to pensions, and to $5,500 for people who are self-employed, to be used as a national device to fight inflation, and by not only encouraging them to go into this but also by making sure that they know there are several flexible options to choose from when they get out. If we can get the number of people investing in RRSPs up from the current level of 20 per cent of the work force to 40 per cent or 60 per cent, the whole nation would benefit, as well as the individual.

Mr. Chairman, I have made my proposals to the minister. Obviously I am on the same wavelength as I have been for the last number of years. Economically the number one objective in Canada today is to increase the individual savings and productivity of every person, regardless of what he does. As I said in the budget debate, I suggest that this device is good and should be reinforced by a flexible way of getting out of it. The tax collector does not lose—the person has to pay his income tax—but at the same time it is a little more humane and does give people the opportunity of making whichever choice is most suitable to them as individuals. The RRSP's are good, but let us make the pay-out more flexible, give the individual some choice, and make it easy to administer, with no red tape.

I would like to conclude by asking the minister and his officials to give this matter consideration in the next budget.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Chairman, as is customary with the hon. member, he has given careful thought to this question, and I think his speech is one which we will want to read very carefully, and in particular the committee on retirement income will want to read it very carefully in preparing recommendations with regard to the Income Tax Act. I thank the hon. member for his comments.

Mr. Saltsman: Mr. Chairman, as I listened to the hon. member for Qu'Appelle-Moose Mountain, an hon. member for whom I have the greatest respect—and I know that respect is shared by many hon. members of this House—I was struck by how different his philosophy is from mine. I am always somewhat concerned that he can never see the fundamental error in what he is proposing. I agree with the hon. member—and I do not think anyone in my party would disagree—about the need for social security. No party has fought harder and longer to provide adequate retirement pensions for people in Canada than has the New Democratic Party, and the CCF before it. The hon. member will recall that.

The difference is that the kinds of proposals we put forward and the kinds of proposals we have fought for have had two elements: first, they had an averaging element in the sense that the younger, and the better able to pay, helped to subsidize those who were not able to pay; and second, it was universal. I agree with the sentiments of the hon. member when he says that instead of 20 per cent getting benefits from RRSP's he would like to see 80 per cent. There is a very good way of doing that. Why monkey around with things like RRSP's? Why give enormous tax benefits to a select few in our society, when obviously we want to do it for everyone? The way to do it is either to increase the old age pension or to increase the amount of contributions which are made into the Canada Pension Plan. We are not talking about 80 per cent; we are talking about the entire population, and in that way we are making sure that there is adequate provision for people's retirement and for their old age.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

If the hon. member is worried about capital, the capital is there as well. I shudder to think what the provincial governments would be doing today if they did not have that pool of capital which exists in the Canada Pension Plan at the moment.

With the agreement of the province of Quebec there would be nothing to prevent us from passing a very simple amendment which would fulfill the very worthy objective stated by the hon. member for Qu'Appelle-Moose Mountain. It would be simple to do something about increasing the benefits of the Canada Pension Plan, enlarging that program and making it a more comprehensive program than it is at present. It is as straightforward as that. Perhaps it is too straightforward for enough hon. members in this House to agree with it. Instead, we distort the tax system; we do the very thing we set up a tax commission under a government in which the hon. member was a minister to tell us not to do.

The hon. member's government set up the Carter Commission in order to simplify the tax system, to remove the anomalies, and to report on the hidden benefits which exist and about which most people were not even aware. The report finally came down, and in it the Carter Commission recommended a much simpler structure in our tax system which would not have all these hidden benefits. But what are we doing now? Everything which is in the act before us virtually negates the work of the Carter Commission. There are special benefits, special privileges and almost under the counter deals, and the cost is not visible to the public.

We have before us a very straightforward way of meeting these objectives, objectives which are worthy, and are even endorsed by the hon. member for Qu'Appelle-Moose Mountain and the minister himself. We should simply enlarge the Canada Pension Plan and increase the old age pension. Then we could have a universal kind of security for every Canadian, a security which does not depend on rewarding unduly those who have large sums of money, which enables them to provide for their retirement. These people are also assisted by the tax system, but those who do not have the cash are not being helped. The result is that we have this curious situation where a minority of the public benefits from RRSP's, but for the vast majority of Canadians, even though the opportunity is there, the money is not there, and therefore the opportunity is meaningless to them.

We do not object to savings plans; we do not object to thrift; we do not object to accumulating capital which can be used in this country; what we do object to is giving bonuses to the rich and helping the rich without having any real concern for those who have just as great a claim to security in their old age as the rich.

Some hon. Members: Hear, hear!