

### Income Tax

assets of small businessmen and farmers in Canada could have been at an artificially depressed level. I think there is some argument to be made for indexing that value so as to bring it up to a more realistic level, thereby reducing the capital gains tax liability of farmers and small businessmen.

The second idea I have would be the possibility, which has been discussed in this House on other occasions, of a once-in-a-lifetime transfer free of capital gains tax, or at least with a reduced capital gains tax, for farmers and small businessmen. I think their enterprises are sufficiently unique and different from other enterprises in this country—certainly they are sufficiently important—to warrant the serious consideration by the government of a proposal of this kind. It would not encourage speculation or any of the other evils which the capital gains tax law is attempting to deal with if such a tax free once-in-a-lifetime provision were made. I hope that this is an idea that will receive careful consideration.

My third idea is the possibility of treating the capital investments of farmers and small businessmen just like investments which individuals can now make in such things as registered retirement savings plans. There is a serious argument to be made for the proposition that farmers or small businessmen who invest in their farm or business are making an essential capital investment, and therefore they do not have the same liquid cash to consider investing for their retirement years. Bearing in mind the unique positions of farmers and small businessmen, their investment in capital assets to make their farming enterprise or small business succeed should be treated in a similar way as investments in registered retirement savings plans are treated, and thereby, to some extent, they would be able to avoid the impact of capital gains tax.

● (1822)

These ideas obviously require greater elaboration and discussion. I present them as suggestions which I hope will receive careful attention. They are justifiable cases which can be made with respect to farmers and small businessmen. I hope the government will give them careful attention in the future.

The thrust of this bill is positive and constructive. It will assist Canadian economic performances in relation to small businesses, farms, and a variety of other areas about which I do not have the time to go into in detail at the moment. The examples I have cited in detail are adequate to justify the expeditious passage of this legislation through the House of Commons.

I should like to conclude with a word or two on government spending restraint and federal government spending priorities. All of us in the House support the principle of restraint in federal government spending. It is an easy principle to espouse, but it is a far more difficult principle to implement. It is a very crucial principle, and I believe the federal government will continue to make substantial progress in the implementation of it. The federal commitment to spending restraint is real and it is working. There are examples which could be cited for hours on end. The supplementary estimates tabled in the House of

[Mr. Goodale.]

Commons today corroborate that the federal effort in spending restraint is a real effort and is working.

When a commitment is made to spending restraint, there has to be a selection of priorities as to where the limited number of federal dollars will be spent. That makes the selection of priorities a very tough and delicate job. I am pleased to see numbered among the highest of our priorities in this government some crucial western projects. The list is a rather extensive one, and at this stage I should like to refer to four of them. The ones I will refer to have a direct impact upon the constituency of Assiniboia. In the context of spending restraint at the federal level, they represent a continuing and important commitment to the economic interests of the western part of this country.

I am thinking, first of all, of the purchase of grain hopper cars. That was completed just this fall, to the tune of some \$255 million. It was a very major undertaking by the government and a substantial investment in that type of activity, namely, the movement of prairie grain, which is fundamental to the west. That commitment has been made by the federal treasury in the context of the restraint program.

Second, I should like to mention the maintenance of the Canadian Wheat Board's initial payments on grain at largely the same levels as those existing in the last crop year. It was done despite this year's somewhat uncertain market circumstances, when some were arguing that the initial payments ought to have been lower. The government did not agree to those suggestions, and the initial payments for the current year were maintained at the previous levels. This is an important commitment of federal dollars to support grain incomes in western Canada.

The third measure I should like to mention, which runs parallel to the issue about initial payments, is the fundamental western commitment by this government in the form of the western grain stabilization plan. This plan is an enormous cash undertaking to farmers as individuals, and also to the over-all western economy. It has been said many times that a pay-out is a distinct probability for the current calendar year of 1977. A pay-out in this particular calendar year and in future calendar years in very major proportions at just those moments in time when the western grains economy needs that kind of cash injection, is a very significant kind of financial and fiscal commitment the Government of Canada has made with respect to western Canada. It has made it even in the context of an over-all restraint program, and that makes the commitment much more significant.

● (1827)

Finally, I would like to mention a program which began just this fall in western Canada, but it will accelerate more and more next year as we see it going forward. I am particularly referring to the major federal program of rail rehabilitation all across western Canada. There is not a more fundamental aspect to the economic welfare of the west than the issue of transport, and the question of grain transport in particular. In the past we have had a very difficult grain transportation