

[English]

Mr. Nystrom: The Minister of Energy, Mines and Resources cannot possibly give an opinion. I wonder whether the parliamentary secretary could explain the purpose of the amendment.

[Translation]

Mr. Cullen: Of course, Mr. Chairman, I think that in English, for the hon. member's information—

[English]

Explanatory note (a), the words "in that year" were deleted at line 36 on page 49 since they are not required. Subsection 59(2) has been amended at lines 37 to 39 on page 49 to change the previous reference because of other changes to subsections 59(1) and 59(3). The amendments in subsection 59(2) are only technical and there is no change in policy or application of the section.

The words "deducted as a reserve" have been added at line 42 on page 49 to the previous subsection 59(2.1). These words are consistent with other sections in the act where the deduction from income is in the form of a reserve. With regard to 59(1)(b), this amendment at line 9 on page 49 merely corrects the French translation to correspond with the English. Appropriately enough, (c), the amendment at line 43, page 50, merely corrects the French translation to correspond with the English.

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause as amended agreed to.

On clause 30.

Mr. Alexander: Mr. Chairman, I wonder whether the parliamentary secretary can advise me on this matter. I notice a change here, as a result of underlining, as follows:

—or as a payment to or under such a plan under which his spouse is the annuitant, as permitted by section 146—

In my ignorance, I ask whether in fact we can start now, in terms of International Women's Year, to bring in an amendment regarding "his or her spouse." Second, I want to know whether in fact this means the spouse is entitled to two deductions. I believe there is something like \$4,000 or \$4,500 now. Does this mean the husband can be involved with the plan, and if his wife is involved or has the right to be involved with it there is a further reduction amounting to something like \$8,000 which would be involved under this section? Perhaps the parliamentary secretary would answer my first question regarding "his or her," amending the whole act accordingly, and my second question as to whether there is a double deduction in this regard.

Mr. Cullen: Mr. Chairman, I understand they are each entitled to the deduction, but he can contribute to hers if she is not working. Therefore, the total is there. There is not a duplication, if that is what the hon. member is worried about.

Mr. Alexander: What about my first question? Perhaps the parliamentary secretary does not think it is important. It is with regard to an amendment adding the words "or her" and the whole act being amended accordingly.

Income Tax

Mr. Cullen: Mr. Chairman, I believe one of my colleagues in the back bench raised that very point. Under the Interpretation Act "his" does mean "her". If the private member's bill of my colleague is carried, perhaps we will have it the other way around. However, under the Interpretation Act "his" does mean "her".

Mr. Neil: Mr. Chairman, I would like further clarification. Is the parliamentary secretary saying that if you are working and your spouse is not, you can donate \$4,000 to your own plan and \$4,000 to your wife's plan, or \$2,500 and \$2,500 if you are on salary?

● (1520)

Mr. Cullen: I am advised that one cannot have more than \$4,000.

Mr. Neil: If one spouse is not working and the other spouse is, can he or she put in \$4,000 for himself and \$4,000 for the spouse, amounting to two exemptions?

Mr. Cullen: You could take the one \$4,000 and put it in for yourself, or you could take the \$4,000 and divide it.

Mr. Nystrom: Why is the government taking this route at all? It appears to me that those able to take advantage of this concession would be the middle class or the wealthy; a person in receipt of an average income would not be able to do so. Why does not the government set aside money to establish, for example, a pension plan for housewives? This proposal seems to cater basically to the wealthy.

Mr. Cullen: The quick answer is that this is simply an extension of the law as it presently exists; we are taking it one step further.

Mr. Nystrom: I realize it is an extension of the present law, but I wonder why we are moving in this direction instead of doing something for the poor people. If we stopped doing all these things that help the middle class, we could perhaps establish a pension plan which would help the poor, the ordinary working people.

Mr. Cullen: If the hon. member would consider not only what we have done for the middle class but also for those in the lower and middle income groups, he would find that a very fair balance has been struck. What the hon. member is suggesting may have merit, but we can only go so far at one time. There is a limit to the funds which are available to go around.

Mr. Ritchie: Will this be classified as a gift by those provinces which presently tax gifts? Has the hon. gentleman received any legal opinion on this point?

Mr. Cullen: I am sorry, I did not hear the hon. member's question.

Mr. Ritchie: I know that in Manitoba, for example, if a husband gives his wife more than \$5,000 it becomes taxable. Would the \$4,000 proposed here add up to part of a gift as far as that province is concerned?

Mr. Cullen: The point is well taken. However, the provinces are aware of what we propose to do in this legisla-