

speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Robertson: Honourable senators, I said almost everything I wanted to say about this bill a week to ten days ago. While it will be obvious to senators that I do not agree with all of the interpretations of my honourable colleague, Senator Kenny, we will have sufficient opportunity for the clarification of those misunderstandings, because I intend to move that the bill be referred to committee at the appropriate time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Senator Robertson, bill referred to the Standing Senate Committee on Energy and Natural Resources.

[*Translation*]

THE ESTIMATES, 1988-89

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A) ADOPTED

The Senate proceeded to consideration of the twenty-first report of the Standing Senate Committee on National Finance (Supplementary Estimates (A), 1988-89), presented on Tuesday, May 31, 1988.

Hon. Fernand E. Leblanc: Honourable senators, a few words of explanation on the Supplementary Estimates (A) for 1988-89, which amount to \$113.9 million. This is a special budget for one program only, namely the Special Canadian Grains Program. This program was established in 1986 and since then has continued to be applied by the Minister of Agriculture.

This budget arises from the fact that of the \$800 million allocated last year for the 1987 crop, \$113.9 million remained unused and the total assigned for that crop year was \$1.1 billion. The National Finance Committee had already presented three reports on this program: the first on December 18, 1986; the second on March 12, 1987; the third on January 27, 1988. In each of these reports, the committee commented on some aspects of this program and its application in the 1986 and 1987 crop years.

Honourable senators who are agricultural experts can comment appropriately on this special program if they see fit when we discuss this program further at the time the bill to follow these supplementary estimates is presented, as is the usual procedure. Thank you for your attention.

On motion of Senator Leblanc (Saurel), report adopted.

[The Hon. the Speaker.]

[*English*]

AGRICULTURE AND FORESTRY

WESTERN CANADA—DROUGHT CONDITIONS—CONSIDERATION OF REPORT OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the eighth report of the Standing Senate Committee on Agriculture and Forestry (drought conditions in western Canada), presented on Tuesday, May 31, 1988.

Hon. Dan Hays: Honourable senators, with leave of Senator Barootes, in whose name this order stands, I should like to make a few comments on the report that was tabled last Thursday pursuant to the reference given to the Standing Senate Committee on Agriculture and Forestry on May 19.

● (1620)

We were very fortunate to have a timely appearance by the Minister of Agriculture before the committee on Thursday, May 26. As you all know from what has been said about this subject, it is considered to be an urgent matter. As such, it is important that it be commented on at the earliest possible date, and, indeed, such a request was made of me from the committee.

I do not intend to spend much time on the report itself, other than to say that, on an urgent basis, it asks the government to give assistance to livestock producers in the drought-affected areas of western Canada by developing a program to assist with transportation costs of forage, water, and livestock, if suitable pasture can be found at a convenient location.

The committee considered this at some length in the context of previous responses from governments to these kinds of difficulties and tied its recommendation to a previous program, introduced in 1980-81, called the Herd Maintenance Assistance Program. The committee said that the programs forthcoming should not be less generous than those previous programs. The committee was also at pains to urge that the government develop these programs only in consultation with provincial governments.

Finally, by way of explanation of the fourth recommendation, an alternative for livestock producers is that they sell their livestock in the face of no feed and no water. There is a hardship on livestock producers in the event they are forced to do this, because most of them would report their income on a cash basis. The total value of livestock inventory that was liquidated would be declared as income in the year of liquidation. Of course, if they sold their cows, sheep or goats, or whatever, because they could not feed them and could not restock their farms until a later date past the year end, they would be faced with a very large and unjust tax bill. A number of livestock associations and others have urged for some time, and the committee recommends, that the Income Tax Act be varied to accommodate this problem by allowing the farmer who has so acted—that is, liquidated his inventory—not to have to take that income into income for tax purposes until some later year, provided that it is within a reasonable time of the liquidation.