

Supply—Agriculture

and which is going to be carried out. This money is needed because a great many bills are coming in now, a greater number than was expected. This is not because of any imperfect forecast, although one cannot be accurate in these things, but because there have been much greater shipments of feed grain to the east during the past season than were expected.

Under these circumstances, and having in mind all that has been said, I am sure that the hon. member for Moose Jaw-Lake Centre will reconsider what he has said and realize that while there might have been originally some opposition, it seems to be apparent that there is widespread support for the theory that the subsidy is doing some good, not only for the producers of feed grains in the west but for those who market poultry and livestock in the east. I will draw the attention of the Minister of Agriculture to this discussion and I am quite satisfied he will be prepared when his estimates come forward to speak on any subject that has been raised here.

Item agreed to.

Special—

555. Amount required to recoup the agricultural products board account to cover the net operating loss of the agricultural products board as at March 31, 1955, resulting from the importation, in 1951, and the marketing of butter by the board, \$278,494.

Mr. Harkness: Mr. Chairman, the remarks with which the Minister of Finance prefaced his statement a few minutes ago definitely do not apply to this item. As far as this item was concerned, the amount voted last year was only \$10,000 for the administration of the agricultural products board. We are now being asked to vote as a supplementary item an amount of \$278,494 to cover, as is stated here, net operating loss resulting from the importation in 1951 and the marketing of butter by the board. Now, it is a far cry back to 1951, Mr. Chairman. I would be very doubtful whether very much of this figure of \$270,000 odd is due and can be traced back to the importation of this butter in 1951. I would like to know first of all how much of this sum is attributed to the importation of 1951, and how it is so attributed.

Mr. Harris: Gladly, Mr. Chairman. In 1951 we imported 12,514,081 pounds of butter for which we paid \$6,436,684. There were various import duties of one kind and another amounting to \$1,116,421. There were handling charges to the extent of \$420,862, making a total expenditure of \$7,973,967. We sold the butter for \$7,695,473, leaving a deficit of \$278,494, which is the amount of this vote.

[Mr. Harris.]

Mr. Harkness: Since this butter was imported in 1951, I wonder if the minister could tell us if it has taken the government four years to sell the butter, and therefore we are just now getting this as a supplementary estimate well on into 1955?

Mr. Harris: Yes, Mr. Chairman, it is true that a large part of the butter was sold before this current fiscal year, but there were a few bills outstanding a year ago and they overlapped into this year, and we need this vote for that purpose.

Mr. Harkness: I take it the reason there is a loss on this butter is that it was held in storage for a long time and storage charges are included in the figure \$1,116,421, which I presume must be paid in connection with this butter. In other words, it would appear that there was no need to import the 12 million odd pounds of butter at that time, and that the government made an error in so doing. Four years later, acting on the assumption, I suppose, that the error had been pretty well forgotten, we are now being asked to pay for that error.

Mr. Harris: Of course one can jump to any conclusion one likes, but the facts do not bear out what my hon. friend has said. He will notice I said there were various import duties amounting to over \$1 million. These were in fact duties paid on the butter imported into Canada, and came into the consolidated revenue fund. If you take \$278,000 from that you will find there was a net profit on the transaction of something in the order of \$800,000.

Mr. McCullough (Moose Mountain): Mr. Chairman, on this item in respect to butter, could the minister state how much butter was in storage at the time of the importation of butter in 1951?

Mr. Harris: No, I could not.

Mr. McCullough (Moose Mountain): I understand we have a carryover in storage from year to year and the idea is to keep on hand a sufficient quantity to meet the needs of the coming year in order to facilitate a sort of stabilization of the price. What is the government's policy in that regard?

Mr. Harris: Well, Mr. Chairman, my hon. friend surely remembers that back in 1951 there was practically no carryover; and while I am not prepared to say at the moment that this was the year I had in mind, there was a year when in the last two or three weeks of March butter increased in price by 20 or 30 cents a pound because of its scarcity in