

and should be able to pay into a Canada pension and old age security.

Under this new plan in the first year, at \$11,500, the minimum income required for that is \$63,888. Now, very few of our people have that kind of money. It is interesting to note that the figures show that 5 per cent of the population have 20 per cent of all of the income. They derive 27 per cent of the benefit of tax deductible contributions to RRSPs. It seems to me there is an unfairness built into the registered retirement savings plan system. Something more has to be looked at. In our society it seems that through legislation and other measures like the proposed goods and service tax there is a greater split developing in Canada between two groups. We are having two groups; the split away from the middle income earners toward a rich society and a very poor society with few in the middle.

All of the legislation we have seen seems to go this way. The goods and services tax, for instance, has been proposed in order to get rid of the manufacturers' sales tax. As we go across Canada and hear submissions in the finance committee, we hear that the ones who are going to be hurt by this tax, because it is a regressive tax system, are those in the lower and middle-income areas.

Those who are going to benefit again are the large corporations and the wealthier in society. The argument is that the wealthy consume more and therefore they are going to be taxed more. The fact is that they spend much less percentage wise of their income on consumable goods and services than those with lesser incomes. That is the regressivity of this.

Everything, I would suggest, points to a total ignoring of those who are most in need. Should we not be looking at a system, through our systems that we have already set up, in Canada Pension and old age security, where we know regardless of our income levels that we can live above the poverty line in our golden years? Those are available to us now.

Through the amendments in the registered retirement savings plan we know now that it will cost the government \$300 to \$350 million in the first year for these extra tax breaks to the wealthy, because they are the ones who are going to benefit. Let us be honest about it, it is the

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wealthier person in the Canadian society who will benefit by these tax breaks. Might not we be better off using that \$350 million in insuring an extra \$30 to \$60 per old age security earner to ensure that they have a little more comfort.

When you look at that \$350 million that on the one hand is going out and you recognize the hypocrisy of this government, that on the one hand says: "Well, we are going to claw back from those with the higher incomes over \$50,000 who get old age security, because they do not need it". On the flip side, we give them more tax breaks through registered retirement savings plans and we whittle away at our universality and our universal programs. Again, where is the fairness?

It is interesting in looking through the government's pension reform communications book for members and looking at some of the communications messages that they are telling the members to send out to note some of the key things of pension reform. The existing system is unfair and needs replacing. I agree totally. It is unfair and, yes, it needs replacing. But where do we look in this legislation? Well, obviously it is unfair to those with the most money. And it needs replacing because the people in power who have the money want it replaced. They want a bigger benefit.

Well, I suggest that we are looking in the wrong place for that fairness and the wrong direction in the replacement. I have given an idea that perhaps we should be increasing our Canada pension, our old age security, so that we do not have the need as we do now, of a guaranteed income supplement.

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Let us go on with these communications messages. The new rules will ensure fairer, more flexible and more cost effective tax assistance. Again, fairness. Where is the fairness for those in need? Yes, there is flexibility again for those with the money.

Is it cost effective tax assistance? It certainly fits in with the agenda of this government toward privatization and getting away from universality of our social programs like old age security and the Canada Pension Plan, but again it does not help those who need the help.