

Tax matters are always complicated. It would be useful if farmers knew at the present time whether or not they could pursue this option, without having the risk of facing an unjust and unfair tax bill in the current year.

The problem of the drought has been well described in the media. Therefore, I do not need to spend much time on the drought in its human dimension. Let me simply say in that regard that there is now absolutely nothing more important to farmers in the drought-stricken area than the next rain. The next rain for most of them has not yet come. As I said, the minister was very prompt in responding to our request to appear. In fact, he indicated that, through the PFRA, for which he is responsible, the current situation is being closely monitored. In fact, there are funds available in the PFRA programs now. He told us that some \$7 million is available for certain kinds of assistance to bring water to livestock, to create dugouts, to create water storage, in addition to programs that could be funded from a \$7 million fund for soil conservation and related matters.

Yesterday the minister announced a \$12 million increase in that \$7 million fund in order that additional funding be made available, for a total of \$19.2 million for the 1988-89 fiscal year. It is true that this program will be of assistance and will help producers deal with the crisis they now face.

As you will see from its report, the committee feels that much more should have been done. I believe the minister agrees with that. The minister, in his testimony before the committee, said:

I have been warning colleagues in the Cabinet about it—and he is speaking of the drought.

I thought we would be into stage two three weeks ago and stage three today.

Let me explain that statement. Under the PFRA system of monitoring and dealing with drought there are three phases that are considered to be important. The first phase is the shortage of domestic water, not only for livestock but for other users, including people. This stage has been under way for some time and, in fact, the program announced responds to the difficulty that occurs as a result of the phase one problem.

Phase two is the problem the Senate committee considers exists now; the committee considers it important that policies be brought forward to deal with the shortage of forage and the difficulty of knowing how one should respond to this problem in light of the current situation. I regret to say that the situation today has much more in common with what has been characterized as the "Dirty Thirties" than with the drought. The situation that we face today coincides with a difficult economic time for farmers that you will recall was discussed in this chamber by a number of senators in the context of a report on farm finance brought forward by the committee.

The minister thought that phase two would have commenced in terms of delivering assistance. I go to other evidence that he presented before the committee. He said that he would be meeting with the four provincial Ministers of Agriculture from the west. Indeed, he was asked by the Prime Minister to

meet with them. He pointed out to us that he wanted to see representatives of the livestock industry at that meeting. I heard on this morning's news and I read in today's media that the representative of the livestock industry at that meeting was Mr. Stan Wilson, a past president of the Canadian Cattle-men's Association. Mr. Wilson indicated that it was his feeling that this matter of forage problems and so on should not be considered for two or three weeks, which would bring us to some time between June 13 and 20.

While for partisan reasons we might want to fault the minister on his concern and his willingness to act, I do not believe we have any cause to do so. At this point we are waiting for representatives of the livestock industry to say that there is indeed a crisis, which many of us on the Senate committee feel is now the case. Most of the members of the committee commute back and forth to that region and see that that area beneath the aircraft is as brown as it was in the middle of winter, when there was no snow. As well, the provincial Ministers of Agriculture must take some action.

We hope that the minister will take to heart our recommendations, together with his own concerns, and be prepared to act quickly. As I have said, the members of the committee felt that problems were upon us at this moment—they were not problems likely to materialize in two or three weeks, assuming there is no rain. The committee, in its deliberations, acted in a high-minded way and in a non-partisan way in considering this issue, which is of the utmost importance to western Canadian agriculture.

The committee will continue its deliberations pursuant to the reference given to it and pursuant either to this particular report now tabled or to a further interim report. I expect to have further advice for the Senate in due course.

● (1630)

Those are my comments at this time.

Some Hon. Senators: Hear, hear!

Hon. Efstathios William Barootes: Honourable senators, I wish to associate myself with the report that was just given to you and with the comments made by my friend and colleague, Senator Hays.

It is true that we had a most informative and helpful briefing from the minister and his colleagues and associates in the department and in the Prairie Farm Rehabilitation Administration. We did learn to our satisfaction that the PFRA and his people are on what I would call red alert; they are monitoring this closely. But the situation is not only serious; it is also deteriorating.

Furthermore, honourable senators, we know that the minister met yesterday—I believe in Calgary—with his counterparts in the four western provinces and some good was forthcoming from that. The announcement was, as Senator Hays has suggested, an additional \$12 million, which virtually triples the amount of money available for the transportation of water. In addition to that, his presence did bring some water to Alberta, because some rain fell yesterday, though it was trivial and insufficient to get us out of this serious situation.