

The Budget—Mr. Ravis

serious problems. That is the solution to the real economic recovery we are looking for down the road.

One lady said to me during the election campaign about a year and a half ago that she fully agreed with many of the problems the country faced, but, she said: "After all these years, how can you possibly take it away?". I think that very well sums up the problem this Government is facing.

I trust Hon. Members of the Opposition will join with us—seeing that an election is probably two or three years away—in some of the positive things which are happening in this country today and will not harp on so many of the negative and critical things they seem to find in any Budget which is given.

The Acting Speaker (Mr. Paproski): Questions and comments. I will recognize the Hon. Member for Winnipeg North (Mr. Orlikow), then the Hon. Member for Sarnia-Lambton (Mr. James), and then I will see how much time we have left.

Mr. Orlikow: Mr. Speaker, I have a question for the Hon. Member for Saskatoon East (Mr. Ravis) who spent his time—not surprisingly as a Government Member—in lauding this Budget. How can he defend this Budget as being fair based on the current issue of the *Financial Post*—not a very radical journal—which gives three examples of what happens to taxpayers? In case one, the gross income is \$40,000. The income tax in 1984 will be \$9,145. In 1987, it will be \$9,957, an increase in round figures of \$800. With respect to case number two involving a gross income of \$60,000, the income tax paid in 1984 would have been \$14,909. In 1987, as a result of the Budget, it will be \$13,708, a reduction of \$1,201. With respect to case number three involving an income of \$150,000, the income tax paid in 1984 would have been \$53,448. In 1987, as a result of the Budget, it will be \$47,978, a decrease in round figures of \$5,400.

● (1520)

Does the Hon. Member think it is fair to reduce the taxes of people in the top income brackets while increasing the taxes of people in middle and lower-income brackets? Is that his idea of fairness?

Mr. Ravis: Mr. Speaker, I think the Hon. Member is playing some games with numbers here.

Mr. Orlikow: Not me, it's *The Financial Post*.

Mr. Ravis: I finished off my presentation by saying that we would probably hear some negative comments from members of the Opposition. That is exactly what I expected.

When it comes to fairness—and I certainly stressed this in my presentation—I do not like the fact that I will be paying more taxes. The Hon. Member for Winnipeg North (Mr. Orlikow) does not want to have to pay more taxes. However, we have but two options. The first is that we can let the printing presses run. We can stick our heads in the sand and pretend these problems do not exist. The second option we have to face up to is, as the lady said the other day on *Cross Country Check-up*: "I don't want my grandchild who will be

born in May to have an \$8,200 debt on its head". Unfortunately, whether we like it or not, it will have an \$8,200 debt on its head.

Mr. James: Mr. Speaker, I was interested in the comments made by the Hon. Member for Saskatoon East (Mr. Ravis). He spoke about the 70-30 split. My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), read from a newspaper article. Rather than take issue with his figures I would like to point out what was written by Bruce Little in *The Globe and Mail*. He wrote the following:

According to the fiscal plan, federal revenue in 1984-85—the year the Tories took over—amounted to 16.8 per cent of the gross national product. Spending was 25.9 per cent of GNP and the deficit—the difference between the two—was 9.1 per cent of GNP.

He went on to state:

If the economy turns in a middling performance over the next five years, Mr. Wilson's fiscal policy moves will change those figures dramatically.

By 1990-91, the deficit would be down 5.6 percentage points to 3.5 per cent of GNP. Spending would have fallen to 21.4 per cent, a decline of 4.5 percentage points, while revenue would have increased by only 1.1 percentage points to 17.9 per cent of GNP.

That means that spending cuts would account for fully 80 per cent of the decline in the deficit and tax increases only 20 per cent, an even better split—

No matter whether one talks about a 70-30 split or a 80-20 split, we have brought about an excellent record.

As Vice-Chairman of the Public Accounts Committee, and in connection with what the Hon. Member has talked about, can he provide examples of waste and mismanagement which he has seen and which the restraint processes in the Budget will see eliminated?

Mr. Ravis: Mr. Speaker, with respect to the Public Accounts Committee, I wish my colleagues in the House of Commons would read a little more about us and come to some of our meetings in order to see the type of work that is being done. I can give the Hon. Member some examples of matters which we have identified. One has to remember that it is a non-partisan committee which looks at good management of the bureaucracy of Government. One of the things we identified was the scientific research tax credit which involved a bit of political policy, political decision-making. There are certainly some indications that the senior bureaucrats were not giving good advice to the Government of the day. Unfortunately, that measure will cost the Government something in the order of \$3.4 billion, which will have to be absorbed by the taxpayers. We also identified a great deal of real estate space which the previous Government had acquired. I refer to literally thousands of square feet of real estate space. That space has been disposed of along with a number of public buildings which were no longer required by the federal Government. Certainly in the area of cash management there will be savings in this neighbourhood of well over \$100 million. Those are just three examples which I can give to the Hon. Member.

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I welcome the opportunity to make an intervention at this time and to congratulate the very useful contribution made by my colleague, the Hon. Member for Saskatoon East (Mr. Ravis).