

Government Orders

to put out \$350 million to help very well-off Canadians with their tax supports.

At the same time I would also point out that our government in the last year has come up with 31 tax increases. The GST is on top of that.

Why penalize low and middle-income people, lower their benefits from what they could put in now at 20 per cent to 18 per cent and at the same time increase the amount of money that well-off Canadians can put in?

Another point that I think is reasonably important as I look through the legislation is that it really does not take into account many of the people in our population today who have part-time jobs who are coming into a social situation where the dynamics of jobs is changing. More and more people are on part-time incomes. I think that is a reality within our whole structure. I believe that any pension legislation should address those particular types of questions.

We have a workforce that is very mobile. Workers move from one area to another. They work in different locations. Why did we not address portability of pension plans from one employer to another to another?

We have a new terminology that has come into the legislation called "pension adjustment". That pension adjustment will be either calculated by Revenue Canada, which tells people how much they will be able to put into the plan, or it will be calculated by the employer. It will be given to the employees or the workforce at the end of the year when they are paying into these plans. But the problem is if you run into a difficulty or a dispute about how much you can put into a program you are certainly going to be in a very difficult situation. I say that because I do not know of Revenue Canada ever holding up any time and letting people file later. You will be into a situation where you have a pension adjustment that you do not even know about when you start into the year that you are paying the taxes.

The correlation of times when we are putting the GST into place while at the same time bringing this into place will drain many dollars from our economy. It is going to create more of an impact. It will pull our economy down more, slowing it down. Everybody in this country is really concerned about the slow down in the economy presently.

I have heard too from the minister that our goal is pension income between 60 per cent to 70 per cent for the average Canadian. If we stop and look at the figures, we realize that many low-income Canadians do not have that extra cash to participate in RRSPs. If they do not have that extra spending power to become involved and do not work where pensions are offered, then we encounter another dilemma.

• (1810)

We have the dilemma that the only pension benefits they will be entitled to in the future in many cases is what they get from the Canada Pension Plan and the Quebec Pension Plan and from the supplementary benefits. Not having other pension plans they will be the ones who are stressed in the future. They do not have the capital to buy into programs today.

Again, I do not think that we are dealing with the really crucial issue that is facing our pension system, and that is the dilemma faced by low and middle-income families who do not have that extra dollar.

To illustrate that point further, in 1986 we talked about people with \$15,000 incomes, only 5 per cent of whom could contribute to RRSP programs. However, at the same time in the same year those with \$45,000 incomes 61 per cent could contribute.

I will run that by hon. members again. Only 5 per cent of people with \$15,000 incomes could contribute. Out of those with \$45,000 and above incomes, 61 per cent of the people contributed. That is a real disparity in ability to pay and to buy into plans. We know that exists from the dollar and cent discrepancies and free cash that people have to spend.

I would like to wrap up my thoughts with a couple of points that were brought out by the government.

The current RRSP contributions as stated by the government are somewhat unfair. But our government continues to treat people equally unfairly. It seems to me that the policy here is more a policy not to help the poor and those who need extra support on retirement but to help the more wealthy.

People need fair treatment. I believe it is very important in our society and that should be the goal of pension reform. I do not believe that this bill brings that fairness to bear. I do not believe that this bill really deals with the