

government coffers by nearly \$3 billion extra by the end of the decade and at the same time, revenues from corporations will decline to less than \$300 million. The kind of fairness there is in a Conservative Budget is \$3 billion from individual taxpayers and \$300 million from corporations.

As I mentioned earlier, both Budgets were also similar in their disturbing lack of a vision for the future. In the second Budget, there is as well the very clear indication that so far as deficit cutting is concerned, the means justify the end. It is quite all right according to the Government to tax the life and spirit out of the middle class in order to produce the right set of numbers. I would question whether the end justifies the means.

In this Budget there is a reassuring picture of a deficit just below the magic \$30 billion figure. It is built on a set of very tenuous assumptions, and if the world does not unfold as the Minister of Finance (Mr. Wilson) wishes, the picture will be seriously distorted. The Budget assumes that oil prices will be \$22.50 per barrel. This appears to be somewhat optimistic as posted prices at this time are well below that. For each \$1 per barrel fall in the price of oil, the Government loses \$110 million in revenue.

The Budget also assumes an interest rate of 9.5 per cent, again perhaps an overly optimistic forecast. The Budget has so far failed to rally the dollar, and we know that the Minister of Finance is quite willing to induce higher interest rates to defend the dollar. Therefore, there are two scenarios that could scuttle the Government's deficit-cutting picture and jeopardize our economic growth.

The Government should consider the consequences of the action it is taking by leaning so heavily on middle and low-income Canadians. These people know very well that they are bearing the brunt of the Government's war on the deficit. In fact, to many Canadians, it feels more like war on the middle-income family. Just as Government expenditure cuts have an effect on Public Service morale, it is certain that repeated tax increases hitting primarily at middle and low-income taxpayers and bypassing the wealthy and the corporate sector will have a similar effect. We saw some vivid examples of this on *The Journal* on budget night.

Canadians at middle-income levels from whom the Government is extracting a disproportionate amount of tax revenue are showing signs of despair. They ask why they should keep on trying to make better lives for themselves and their children if the Government is constantly after them, first for a few dollars, then a few dollars more and a few dollars more after that. I am convinced that Canadians are willing to take a share in helping to bring the deficit down, but the Government is unfairly wringing revenue from middle-income Canadians and making little or no demands on others. This is clear for all to see and the Government should not think that it can continue to take unfair advantage without meeting some repercussions.

Also carried over into this Budget from the first Budget are many examples of confusing double-talk and disturbing signals. I have mentioned how the Government seems to have taken the easy way out by relying once again on tax grabs to

raise revenue. This is not only unimaginative but it is confusing when at the same time we hear rhetoric about the so-called tough decisions the Government has had to make.

We were told that this Budget will restore vitality to the economy. We would all like to see more growth in the economy but by taxing away more and more of Canadians' disposable income, surely we are more likely to see the opposite. Consumer demand and spending money creates jobs. When people have less to spend, they are more likely to forgo or defer purchases.

The Budget Speech says that Canadians can have confidence, a decidedly odd assertion because by taxing away so much of taxpayers' purchasing power, the Government has said that it has no confidence in taxpayers, or perhaps I should say no confidence in the average taxpayer. After all, the Government has left unchanged the no-strings capital gains tax exemption for the wealthy on the basis that it trusts well-to-do Canadians to make investments benefiting Canada. However, the treatment is not the same for those people as it is for the middle and low-income earners. The middle and low-income earner gives up consumer decision-making power because of tax increases and then is admonished to put his or her confidence in the Government.

The Budget also makes much of the funds it is allocating to certain areas including the \$75 million for cultural initiatives and the \$300 million over the balance of the decade to the Medical Research Council, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council. What is not stated in the Budget is that the agencies involved are in great need of these funds and more because of cuts previously made by the Government since it came into power. In culture and communications, for example, over \$122 million was cut. This Budget replaces \$75 million of that.

The Budget contains a long rationalization about Canada's role in the world community which was meant to make the \$1.4 billion cut in foreign aid sound like an increase. However, the facts are clear and no matter how much travel the Prime Minister (Mr. Mulroney) does around the world, it is quite clear that our foreign aid is not being increased.

There are a number of other things in the Budget that are nebulous. For instance, the Minister of Finance has often said that 70 per cent of the reduction of the deficit represents expenditure cuts and 30 per cent comes from tax increases. However, when we look at these expenditure cuts, we see that much of it is in forecasts. For example, looking at the Estimates, we see that about \$2 billion will be cut from reserves. Reserve money is money to be used in case of emergency but it is money that the Government really does not plan to spend. Taking that away is not a saving of \$2 billion.

There are other smoke-and-mirror tricks that are done by assuming that certain growth and expenditures would happen based on the 1984 figures. When the Government introduced its first set of Estimates last year, they were the highest ever. This year, we have Estimates which are 4 per cent above those of last year. Granted, we were told in the Budget Speech that a