

threshold is sensible, but it is not a development bond. It is a bail-out bond. The money is still not available for companies to expand and grow to develop this country. It is still a bail-out bond.

The changes under the heading of reorganization which extend these terms until 1983 still do not address the problem of the reorganization changes to small businesses, to high technology companies, oil and gas companies and so on. It does not do anything to the big companies. The big companies will not be affected, just the smaller companies.

Let me just wind up. The minister referred to five items that will be referred to a standing committee of this House. That is another indication of a total withdrawal of the budget. This budget is a disaster. It is a failure by the Minister of Finance to address the problems of the country, concerns that were stated by many Canadians this past month. It is a continued attack on the free enterprise system in this country, on the average Canadian and on the small business community. It still reflects a lack of understanding by this minister and his officials on the impact of the budget on many Canadians. It should be withdrawn and the new budget that we see in the House should be brought in by a new minister of finance.

Some hon. Members: Hear, hear!

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, if one thing is clear in all the discussion of conversions on the road to Damascus and the fact that the minister is not moving anything to Jerusalem, this is one budget that is certainly not engraved in tablets of stone. In fact, the minister should have had it written on a blackboard with pieces of chalk so he could make the kinds of changes he has made.

Unlike the hon. member for Etobicoke Centre (Mr. Wilson), I do not intend to focus on the extent to which the minister has retreated. The minister has responded to many of the criticisms that have been made in the country. The principle of being able to respond to changes and to demonstrate some flexibility is not something to which I object or to which those in this party object. Let me make it clear. We had a task force led by my colleague, the hon. member for Kamloops-Shuswap (Mr. Riis). We made representations to the government.

I want to make it clear to the minister that he operates on the principle of reacting to public demonstrations such as the one of over 100,000 Canadians which took place on Parliament Hill in response to the government's over-all policy and the fact that the minister has made a statement. I do not care when he makes it. He could make it here in the House of Commons at two o'clock in the morning, and we would be here to congratulate the minister on the fact he has responded. What is a problem, however, is the fact that the minister responded to those with the loudest voices. He has not responded with one particular exception. The question of transition is an arrangement that has to be made for those people to meet various business arrangements. If you overlook the question of what has been referred to committee, and there are some major items such as corporate reorganization, when you come right down to it, there have been five changes of any importance. Only one change can be really said to benefit the

average worker or, in this case, the average retiring, fired or laid-off Canadian. That has to do with the changes which the minister announced for retirement allowances.

• (1640)

I want to indicate to the minister, as he will know since we have made representations in this particular regard from the beginning of the budget, that we welcome the fact that the minister has moved on retirement allowances. I think it is a tribute to those many Canadians who have written to the minister and to the many trade unions that have made representations. I pay tribute to that.

Some hon. Members: Hear, hear!

Mr. Rae: When one looks at what else the minister has done and one asks what are the major problems facing the Canadian economy, who has the minister responded to? He has responded to those interests, to those people who can make the most powerful claim, but he has not responded to those who are not in the position to make the same kind of technical and powerful claim on the minister's conscience.

The basic problem facing the Canadian economy at the present time is that we are in a recession and that we had a budget on November 12 which was designed to cool out a boom. The minister, his advisers and the Bank of Canada are bringing in policies which have been rejected even by the Economic Council of Canada itself.

I just want to give one example to the minister to demonstrate the hypocrisy, the uneven standard that the minister has applied. If he looks on page 15 of his statement which deals with the problem of employer housing loans which were deemed to be a taxable benefit and to which an imputed rate of interest would be applied, we are now told it will be phased in over two years. Let me make it clear, Mr. Speaker, that I do not particularly object to the principle of the phase-in. I want just to read to the minister one sentence which I think indicates the standard which the government applies in some cases but not in others. It says, "It is proposed that this change be phased in for existing housing loans to allow employers time to work out remuneration arrangements for their employees who are affected by this measure." Mr. Speaker, what about the medical and dental plans? Is the minister seriously arguing that they do not affect the remuneration arrangements of literally hundreds of thousands of employees in this country?

Some hon. Members: Hear, hear!

Mr. Rae: Is the minister arguing that they are somehow less important than those people who are the employees of banks and other large corporations, managerial employees who are receiving those benefits? There is one difference between people who are receiving employer housing loans and people who are receiving medical and dental plans under collective agreements. One group are managers and the other group are workers. That is the only difference.

Some hon. Members: Hear, hear!