

tion with a matter of this kind, not only is it an advisory committee to the government or to the Department of Agriculture or to the feed board; it is a committee which advises its own nominators as well. It gains information by sitting in committee with regard to the different problems that confront the government in the marketing of the product and gives its own opinions as to what ought to be done, discusses those opinions pro and con with the board and the minister; and after a decision is reached, it is in a position to explain to its own people why certain decisions were necessary and why certain results were obtained. I may say that since that decision was arrived at, since that action was taken we have had the most satisfactory association with the farm federation, which represents farm organizations from one end of Canada to the other. Their advice is freely given. They sit in and offer their opinions with regard to what ought to be done in connection with the different farm products. We listen to their opinions and apply as many of their ideas as we possibly can, and they in turn make explanations where explanations are possible as to why certain things had to be done. Therefore we have had a very satisfactory arrangement and things have worked quite effectively in the interests of the farmers of Canada during the last year under that organization.

I have made this statement in order to show that so far as personnel of the food and other administrative boards is concerned it is comprised largely of officials of the department. The advisory committee has, as its chairman, the president of the farm federation, and other representatives from that federation, nominated by themselves, and accepted by me as minister and recommended to the government for appointment. They have been appointed and have been functioning on the committee throughout that period of time.

That is one of the reasons why the change was made about which I was asked for an explanation by the hon. member for Haldimand. In the spring of 1943 we set up the food board and we set up this advisory committee on which there are representatives of all the different agricultural activities across Canada, from which we get advice. At that time it was decided that all matters having to do with encouragement of production should be placed under the Department of Agriculture. Some of the subsidies previously paid for production were paid under the prices board organization, but in the spring of 1943 they were placed under the Department of Agriculture, more particularly under the administration of the food board.

Mr. HANSON (York-Sunbury): I have followed with a great deal of interest what little I have heard, but I would point out that last summer, in connection with the production of new potatoes, the policy was to subsidize the consumer, and that was intended to be done through the wartime prices and trade board and through the Commodities Stabilization corporation. Owing to an error in the drafting of the regulations, however, it became a subsidy to producers. Why was that not all included under the food board? Perhaps the minister does not know about it, but I call his attention to the matter. It was intended to be a subsidy to the consumer and turned out to be a subsidy to producers, and thousands of dollars have been paid out which it was never intended should be so paid out.

Mr. GARDINER: As I understand it, the position is that the subsidy which is paid in connection with potatoes is a consumer subsidy.

Mr. HANSON (York-Sunbury): That was the intention; there is no doubt about it.

Mr. GARDINER: That was the intention, and that is why it is under the prices board. The idea of paying the consumer subsidy through the prices board is that the prices board is controlling the cost of living—

Mr. HANSON (York-Sunbury): Quite so.

Mr. GARDINER:—in which is included the cost of food, and they say that where food costs too much they will subsidize the consumer.

Mr. HANSON (York-Sunbury): There is no doubt about the theory, and I am not objecting to it, but it turned out that it became a producer subsidy until it was caught, and the money cannot be got back.

Mr. GARDINER: I understand there is some difficulty with regard to some payments in connection with potatoes, but that is one of the difficulties that develop in connection with controls. The intention, however, was that it should be a consumer subsidy.

Mr. HANSON (York-Sunbury): Quite right.

Mr. GARDINER: Those were the two matters which I wished to discuss to some extent at the moment. I do not wish to prolong the discussion in connection with administration under this item. It will be noted that there is administration under all these items. The first one is administration of the agricultural supplies board; then there is administration under the feeds administrator; there is administration under fertilizers; there is administration under subventions and freight