supposed loopholes in the tax system. This, the government pointed out, would prevent the wealthy from taking unfair advantage. Yet, at the time these measures were being touted, the government changed the tax structure so that the tax percentage on those in the highest level was reduced to 50 per cent from 67 per cent. One of these marvellous "equity loophole closures", which is supposed to strike at the rich, will hit hard at low and middle-income earners.

I am speaking now of the removal of tax deductions on interest or borrowing to buy RRSPs and other saving investment plans. This measure has had the effect of discouraging many Canadians from saving for their retirement. Many people will now have to rely on pension plans they have with their employers. It will be an even greater burden for those who are self-employed.

• (1600)

Then there is the problem of tax measures relating to insurance policies. I hope the Minister of Finance is now prepared to reverse his decision for regarding the new regulations for taxing the cash value and proceeds of insurance policies. I am aware that he made a statement with respect to whole-life insurance policies which would be exempt, but there are other policies, and the amount of money they will be able to collect on this very unfair and stupid tax will be peanuts compared to what they could collect in other ways.

There are, I believe, some eight or nine million policyholders across Canada, the majority of whom are not wealthy. They are in the middle class and, yes, in the low-income bracket. They are providing protection for their families and of course they have been fortunate enough to live a considerable length of time so that the cash values are increasing from year to year. The majority of these people are not cashing their policies in; they are leaving the proceeds in there to purchase paid-up additional life insurance, or letting the dividends accumulate so there will be that much more for their retirement or their estate.

I think the minister should go the second mile and forget all about this iniquitous tax. His predecessor, the present Minister of Justice (Mr. Chrétien), listened, shall we say halfheartedly, to his braintrust when he was Minister of Finance. Then all hell broke loose across the country, Mr. Speaker, and I give the minister full marks in that he withdrew it. It is too bad that the present Minister of Finance would not take that same advice.

Another tax measure designed to create a nation of the universally poor is that which will tax the benefits people receive from their employers as part of their income. With an escalating consumer price index, record prices for food, shelter and fuel, many Canadians have negotiated benefits in lieu of salary increases as a means of coping. The elimination of these tax-free benefits is sure to add significantly to the numbers of the working poor and add pressure to future salary negotiations throughout the work force. This, the government says, is equity. Again, Mr. Speaker, this is stupidity. I see the Minister of State for Finance (Mr. Bussières) looking this way. I am not sure whether the minister was handed the budget at seven o'clock or so on November 13, I believe it was, and did not read the contents in detail until eight o'clock that night. He must have had a haemorrhage along with a great many of the members of his government and backbenchers, when he started to extol the many provisions of what in all probability everyone agrees is the worst budget in Canadian history. That is proven because many members of the government had the guts to get up and talk about it. They did not vote that way, and for a very good reason; they would have been voting themselves out of a job. But some of them did make their feelings known in a letter to the Prime Minister (Mr. Trudeau); some of them spoke very vociferously in their ridings against the budget. Granted, time and space allows people to say one thing in one place and another thing in another place, and I guess that applies to members of Parliament as well.

With that in mind, Mr. Speaker, and with these things in the budget concerning dental care and hospitalization and so on, is it any wonder that the people are worried sick? The budget quite simply means that the government, through increased taxation, will collect even more money to spend. I guess that is the name of the game. But not to spend on the Canadian people. No, we are supposed to be practising restraint. Our money will be spent on development, which means studies, reviews, assessments and consultations to decide where the rest of it will be spent in the future. The key phrase there is "in the future". What the government, as evidenced by the budget, has failed to realize is that if we do not take immediate action to assist Canadians with today's problems, all the money in the world will not buy sucess in the future.

Small business is in many ways the backbone of this nation, yet the budget all but dismissed the real needs of small businessmen and women. A record number of small businesses have either gone bankrupt or are on the verge; government-condoned high interest rates have seen to that. The small business development bond was of considerable value to small business and incorporated farmers who wanted to expand, and that instrument has now been extended and expanded to include the unincorporated. However—and here is the kicker—it will be available only to those in serious financial trouble, on the verge of bankruptcy, and those living in the municipality of dire straits.

The problem with this approach is that by the time you are in serious trouble, approval might not be forthcoming because there would be some difficulty in establishing your ability to repay. So there is a good chance many more businesses will close their doors and many more people will be out of work. This is hardly the way to promote economic renewal.

The Minister of Finance suggested that, with the budget as a guide, the government would get its house in order. Well, thousands of Canadians are just as concerned about their own houses and saving them. The minister and other members of the government do not seem to realize that Canadians who are losing their homes, farms and jobs are now beginning to lose their tempers as well. The attitude of the government to the plight of home owners was clearly revealed last year when a