

Government Orders

of families with the lowest incomes got less than 5 per cent”.

That puts into perspective what the problem is now and how it has been exacerbated by the Conservative government. The rich are getting richer and the poor are getting poorer and the middle class are paying for both ends of it.

The editorial states: “By and large, the unequal distribution of income is the outcome of the market. But to preserve the advantage of upper-income Canadians in retirement, finance minister Michael Wilson thinks the market needs some help, so Wilson tabled new legislation to increase the allowable tax deduction on registered retirement savings plan to a maximum of \$15,500 per year.”

I would suggest that 40 per cent or more of the income earners in this country do not even earn \$15,500 a year, let alone having the opportunity to eventually put the amount allowed under this bill aside for their retirement.

There are a significant number of single parents struggling to survive on minimum incomes with the absence of day care and other services, and trying to avoid going on welfare. They know very well that at the same time money is being taken out of circulation by way of general revenue to benefit the rich and they, the single parents of this country, have to support not only their children but the rich as well through this kind of legislation and they become cynical about government.

All governments have a mandate to serve the people, but this government thinks it has a mandate to serve the rich and to hell with the rest.

Mr. Boyer: That's nonsense.

Mr. Barrett: My friend says it is nonsense. I have the Tories interfering again when I point out that only 1 per cent of the population of this country can take full advantage of this legislation. The other 99 per cent are told to look in the window and see the Christmas lights and some tinsel.

My friend says it is nonsense. I do not think 99 per cent of the people of this country being shut out is nonsense.

Mr. Boyer: Your analysis is wrong.

Mr. Barrett: When I point out that in the long run wealthy people will be able to put aside \$15,000 of their income to escape tax, let us understand what is happening here. Those people who can afford to put aside the \$15,500, if they are paying income tax, are in the 50 per cent bracket. If they put aside the \$15,000 eventually allowed, \$7,500 of what they were putting aside would have gone into general revenue to pay for services and to pay down the debt.

As of 1988 there existed in registered retirement savings plans in this country \$71 billion. Only half of that money is in self-directed programs. The other half is in the banks and trust companies of this country, and that money which has been saving the wealthy a tremendous amount of money is then loaned out as mortgages to working, middle-class and lower-income people. Not only are the wealthy getting the benefit of the tax, but they get the benefit of the earnings in the RRSPs that the banks are getting fat on at the expense of the middle and lower income people.

Never was there a system designed to benefit the wealthy as clearly as this one. Thirty-five hundred dollars is the maximum contribution for somebody who is on a wage or a payroll deduction. My good friend says what a crock that is, and I agree with him that it is a crock. Why should the wage earner be confined to \$3,500 maximum, but the independent wealthy person allowed ultimately to deduct \$15,500? Why indeed, you could ask. It is a crock. The crock is broken by this government along with its broken promises and not providing equality to ordinary people in this country.

If you are in a registered retirement plan and you are on a payroll deduction, that limit is \$3,500.

Mr. McDermid: You are allowed up to 18 per cent.

Mr. Barrett: If he wants to change that, get up and make an amendment to this bill. But the fact is while you are working for wages you are confined to a \$3,500 deduction. If you are a professional or if you are a super wealthy coupon clipper, you can ultimately deduct \$15,500.

Mr. McDermid: They have no pension plan.

Mr. Barrett: My good friend says that they have no pension plan. Let us take his logic further because it is important to debate this.