

*The Budget—Ms. McDonald*

of including homemakers in the CPP which is equitable and gives women the coverage they need.

I would also like to point out what the Budget fails to do in the area of pensions. The most important failure is not increasing the Canada Pension Plan or leaving it at the same level as it is now. The problem is that it does not pay a high enough benefit. It is a good plan, it has excellent features, but the amounts paid are still inadequate for people to live decently on their retirement incomes. It is the most important reform which could be made for all workers. Private plans do not provide adequate coverage. Too many people are excluded from coverage. Also they do not adequately provide coverage against inflation. The Canada Pension Plan-Quebec Pension Plan is the most important pension plan in Canada.

The Minister responsible for the Status of Women also discussed this matter this morning. She noted that the average woman worker on retirement—and I am not referring to the lowest paid woman worker—would still need the GIS and would still qualify for it. After the OAS and the Canada Pension Plan, she would still need the guaranteed income supplement. The Minister pointed this out as a way of congratulating the Government for increasing the GIS. However, this is looking at the problem the wrong way. Surely a woman who has worked her entire life ought not to need the guaranteed income supplement. Surely the Canada Pension Plan ought to be adequate to ensure that she has a decent retirement income. Surely the better response is to increase the Canada Pension Plan-Quebec Pension Plan.

In the area of maintenance, we can see that there have been some improvements, certainly ones about which women have been concerned for many years. They are modest improvements but they will facilitate the payment of maintenance orders. It will now be possible for payments made prior to a court order or to a written separation agreement to be deductible from the taxable income of the person who pays. The eligibility has been broadened to include deductions for mortgage payments, tuition fees and medical expenses. Since roughly 70 per cent of maintenance orders are in arrears, anything that would improve the actual payment of maintenance orders is to be very much welcomed. I am pleased to see this. I am sorry that we do not have much more comprehensive measures. I am also sorry that the Divorce Act which we will be debating tomorrow does not have comprehensive measures for maintenance payments which we need as well.

The Budget deals with the issue of collective bargaining in the Public Service. For the first time we have in the Budget Speech an admission by the federal Government that collective bargaining was suspended with the six and five program. We welcome the announcement that Public Service employees will again have at least partially restored to them their rights to collective bargaining. However, there is much hypocrisy here too. "We will bargain hard", says the Government. "There will not be catch-ups. The object of bargaining will be to reduce inflation", says the Government. In other words, there is a guarantee that wages and salaries will not keep up with the cost of living. Comparisons will be made with the private

sector and will be kept behind the private sector. On awards made by arbitration considered excessive according to the criteria to keep inflation down, the Government will ask Parliament to legislate a wage settlement. In short, we have gone from having open wage controls to having a disguised form of wage controls. Certainly that is undesirable. We should be getting rid completely of these impediments to free collective bargaining.

Another measure which was suggested as a type of reform and is really not one is in the area of mortgages. There is a possibility of having mortgage insurance, but people have to pay for it, the fees are quite high and the coverage is very modest. There are also provisions which get rid of the ability to prepay with a modest penalty. People will have to pay, if they want to prepay their mortgages, the full amount of interest owing. These provisions are described as reforms, but they give further advantages to lenders. They do not give adequate protection to people who hold mortgages. It is far more important to have good protection by having long-term, low-rate interest guaranteed and settled.

An area against which I protest very vigorously in the Budget is the external aid program. It has been announced that there would be an increase in development assistance, as promised in the Speech from the Throne. However, this increase will not go where it needs to go. Development assistance will rise to 0.5 per cent of GNP in 1985 and to 0.7 per cent in 1990, although the United Nations recommends 0.7 per cent now, as does my Party. It is hypocritical to confuse aid and trade. What will happen with this new increase in aid is that it will basically go to Canadian corporations. There are no guarantees that it will go to the country of greatest need or that the people will be able to use it to buy local supplies or to use the money wisely. In other words, these are more giveaways to Canadian corporations. Because we are not addressing at all in this Budget the real problems that prevent Canadian corporations from exporting and competing fairly because of the multinational system, the Budget is totally inadequate. Aid should be aid. It should go where it is needed, it should be used as it is needed. Incentives to export should be frank incentives to export. They should not be couched in the form of aid.

*[Translation]*

If we are to make a very critical analysis of the Budget, we have to propose different initiatives. We in the New Democratic Party criticize the proposed Budget for what it fails to do rather than for what it actually does. What we need is a budget which comes to grips with the structural problems of the economy, with basic problems, therefore with the economic recovery. An economic recovery in Canada calls for investments in those economic sectors which will provide most jobs, such as manufacturing and especially micro-technology. It is imperative that we invest in natural resources—forestry and fisheries—where we have been blessed by nature and where we can increase the number of jobs. Housing is the economic sector where we can most quickly boost employment and, at