

Supply

programs. By the way, no federal public servant, with two exceptions in the postal union, has such a program. It makes one wonder why this has been attacked. The budget will tax these benefits. Today the hon. member for Rosedale (Mr. Crombie) noted the inflationary impact, but also the impact that the budget and its changes will have on the collective bargaining process, as both sides try to offset the cost of this at a time when there are many pressures in the collective bargaining process because of inflation and slow economic growth. The result will be more strikes and further slowdowns in the economy.

There is no doubt in anyone's mind that there is a housing crisis, but there are four areas in the budget which undermine the ability of people in the housing industry to do their job. The changes in the budget which hurt the housing industry compound the crisis and are not in any way offset by the \$7,500 interest-free loan the minister announced in the budget. We hear time and again from people in the industry that it would not offset the loss of capital cost allowance, the loss of MURBs and so on. We were told by one builder who still has a sense of humour that he was not really concerned about the budget because he did not pay any taxes today; he did not make any money upon which he should pay taxes. This is the nature of things in the housing industry.

We heard yesterday the speech of the Minister of Agriculture (Mr. Whelan). He indicated that farmers are a great resource in the country. When one takes that speech and compares it with the attack of the Minister of Finance (Mr. MacEachen) through the high interest rate policy, through the change in the capital cost allowance, one realizes that the farmers have had incentive taken away from them in the farming industry. They see a very bleak future ahead. Someone in Regina said: "We see a real crunch coming." The budget must be withdrawn.

Also the minister referred to the Investment Dealers' Association as being associated with the letter from the president of the Toronto Stock Exchange. The association attended our hearings in Toronto and made a very eloquent representation for the reinstatement of a number of investment incentives as well as some of the basic saving incentives which have been an important part of job creation and economic growth to date.

Mr. MacEachen: What about interest deductibility?

Mr. Wilson: That industry is not in support of the budget.

Mr. MacEachen: Did they say anything about interest deductibility?

Mr. Wilson: I will answer the minister's question. The change in interest deductibility was welcomed by that industry as well as by the small business community. They welcomed it because if they had not received it the small-business community would have been killed. Many individuals and small businesses would have lost their operations completely; they would have gone bankrupt this year. This is why the minister was forced to respond. There was no flexibility; he was forced

to make that statement in the House, and there is no other way to express it.

Mr. Peterson: We are the ones who made it deductible.

Mr. Wilson: Another witness indicated that charitable foundations are a source of major financial support for the total voluntary organization community within the country. One witness referred to them as the "bulwark of democracy", but the budget seriously undermines the capacity of charitable institutions to continue in existence. We were given the example of one foundation which in 1970 was capitalized at \$14 million. At the end of 1980 it had grown, with inflation, to \$30 million. During the course of that period it provided a significant amount of financial support for the voluntary sector. If this budget had been in place, we were told that that charitable foundation would have been capitalized at only \$11 million compared with the \$14 million in 1970.

Mr. Peterson: That has been looked after.

Mr. Wilson: That is what the budget will do to charitable foundations. I could refer to a number of other areas such as mining, the budget's impact on productivity, the impact on students and on universities of cuts in the established programs financing, and the impact on the Canadianization process. I have tried to make the minister understand that. I do not think he understands it. I do not think he understands that whole investment process at all. Canadianization will slow down. There will be fewer Canadian shareholders and less Canadian ownership in five years' time than there is today, directly as a result of this budget. There are no two ways about that.

• (1650)

Another theme was evident in our meetings, and that was the question of process. I was interested to read what the minister had to say about process in the speech he made yesterday in Toronto. The President of the Treasury Board (Mr. Johnston) was part of a committee when he was in the private sector that proposed changes to the process. They fell on deaf ears. It is only the tremendous embarrassment of the minister in these past two months that has caused him to rethink this whole question of secrecy in budgets. It is very unlike him. He likes to carry everything in his arms so that no one else will know what is going on. He likes to spring things on the country without any opportunity for comment and without any opportunity to understand their impact.

This is what has caused the frustration and anger among so many people who appeared before our committee, individuals as well as those representing organizations. We heard them all say that this process has to change, that the government is operating in an ivory tower in Ottawa, and that the individuals who are to bear the burden of these changes and feel the impact directly must therefore have an opportunity to be heard. In fact, one gentleman said: "I have a right to be heard, but I am not being heard." He asked how the process could be changed to allow individual Canadians to be heard when inequities such as those contained in this budget are brought