

Oral Questions

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know you wanted me to cut short my answer last time. There was more about which I wanted to talk that related specifically to the question the Hon. Member has just raised. Estimated spending on agriculture related programs in 1987-88 will be about \$4 billion, and that will be more than double the spending in 1984-85 which was \$1.9 billion. That is the answer to the Hon. Member's question.

FARM CREDIT CORPORATION

Mr. Maurice Foster (Algonia): Mr. Speaker, the Minister should know that the farm debt crisis is much worse this year than it was last. Actually, FCC mortgages in arrears are up by 30 per cent. Fully 25 per cent of all mortgage accounts of the Farm Credit Corporation are in arrears, many of them for up to two years. Thousands of farmers face the loss of their farms. Why is it that there was no additional money in the Budget for the Farm Credit Corporation to keep young farmers on their farms?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is a review under way of the financing capacity of the Farm Credit corporation. In addition, I am sure the Hon. Member would want me to remind the House that the Minister of State for the Wheat Board has initiated a number of discussions with his colleagues in the major grain exporting countries. The first meeting of these Ministers was held here in Canada. There was one such meeting held in San Diego quite recently, and there will be another one. The Prime Minister, the Secretary of State for External Affairs and I have personally raised this matter on a number of occasions with the international community. Finally, I would draw to the Hon. Member's attention the fact that the balance of the \$1 billion Special Grains Program will be spent in this current fiscal year—next year.

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CANADA POST CORPORATION

FUTURE OF RURAL POST OFFICES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is for the Minister responsible for Canada Post. There is a mixed signal coming from Canada Post regarding the future of rural post offices. Will the Minister indicate to the House, to my constituents and to all Canadians the direction of the corporate plan and if there will be meaningful consultations with Members of Parliament and communities before any action is taken with a view to continuing to provide service to rural Canada?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to assure the Hon. Member and the House that that is certainly my intention. There is a moratorium on the plans now. I am working with the Post Office to come up with a clear indication so that it is

clear to the Hon. Member's constituents what the plans are and how reasonable they are. Equally important, we are doing this so that it is clear to members of the Opposition so that they will no longer have an incentive to run around the country scaring people unnecessarily with wildly exaggerated claims about what will happen.

REFERENCE TO POSSIBLE USE OF MILITARY IN CASE OF POSTAL STRIKE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the same Minister. Talking about raising fear across the country, would the Minister take this opportunity to explain government policy with regard to using the military in the event of a postal strike? Most Canadians want to ensure that there is no postal strike. Will the Minister rise in the House to make a statement which will take effect away from the remarks of the Hon. Member for Winnipeg—Assiniboine which only poisoned the climate of negotiations?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, like the Hon. Member, I certainly do not want to see a strike. As the Minister responsible for the Post Office, I want to do everything I can to ensure that the parties stay at the bargaining table and reach an agreement. I do not want to give them any cause to think there is an easy way out. As Acting Minister of National Defence, let me say that the military are fully occupied fulfilling our obligations to NATO, NORAD and UN peace-keeping forces.

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REVENUE CANADA

REVIEW OF FARM MACHINERY PURCHASE CONTRACTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of National Revenue. The Minister has initiated a series of investigations of farmers who purchased machinery in 1983-84. I wonder if he could tell the House in what section of the Income Tax Act he thinks he finds the power to, in effect, rewrite machinery trade-in values arrived at in the competitive market of those years, and to do so retroactively?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I welcome the opportunity to assure my hon. friend opposite that this audit is not targeted at western farmers and is not pursuant to any particular special section in that regard. It is designed to investigate only those cases where there may be blatant abuses of the investment tax credit or capital cost allowance. It is extended right across the country in a phased way. As a matter of fact, when it comes to the farm community, out of approximately 250,000 farmers there are only approximately 1,000 farmers across Canada at whom we are looking seriously and then only in cases where we suspect that there are blatant abuses of the system.