

I would be happy to ask the people of his constituency whether they prefer a system where, if you make less than \$9,000 a year, you do not pay for hospital care or medical insurance, or a system where a person earning over \$9,000 does pay for such things.

Mr. McKenzie: Tell us about the auto pact.

Mr. Orlikow: I would be happy to discuss the auto pact with the hon. member for Winnipeg South Centre any time he wants. I suggest that he should come to my office tomorrow morning and we will call a couple of agents—

The Deputy Chairman: Order, please. I think we should direct our attention to clause 70 as amended.

Mr. Orlikow: I was trying to stick to clause 70, Mr. Chairman, but I was rudely interrupted—perhaps not rudely, but loudly interrupted by members on both sides. Let me conclude by telling the minister that I hope if he continues as Minister of Finance, before his next budget, which will probably be coming forward in a couple of months, he will take the time to read the Carter commission report and take to heart some of the basic recommendations made in it, so we will have a tax system that will stop being of major benefit to people in the middle and upper income brackets and will become one that is fair to all taxpayers in Canada.

Mr. Stanbury: Mr. Chairman, I am not rising to answer the hon. member for Winnipeg North; I am sure the minister will do that, but I wonder for how many years we will hear statistics quoted from 1971. There have been many amendments to the Income Tax Act since then, and I venture to say that the 1971 statistics quoted by the hon. member could not apply to the last couple of years.

● (1750)

I rose to ask the minister whether any lower age limit was contemplated in respect of the advantage provided as a pension income exemption, or whether in fact a person of the age of 25, for example, leaving employment could take out his pension entitlement to the extent of \$1,000 tax free?

Mr. Turner (Ottawa-Carleton): I am advised that we have allowed in this bill for legitimate early retirement in so far as eligible pension payments are concerned.

An hon. Member: Maybe I can retire early.

Mr. Turner (Ottawa-Carleton): As a matter of fact, we might help the hon. gentleman in that respect.

Mr. Stanbury: Mr. Chairman, I wonder if it is the intention of the legislation to allow persons who repeatedly leave employment at an early age to take out each time up to \$1,000 of pension entitlement tax free. I should think this might amount to an abuse and I wonder if it has been considered.

Mr. Turner (Ottawa-Carleton): If it is an abuse, we will look at it in a different light.

Mr. Orlikow: Mr. Chairman, the hon. member chided me for quoting statistics for 1971. I can only say that the

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article from which I quoted was written in 1973 and reported on the latest figures available. There must have been a report in 1974 for 1972. I want to tell the hon. member that I intend between now and tomorrow afternoon to call the revenue department and get those figures. I am certain they will not be very different, because there are just as many people availing themselves of these loopholes now in order to avoid paying tax. I will get that information for tomorrow if it is at all possible.

Mr. Knowles (Winnipeg North Centre): The rich get richer and the poor get poorer.

Mr. Stanbury: Mr. Chairman, the point is that changes were made in the law which did away with some of those so-called loopholes and I think the hon. member will find some improvements in the statistics since then. I should like to ask a further question about this clause. Is it intended that a person rolling over one registered retirement savings plan to another, who does not use the entire proceeds from the first plan in doing so but gets a refund, will be able to use the pension exemption against such refund?

Mr. Turner (Ottawa-Carleton): The RRSP is only available to somebody over 65, so that I cannot conceive of that happening. What the hon. gentleman is suggesting is building up a pension of over \$2,500 or \$4,000, and he is asking if it can be claimed as an exemption under the pension provisions. I do not think so.

Clause as amended agreed to.

On clause 71.

Mr. Stevens: Mr. Chairman, perhaps the minister could explain why in the ways and means motion it is stated that for 1975 and subsequent tax years individual taxpayers will be required in computing taxable income to go to section 109.1, 110.1, 110.2, 110 and 111 respectively in that year, whereas the proposed section, clause 71, has the same sections but 111 is missing? I think there should be an explanation. I may make some comments after I have heard the minister explain why section 111 is deleted.

Mr. Turner (Ottawa-Carleton): This reference has been misinterpreted in some quarters and by some commentators as being relieving in nature in that it would increase the deductible amount of non-capital loss. This was never the intention. The section was dropped because of confusion and because it was not absolutely required to give meaning to the ways and means motion.

Mr. Stevens: Is the minister stating that there is no difference between the wording which appears in the ways and means motion and the section as it appears in clause 71?

Mr. Turner (Ottawa-Carleton): That is the view of the department and the Department of Justice.

Clause agreed to.

Clause 72 agreed to.

On clause 73.