

Agricultural Drought

and that does create some real tax problems with which the current act does not adequately deal. But I am more concerned with what I consider to be an even greater loss in that the farmers are selling these cattle into an extremely depressed market and in a great many cases into a market which is even more depressed on a regional basis.

I ask the minister, through the parliamentary secretary, whether his department is able to move rapidly to put the agricultural products board into a position to purchase feeder and breeding stock that is offered in the west for resale in other parts of Canada in an attempt to keep the price from collapsing totally, in the three prairie provinces in particular.

[Translation]

Mr. Ostiguy: Mr. Speaker, as I just said to the hon. member of the opposition, the Department of Agriculture's first concern was to establish the extent of drought related damages. Naturally—as I said a moment ago—the Department of Agriculture through the agricultural stabilization board, can always take action, but as we all know we must wait a full year because it is difficult to estimate immediately the value of losses in the sale of livestock. I think that the aim of the study initiated by senior officials of the Department of Agriculture, in co-operation with provincial departments, is to establish exactly how much damage the drought has caused out west.

[English]

Mr. Althouse: Mr. Speaker, I would like to point out to the parliamentary secretary that the losses incurred will occur in this year's market cycle, very specifically to a few producers in a short period of a year's total run of cattle. The legislation that he refers to, the stabilization act itself, will not provide any real assistance to those people who have been forced to sell at the extremely low price.

We started the year on feeder cattle at 90 cents. We are now in the 50 cents range, and it is only those people who have been forced to sell because of the drought who will be taking that 40 to 50 cents loss. A one or two cents payout at the end of the year will not do anything for them. The act does provide another option in that the agricultural products board can go in and start purchasing these distressed cattle in an attempt to hold up the market. That would provide more real stabilization to the people who are directly affected by this drought. I suggest that the minister and the department should be looking very carefully at immediately trying to put that program in place.

[Translation]

Mr. Ostiguy: Mr. Speaker, I do take note of the recommendations of the hon. member, and I will submit them to the minister and the Department of Agriculture.

[English]

Mr. Murta: Mr. Speaker, my question to the Parliamentary Secretary to the Minister of Agriculture is in reference to page 3 of the document which was read into *Hansard* by the Minister of Agriculture this morning. The minister said that

“some money will also be directed to the development of water supplies where emergency conditions have developed”. Could the parliamentary secretary indicate the amounts of money that have been allocated or set aside for this particular program? If he cannot, could he give some indication to the House as to how the government arrived at whatever figure he may present to the House?

[Translation]

Mr. Ostiguy: Mr. Speaker, once again, as the minister pointed out this morning, the program is worth some \$7 million shared equally between the federal government and the provinces, and out of the \$7 million of the Department of Agriculture, \$1 million will go to help Indian reservations and another \$1 million will be shared with ARDA.

I cannot say at this time whether funds were earmarked specifically for water supply, except that the \$7 million I mentioned earlier is certainly going to help provide western producers affected by the drought with water, fodder or grain.

[English]

Mr. Murta: Mr. Speaker, this is my last intervention concerning this matter. I assume that the \$14 million in total arrived at was based on the amount of money that could be provided by the federal government. In other words, if it provided \$7 million, the provincial governments would provide approximately \$3.5 million each.

If the drought that we have talked about this morning and for the last few minutes continues, I certainly hope that the government will realize that that amount of money is going to fall short of doing anything to stop the wholesale slaughter of cattle in western Canada, which will ultimately reflect a substantially higher price in terms of beef to the consumer in the coming year. It is imperative that the government, if it has not already done so, makes sure that there is more money set aside—through Treasury Board, I assume—so that the problem can be attacked in a much more meaningful way. I view this program as just the tip of the iceberg. I certainly hope that the government has more money involved for back-up in future.

[Translation]

Mr. Ostiguy: Mr. Speaker, I would like once again to say to hon. members opposite that the program announced this morning by the Minister of Agriculture was prepared, as I said, in close co-operation with the officials of the provinces of Saskatchewan and Manitoba and Agriculture Canada. So I think it is quite normal that for the time being we should work with the paper produced by those officials of the two provinces and the federal government.

[English]

The Acting Speaker (Mr. Blaker): Does the member for Prince Albert (Mr. Hovdebo) have a question?

Mr. Crosbie: He has already had a question.