

Oral Questions

of the whole Canadian aviation industry, and particularly the credibility of his Department and its enforcement of air safety regulations.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am aware of that. I thank my hon. friend for making the public aware of it. I can assure him that the situation is being monitored. I have been assured that particular attention is being given to this particular aspect of air safety during these particularly difficult times.

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FISHERIES**KIRBY TASK FORCE REPORT RECOMMENDATIONS**

Mr. Tom McMillan (Hillsborough): Madam Speaker, I address my question to the Deputy Prime Minister. The Minister of Finance has billed the budget as an instrument of economic recovery. Yet the budget fails altogether to address the Kirby Report's call for a multi-million dollar program of recovery for the Atlantic fishing industry in which some 100,000 jobs are in jeopardy.

I would like to ask the Minister, apart from oblique or vague references to the fishing industry such as Special Recovery Capital Projects, why has the budget failed to address directly the single most important unemployment problem in the entire Atlantic region.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I want to assure the Hon. Member that no problem has received more attention from the Government than has the problem of the Atlantic fisheries. We have made public our response to the Kirby Report in which the Government has indicated its concurrence with almost all of the recommendations made by that task force.

In addition to that, we have authorized a negotiating team to enter into discussions with the Provinces and with the plants in an effort to arrive at a restructuring of the industry that would make it possible for the industry to operate in a viable and efficient way and to provide secure jobs and secure incomes for those dependent upon the industry. I want to remove from the Hon. Member's mind the impression that this industry is being neglected. On the contrary, it has received even greater attention than could possibly be provided to it through a specific reference in the budget.

NECESSITY TO FUND EAST COAST INDUSTRY

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Deputy Prime Minister. All of the concurrence in the world will not put fishermen and fish processing plants back to work, so I will ask the Deputy Prime Minister the question again. The Kirby Report has made it clear that the Atlantic fishery needs an all-embracing industrial strategy, not money for a wharf here and a vessel there, as contemplated by the budget right up until

1986. How could the Government produce \$200 million out of thin air within 24 hours to save what little is left of the reputation of the Minister of Finance with regard to his budget leak, when it cannot come up with the hard, cold cash that is needed to resuscitate the Atlantic fishery, an industry that is on its knees?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I believe that the Hon. Member seriously misunderstands the situation that prevails with respect to the fish processing sector of the industry. He has referred to that misunderstanding specifically in his question and alleges that no attention is being paid to that situation.

May I repeat that currently there are negotiations ongoing with the Provinces that have a very direct stake in the outcome. There are negotiations also going on with the fish plants and with the banks that also have an important stake in the outcome. Out of those negotiations it is hoped that a plan can be agreed to which will receive the endorsement of all parties and the support of the Government of Canada.

Nobody is under the illusion that there will not be financial obligations incurred by the Government of Canada as a result of the implementation of the Kirby Report, and indeed, a successful conclusion to the negotiations related to restructuring. If the Hon. Member has any other idea in mind, I urge him to abandon it as it is not based upon solid evidence.

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INCOME TAX**CRITERIA USED BY AUDITORS OF FARM INCOME**

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of National Revenue and again has to do with Section 31 of the Income Tax Act. The Minister will know that interpretation of this legislation is leading to much trouble in the farming community. I would like to point out to him that, in one case in my riding, auditors have said that in order to have a viable beef cattle ranch, one must have a minimum of 100 cows. Now, Statistics Canada says that the average rate of cows per farm is 30.8. Is the Minister's Department saying that in order to have a viable farm one must have 100 cows? Is that the policy of the Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think that if we start looking at specific cases that concern the Department of National Revenue, we will spend hours on discussion here in the House. I do not think there is a policy, based on a given number of cattle, for establishing what constitutes a farm. The people who examine income tax returns from taxpayers claiming expenses for