

• (1720)

Let us assume that they have a generous employer who matches the \$3,500. Their maximum contribution under a pension plan is \$7,000 per year.

Mr. McDermid: You got it wrong.

Mr. Barrett: I have it wrong. Name one employer who puts in more money than the employee does.

My good friend, you can say those things but the Canadian taxpayer is beginning to understand that this government is by the rich, of the rich and for the rich. There is no other piece of legislation that clearly points this out.

The editorial in *The Toronto Star* further states: "Under Wilson's new proposals Ottawa would provide tax assistance to all employed Canadians to create a nest egg that would allow them to maintain their incomes in retirement to a pension limit of \$60,000 a year. To do so, he would provide the greatest assistance to those at the upper end of the income scale. Someone earning \$20,000 a year would get an annual tax break worth about \$1,200 compared to a break of about \$7,500 for those who earn more than \$86,000 a year."

Think about it. It is the point that I have been making. If you earn more than \$86,000 a year you are in the 50 per cent tax bracket. But if you reduce your income by buying \$15,500 worth of RRSPs that you will ultimately be able to, you save \$7,500 in taxes. You are not just putting in \$15,500 in the bank. You are putting \$23,000 in the bank because the impact is the \$7,500 that you are saving as well.

In a time of high interest rates, who is getting wealthy as a consequence of this type of plan? You lock in your RRSP into which you put \$15,000 a year at a minimum of 11 per cent at today's market and you are looking at doubling your money within five years. If you are rich, you are laughing. If you are poor, and have a job that pays you \$10, \$15 or \$20 an hour, you end up subsidizing this because the tax collected off the rich is not there, it is going into the \$71 billion that we already have in RRSPs.

Why not use the money in RRSPs? If the government is going to shelter it for the wealthy, why not use it for good social and economic purposes? Why do we not

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establish municipal bonds that would permit municipalities under the aegis of both the provincial and federal government to loan money out up to a maximum of \$50,000 from an RRSP, pay a 5 per cent return for a 10 year guarantee on the use of that bond, and allow the bond holder at the end of his or her RRSP to take it out with 50 per cent value of the capital they put in plus the total amount of tax they earn and use those bonds for municipal renewal right across this country? It could be used for affordable housing, restructuring roads, bridges, sewers, and sidewalks across this country. If we are going to allow the wealthy to have these huge tax benefits, the other side of morality suggests that at least we have a right to put that money to work for social and economic purposes right across this country.

Five years ago, the Canadian Association of Municipalities suggested that at that time there was 15 years work in the renewal of roads, sewers and sidewalks in this country. For rural and small town Canada suffering the ravages of a centralized economy under a mindless, uncaring, unthinking, monetarist, right-wing government, one of the things that could be done is use this RRSP money for social purposes that would be paid back in terms of good structures in already existing towns.

Why should we not make some of this money available for low-cost mortgages? We could loan the money out. Before anybody gets carried away with the idea that this suggestion is too radical, in the United States both the Republican and Democratic administrations have endorsed government secured bonds at 5 per cent for municipal purposes. Even the Reagan administration that succumbed to the myth of monetarist theories never touched what was a democratic administration's proposal for the use of this kind of municipal bond.

What I am suggesting is a special aspect of it that would permit people to make a decision on their own to redirect their RRSP funds. What I am suggesting also would not make the wealthy wealthier in their RRSPs. I am suggesting a \$50,000 maximum of purchase in a RRSP fund of those municipal bonds. Not that I approve of these changes, not that I think they should pass the House, but I know that the unthinking majority of the Conservatives who are mindlessly going to pursue this have no sense of the damage that it is doing psychologically and fiscally to the economy with all of that money