

laws to a massive middle class, and at this stage we are experiencing more community involvement in dealing with these particular individuals.

I see that it is six o'clock, Mr. Speaker, and I thank you forbearance.

**Mr. Deputy Speaker:** Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the Chair until eight o'clock this evening.

At six o'clock the House took recess.

#### AFTER RECESS

The House resumed at 8 p.m.

### GOVERNMENT ORDERS

[English]

#### INCOME TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-49, to amend the statute law relating to income tax, be read the second time and referred to committee of the whole, the amendment thereto of Mr. Lawrence (p. 2977) and the amendment to the amendment of Mr. Broadbent (p 3117).

**Mr. Peter P. Masniuk (Portage):** Madam Speaker, as members of this House know, I am not one to make many speeches but I feel I should enter this debate particularly in support of the amendment moved by my colleague from Northumberland-Durham (Mr. Lawrence) which calls for a 5 per cent further tax reduction for Canadians.

With unemployment in the country now at 6.7 per cent and forecast to go higher, and with inflation in excess of 12 per cent, the fact is that we are in trouble. It is time that every member of this House let his voice be heard. Tens of thousands of people are being hurt and will be hurt even more if this government persists in backing an economic policy that is obviously not working. I am no economist, but it does not take a financial wizard to realize that business in this country is faltering. I have watched this Minister of Finance (Mr. Turner) in action and the truth is that his words are better than his results.

Our Minister of Finance likes to speak of tax reductions, yet I find in my riding that individuals are being taxed more every year. When I checked nationally, I found, for example, that individuals paid income tax to a total of \$5.2 billion in 1968; by 1972, they had paid \$10.1 billion; and now I find that our Minister of Finance has forecast that they will be paying \$15.9 billion beginning in the fiscal year April 1, 1975.

Madam Speaker, there has got to be a halt to this unnecessary taxation. A tax reduction is long overdue for Canadian taxpayers and certainly long overdue for the people in my riding of Portage. Now that unemployment is getting out of control, such a tax reduction would be

#### Income Tax

doubly helpful. Not only would it relieve the onerous tax burden felt by many, but it would put buying power back into the hands of the people which in turn will increase business and create jobs for Canadians. I believe the average Canadian can spend his money better than any government can and I certainly believe they can spend it better than the Trudeau government.

As I have said, I am not an economist but I can read what economists are saying. In the "C. D. Howe Research Institute Policy Review and Outlook, 1975" it is stated at page 54:

Our analysis suggests that a sizable portion of federal spending is controllable—approximately 42 per cent—but that the degree of controllability is diminishing and that at the moment there is not a strong economic incentive compelling the federal government to try to exercise more control over spending. The recent outcry against the growth in government has probably created a greater political incentive to control spending. If spending is to be controlled in future, it will have to be done through some self-imposed discipline which would prevent the government from increasing tax rates and which would encourage it to reduce taxes rather than raise spending.

On November 18, the Minister of Finance said:

In our present circumstances, we should moderate government expenditures so as not to add to the pressure on available resources.

Earlier the minister said:

The fiscal stimulus should come primarily from a further cut in taxes, rather than an additional increase in expenditures. I believe that tax cuts can help to reduce prices and costs directly or indirectly and thus slow down the upward momentum of inflation. An indiscriminate or excessive increase in expenditures would exacerbate the pace of inflation.

But, Mr. Speaker, the man speaks with a forked tongue. When we turn to his accounts, on page 35 in his budget speech, we find that he shows government expenditures jumping 47 per cent, from \$23.7 billion in 1974 to \$34.9 billion in 1976. Guess who pays for his big spending? Madam Speaker, you and I. Under "revenues" on the same page, direct personal taxes are shown to jump from \$11 billion to \$15.9 billion, a 44 per cent increase in two years.

That is why, Madam Speaker, I intend to urge the other members to vote for the amendment now before us calling for a 5 per cent reduction in personal income tax. That would put \$500 million back into the hands of the taxpayers. It would mean about \$60 to \$150 extra spending money for the average Canadian in 1975. The government can well afford to give taxpayers such a break. They certainly deserve it.

**Mr. Lloyd R. Crouse (South Shore):** Madam Speaker, I welcome the opportunity to speak in support of the reasoned amendment proposed by the hon. member for Northumberland-Durham (Mr. Lawrence) on February 6, 1975 which reads as follows:

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.

Madam Speaker, before dealing with the reasoned amendment I wish to speak briefly to the subamendment moved this afternoon by the leader of the New Democratic Party (Mr. Broadbent). This subamendment calls for a \$400 tax credit with no explanation as to who would be eligible to receive it. When my colleague the hon. member for Dauphin (Mr. Ritchie) asked the leader of the NDP for