

*Income Tax Act*

• (1510)

I am sure all your constituents were glad to learn that the maximum RRSP deduction for 1986-87 would be going up from \$5,500 to \$7,500. You know as well that the annual ceiling will rise to \$9,500 in 1988, and then by \$2,000 each year up to \$15,000. This faithfully reflects the approach of the Conservative Government which was elected in September 1984: Canadian men and women must have an opportunity to invest in their own retirement savings plans and look forward to financially worry-free retirement years, partly at the Government's expense, but also as a result of their own contributions.

Madam Speaker, again those are the major provisions of Bill C-23 and precisely because of them this measure must be adopted immediately. If Bill C-23 were to be put off for two or three months because of the Opposition, provisions due to be implemented in 1986 could not benefit Canadian taxpayers. I would find it difficult to understand why the Opposition would be critical of the fact that starting with 1986, Canadian men and women would be able to deduct higher contributions to their retirement savings plans.

And concerning senior citizens again, Bill C-23 does something more. It introduces a number of significant changes to Registered Retirement Income Funds, the RRIFs, which as you know were instituted but were not in tune with the needs of Canadian men and women.

We have also introduced significant changes in order that those funds may actually become a more useful instrument for withdrawing funds accumulated in an RRSP. The major changes, madam Speaker, are first, that the ceiling on annual payments from a RRIF will be eliminated. This will give an opportunity to people aged 65 and over who can benefit from their RRSPs and RRIFs to have higher annual amounts than as originally limited. The RRIF ceiling per person will be eliminated. This means that even after their retirement income has been registered, there could be more than one person participating.

Madam Speaker, those rules are designed to make the system more flexible and allow Canadian men and women greater discretion in their benefits.

Contributions to an RRIF could start at any time after it has been registered instead of only after the start of the following calendar year.

This would mean that where someone has not planned his or her retirement way ahead of time and wakes up a few years down the road saying: "I would like to draw funds from my RRSP and transfer them to my RRIF, and I need them for that year", he or she could do so with the new amendments. We are therefore trying to make the system more flexible, trying to make it fairer to everybody.

There is something else in Bill C-23, something new, something innovative, something for which Canadians elected a Conservative Government, namely a legislation that is new, innovative, good and fair. As you have guessed, it is the federal

sales tax income credit under which every family with an income of \$15,000 or less will be entitled to \$50 per adult and \$25 per child. And this, Madam Speaker, is a refundable income tax credit, which means a family could file its income tax return, and automatically, whether a federal income tax is due or not, it would receive a refundable income tax credit. If they have no taxes to pay, they will get a cheque. For instance, a family of two adults and two children will get a cheque for \$150 to take into account the fact that the federal tax rate has gone up and that we do not want to penalize low-income families.

This is new in our tax laws, Madam Speaker. There has never been in Canada a tax credit for the federal sales tax. This is what Canadians want. They want something fair which fires the imagination, something new which meets the needs of Canadians.

I think that this is an excellent initiative, which is another reason why this Bill should be adopted by the House as soon as possible.

Speaking about the tax credit reminds me of Bill C-11 which provided for a reimbursable child tax credit of \$300 to be paid in November. I am convinced that, in your constituency, all the families who received a \$300 cheque for each child at the end of November were happy. They know that Christmas is coming. In my riding of Trois-Rivières, I have had many telephone calls from people thanking us for this good move. Madam Speaker, even though the Opposition criticized that Bill, we were able to adopt it and it has made low-income Canadians happy. Because of this initiative, this year, low-income families will have a bit more money to purchase winter clothing and for the coming holidays. Because of this, they will not be as likely to go to the tax discounters who keep 15, 20 or 25 per cent of the child tax credit to which these people are entitled and which they would otherwise have received in April. In the past, because they needed money sooner, they brought their tax returns and so on to the discounters in February.

We have solved this problem and made some people happy. This is what Canadians will remember.

Another proposal included in Bill C-23, Madam Speaker, concerns the \$250 increase in the deduction for the handicapped. As Hon. Members will recall, representations were made by the vision and hearing impaired, and so on, and the Government listened to these representations. We listened to their associations when they asked for a small increase in the deduction for the handicapped. The deduction will increase by \$250 for 1986 and will reach \$2,860. This is another measure which meets the concerns and the needs of Canadian men and women.

There is another point which is somewhat more complex, Madam Speaker, but which I think should be mentioned. My friend, the Hon. Member for Abitibi (Mr. St. Julien), has a great many problems in this regard in his riding; I am