

The Budget—Mr. F.-E. Leblanc

Another method that might be explored by the government is the granting of certain deductions, perhaps \$500 to start with, from taxable income for Canadians who invest in Canadian industry. Perhaps all these things cannot be brought forward at once, but something along these lines should be done by the government. The next generation will soon be running this country. Our young people are enthusiastic about Canadians owning and controlling our industries. We must start paying attention to their views. I have attempted to briefly outline the methods that should be used to encourage Canadian ownership. I hope that before the budget bills appear, if they ever do, the minister and his colleagues will consider my suggestions.

[Translation]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, I take pleasure in congratulating the hon. Minister of Finance (Mr. Turner) on his realistic, rational, humanitarian, positive, responsible and optimistic budget which, for a start, is in my view a complete success.

Mr. Speaker, it is difficult for a member of the House who for many years has been in continual contact with businessmen to refrain from taking part in this debate on a budget which stresses the responsibilities of private enterprise and resisting that temptation is made even more difficult because in the exercise of my profession of chartered accountant I have often had the opportunity of advising businessmen on the management of their firms.

My experience in this field makes it clear to me, without the slightest doubt, that the Minister of Finance is right to state that the atmosphere of confidence between the federal government and the private sector must be enhanced. The minister is showing his confidence in them and I am sure businessmen will respond positively to his budget, giving the lie to some opposition members who claimed that businessmen would boost their profits, instead of using the fiscal incentives provided by the 1972 budget to increase their productivity in order to create more employment opportunities.

In my opinion, voicing our trust in the business sector of this country indicates that this government has reached the needed maturity to preside over the destiny of our beautiful country for many more years.

Businessmen have often criticized governments and rightly so, Mr. Speaker, saying there was a lack of consultation. If we look at this government's record since it came to power in 1968, we have to say that it has had the businessmen's co-operation which it sought through its white papers, more particularly the one dealing with tax reform, which has been considered in depth in the Standing Committee on Finance, Trade and Economic Affairs and which was used as a base for Bill C-259, a piece of legislation proposing the tax reform that the people has been waiting for.

A while ago, I was listening to the Leader of the Opposition (Mr. Stanfield) who first seemed to offer a magic formula. I should like to comment on that formula. First of all, as chairman of the Committee on Miscellaneous Estimates, I had an opportunity to hear Mr. Young, the chairman of the Prices and Incomes Commission, who, as a witness, discussed with the committee ways to control

inflation without checking economic recovery. He said something astonishing: All western industrialized countries are now seeking such a formula and world famous economists are constantly trying to find a way to reconcile economic recovery and inflation. He told us that should anyone ever find that formula, he would certainly deserve the Nobel prize.

I do not know whether the formula proposed originates with the Leader of the Opposition or one of his research assistants—nor whether that formula can really earn its designer the Nobel prize—however, I wanted to pass on to the House that remark from the chairman of the Prices and Incomes Commission, who himself is still looking for that formula along with all the economists of the whole world.

In reply to a question put by the Minister of Finance the Leader of the Opposition, after explaining his formula, which appeared almost miraculous, answered: Yes, the taxation rate should be increased, the individual people should be taxed.

Therefore, I wonder how he can now reconcile his amendment, wherein he blames us for not reducing personal income tax, with a formula which would increase the personal income tax rate.

Of course, if I wanted to be smart, I could say that such a formula might lead to the death of the Progressive Conservative party and that the Leader of the Opposition would prove a good funeral director, but I shall not say so.

As so many other hon. members, I have had the pleasure of sending a questionnaire to approximately 28,000 homes in my riding. Among others, this question was asked: What, to your mind, are the three most urgent tasks to which the federal government should address itself?

• (1740)

According to the answers I received, in large numbers, it seems that in my riding the priorities are as follows: first, providing incentives to solve the unemployment problem; second, revising the old age pension policy; and third, re-examining our agreements with the Quebec government with regard to the housing issue.

In my riding, at least, unemployment and not tax reductions comes first. If my figures are accurate, cuts in personal income tax came tenth, I believe, among the priorities, because jobs is what the people want and I feel the budget is meeting exactly their demand.

My constituents are also aware of the consequences of our tax reform, which I was referring to a few minutes ago, and under which almost one million Canadians will not pay any income tax any more, and about five million have had their income tax reduced. Therefore, they know that the federal government has already recognized their need for a tax cut.

Of course, some have accused us of having introduced a political budget. If we had wanted to introduce a strictly political budget and become more popular, we would have lowered personal and corporate income tax. We would not have been selective, and instead of making the new reductions effective from and retroactive to January

[Mr. Nesbitt.]