

The Budget—Ms. McDonald

Instead of concrete measures to create jobs, we have a false analysis of the problem, and it is no surprise that we have false solutions to it. Consider the Minister's discussion of productivity, competitiveness and exports. These are high sounding words. Implicit in the discussion is a suggestion that Canada is not doing well in international trade. But in the last two years we have had record surpluses in trade which have amounted to very, very large sums indeed. We do very well with what we export, but we are not exporting the right things. The problem is not correctly understood. We are relying on natural resources, including items such as lumber, but a lot of these are non-renewable resources which are capital intensive and create very few jobs for the investment dollars in them. We are exporting very little in manufactured goods, and manufacturing is declining in our economy. This is the area where the most jobs are. There is nothing in the Budget to attack this problem.

We know that the main reason companies in Canada do not export is not low productivity but the fact that these companies are branch plants and not intended to export. Branch plants are intended to import from the parent company and other companies in the network. It is not a psychological problem that Canadians need to be encouraged by certain measures to be more productive, innovative and efficient, as the Minister suggests. The remedies of the Minister of Finance are therefore inappropriate. He suggests that workers must identify with their company and that a profit sharing scheme will help them to identify with the company more. The profit sharing scheme is one which means that employees who are covered would get 60 per cent, with 40 per cent going to the company. It would also end the practice of treating profit sharing as ordinary income. However, it is not the answer to the problem. It is not a lack of incentive that keeps these companies from exporting. It is the nature of the multinational system. The Budget does not even begin to address this problem.

At the same time, goodies are given away under stock option plans which are available not to ordinary employees but to management personnel, the best paid employees. The incentive for this is that only 50 per cent of the profits made under this system would be taxed. In other words, taxpayers are subsidizing to the tune of 50 per cent income which is going only to the very high income earners.

The unfairness of our tax system is increased in other ways as well. The amount of money that can be put into RRSPs is being tripled. Yet it is the high income earners who take advantage of this scheme. It is a regressive system. Higher income people take greater advantage than lower income people because it is based upon percentage. Of course, low-income people cannot take advantage of a deduction for an RRSP. Of individuals with incomes over \$50,000 per year, 54 per cent have deductions for RRSPs, whereas only 12.6 per cent of other income earners have such deductions. There were \$53 billion of assets in tax-sheltered RRSPs as at the end of 1982. That is expected to rise to \$60 billion by the end of 1983. Enormous amounts of money are available in tax-shel-

tered RRSPs. They show who is able to take advantage of these benefits.

• (1600)

There are some good things in the Budget. There are some provisions which help low-income people. The increase in the guaranteed income supplement is one. The increase is not as large as we would have liked to have seen. It is \$50 per month and it comes in two instalments; \$100 per month had been recommended and \$100 per month would certainly be better. However, no one will complain as \$50 is better than nothing. It recognizes that single people cannot live at half the rate of a married couple. That point has been made for a very long time, especially by women's organizations that deal with the problems of elderly women. Still, with the Old Age Security and the guaranteed income supplement combined, people will be living below the poverty line. Single people who will be receiving this increase will, if they live in large cities, still be \$2,000 per year under the poverty line. We should note, by comparison, the enormous benefits which will go to higher income earners who take advantage of the increased opportunities with RRSPs.

There are other reforms in the pension area about which I am very pleased. I am glad to see them. I have lobbied for these changes as an activist before becoming a parliamentarian. I have talked about them as a member of the Opposition. It goes to show that people in Opposition can get reforms through by arguing for them. These are improvements in the Canada Pension Plan that affect very large numbers of people. There are improvements for pensions under federal jurisdiction which affect 10 per cent of Canadian workers. Portability will be required in private pension plans under federal jurisdiction after two years of employment. Vesting will be required, and it will be possible to transfer the pension fund to another employer or to a registered pension account. There will be some protection against inflation. It only affects future pensions, but it is a step in the right direction. There will be mandatory survivors' benefits in occupational pension plans, certainly a very welcome step. There will be, under the Canada Pension Plan, a fifty-fifty split on marriage breakdown, unless both partners agree otherwise or a court orders otherwise. We should note that this is only for the Canada Pension Plan. The Minister responsible for the Status of Women implied this morning that she was in favour of this splitting occurring for all pensions under federal jurisdiction, but if we look at the Budget Speech, it does not say that. It should say that because the federal Government has the opportunity to act in this respect and it should.

Equal annuities for men and women is something which has been recommended for years. Women have obtained lower annuities because they live longer. Of course, this is a very serious injustice about which women's organizations have fought for years, indeed for decades. More part-timers will be included in pension coverage. That is also a welcome step. There is a proposal to consider the inclusion of homemakers in the Canada Pension Plan. We certainly need very much a way