

Income Tax

to market the plan, its members are willing to enter into agency arrangements with other financial institutions now in RRSP business that now have customers interested in participating. Such arrangements would have to be worked out on an individual basis and might include agreements to deposit funds. Trust companies hope to co-operate with the purpose of this legislation, and we have that undertaking from them.

Miss MacDonald (Kingston and the Islands): There is another point I would like to raise with the minister. In proposed section 146.2(1)(e) on page 237 of this Bill "owner-occupied home" is defined as "a housing unit or a share of the capital stock of a co-operative housing corporation" etc. I wonder if the minister would clarify whether a mobile home would be included under this definition because, as he must be aware, many families who cannot afford housing of any other kind at current prices are turning to large, fixed, mobile homes for shelter. If this plan is to be of benefit to low income earners, it should undoubtedly apply to the purchase of a mobile home. Will the minister clarify whether mobile homes are subsumed under the definition of "owner-occupied home" in this bill?

Mr. Turner (Ottawa-Carleton): The hon. member is right, they are.

Miss MacDonald (Kingston and the Islands): There is one final question I would like to put to the minister. I am concerned about the fact that while an individual can make a provision for his or her RHOSP saving to be paid to the spouse in the event of death, as I interpret the bill, he or she cannot designate children as beneficiaries. This seems to be a clear and unnecessary discrimination against widows, widowers, and single parent families.

I would point out that at the moment there are some 600,000 single parent families in Canada. If a single parent has been saving under this sort of plan for a number of years, but dies before he can take advantage of it, it seems only fair to allow that individual to pass the benefits on to his or her children. Would the minister take this opportunity to clarify what ability an individual will have to pass the money saved under this program on to his children on the event of his death, and will he consider making it possible for children to be included as possible beneficiaries on the same terms accorded a spouse under clause 2(c)(i) and clause 2(b)?

Mr. Turner (Ottawa-Carleton): Not in his lifetime because the deductibility comes from the taxpayer, and it is the taxpayer who has to purchase the home. But if, before the home is purchased and the fund is built up, the taxpayer dies, then the proceeds are transmitted to the estate. There is no problem, but the taxable deduction cannot be transferred.

Mr. Alexander: I have a couple of questions, Mr. Chairman, and I want to clarify some points found within the minister's press release. It is indicated here that the contributor must be a Canadian resident. I would like amplification of that in terms of residency. I do not know where I got this press release, but it indicates several of the criteria which have to be met. It says that only one plan may be established in a lifetime. I was wondering

[Mr. Turner (Ottawa-Carleton).]

how the department would check on this, how will it be able to determine whether it is one plan in a lifetime?

Mr. Turner (Ottawa-Carleton): The answer to the hon. member's two questions are, first, yes, it is a once in a lifetime plan. It can only be used once by the same taxpayer. Second, Canadian residency would be defined according to the general definition of residency in the Income Tax Act. Of course the difficulty of administering that lies with my friend, the Minister of National Revenue, who will have to enforce it.

Mr. Clarke (Vancouver Quadra): Mr. Chairman, I was delighted when this plan was brought forward by the minister, particularly since almost exactly two years ago in my maiden speech in the House I brought to the attention of the minister the plight of young married people who were both working and paying taxes at the highest possible rates, at a time when they were struggling to set up a home and establish themselves. I thought when I first heard the minister announce his plan that he might have been listening that day and that something was going to happen to help these very young people I was talking about.

● (1540)

However, after examination and hearing the questions today and the minister's answers, I think I am correct in my assumption that this plan will not help the very people I was talking about and the very people I thought the minister and his government were planning to help. I say that because the only people who will be able to benefit under this plan are those who can set aside \$1,000 or \$2,000 or, in fact, any dollars from their incomes in order to take advantage of this plan.

We thought maybe the proposal would help the construction industry by allowing it to build new houses, first time homes. Now it has been revealed that the taxpayer is not required to buy a new house, and the taxpayer may have owned any number of houses before he registers his home ownership savings plan. I suggest to the minister that his plan seems to offer assistance to the wealthy, and any old millionaire who may have owned umpteen houses in his lifetime and presently lives in an apartment building can take advantage of this plan. I want to know if that is what the government planned to do.

Mr. Alexander: Mr. Chairman, on a point of order, the question was a very important one. Perhaps the minister would like it repeated.

Mr. Turner (Ottawa-Carleton): I have no comment on that, but I can hardly conceive of an old millionaire living in an apartment in Shaughnessy Heights using this gimmick to get back into a house.

Some hon. Members: Hear, hear!

Mr. Clarke (Vancouver Quadra): Mr. Chairman, I only used the millionaire as a ludicrous example. Let us use as an example one of the deputy ministers in the minister's government.

Mr. Fairweather: Lots of millionaires there.