

women are woefully inadequate. While I am pleased that there is an end to discrimination on annuities, I point out that this had been recommended as far back as 1970 by the Royal Commission on the Status of Women in Canada. Until the Canada Pension Plan is improved and women can take part in that plan and receive adequate pensions, women will face difficulties with pensions. It is not enough merely to improve pensions in the private sector because half the women in the labour force do not benefit from pensions in the private sector.

These reforms are welcome only to those who are better off. They do not address the problems facing the vast majority of Canadians.

Let me conclude by simply pointing out the futility of the Budget. It will not reduce the deficit or create jobs. Small business will be adversely affected as a result of the loss of demand. We recommended a very different approach to get people back to work and make communities economically active again.

It is fundamentally a dishonest Budget and pretends to be what it is not. The Minister uses a combination of threat and fraud; threat that unless people bite the bullet there will be even more jobs to lose, and fraud that the rich have to be bought off by even greater giveaways to provide even a small number of jobs.

There is the illusion of fairness because some minor measures have been implemented. They are overturned by the more serious matters, which means that the rich will profit from this Budget while low and middle-income Canadians will be badly hurt.

We are seeing a massive redistribution of income in this country. It is being done in a sneaky manner, gradually, year by year. It represents a very serious betrayal of the Conservative election promises. It is a sad day when we see the true colours of the Conservative Party. I hope the population of Canada will not be fooled by the shuffling and will see where this Budget is really taking Canada.

Mr. Mazankowski: Mr. Speaker, will the Hon. Member explain to the House how she can rationalize her position in saying that this is an anti-small business Budget? All of the organizations representing small businesses herald the Budget as a very positive one for the small business sector, which is really one of the main engines of growth and economic opportunity in this country.

With respect to the application of the capital gains tax exemption, contrary to the Hon. Member's suggestion that it is a boon to the rich, it is considered in most corners as an excellent incentive to encourage individual entrepreneurs and families to engage in small business activities. It would be very similar to the family farm enterprise where families work together to create an investment in land, machinery and equipment that will become a retirement fund in later years.

Ms. McDonald: Mr. Speaker, a Budget that reduces purchasing power as significantly as does this Budget will be very harmful for small business which depends on the purchase of

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goods and services. The Budget takes money from the hands of families who buy food, services and other necessities.

The Budget is reducing the family allowance and old age pension while increasing taxes. This means that people will have less money to spend. How can businesses be pleased that their customers will not have as much money to spend on their businesses? I suggest it will hurt businesses.

How will people increase their purchases? The unemployed will not be making large purchases and the Budget will not reduce unemployment. There will be direct lay-offs as a result of the Budget and indirect lay-offs as small businesses are hurt by it. A Budget that reduces the purchasing power reduces business.

Mr. Mazankowski: Mr. Speaker, I am not sure what experience the Hon. Member has in running a small business, but when all the leading spokesmen for the small business sector in this country have heralded the Budget as very positive, particularly as it relates to the small business sector, how can the Hon. Member stand in the House and argue against it? What rationale can she use to challenge the statements of the representatives of the small business sector in this country?

● (1620)

Ms. McDonald: Mr. Speaker, the Minister has simply not addressed the point in question, which is, how do people become customers if they do not have money in their pockets with which to buy? If you reduce purchasing power, what are people going to spend? If people do not have money, how are they going to spend it? The Minister has not answered how people are going to spend money they do not have.

Mr. McMillan: Mr. Speaker, perhaps the Hon. Member could answer this question: is she saying that the small business sector is not happy with the Budget? Or is she saying that it is happy with the Budget but the small business sector does not know what it is talking about, that it is ignorant in its assessment?

Ms. McDonald: Mr. Speaker, I am simply pointing out one of the unhappy facts of life, that reducing purchasing power is going to hurt. I think small business will be very seriously hurt. The proof of the pudding is in the eating. Let us talk about it a year from now and see who is right, the Member or I.

Mr. McMillan: Mr. Speaker, I do not think the Hon. Member answered the question. It is pretty clear from all newspaper accounts and from public statements made by John Bulloch and others representing small business that universally there has been acclaim for the Budget from the small business sector. Is the Hon. Member denying that that is true, or is she saying it is true that the small business sector does not know what it is talking about?

Ms. McDonald: Mr. Speaker, it is not true that this Budget has been universally accepted. There has been some acceptance.

Some Hon. Members: Oh, oh!