

other instruments in the economy which are the vehicles for the direct creation of jobs. I am talking about stock and bond opportunities for investment.

*The Financial Post* article which I drew to the Hon. Member's attention calls the buyers of this annuity instrument sophisticated, well-healed investors, perhaps a little wary of the stock market, who can afford to tie up income for a long time in order to avoid paying tax on it at current high marginal rates. We are trying to provide some direction through the marginal rate reduction, which I have discussed, and through increases in the small business limits to show that there is a need for investment in other areas. Certainly, the Government ought not to continue to provide such a nonproductive preference to non-job generating areas of return to investors.

**Mr. Blenkarn:** It is unfortunate that we have a Minister of State for Finance who does not realize that a cumulative bond such as a Canada Savings Bond is precisely the same debt instrument as a bond that does not accumulate. The only difference between a cumulative certificate and an annual or semi-annual pay certificate is the date on which the payor is required to pay interest out to the payee. The money that goes into these certificates is precisely the same money that goes into any other certificate. Through these Clauses, the Minister is forcing those people who wish to have an accumulating type of investment, either a GIC, Canada Savings Bond or insurance policy or annuity, to go to some other country with their money where they will be treated honestly and fairly as they were by Governments in the past in this country.

We are talking about investment money being driven out of Canada because that money is invested where investors wish to place it. It is the absolute and supreme arrogance of the Minister and the Government for them to suggest that their tax laws can force investors to invest in modes in which they do not want to invest. Do they not realize that the 49th parallel is a pretty imaginary line and that investors can take their funds and invest them wherever they want in this big, wide world, and in the kinds of investment instruments that they want? They are not forced by the Minister or by the Income Tax Act in Canada to do something that they do not want to do. Therefore, we are really discussing jobs and investment, the creation of new opportunity, which the Government wants to drive out of the country.

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Blindly, the Minister has decided that this is the way he should go. The philosophy was developed from the top floor of the Place Bell tower by people who have no understanding of the way the world works. They are hidebound in this city of Ottawa. Their vision of Canada is limited on the south by the airport and on the north by the Ottawa River. That is their vision. They do not know what is happening or where they are going.

I want to say that we will not carry on with these Sections much longer. As far as I am concerned, I will suggest that we vote on these Sections right now.

### *Income Tax*

**Mr. Hawkes:** Eight minutes.

**Mr. Blenkarn:** Here they are. They are all going to roar in now. The ducks are coming in, guys.

**Mr. Cosgrove:** Powerful man.

**Mr. Chrétien:** Back in power.

**Mr. Fisher:** He's better than our Whip.

**Mr. Blenkarn:** However, my colleague, the Hon. Member for Calgary West, says that he wants to speak for a while.

**Mr. Hawkes:** It is nice to have an audience for a change.

**Mr. Prud'homme:** We will be here until six. We will be here today and tomorrow and Monday and Tuesday. Do not worry. We might as well pass it now. We will be here. No, no, the numbers game, we will not fail on that.

**Mr. Hawkes:** Just before my allotted time expired, I was asking the Minister how much money a small-businessman could shelter for retirement purposes, and the Minister said, \$5,500 or \$3,500. How much money can a Cabinet Minister shelter in his pension plan?

**Mr. Fisher:** Mr. Chairman, all Members of Parliament, of course, follow the same sheltering rules as all Canadians follow. I understand that in after-tax dollars, we contribute more. However, we as a group are paying twice on those funds because we are taxed when we take them out again, too. Therefore, we pay for a good portion of our pension plans with after-tax dollars, and we pay again.

**Mr. Hawkes:** I was hoping I would hear the response that it is the same for all Canadians. I would bring to the Minister's attention the case involving corporate executives. Is it not true that an executive, himself, can put money in, but then the company can put in an almost unlimited amount to provide a pension of \$60,000 a year, inflated, and that that money which the company puts in is not taken into income and is not taxed?

**Mr. Cosgrove:** Mr. Chairman, the Hon. Member has raised interesting subjects. However, again, with 150 clauses before us, I think we should really try to deal with items which are before us. I understand that it is not germane to the Act before the House.

**Mr. Hawkes:** The Minister stands and speaks of fairness time after time. I simply want information as to whether the system is fair. It is our conviction that life insurance and life insurance annuities are really the poor man's vehicle in preparation for retirement. They are in somewhat the same category as the family home. If one considers the assets of an average Canadian preparing for retirement, one finds that there may or may not be a pension plan. There is usually a family home involved, and there is quite often a life insurance policy or some kind of annuity which is bought in later life.

We on this side are suggesting that by becoming involved in the notion of accrual as it affects these Clauses, an additional