

there will be rewards for risk taking. We will reward success rather than subsidize effort.

Last July, in Prince Albert, we promised that when we formed the Government we would remove the very unfair capital gains tax with respect to the sale of farm land. We did just that. However, we did not stop there. We also removed the capital gains tax for the small business sector in order that ordinary citizens would be free to do what they do best. We are proposing a lifetime capital gains exemption of \$500,000 for individual Canadians. For farmers, this exemption will be available immediately. We have also retained the tax-free roll-over provision for farmers. We said that we would reduce the price of farm fuel. Last fall, we introduced measures to provide this reduction.

In addition to that, we dealt with other issues vital to the farm sector. For example, our Government has taken steps in the area of western grain transportation. We are in the process of removing the very unfair volume cap of 31.5 million tonnes, which acts as a disincentive to increased production. We have preserved a number of rail lines and have reopened one in Saskatchewan which had been shut down.

We have amended the Western Grain Stabilization Act in order to put badly needed funds into the hands of producers prior to the seeding of the 1985 crop. We have made important changes to the Farm Credit Corporation Act by reducing the interest rate for over 5,000 producers, as well as introducing a shared risk mortgage program. We have allowed dual labelling in order that farmers, once again, will be able to understand the directions for the proper application of farm chemicals.

We have changed the attitude of the Department of National Revenue in order that taxpayers can be treated fairly once again. We are in the process of establishing a national voluntary tripartite red meat stabilization program.

The list of our achievements goes on and on—all of this in the short space of time since we formed the Government.

Controlling the national debt is a matter of great concern to all Canadians. It is important that Canadians understand the magnitude of the deficit and debt problem and why it poses a serious threat to our ability to achieve sustained economic growth.

The public debt is simply the sum of all past deficits. It took 100 years to accumulate a debt of \$18 billion. Now, less than two decades later, the debt is approaching \$200 billion. This is the vicious circle in which we now find ourselves. At some point, we must begin to pay the bills for current services and not pass them on to our children.

With this Budget, and through the actions taken in November, we have reduced every area of government spending. To spread the burden of expenditure reduction fairly, the Government believes it is fair to limit the growth of transfers to provinces as well. I said limit the growth—not reduce it.

The Government can save \$2 billion by the end of the decade with no absolute reduction in federal transfers. Even after this adjustment, federal transfers to provincial Govern-

ments will grow significantly over the balance of this decade. In 1990-91, this would represent about the same share of total program expenditures as they do today.

I am sure we have all seen newspaper reports which state that the Government is obsessed with the deficit. That is simply not true. We are obsessed with jobs—good, satisfying and durable jobs for Canadians. The Minister of Finance said it himself. If he believed higher deficits and a rapidly rising debt would help create jobs, then he would gladly have increased the deficit. That approach has not worked in the past and it will not work now. If high deficits and high debt created employment, then there would not be one person out of work in this country.

This Budget is about equity and fairness, private initiative and enterprise, in an environment of economic, social and cultural progress. Above all, the Budget is about jobs. It realistically tackles the problems as they exist and how the Government found them on taking office last September. The Budget is not preoccupied with the deficit; instead, it recognizes the importance of controlling our debt before it ties our hands and stops us from taking the necessary steps for Canada.

The Government has taken its mandate for change and translated it into an agenda of action. We have recognized that individual initiative provides the economic strength of Canada. This Budget builds on that strength.

Mr. Deputy Speaker: Questions and comments? The Minister of Transport (Mr. Mazankowski).

Mr. Mazankowski: Mr. Speaker, first, I would like to congratulate the Hon. Member for Moose Jaw (Mr. Gottselig) on his maiden speech. It was an excellent speech which outlined the issues affecting his riding. In effect, it was a report card of some of the measures this Government has taken since it was sworn into office.

The Hon. Member made reference to the issue of capital gains. I know it was a prominent issue in the election campaign. Also, I know that he debated it vigorously on the campaign trail. Given the Hon. Member's knowledge, and for the benefit of the Members of the House, could he give us his impressions of the impact the capital gains provision in this Budget will have on the farming community which he represents? In replying to the question, could he enlighten us with respect to the position taken by his NDP opponent during the election campaign, having regard to the fact that the NDP in the House has been taking such violent exception to the capital gains provision which was included in the May 23 Budget? What was the position of his NDP opponent with respect to capital gains during the course of the election campaign?

Mr. Gottselig: Mr. Speaker, I would like to thank the Minister of Transport for his comments. As the Minister has mentioned, the issue of capital gains was certainly an important issue raised during the election campaign. The removal of the capital gains provision will have a long-lasting effect on the West. Farmers will now be able to sell their farms without