

impose their version and thinking in respect of this type of proposal.

The proposal of capital gains realization on death in respect of a farm without a true rollover is, frankly, designed to discourage the continuation of the family farm. If there is a capital gains tax this will occasion the sale of the assets unless there has been an insurance policy to cover the cost of capital gains by providing liquid capital. There will have to be an undertaking of some obligation such as a mortgage to raise cash, or there will have to be a sale to provide the equity. In any event, there is a great shortage of capital on the part of farmers.

This is the point we are trying to impress, but this is the point that cannot be seen by hon. members with urban-oriented thinking. This is best illustrated by the attitude of the NDP. The urban wing of that party insists that farmland shall go through the same grist mill for the purpose of capital gains tax. I am surprised that government supporters from western Canada accept the idea that farmlands must go through a capital gains tax mill. It is inconceivable to me that they should support this. That is why I want them to put their courage in their mouths.

I could point the finger at individual members who have been pretty loud in their condemnation of these matters when talking to farm representations and farm organizations in western Canada. They took an entirely different attitude then. I challenge them now to stand up and justify putting farmlands which are to be continued as family farms in the same position. We are not talking about farms that change hands for real estate development; we are talking about the continuation of a farm.

Members opposite representing western constituencies have a lot of farming corporations in their areas. This is not a case of an absentee owner or a corporation using eastern or foreign capital. In some cases a progressive and advanced farmer will incorporate because his operation is better suited for incorporation. There is no provision for the principal residence on such a farm owned by a farming corporation which would allow him to escape the capital gains tax. There is no advantage there. The same privilege is not extended to the owners of a farming corporation although they are the farmers on the land. Often it is better for a father and son to incorporate than to form a partnership, but the capital gains exemption does not apply in such cases. Neither the \$1,000 nor the principal residence provision applies in those cases.

I suggest that this is another result of urban-oriented thinking. A great deal has been said about members on this side regarding valuation. The minister has said that we should get a realistic valuation for the purpose of capital gains tax. We must consider the spectre of succession duties, and I pointed this out the other day. In many ways this is an abomination in this country, whether it is a provincial or a federal succession duty. In many instances this has been responsible for foreign ownership. It has caused many Canadians to prematurely dispose of family businesses. Where is the capital that is available to take up these opportunities? I suggest the available capital is foreign. In the province of Quebec this has been fantastic for years and it is fantastic today. This is the reason family businesses have been sold to strangers, whether they are from the United States or elsewhere. All you have to do is talk to the investment counsellor. They have lists the

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length of your arm of businesses available simply because of the heavy succession duty looming on the horizon.

It is incomprehensible to me that we should gloat with self-satisfaction because the federal government is taking away the estate tax. Why is it taking it off? There is already in existence a succession duty. What you pay to the province you can get credit for from the federal government, or vice versa, keeping in mind succession duty taxes in the provinces and the estate tax in the federal government.

May I call it ten o'clock, Mr. Chairman?
Progress reported.

• (10:00 p.m.)

[Translation]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 is deemed to have been moved.

AIR CANADA—REQUEST FOR DC-9 SERVICE IN ROUYN-NORANDA AREA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I regret the absence of the hon. Minister of Transport (Mr. Jamieson) since I was just directing a question to him a few days ago, concerning Air Canada service in northwestern Quebec. What I actually asked was whether it would be possible to replace the Viscount planes by DC-9 aircraft for the service to Val-d'Or, Rouyn, Earlington, North Bay and Toronto from Montreal-Ottawa.

Mr. Speaker, for three years I have been calling for improved Air Canada service. For three years also, petitions have been submitted and recommendations presented to Air Canada by our regional municipal authorities without any substantial improvement having been made to the service.

It is true that an evening service has been established between Montreal and Val d'Or—Rouyn, with a return flight the same evening. But the morning flight, from Montreal to Ottawa, Val-d'Or, Rouyn, Earlington, North Bay and Toronto does not generate sufficient interest from Air Canada. In fact, I have personally found out that at the Ottawa airport, local bureaucrats use the morning flight on their way back from Montreal, whereas people from Rouyn, Val-d'Or or Earlington are invited to remain on the ramp in Montreal because, they say, there is not enough room aboard the aircraft to take them to northwestern Quebec.

Mr. Speaker, I find this situation altogether unbearable, and if the present Viscount service cannot accommodate all passengers who want to fly to northwestern Quebec, I wonder why these Viscounts are not being replaced with DC-9 aircraft.

I have been told, by Air Canada as well as by Department of Transport officials, that the runways in Val-d'Or, Rouyn, Earlington, North Bay and Toronto are capable of accommodating DC-9 aircraft.