

What we are asking for, under the amendment we have proposed, is for an additional 5 per cent tax cut to that which has already been proposed. In response to the minister who said that the members of the Conservative party were reading that wrong, that they had already given at least that much of a tax cut, I simply want to draw the attention of the minister to the way the clause actually reads. I quote from page 2977 of *Hansard* for February 6, the last paragraph in the second column:

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.

It is not a case that the opposition amendment called for only 5 per cent but, as specifically stated, we asked for a further 5 per cent decrease.

Let us take a look at the record of the government and the reason there should be a cutback, the reason there is a need to curtail the government, the kind of government which is a cancerous growth exercising a stranglehold on the Canadian society. In the three years since the government gave power into the hands of the Minister of Finance, inflation has risen from 2.9 per cent to 10.9 per cent. Moreover, though the present proposal is to reduce personal income tax by some 3 or 7 per cent, yet for the final quarter of 1974, the people of this country witnessed an increase in personal income tax of 28 per cent.

In the final quarter of last year we experienced an increase in income tax of 28 per cent and it is small cookies to hand out the notion to this society that we are doing great by cutting the taxes a mere 7 per cent. If members opposite are sincere about wanting to do something about putting the power of the Canadian people back with the people, they should stop overtaxing them and let them make their own decisions about those things that are important to them.

It may well be that the Minister of Finance is a David and they think he can kill the Goliath that is so inflated in this society, but he is going to have to load his sling shot with more than cookie crumbs. Since the Minister of Finance took office three years ago—and it is only three years ago—real growth in this country has been only 15 per cent. Government spending has gone up some 70 per cent in that same period of time. The money supply, however, was up 56 per cent; personal credit went up 82 per cent. More important, inflation rose 28 per cent and our trade balance worsened by \$1,086,000,000—and all that in a period when the government chose to slap on to the Canadian people an increase in personal income tax of 105 per cent.

Now, after three years of his administration and an increase in personal income taxes of 105 per cent, the minister has the audacity to come forward and say he is going to cut income tax by 7 per cent. He then turns to the Canadian people and expects to get credit for his actions because he is making a proposal for a cut after he has increased it by 105 per cent. If the federal government doesn't take our amendment seriously I fully intend to recommend to my constituents that they claim the federal government as a dependant on this year's income tax

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return. And they might do well to consider it as an institutionalized dependant. Certainly one has a lot of reason to wonder about its sanity when you have an increase of 105 per cent and expect credit because you are going to cut taxes a mere 7 per cent.

In this and the coming year it is the intention of the federal government to increase personal income tax collection to a total of \$3.5 billion. It is able to do that because while on one hand it is cutting its percentage of taxation, in recent years the increases in salary amounts are such that the actual amount it collects is increased.

We have taken a look at some of the statistics showing the growth of the federal government. It might even wonder where it can cut back, but that is something it obviously has to do. A very clear example was before this House at the time the budget was brought down. It proposed to reduce the federal building tax from 11 to 5 per cent. One has to remember that to collect that amount it had a huge bureaucracy here in Ottawa, a bureaucracy which was there to collect all the data on virtually every two by four sold anywhere in Canada, a bureaucracy which recalls all the data about building materials across the country. All it has done by reducing the tax from 11 to 5 per cent has been to change the number from 11 to 5. The bureaucracy continues:

While that bureaucracy was continuing, the government decided to put in another bureaucracy. I am not sure what that implies; it must mean ministers have more friends. But what they are doing now is to have a \$500 home-owner's grant for first-time home owners. This means they need a whole group of people chasing across Canada interviewing people to see whether or not this is the first time they have ever built a home. So, instead of reducing or wiping out the whole of the 11 per cent of building materials tax, doing away with a whole bureaucracy, cutting some of the income tax the country is bringing in to the federal coffers, they really just changed the number, made an insignificant reduction in building tax and then added on another bureaucracy—more people chasing around the country trying to analyze and take a look at something which, to quote the Minister of Transport (Mr. Marchand), is obviously a mess.

All I can say, then, is that if the government thinks it is doing something significant by reducing income tax by the mere percentage it has aspired to, then I dare the Minister of Finance to come to my constituency and stand toe to toe with the ranchers and farmers there and—

Mr. Epp: A verbal shoot-out.

Mr. Malone: A good shoot-out, not just a verbal one. He should come and tell those farmers that a reduction of \$100 or \$150 is going to have a significant effect in a country where beef prices are now only about 50 per cent of what they should be, and where farmers are operating well below production costs.

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I dare the minister to go to a constituency where machinery prices have increased at the rate of 30 per cent across the last couple of years and to tell the people that a \$150 saving is anything significant. I dare him to stand eye to eye with the old age pensioner who does not even pay