

Supply—Agriculture

in 1961, so that there would be a peg on which details could be provided before the money was spent? In other words, this is an estimate of a probable loss, and it permits members in this committee to discuss government policy which results in a loss of this kind before the money has been spent. Following the year's operations I assume there will have to be another item to cover the exact amount spent.

I think the report of the public accounts committee recommending this policy was filed a year or two ago. I assume that normally this item would be in the main estimates, in which case there would be an opportunity for a fruitful debate at a later date. Perhaps that may be confirmed.

Mr. Hays: I want to thank my hon. friend for explaining this much better than I could. I am just a farmer from southern Alberta.

Mr. Baldwin: And I am just a farmer from northern Alberta.

Mr. Hays: In essence the hon. member is exactly right.

Mr. Danforth: May I ask two further questions. Is this the first time an inventory loss has been recorded in such a fashion, and second can we expect this to be an annual policy on the part of the government from now on?

Mr. Hays: Yes. This inventory will now be computed from market prices.

Mr. Langlois: May I refer back to the question from the hon. member for Timiskaming and the answer of the minister concerning the \$250 million revolving fund. Is this \$122 million taken out of the revolving fund or just the \$73 million? If so, how do you put it back?

Mr. Hays: I should get my hon. friend from northern Alberta to explain this. There is provision made for a \$250 million revolving fund. We have this amount to work with and to support all of the programs under the stabilization board. What we are now doing is recouping some of this amount. We have not used all of it but it is a revolving fund. It operates similar to section 88 of the Bank Act, where a farmer can borrow money through a short term loan, pay back some and borrow more.

Mr. Langlois: What I want to know is this. Is the \$122 million taken out of this fund, or is the \$44 million taken out, or just the \$73 million?

Mr. Hays: It all goes back into the revolving fund.

Mr. McIlraith: It is going into it.

Mr. Peters: Mr. Chairman, I am sure that what the minister has said cannot be correct for the simple reason that what we are doing is revaluing the inventory. You cannot put the \$48 million into the revolving fund because you did not take it out. Certainly the inventory must be separate from the revolving fund. If not, then we have been discussing two or three matters under this item which are not compatible.

Mr. Benson: Mr. Chairman, might I just attempt to explain this. The \$250 million figure includes the inventory. The fund has an amount of \$250 million in it and the inventory is bought out of this. Therefore your inventory value plus the cash on hand at the end of the year equals \$250 million. If you value your inventory down by \$44 million you have to put this amount back in cash in order to bring the value of the inventory plus cash on hand up to \$250 million.

Mr. Langlois: Then at the moment there is only \$73 million, because \$44 million relates to the selling price of these products. At the moment you are therefore talking strictly about cash.

Mr. Hays: The present state of the agricultural stabilization board finances amounts to \$250 million less \$122 million, less the current inventory of \$63 million, which leaves \$65 million.

Mr. Peters: Well, may I just ask for the assurance of the minister that when he brings in the main estimates there will be in future a breakdown in the supplementaries which will probably accompany the main estimates so that this procedure is more easily understood, because this is obviously quite a complicated financial arrangement. There are another three items here which are similar, and there should be a breakdown of each one so that the picture is much clearer to hon. members.

Mr. McIlraith: There is a breakdown of this item available, and if I have permission I could have it inserted in *Hansard*. I think it, together with the two sheets filed earlier today, gives all the detail asked for by the hon. member.

Mr. Diefenbaker: Would the minister give a general indication of this document before he asks that it be placed on the record?

Mr. McIlraith: Yes. The production year and commodity is in the first column and the estimated inventory at March 31, 1964 follows. That shows the number of pounds or as the case may be. Then the unit purchase cost is shown; then other costs such as storage; then the current inventory; then the current unit market value; then the calculated inventory