

minutes—I intend, according to the rules, to move what I consider to be a reasoned amendment. If there is any intention on the part of Your Honour to find that the amendment is not in order, I would certainly appreciate some sort of notice to that effect so that I may put forward some argument on the point. I do not know whether it is Your Honour's intention to rule immediately on the matter or to take it under advisement.

We are talking about the Income Tax Act. We in the Conservative Party believe the people of Canada are being overtaxed by the federal government. How many members of the public, or members of parliament for that matter, realize that in the month of December, 1974 the last month for which tax figures are available, this government overtaxed the people of Canada at the rate of almost \$3 million per day, every day of every week? This is not an isolated fact, nor was December an exceptional month, because in the first nine months of the current fiscal year actual budgetary revenues far exceeded actual expenditures by \$534 million.

● (1630)

It is all very well to talk of these astronomical figures running into multimillions of dollars. But let us bring them down to an understandable level. I repeat, the figures for December, 1974, are about average for the whole year. Revenues hit almost \$2.2 billion, while expenditures amounted to \$2.108 billion. Using December's figures, this means that the government, every single day, extracted from Canadian taxpayers almost \$3 million more than was actually needed to meet Ottawa's requirements and obligations.

We in the Conservative Party believe the point has already been reached at which many taxpayers have lost the incentive to work harder. Many of the most productive of our citizens are convinced that more exertion or more effort on their part will only result in the federal government taking a greater share than they do of the reward for that exertion or effort. Surely, in the face of the budgetary surplus now being built up at these high rates, without seriously affecting the standards of government programs or services already provided, without cutting the size or scope of transfer payments or revenues to other levels of government, without affecting the minimal payments we now allot for sickness, disability, unemployment and old age security programs, without touching any of these or other services the government and the Minister of Finance could easily cut back the present high level of taxation which is eroding the incentive of our people and the productivity of our country.

The minister is making a big show, going around the country and saying, "Look, we are cutting your taxes by reducing the rate of tax we now take from you by a further 3 per cent to 8 per cent." Big deal! The point of the arguments we on this side have been making in the present debate is simply this: in inflationary times such as these, the rate at which the average citizen pays his tax does not involve the most crucial of the tax decisions the government has to make. This is because, while the tax rate may go down, the total tax revenue and the total tax paid by the individual goes up as he strives to earn more to keep up with inflation. This not only increases the total tax an individual has to pay, but it usually places him in a

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higher tax bracket as well. The amount paid by the average taxpayer has, in fact, immensely increased; so much so that mammoth government surpluses have piled up, are piling up and, we believe, will continue to pile up even though the tax rate itself is being reduced.

According to the last budget forecast, Canadians will soon be paying tax to the federal government alone at a rate of over \$4 million an hour. We believe Canadians are being overtaxed. We believe there should be a further reduction in the personal income tax rate, an additional 5 per cent reduction across the board. This would result in a \$500 million reduction in the total tax paid by Canadians—\$60 to \$150 for most taxpayers. Such a reduction is long overdue. A reduction of this order in government revenues would, moreover, significantly reduce the ever present federal temptation to embark on needless and extravagant new programs. In addition, it would help create at least some desire to increase government efficiency and productivity and to carry out a realistic scrutiny of existing programs and services. There is certainly no such pressure at the present time.

The Canadian people are being atrociously overtaxed by this government. That is why I intend to introduce a reasoned amendment at this stage of the debate. We do not wish to vote against the bill in its entirety on second reading, because we are in favour of the proposed tax reductions, miniscule though they may be, and of some of the other provisions which are incorporated in the measure. However, we want to emphasize that we think the minister could have gone much further—at least 5 per cent further—in making those reductions. The purpose of my amendment is to indicate this feeling and, if possible, to force a vote solely on the question of additional tax reductions before the bill is approved in principle.

I want to see individual members stand up and be counted on this question of whether they believe further tax reductions are desirable or not. I want to see how the Cr ditiste members will vote on this proposition. I want to see whether individual NDP members believe, for example, that their supporters in the organized labour unions want larger pay cheques. Most of all, I want to see whether individual Liberal members are willing to face the reality of today. Are they ready to recognize that the government they support admits, on the basis of its own statistics, that it could very easily chop down the surplus of \$3 million per day which is being extracted unnecessarily from Canadian taxpayers?

The biggest individual profiteer from Canada's current inflation is the Canadian government itself. Surplus government funds can and do lead only to unnecessary and wasteful government spending. Taxes can and should be cut. Members of this House should now bear the responsibility of facing up to this single issue and showing where they stand by their votes.

I therefore move, seconded by the hon. member for Calgary South (Mr. Bawden):

That all the words after "That" be struck out and the following substituted therefor:

this House declines to give second reading to Bill C-49 because it fails to provide for a further 5 per cent reduction in personal income tax in 1975 and subsequent taxation years despite unprecedented government revenues and the resulting overtaxation by the government.