

Oral Questions

farming operations are doing so on the basis of the income generated by the operation over a certain period of time, compared to the expenses being claimed by the taxpayer. It is on that basis that they determine whether there is a legitimate farming operation as opposed to the so-called hobby farms.

[English]

STIPULATION REGARDING AMOUNT OF PROFIT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the same Minister. Auditors are also telling the people in my riding that they must have an expectation of profit in order to have their farms called a legitimate farming operation. What they are saying is that they must show a profit within two years of startup on a farm and that it must be 33.33 per cent. Is this the policy of the Minister's Department?

• (1140)

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, as I said before, to find out whether there is a legitimate farming operation, there must be some expectation of profit to be generated by the operation. I think this is a principle or an assumption that we must accept. Furthermore, regarding the period of time over which the profit will be generated, I feel that people in my Department use some degree of discretion. They make a distinction between the profit potential of a dairy operation and another type of farming operation involving beef cattle, where it would take longer to get a return on one's investment or, another example, an apple growing operation. It takes longer to produce fruit, and therefore to make a profit, than with a dairy farm or some other kind of livestock operation. I think that these distinctions are considered in establishing the viability of a farming operation and its expectation of profit.

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[English]

AGRICULTURE

REQUEST FOR RED MEAT STABILIZATION PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Agriculture. Bankruptcy is a growing problem among Canada's farmers as costs rise and commodity prices continue to be soft. Today's newspapers carry a story about receivers going so far as to seize a 13-year old boy's pet steers because his father was bankrupt.

What program is the Minister contemplating to alleviate the cost-price squeeze? Specifically, is he doing anything about creating a meaningful cost-based red meat stabilization program in order that hundreds of other farm families may stave off bankruptcy?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member mentioned a case that took place

yesterday. We are very much aware of that case, and members of my staff were involved with this family in trying to work out some kind of proper arrangement for them. Even the Farmers' Survival Group that was at that farm a week ago withdrew its representations when it felt nothing could be done because of the indebtedness that the family had accumulated over the last three years.

I am sympathetic. I should like to do everything for everybody, but there are limitations on what we can and cannot do for them.

If the Hon. Member has any suggestions that would increase commodity prices, besides national stabilization which has been implanted in many minds as being the saviour of the red meat industry, I would welcome them. The Hon. Member knows as well as I do that it is not going to be the saviour and that that idea should not be implanted in people's minds.

I met with one of my provincial colleagues in the past week to discuss this problem. The people who have been holding meetings across Canada are no closer to a decision on how they would work that kind of national program than they were in 1978. At that time I offered them a program that would be better than what they are suggesting now. They are suggesting practically the same thing. They will not agree to stop top loading, that is, the rich Provinces having top-loading programs against the have not Provinces with programs that they cannot afford. I cannot have that kind of national program with its inequities. I will not go along with a program that provides more inequity than there is at the present time.

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RAILWAYS

CROWSNEST PASS RATE—REQUEST FOR MORATORIUM ON PROPOSAL FOR CHANGE

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I have a supplementary question for the Minister of Transport who is dealing with a program that impacts very heavily on the cost side of the cost-price squeeze.

Since Crow rate retention is a serious option which the Government must consider as a continued cost-reducing policy that the Government should have in place, and in light of the alarming increase in farm bankruptcies across Canada, will the Minister respond favourably to the request by the President of the Saskatchewan Wheat Pool that there be a three-year moratorium on Crow change and that rail upgrading continue during a consultation process that involves all Canadians?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are only two categories of people in Canada—in western Canada in particular—who believe that there should not be any change whatsoever in the Crow rate. These are the members of the National Farmers Union and some members of the NDP. That is about all we have by way of reactionaries in the country at the moment.