

Adjournment Debate

really retired. For example, a fairly common practice was for an individual to retire on a pension, take another job, and transfer all but \$1,000 of his pension income tax-free into an RRSP. The \$1,000 of pension income that was not transferred to his RRSP would then be available tax-free because it would be fully sheltered by the \$1,000 pension income deduction. This was an inappropriate use of the pension income deduction.

Of course, the intention of this measure was not to penalize Canadians who are genuinely retired. Thus, as the minister stated in the House last week in reply to the original question, he "will certainly listen to the hon. member's representations very carefully when we have those matters before the committee of the House."

The hon. member went on to raise a second question as to the number of taxpayers who will gain or lose according to the budget proposals. I do not wish to repeat the original answer of the Minister of Finance (Mr. MacEachen), which was clear

and concise. Let me, however, add one further point. It is the case that most individuals are, on balance, better off as a result of the budget, even though specific items may affect them adversely. For example, the ability to claim an extra \$200 federal tax cut for one-earner couples will in many cases more than outweigh the impact of, say, \$35 tax payable on an extra \$100 of taxable income resulting from the taxation of employer contributions to a private health or dental plan. Indeed, it is precisely such over-all calculations that underlie the figures referred to by the minister and tabled as supplementary information to his budget.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.
