

The Budget—Mr. Asselin

clearly shows that every time the minister has made forecasts, he has been utterly wrong.

Let us consider carefully that review which states: Six months ago, Mr. Benson said that government expenditures would not exceed \$10,300 million for the current year and that the budget would be balanced through a minor tax increase. A month ago, in September, the government tabled the estimates for the current year which reached \$10,670 million.

On October 22, the night he introduced his budget, the honourable minister stated that expenditures would amount to \$10,780 million, or 4.6 per cent more than his estimates of six months ago.

However, federal government expenditures for the fiscal year commencing April 1 are estimated to range about \$11,670 million, namely 8.2 per cent more than for the current fiscal year and 13.3 per cent more than the first estimates which amounted to \$10,300 million. What does this mean in terms of dollars, Mr. Speaker?

Federal expenditures for the current year exceed by \$480 million the estimates tabled six months ago. And the minister suggested that next year, government expenditures would reach \$890 million.

This year's increase of \$480 million represents an average of \$33 for each individual on the labour market. The increase in expenditures for next year, will amount to \$62 for each individual on the labour market. This year, the government will spend the equivalent of \$744 for each individual on the labour market, that is \$33 more than forecast last May. Next year, the government will spend the equivalent of \$817 for each individual now on the labour market, that is, \$96 more than forecast six months ago.

How is it possible to reconcile this enormous increase in expenditures with the statement of the Minister of Finance who, according to the Canadian press, said in Peterborough on June 5, that he would resign as Minister of Finance if the members of his party expected too much from the government regarding the increase in expenditures. Naturally, the minister has no alternative but to retrench government expenditure and fulfil the promise he made in Peterborough last June.

Mr. Speaker, we must now ask ourselves the following question: Who will pay for the incompetence the minister has shown in planning government spending? The answer was given by hon. members during the day and

it is found in the budget which the hon. minister introduced last week: Taxes, taxes and more taxes. The small taxpayer will again be the one hardest hit by this budget.

Mr. Speaker, the minister called this a social development tax. In my opinion, it is more of a social injustice tax. When a taxpayer earning \$5,000 is treated in the same way as one whose annual income is between \$10,000 and \$15,000 a year, this tax, which has a ceiling of \$120, is, in my opinion, flagrantly unfair to the lower income groups. The government cannot be asked to tax the rich people. The other day, the Prime Minister said in Halifax that, in a forthcoming budget, he was considering reducing taxes for the people that are well off. Why not tax the rich ones? The Minister of Finance explained it in his last speech on the budget: it is feared that there will be a brain drain of highly paid people to the United States.

The poor people who have not fared better in life must remain in the country and be burdened with taxes that have been announced in the budget speech. In my opinion, this budget brought down by the minister of Finance is one that hits the taxpayers the hardest since the end of the war.

● (9:10 p.m.)

In his speech, the Minister does not indicate that the government will substantially reduce its expenditures. I said earlier that this is a budget of social injustice and to show you why I will give you some examples.

In 1969, the \$550 exemption will be lowered to \$300 for any child not reaching the age of 16 before the end of the fiscal year. At the present time, taxpayers are allowed a \$550 exemption for a dependent child but this amount is brought down to \$300 when the child is eligible for family allowances.

Another example would be the 2 per cent tax on individual income effective on next January 1. Whatever their income, Mr. Speaker, this tax is applicable to all taxpayers through an additional deduction of 2 per cent on their taxable income. However, as a favour to the more fortunate people, that tax will not exceed \$120 a year. I repeat, this is a social injustice budget,

What will the workers say, Mr. Speaker, about the statement made during the last electoral campaign by the government now in office? What is this social development tax, Mr. Speaker? How much will a married man