

To N.B. financial planners: daylight saving time is here!

As late as the 1950s, Kent County school trustees could hire a 17-year-old girl to teach the village children for around \$20 a week. Had that school been in Rothesay, school trustees had ample money to pay for a competent certified teacher. If a child in a poor family had to be hospitalized following an accident, the father may have had to sell pulp wood to erase his bill of \$200 which represented a quarter of his annual revenue.

With the election of Louis Robichaud as Premier in July 1960, a bold political reform took place. Under the "Equal Opportunity program", all New Brunswickers had equal access to basic services, regardless of the fiscal capacity of their region. The taxation system was revised, moving the administration away from counties to a provincial base. Teacher salaries were normalized; the province took on the full responsibility for health, social services and the administration of justice. Property tax was made uniform across the province. The sales tax was raised from 3% to 6% to allow for better social services and higher quality education. Premier Robichaud truly governed the province for the common good of all. This wind of change was continued by Richard Hadfield who succeeded Robichaud as Premier. But since then, the gap between the rich and poor has grown wider.

We have moved away from the time when the common good was the major driving force behind political decisions. We are in an era where our political leaders are mainly looking at what is good for businesses. The end result has been disastrous for more than 100,000 citizens living in poverty. Until recently, we had the lowest minimum wage in Atlantic. Welfare rates have not increased since October 2008, yet food cost has gone up by 26.5% between 2006 and 2011. In March 2012, 41,131, New Brunswickers depend on social assistance. Close to 19,000 New Brunswickers need food banks to survive. One third of users are children, close to one fourth are people holding jobs or receiving employment insurance and two thirds are social assistance recipients. The present government is undoubtedly aware of the hardships experienced by those New Brunswickers living below the poverty line, but very little is done about it.

We have been hearing over and over again that we need to cut taxes in order to grow the economy. By this incessant message, politicians have made paying taxes appear as an evil gesture. They have created a tax phobia. Unfortunately, many citizens believe that message and forget that with tax cuts, less revenue goes into provincial coffers and fewer public services can be delivered.

Why do we pay taxes? To have free access to hospitals should we get sick. To avoid paying the \$10,000 bill which a baby delivery costs in the United States. To allow members of families living below the poverty line to access our education system. The Canadian Centre for Policy Alternatives (CCPA) reports that the average Canadian receives \$16,952 worth of benefits annually from public services. But the value of the services financed by our taxes seems to be forgotten during the pre-budget time period. Topics making the headlines are that our provincial deficit is dangerously high and that if we don't cut services, we are going to be in the same situation as Greece. Trimming down is the trumpeted refrain, with very little mention given to increasing revenue through personal taxes.

It is time to undo the damage done by the 2009 tax reform which significantly reduced provincial revenue. There is an urgent need for the province to generate more income in order to maintain our social programs, reduce our deficit and invest for the future. Economists Roderick Hill from UNB Saint John

and Jason Edwards, Research Officer with the CCPA Nova Scotia office, did some research for the Common Front for Social Justice in February 2012. They estimated that, in the up-coming budget, if the Minister of Finance reverted to the 2008 tax rates and added an extra top bracket for people having an income of \$150,000 and over, the net increase for the province would be over 260 million dollars in 2012. This change would create a more progressive and equitable tax system than what we have right now because every citizen would be evaluated on their personal income.

The province has just reverted to daylight saving time. This is the right moment to ask the Finance Minister to see the light and revert to the 2008 taxation system, adding a fifth tax bracket for the wealthy. He will then be able to reduce the deficit and maintain our much needed social programs.

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