give an answer, or at least an undertaking to answer. I do not want to indicate the name of a particular official because he is not in a position to answer in this House, but he is here and has had a good deal to do with this. At the committee hearings he would be questioned by me and other members.

• (8:20 p.m.)

This question goes back many months. I am sure there is good will all the way but I am concerned about the time element and what the people who participate in this plan are to be told. What are they to do? Are they to suspend their payments? After all, they have an obligation under their contract with the trust company. Would they place themselves in default, and would their contract be in