

tion of the environment demands constructive political action and creative social change. I believe it is possible to establish a condition of ecological and economic stability and justice that is sustainable far into the future.

Canada cannot remain oblivious to this global problem. We need to re-define our national priorities. Parliament is the place to do it.

Mr. Deputy Speaker: Order. I regret having to interrupt the hon. member, but the time allotted to him by the House order the other day has expired and it cannot be extended.

• (1630)

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): I am particularly pleased, Mr. Speaker, to participate today in the debate on the budget.

As member for Argenteuil-Deux-Montagnes, a riding which incidentally has sent to this House a Prime Minister, Sir John Abbott, and several other distinguished parliamentarians, Progressive Conservatives as well as Liberals, I would like first to congratulate you for your election as Speaker of the House of Commons. You are known both inside and outside this chamber, for what you are: an honest, fair and impartial man whose contribution to the efficient work of this House is above criticism.

Mr. Speaker, my fellow citizens and I believe in a strong, united, wealthy and humane Canada. The legislation that we pass in this House must be considered in the light of these criteria.

One criterium, Mr. Speaker, underlies all others, includes them and gives them their meaning: the human criterium.

Our constituents entrust us with a rather general mandate. We are responsible for public welfare, for the conduct of government affairs geared to improving the lot of the population. However, our constituents also vest in us a specific duty: to see that the ever more powerful government remains and becomes increasingly aware of the aspirations of the individuals it is to serve.

I believe, Mr. Speaker, that the budget the Minister of Finance (Mr. Turner) has brought forward on behalf of the Canadian government does meet this very concept.

[*English*]

I do not believe it is necessary to repeat the highlights of the budget. It will suffice to underline that the main objectives of the budget are to reduce unemployment and encourage faster growth, to reduce inflationary pressures and offset the effects of past inflation, to increase real income and ensure older Canadians of a fairer share of prosperity and to contribute to more balanced economic expansion among all regions of Canada.

I was particularly pleased to see increases in both old age pensions and in war veterans allowances. I have always felt that parliament has a special responsibility toward those who have made a contribution to the building of this nation, and I am particularly proud to be a member of parliament at this time.

The Budget—Mr. Fox

The budget before the House can justly be called a family budget. Along with increased pensions for Canadians aged 65 and over, basic tax exemptions have been increased for all taxpayers effective January 1, 1973, and a tax decrease of 5 per cent is proposed.

Perhaps the most important long-term innovation is the indexing of the tax system beginning in 1974. It will raise tax brackets and income tax exemptions each year by an inflation factor based on the consumer price index. Reductions in tariffs and cuts in sales tax should also help curtail the rise in the cost of living.

Furthermore, the government has come to the help of the ratepayer. The general equalization system will be broadened in the next fiscal year to include grants on account of municipal taxes. This should enable provinces to come to the relief of hard pressed property owners and tenants who have had to carry an increasing burden of local school taxes. Under this program, the province of Quebec will receive an additional \$78.6 million in equalization payments from the federal treasury in 1973-74.

I was also pleased to note the undertaking by the Minister of Finance (Mr. Turner) that measures will soon be announced for assisting small business. I find this area to be of utmost importance, as approximately 60 per cent of the Canadian labour force is working in establishments having the characteristics of small businesses. The Minister of Industry, Trade and Commerce (Mr. Gillespie) recently noted that 3,500,000 Canadians are employed by businesses with 15 or fewer employees. Small business provides the economic livelihood of the majority of working Canadians. Small business constitutes a source of entrepreneurial activity and growth that should be tapped when seeking increased job opportunities and greater regional development.

The Minister of Finance also proposed a change to the Income Tax Act which is important for the preservation of the family farm. Under the present legislation, when a farmer dies and leaves his farm to his children, his farm is deemed to have been sold and there may be a capital gains tax liability. Under the proposed changes, effective January 1, 1973, if adopted by parliament, there would be no deemed sale on the death of a farmer and hence no capital gains tax liability if the farm is left to the family.

[*Translation*]

Mr. Speaker, it should not be expected that the budget will solve all the problems of Canadian society. Its purpose is to promote an expanding economy and the development of an economic climate allowing our citizens to progress towards achievement of their destiny.

Conversely, one short and long-term problem which we must face is that of employment. I did notice with great pleasure the following paragraph of the masterly speech delivered in this House on January 11 last by the Minister of National Health and Welfare (Mr. Lalonde), and I quote:

the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work.

I believe that most Canadians agree in this regard.

The employment problem brings forward challenges that politicians of the 70's will have to take up. As years go