

*Supply—Agriculture*

carry fire insurance on their buildings for similar reasons. Certainly, we could insure against such damage as the hon. member referred to. But if we consider the costs involved—90 million pounds of butter, 61 million pounds of butter oil—and add the fact that it was costing us until recently \$350,000 a month to carry storage charges, it becomes apparent that it is probably cheaper for the government to carry its own insurance on the stock than to insure it.

**Mr. Peters:** This is a very large item and I think the minister is to be congratulated on the clear explanation he gave, though the breakdown is still difficult to follow. There have, in the past, been suggestions that when items of this nature are set down in the estimates they should be broken down into divisions which make them more easily understandable. This particular estimate involves almost half the total supplementary estimates asked for and it includes most of the deficiency payment items, the subsidy payments as well as revaluation.

These, I would point out, are in unrelated fields. On one hand, there are two forms of making subsidy payments. On the other, there is revaluation. I think they should be kept separate. Those who are interested in agriculture in general wish to know how much is being spent on deficiency payments and to what extent agriculture is being subsidized through such payments. Not only those engaged in agriculture should have this information; I think the public as a whole should be aware of it. The vote speaks of an amount required to recoup the agricultural commodities stabilization account to cover the net operating loss of the agricultural stabilization board, including loss resulting from revaluation of inventory. In my opinion we are dealing here with two entirely different matters. Revaluation of inventory must reflect a change of attitude on the part of the government toward this particular question. We have always been concerned about the disposal of inventory and I should like to know if there has been a change of thinking about the way in which these surplus products should be disposed of.

When the Liberal party was in opposition, their spokesmen on agriculture came out strongly against the selling of canned goods which had been held by the government for a lengthy period of time to the companies which had originally produced them. Objection was taken because such products were then sold on the market at their original prices. This is what happened in the riding of Burnaby-Coquitlam last year after a large transfer of inventory had been made in very suspicious circumstances. Well, the Liberal party were at that time much opposed to

[Mr. Hays.]

practices of this sort and it seems odd they should now bring in an estimate, thrown in together with a stabilization fund item, indicating that there has been a revaluation of inventory involving sales. I am sure the committee would appreciate a much more precise breakdown in connection with some of these controversial items, because it might then be possible for us to deal with these questions in a much more intelligent manner. I do not blame the minister, because he has nothing to do with this matter. But his department has, and all departments of government have an obligation to honour commitments which have been made. Those commitments have to be honoured by the civil servants. I am sure there are a number of them from the Department of Agriculture sitting in the gallery this afternoon. I charge them—and I think the charge is a good one—that they split these items up so that they are more intelligible and really portray what the estimates represent.

Even those who are very familiar with the workings of the Department of Agriculture would have difficulty in understanding what these figures refer to, and though I do not congratulate the minister very often I think he should be congratulated on the knowledge he has shown on this subject and the manner in which he has explained the subjects covered by this vote. However, it seems to me that the department has done a very poor job of breaking this item up and they should really do better if members of parliament are to have some understanding of the operations of the Department of Agriculture.

I think that before the main estimates are brought down the minister should explain to us what changes have been made in this inventory. If we add the two figures which have been given us we arrive at a total of \$73 million, representing the amount paid in deficiency payments, subsidy payments and revaluation. I point out that there are a number of subsidies, or payments, which are I think handled in a different way from payments made with respect to such items as tobacco, milk, cream, casein products, and the rest. The picture is not very clear, and one of these days the committee will have to be given a much better account of how we are handling the commodities which we are collecting and subsidizing.

I should like to know whether the minister has anything to add to what he said about the disposition of canned products. Some of them have been in storage for so long that I think their value has been eaten up by the cost of storage.

**Mr. Hays:** I wish to thank the hon. member for his kind words. I also wish to say a word about my department. I am perhaps one of