

*Supply—Agriculture*

butter oil remaining, the cost of storage is now valued at this amount. We are selling butter at 52 cents a pound; the solids, or butter, are valued at 52 cents a pound. When you add what it costs to store it, and so on, the amount is considerably higher. I do not think this has been a true picture, and I think that today we have given a very true picture of the stocks now held by the Department of Agriculture.

**The Deputy Chairman:** Shall vote 172 carry?

**Mr. Churchill:** No, Mr. Chairman; this is a very interesting point. Would it not be wiser to bring in a supplementary estimate much later this year, after these products have been moved? Why do it in advance of the disposal of the products? Supposing the butter oil is not sold at all; what do you do with the \$48 million in the interval? Is it available for other uses, or will it be returned to the receiver general?

**Mr. Hays:** I think that to show a true picture in 1965 we should revalue this inventory and add the cost of holding these commodities. If the price is up, we will indicate that our stocks on hand have gone up in price. If there is some loss, I think we should indicate that. I think this gives a true picture to the Canadian taxpayer. He knows how much we have stored and what it has cost us to store it.

**Mr. Peters:** Mr. Chairman, the minister is aware of the fact that the agricultural stabilization board has not put out its annual report for this year. Is he in a position to tell us if there was a surplus in last year's operation, or a loss, taking into consideration the question asked by the hon. member for Kent (Ont.)? Can the minister give us this information, in terms of last year's operation? Does the report show a loss or a profit in this regard?

**Mr. Hays:** This is the figure I gave, Mr. Chairman. It cost \$73 million for the stabilization board to do business last year. This is for the support in connection with the three different schemes under which they support these various commodities, plus the breakdown of the inventory, which is an additional \$44 million approximately. This gives us an operating loss for the fiscal year of \$122 million.

**Mr. Peters:** My question is in terms of the over-all picture. We are only dealing with the supplementary.

**Mr. Hays:** No, this is with regard to the whole operation of the stabilization board. It has always been done on supplementary estimates, because I do not think you would

know the position at the beginning of the year. It is a sort of "guesstimate" in the budget as to how much money the stabilization board will require for the coming year; but it has always been handled in the supplementary estimates. I think the hon. member has a very good point in this connection, and before this question is discussed we should distribute the agricultural stabilization board report so that hon. members will be more familiar with what has taken place. From time to time last year I said we would be supporting lamb at so much, we would be supporting sugar beets at \$13.80, and so on. Some of this support was at 80 per cent and some was at 100 per cent. I think we should have the report of the board before we discuss this matter.

**Mr. Peters:** How have we made the payments so far? What is the financial arrangement that permits these payments, because certainly some of this \$122 million has been paid to date. For instance, the \$73 million must have been paid over a period of 12 months at so much a month. How did we get the money to pay these things? Have we a revolving fund for the stabilization board?

**Mr. Hays:** This is done under the authority of the statute. For instance, we support hogs. We did not pay anything out in respect of hogs. With regard to lamb, for instance, we paid out \$700,000. We pay this direct to the producer after he has marketed his lambs to the commission or packing firm. This is done after they have been graded because they are supported on a grade basis. This is the procedure under the stabilization act.

**Mr. Peters:** What I am wondering about is the technique of getting the money. This \$122 million includes the \$73 million, which is the total amount. This is the final windup of the account. Have we provided for a revolving fund?

**Mr. Hays:** Yes, we have a revolving fund of \$250 million.

**Mr. Peters:** What is the state of the fund now? What is the balance in the fund? Does the \$122 million bring it up to \$250 million?

**Mr. Hays:** I do not exactly know in what position the fund is now but I am not getting any letters from people who have not been paid. I hope these might pass tonight because we are going to be about \$73 million short.

**Mr. Baldwin:** I want to speak about a matter which appears later, but am I not correct in pointing out that these items are put in the supplementary estimates—possibly the President of the Privy Council can bear me out on this—as a result of a recommendation made by the public accounts committee