

Indeed when I travelled through it I discovered that in each home all the young people, almost without exception, either those of 16 or those of 22 were still students. It is undoubtedly such families which are the cornerstone of our society: those whose children have the courage to get an intellectual and professional training allowing them to accept the challenges which are awaiting them as adults.

The budget we are discussing today is for those families.

Having ensured, through previously submitted bills, the attenuation of unemployment rates' effects that measures designed to create employment cannot succeed in reducing as fast as desired, having established in co-operation with the provinces one of the world's best systems ensuring essential services for the people, the government now undertakes to protect the income of middle classes. It is the middle class people who bear the cost of programs of a social nature. It is them, not that they are so rich, but because they are the most numerous, who provide the money required for public expenditures of the size of those incurred in Canada.

Rather prosperous, hard working and generous, these middle class people accept this civic duty, showing thus a very high social awareness.

I suggest, Mr. Speaker, that I was not elected for having promised tax reductions or increases of marginal benefits. I have rather taken advantage of my contacts with the people to explain the reasons behind our social policy and outline the necessity, for a country as prosperous as Canada, of taking progressive social measures in order to protect those who, for various reasons, cannot earn a decent income. And it is to the Liberal government's credit that it has been to the forefront in the social field.

The voters in my constituency have shown themselves very aware of this fact. Although these programs were a heavy burden to them, they chose to elect a government that planned to unite the resources of the strong in support of the weak. The present budget accordingly leaves income in the hands of those who earned it, so as to increase their purchasing power, which should in turn help increase employment and give a boost to economic activity.

[*English*]

In this respect, the measures to reduce taxes announced by the hon. Minister of Finance (Mr. Turner); measures such as the increase in the principal exemptions and the lowering of federal tax rates, are of fundamental importance.

Moreover, in order to shield middle income families from inflation, these exemptions, as well as the income brackets, will, as of January 1, 1974, be set in such a manner as to ensure that the tax reductions will continue to be just that; tax reductions. Therefore, if, on account of inflation, a middle-income earner obtains a salary increase that would normally put him into a higher tax bracket, he will find that his exemptions and his income bracket have also moved upwards and that the increase in his income is protected. This, I feel, is the clearest possible proof of this government's sincere desire to put more money in the hands of middle-income families. Of course, the government could merely have lowered taxes for

these people. But since, in a certain way, the government stands to gain from inflation, because of the increase in tax revenues that it can produce, the indexing of rates and exemptions is a guarantee to all taxpayers that the tax relief announced today will still be real tomorrow.

This budget will also protect the income of the average wage earner in other ways, such as through the reduction of tariffs, and taxes on certain consumer goods. It is important to note, however, that these reductions are of limited application, or, in the case of some products, such as fruits and vegetables, that they vary with the time of year, specifically for the purpose of avoiding unfavourable side effects on Canadian production and on employment in our farms and factories.

[*Translation*]

Some may have smiled at the inclusion of cosmetics and other beauty products among these exemptions. An yet those are products whose consumption is very important and which—

**Mr. Hees:** The government did it to get female votes!

**Mrs. Sauvé:** That was a good idea.

Mr. Speaker, I was saying that women are more particularly interested in those products although the latest statistics revealed that more and more men are using beauty products. Is this one of the reasons why the hon. Minister of Finance took those products into consideration?

Nevertheless, women will benefit from this exemption. Rich or poor we all have in our purse our lipstick, some powder, mascara and many other items. It is true that this measure was the subject of superficial comments and there are more to come. However, let us not forget that this industry's yearly turnover amounts to almost \$600 million.

Women are involved in this budget not only through the exemption on beauty products, of course, but by the resulting increase in their income. As main consumers, repeatedly harassed by consumption enticements, administrators of the family budgets, they will find it easier to shop for themselves and their families and perhaps to add a few new items.

I find comforting that this budget is unquestionably aimed at a class of women with the lowest incomes and who need more than others to improve their situation. It is not always through exceptional measures involving the word "woman" that women can most be helped but by allowing them to share equally the advantages of social and economic life through the introduction of an increased degree of equity and justice in our legislation. The budget paves the way toward this ideal. It indicates to the average earners that when the economy is developing they should be the first ones whose income must increase.

The budget will be approved by the female consumers that will know, as was asked other groups of citizens by the Minister of Finance, how to reduce their expenses so as not to start a new round of inflation.

In the progressive perspective of compensating measures for the protection of income, the government naturally took account of older people who worked hard to