

Supply—Agriculture

Item agreed to.

173e. Estimated amount required to recoup the agricultural products board account to cover the net operating loss as recorded in the account as at March 31, 1964, \$1,018,400.

Mr. Peters: This is another vote that requires some explanation of what we are carrying on account of the agricultural products board, and what were the losses?

Mr. Hays: This is the estimated amount required to recoup the agricultural products board for the net operating loss up to March 31, 1964 in the amount of \$1,018,355. Perhaps I should read the explanation. The inventory of skim milk powder as at April 1, 1963, was 13,357,977 pounds, and purchases from April 1 to December 31, 1963 amounted to 22,167,224 pounds. Other costs amounted to \$64,685. Sales to December 31, 1963 which included 7,036,039 pounds supplied to the Department of External Affairs for international relief purposes accounted for \$3,322,988. You will remember when the hurricanes and that sort of thing were taking place, this relief was granted. The balance of skim milk powder to December 31, 1963 amounted to 3,875,099 pounds valued at \$406,852. Anticipated purchases from January 1 to April 30, 1964—you will remember we are dealing with the figures to December 31—900,000 pounds, and inventory as at March 31, 1964, this is estimated, 3,875,099 pounds valued at \$406,852.

The cost of the whole program, that is costs of sales and donations, amounted to \$3,322,988. The recovery from external affairs, they gave it away and repaid us, amounted to \$490,380, so our loss on the whole transaction amounted to \$951,950. There were expenses amounting to \$30,405, making a total of \$982,355. The anticipated further loss on sales from January 1, 1964 to March 31, 1964, this is another estimate, is \$36,000. This gives us a net operating loss as at March 31, 1964 of \$1,018,355.

Mr. Danforth: May I ask the minister if in this particular instance there was any revaluation of the inventory, whether it was included in this \$1 million, or was included in the other vote? Has any revaluation been carried into this farm products board account?

Mr. Hays: In this particular case, I do not believe there has been any revaluation of inventory. I do not believe there was any revaluation carried in vote 172e.

Item agreed to.

174e. Estimated amount required to provide for the operating loss of the Farm Credit Corporation for the fiscal year ending March 31, 1964, \$1,377,000.

Mr. Doucett: I should like to ask the minister for an explanation of this amount

[The Chairman.]

of \$1,377,000 for the Farm Credit Corporation for the fiscal year just ending.

Mr. Hays: The amount of money the Farm Credit Corporation has lent to farmers is substantial. We lend it at 5 per cent and this loss of \$1,377,000 is the difference between the price that the government has to pay for the money they lent to the farmers and the cost of operating. This is in the neighbourhood of 1 per cent or something like that. In other words, we may be borrowing money at 5½ per cent, so it is costing us about a half of one per cent to operate.

Mr. Doucett: I should like to ask the minister if there is any breakdown of the amount of operating costs or the amount of difference between what is paid for the money and what is received for it?

Mr. Hays: Well, I can give the hon. member those figures, or if he wishes we could have them printed in *Hansard*. The interest on earnings amounted to \$14,900,000; the accrued interest on loans from the government of Canada, \$13,200,000; appraisal, supervision and legal fees cost \$500,000; salaries and employee benefits, \$2,767,000; travel, \$306,000; office accommodation, \$215,000; office supplies and services, \$199,000; provision for depreciation, \$37,000; miscellaneous, \$53,000. Subtracting the earnings we come up with a net operating loss of \$1,377,000.

Mr. Doucett: Has there been any change in the method of bookkeeping within the last year, such as was explained in connection with one of the former items?

Mr. Hays: No, there has been no change.

[Translation]

Mr. Pigeon: Mr. Chairman, I deny the remarks made a few days ago by the hon. member for Lapointe (Mr. Gregoire) with respect to the Farm Credit Corporation.

The hon. member for Lapointe was misinformed and has been unfair to this corporation which, in my opinion, does excellent work and has a very able staff.

At the time the hon. member for Prince Albert (Mr. Diefenbaker) was prime minister amendments were made to the Farm Credit Act.

We may say today, that, due allowance being made, the Farm Credit Corporation is lending just as much money in the eastern provinces as in the western provinces, but prior to the amendment to the act, it was very difficult for the eastern farmers to obtain loans from that corporation.

For the information of the hon. member for Lapointe, I wish to point out the fact that the province of Quebec and the maritime