

● (1450)

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I wish to acknowledge that the Hon. Member has been making continued representations to express his concern about the Rouge Valley. It is a very complex matter. There are very substantial lands held by the federal Government at Pickering Airport. There is a process now under way to see how the Government might dispossess itself of those lands. I will certainly take the Hon. Member's representations and pursue discussions perhaps with the provincial Government and those interested.

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NATURAL RESOURCES

FEDERAL WATER POLICY—INTRODUCTION OF LEGISLATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Deputy Prime Minister. As he probably knows, it is now three years since the Government received a report on federal water policy. That was in September, 1985.

In that time we have heard in the House on many occasions the Government promising legislation, particularly on water exports and diversions. Most recently, as the Deputy Prime Minister will recall, six weeks ago a promise of that kind was made. Is this another empty promise by the Government? Does the Minister have the intention to introduce this piece of legislation? If so, can we know when legislation on federal water policy will be introduced in this House? Canadians are expecting it.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, no, it is not another empty promise, as the Hon. Member has said. It is indeed a very positive initiative that the Government is taking. It should have been taken by previous Governments which failed to do so, particularly when the Hon. Member himself was the Minister of the Environment.

I can assure the Hon. Member that the legislation is in its final drafting stage and will be introduced soon.

TIMING OF INTRODUCTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, that is very much like the Prime Minister promising action soon on acid rain. The fact is that if the Government has had this report in its hands for three years it is because the previous Government initiated the report itself.

We now want to know whether we can expect to have it this month, next month, or next year. When is this legislation going to be introduced?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I said, it is in its final stages of drafting. I think the Hon. Member will

Oral Questions

recognize that there can always be drafting glitches. If I might just modify my answer from soon to very soon, perhaps that might make him satisfied.

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REVENUE CANADA

REASSESSMENT OF FARM MACHINERY CONTRACTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of Finance. About 10 days ago I raised a question in the House concerning Revenue Canada's reassessment of farmers who have traded in used farm equipment and the propensity of Revenue Canada officials to try to rewrite those contracts which had been arrived at competitively.

The farmer goes to where he can get the best deal. After the fact Revenue Canada says: "Oh, no, that was too good a deal. Your trade-in was not worth that much", and then begins to reassess the farmer for more taxes.

Now that the Minister has had a chance to review this practice, has he stopped it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, this is a responsibility of my colleague, the Minister of National Revenue. He is the more appropriate individual to whom the Hon. Member should put his question.

I have not reviewed the particular question since the Hon. Member put it to me because that has been done by my hon. friend, the Minister of National Revenue.

COMPUTATION OF TAXES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in the absence of the Minister of National Revenue would the Minister tell the House just why the Government chose to permit the redrafting of the procedures that are to be used in computing these taxes and the liability that the farmer has to pay in tax on these kinds of contracts? Why was it that this procedure was not made clear until last December on contracts that were written in 1984 and 1985?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would be happy to bring that particular question to the attention of my colleague. However, I think the Hon. Member is aware of the approach that the Government has taken here whereby the Department of National Revenue has reviewed those cases in which there has been some suggestion of an excessive write-up in the value of the particular asset being traded in. It is those particular transactions which are under review. I am sure that the Hon. Member will understand the reason why.