

*Government Orders*

the average Canadian from participating in this major benefit.

It is not a benefit for the average Canadian. It is a benefit for those with very high incomes who are not spending it all. They have extra dollars.

With respect to the seven-year forwarding of the plan, a person right at the maximum of that seven-year forwarding is making \$86,000. He could, over a seven-year period, be in a position of being able to have \$100,000 in one year dropped into a pension fund and avoid taxes on that completely.

People with huge business deals who are getting tremendous profits from certain investments, and having all of this money coming in at one time are able to dodge the taxes on it. I think that is a major loophole. I think it is a loophole in this proposed legislation which is not going to be shared by the average Canadian. It is only going to be shared by the very wealthy.

The people at the other end of that scale, the low-income Canadian, is restricted to 18 per cent through Bill C-52. Today, he can invest 20 per cent. The fellow who really worked hard and got all the RRSP investment that he could will be cut back by \$500 at the low level. He will be cut back 2 per cent and not be able to invest the same dollars as he could have the year before.

What we are seeing is a program that will aside more for the wealthy, more tax gains for the wealthy, but lower tax benefits for the less privileged, those with lower incomes.

Indexing is another point that has been brought forward. We have heard enough about indexing. We heard about indexing with the GST. According to the government it was not fair to totally index or fully index tax credits. It was not fair to fully index the tax thresholds. Thus the lower-income people get only partial indexing for the benefits they are going to receive.

However, on the other hand, the benefits that the very rich will receive in this particular bill are going to be fully indexed. It really is a mistake to give full benefits, full indexation to the very rich from 1996 on, while the poor will only receive partial indexing in the other programs.

We hear about the clawback system. There is a clawback because when somebody gets up to such and such a level we are going to take back some of the benefits that we are giving in old age security and family allowance. Why are we clawing this back if we have those extra dollars that we can fully index when very well off people get tremendous tax benefits out of this legislation? Why is it that the government treats low and middle-income families in a much different way than it seems to treat upper-income families and yet at the same time claim the treatment is fair? I have a major problem with that.

Talking about tax brackets, if one makes a very high income and is in a high tax bracket, each tax dollar that one contributes to a fund will in fact bring higher returns than if you are in a low tax bracket. The difference has been spoken of again today several times. I believe it should well be reiterated.

For every \$1,000 a person in a high tax bracket puts into this program he will receive a tax benefit of \$450. However, for every \$1,000 the low-income people put into it, they will only receive \$264. There is a real disparity here of close to \$200 per contribution.

I think if we are going to be very fair we should consider one of the strong proposals that did come forward in 1984. It was that we have a tax credit system. Through that credit system we would make certain that all of those benefits would be averaged evenly. So when the low, middle or upper-income person puts dollars into an RRSP they would get the same benefit back. I believe that equal treatment for all Canadians is extremely important and very fair to our system.

We talk about costs. The government estimates from \$300 million to \$350 million. I have heard some estimates as high as \$500 million for this program. Certainly, the experts will be able to give us the background and information on that.

But it is still a problem. In the last six months we have heard about our deficit and our debt. We have been told that we are going \$300 billion or \$350 billion in debt. We have been told we have to cut back. We have been told that we cannot fully index programs because of the extra costs. At the same time, we are going to fully index tax benefits which I see would go the wealthy. We are going