

order than that which seemed to be accepted a few years or decades ago.

I hope that having accepted the principle that retirement security should be based on adequacy we would go on to improve that basis and find ways and means of raising the level of our pensions so that all Canadians can look forward to retirement in decency and dignity. Of course this was the Hon. Stanley Knowles who was speaking in 1964.

I think that his hopes for adequate universal pensions have not been fulfilled and this bill is nothing but a travesty when compared to what was intended. This bill has nothing to do at all with providing adequate pensions for ordinary Canadians. This bill is designed solely to help the rich. I think it is interesting that it is not only supported by the Conservatives, but it also is basically the same types of proposals the Liberals proposed in 1983.

As most of you are aware I am a social worker by background. I work with people on the lower end of the income scale. Canada has a large number of elderly even today in spite of our pension plans who are living in poverty, particularly women. This is going to escalate dramatically in the next two, three or four years for two reasons: first, the cost of housing has become intolerable in Canada, particularly for people on fixed incomes. The elderly on minimum pensions, old age security, GIS and minimum company pensions simply cannot afford the housing costs that are now developing in Canada. They are also going to be hit with the new GST.

This bill is not about designing a universal, guaranteed level of income for all seniors. Let us look at what it does. What it means is that by 1995 people who earn \$86,000 will get a tax benefit of \$15,000 and, in reality, a cash payment of \$7,500. Right now—and it is not progressive—at the same time it is being increased for people on high incomes it is being decreased for people on low incomes because of dropping the percentage.

Let us take a look at what happens as you change from the 20 per cent to the 18 per cent by various income brackets. Right now if persons on a minimal income of \$20,000 could afford it—and not many of them can—they

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could contribute \$4,000 into an RRSP. In 1995 when it is 18 per cent, they will no longer even be able to contribute that amount. They will only be able to contribute \$3,600. At the same time persons earning \$86,000 today can contribute only \$7,500. In 1995 they will be able to contribute \$15,000.

• (1730)

What are we talking about here? We are talking about diminishing the opportunity for saving for retirement years for those on low incomes while at the same time increasing it dramatically for those on higher income. In 1995, with this tax system a person earning \$20,000 will get a tax-back credit of \$1,200. But the person with an income of \$86,000 is going to get back \$7,500. What kind of a country is this that gives the wealthy \$7,500 and the poor \$1,200? Obviously, it is Conservative country.

It is not now equal if you contribute to RRSPs. If you are in the highest tax bracket, for every \$1,000 you contribute you get \$450 back. If you are in the lowest tax bracket, if you can afford to contribute, you get \$264 back. Who can afford to contribute? We keep talking as if this is going to help, in some mystical way, the person who is on a middle or low income. That is absolutely nonsensical because people on middle and low incomes do not have the cash to put away.

Right now only 20 per cent of all Canadians are using RRSPs. We have here a bill that is talking about a tax benefit for 20 per cent of the people, but really it is not 20 per cent of the people because only 5 per cent of people earning under \$15,000 use RRSPs, but 57 per cent of people earning over \$50,000 use RRSPs. What we really have is a bill aimed at helping people who are earning over \$50,000. If that is the best way the Conservatives feel they can provide adequate pension programs I am utterly stunned.

This is a bill that favours men. Women are the group that face poverty in this country the most. In my work I have seen women who are financially unable to maintain themselves in the community by paying rents and are desperately trying to get into care facilities because their food and shelter will be paid for there. They cannot afford to rent an apartment in Vancouver or Toronto.