extremely complicated and confusing to seniors who often do not understand the rules which keep changing and which are much more complex than they have been accustomed to.

For example, the Government has restricted the amounts that can be rolled over tax-free into registered pension plans and Registered Retirement Savings Plans, to $2,000 per year of employment plus $1,500 for each year that no money was contributed to a pension plan. Originally, the impact of this measure would have been extremely harsh, because it was retroactive. Many people who planned to retire at the end of 1981 were going to be affected without warning. For that reason, we forced the Government to grandfather this measure. Nevertheless, the Government severely disrupted the financial planning of many groups nearing retirement. We heard from many professional groups such as the Police Association of Ontario and the B.C. Federation of Teachers.

As one Canadian said of this measure in his letter to the Minister of Finance, "If the intent is to get people to not plan for retirement but rather to count on Guaranteed Income Supplements or other Government assistance, you are on the right track."

Furthermore, this Bill denies registration for future deferred profit sharing plans which allow an owner to qualify for a plan. It prevents owner-managers from using this means to provide for retirement. It is very unfair, particularly to small businessmen who may not know how much money their company will earn in a year and who draw limited salaries.

I was in that position when I ran my own company, before being elected. Everyone else is paid first, the bills are paid and then the boss is paid. A deferred profit sharing plan was a simple way to allocate part of your own wage cost when you did not know how much you would earn in a year. Its loss is going to be a very bad thing for a lot of small businessmen, particularly in times when costs are hard to forecast.

In addition, this legislation eliminates the deductibility of interest on loans taken out to purchase RRSPs. Particularly hard hit are middle-income Canadians since many rely on RRSPs to provide income security for their future. In fact, nearly 1 million people earning less than $30,000 per year declare contributions to RRSPs as deductions. Many of them borrow money to purchase their RRSPs because they do not happen to have the lump sum available to meet the purchasing deadline early in the year. This measure hurts low income Canadians. Higher income people have the money available. As our task force toured the country it was told this by many groups, over and over again. As many of these loans are paid off within the year, they are a form of forced savings. In effect, the Government is penalizing Canadians for prudently putting money aside.

Another harmful measure in this legislation is the limits to the $1,000 pension deduction. In most cases the pension deduction is limited for those under age 60 who roll over a pension benefit into an RRSP. This affects those who retire early and who may wish to shelter income which at the present time is surplus to their needs. That is important in bad times when people are being asked to retire early. It also denies the pension deduction to those who receive lumpsum pension benefits in any form other than life annuities.

As with so many of the Government's measures, it hits hardest those most vulnerable—those Canadians who are at the end of their salaried years and who face a future on a fixed income.

Many small businessmen, farmers and those who are employed in seasonal occupations such as fishing and logging, are particularly hard hit by the elimination of general averaging and income averaging annuity contracts and their replacement with forward averaging.

For those who receive a once-in-a-lifetime income which they would like to set aside for their retirement, the IAAC is no longer available. For those whose income varied with the seasons and the harvests, the automatic system under which their gains and losses were evened out by the tax system is no longer available.

Both systems have been replaced by a very complicated procedure called forward averaging, in which a taxpayer will have to estimate whether his income will fall in the coming years, prepay the tax at the top marginal tax rate and claim it back in the future. He will have to hire an accountant to pilot him through the extremely complicated procedures. Should he neglect to tell the Government he intends to forward average initially—either because he does not understand the system or because he does not realize his income in future years will fall—he will not be able to claim back the tax he has paid. He is taking all the risk while the Government has fully hedged its bets, taking the money. Those who suffer least are those in top tax brackets who lose nothing by electing to forward average since they have to pay the top rate anyway.

After attacking in so many ways the ability of older Canadians to provide for their retirement, the Government caps it off by limiting the indexing of old age pensions and Public Service pensions. Nearly 1.2 million Canadians are affected by these two measures which are enshrined in Bills C-131 and C-133 currently being studied by committees of the House. What these measures represent collectively is best described by two people who wrote me from Vancouver. One investment analyst said the following about the victims of these measures:

• (1750)

> Probably not since the depression years of the 1930s has a group of Canadians suffered such drastic reversals in their economic fortunes while having paid comparatively high tax levels during their productive years and having no responsibility whatsoever for the economic plight they find themselves faced with today, to say nothing of the loss of personal pride and dignity.

Recently the Minister of Finance said that he expected older Canadians to shoulder their share of the battle against inflation. As the President of the Vancouver branch of the Federal Superannuates National Association said with reference to the deindexing of Public Service pensions:

> These are the same Canadians that were obliged to carry the main burden of the 1930-1939 depression. A great number of these Canadians bear the psychological scars of unemployment during their youth; of living in family homes in which welfare payments were their main subsistence; of soup kitchens