

The Budget—Mr. Asselin

with two children eligible for family allowance, pay as a result of this increase? A person earning \$3,500 a year now pays \$102 in income tax and he will have to pay an additional amount of \$16 because of this tax hike. A person earning \$4,000 a year is now contributing \$184, and because of the new tax he will pay \$26 more. A taxpayer now earning \$4,500 a year and paying \$275 in income tax will have to pay \$36 more. Those earning \$5,000 are now paying \$376 and will pay an additional \$46 due to the increase. The one who is earning \$6,000 is paying \$597; from now on, he will have to lay out \$66 more. The one who earns \$7,000 pays at the present time \$842; he will now have to pay out \$86 more, as of January 1st, 1969.

But the difference is not so great—as I said earlier—between those ones who earn \$5,000 and those earning \$10,000. As a matter of fact, those who earn \$10,000 pay \$1,644, but they will have to disburse only \$120 more. It is not even twice as much as the ones who earn \$5,000 a year! As far as those who earn \$15,000 or \$25,000 a year are concerned, they will pay the maximum, as I said earlier, of \$120. Mr. Speaker, this tax which is called the “social development” tax by the minister is, to my mind, a “social injustice” tax. Once again, it will be the low-income individuals, the small wage earners who will pay the bill, because those who earn \$8,000, \$15,000 or \$25,000 a year, do not care if they have to pay \$120 more.

Mr. Speaker, the Liberal government has brought down eight budgets since 1963, and has increased the personal income tax four times. One budget reduced taxes, naturally on the eve of elections, and three brought no change.

Personal income tax, Mr. Speaker, is saturated at all levels. There are provincial taxes, school taxes, municipal taxes and federal taxes and the taxpayers cannot bear any further taxation.

Thus, when mention is made of a social development tax, I say that the minister has made a big mistake. I say once more that it would be called the social injustice tax.

Mr. Speaker, it is obvious that the new budget will create new tensions between the provinces and the federal government because the Prime Minister said in Halifax the other day that the provinces must not expect any share of the taxes collected by the federal government. God knows that right now they are faced with serious financial problems.

[Mr. Asselin.]

It is well and good to introduce legislation on the status of the official languages—I am in favour of that—but I think that the first reform needed is that recommended by the Economic Council of Canada, namely to amend the constitution in such a way as to set up new jurisdictions between the federal government and the provinces so that the latter can get the money that will enable them to meet their obligations in the social, industrial and economic fields.

If the Prime Minister really wants to improve the lot of the provinces, we advise him to propose at the next federal-provincial conference an amendment to the constitution, which will enable the federal and the provincial governments to come to an agreement, to discuss together the jurisdictions and fields of taxation so that the tension between the provinces and the federal government can be cleared up.

Mr. Speaker, if the federal government does not want in any way to give part of the incomes to provinces at the time of the next fiscal arrangements, where will the provinces get their money? Evidently, provinces cannot work miracles. Their only means of getting incomes is to do as the federal government does: levy taxes on taxpayers. And the taxpayers in Quebec or in Canada until the next fiscal year will be taxed even more because the federal government does not want to leave to provinces fields of taxation which belong to them and to which they are entitled.

Mr. Speaker, the needs of the provinces are extremely important and are increasing over the years.

In 1967, Quebec spent \$591,614,300 for educational purposes out of a budget of \$2,791,000,000.

An hon. Member: What is the contribution of the federal government?

Mr. Asselin: I will tell you later on.

For the construction of schools, the federal government pays certain costs. In 1967-68, the federal government paid \$71 million to help the provinces in their construction plans for schools, while we know that the budget of provinces for school construction amounted to \$125 million in 1967-68 and that the estimates