

cents in the winter time. So far as canned milk is concerned, the rate will be fifteen cents as against thirty cents which was paid in the winter months. The rate on cheese is twenty cents all year as against the thirty cent rate in the winter last year and nothing at all in the summer. The rate on butterfat is ten cents all the year through this year, and it was ten cents in the winter last year. It is correct to say that the rates are not as high on fluid milk, cheese and canned milk as they were in the winter last year, but they are higher on all these commodities than they were in the summer last year.

Mr. QUELCH: There will be the same rate on butterfat all the year?

Item agreed to.

Special products board—administration, \$50,190.

Mr. WRIGHT: Some time ago I was inquiring with regard to participation certificates which were issued on purchases of alfalfa seed for export. When were these participation certificates authorized and what are the conditions governing them?

Mr. GARDINER: If my memory serves me aright, I placed on *Hansard*, either by way of an answer to a question or at the time the estimates were up, a list of those who were purchasing alfalfa seed.

Mr. WRIGHT: There was nothing placed on the record with respect to the regulations under which participation certificates were issued. Were they issued to all growers from whom the seed was purchased, or were they issued only to growers from whom seed was purchased for export? There was considerable difficulty about the matter in certain sections of the country, and it was stated that participation certificates had not been issued to all growers.

Mr. GARDINER: My understanding is that participation certificates were issued to all farmers who sold seed to the persons contained in the list placed on the record.

Mr. WRIGHT: Was it compulsory to issue participation certificates for all seed purchased after the date the order came into effect?

Mr. GARDINER: There seems to be some doubt as to whether it was compulsory. I imagine a man could sell his product outright if he wished to do so. I can sell my wheat outside the ordinary elevators at any price I like; I can dispose of it completely without getting any participation certificate. The same principle prevails here. If a man sells to a concern which is licensed by the government, he may get a participation certificate, but there is nothing to prevent his selling to anyone else.

Mr. WRIGHT: I do not know whether my information is correct, but I am told that some of these firms were purchasing seed outright and not issuing certificates. I was wondering whether they could do that.

Mr. GARDINER: I think they can if the farmer is satisfied to sell it. It is just the same as it was when we were pooling in the west. But the farmer has a right to get a participation certificate in advance if he desires.

Mr. WRIGHT: It seems to me that it should have been compulsory upon these people to issue participation certificates for the alfalfa they purchased after the date of the order. A number of farmers did not understand the situation thoroughly, and the information I have is that they sold their grain and then found out afterwards they could have obtained participation certificates which would have been worth considerable to-day. I am pointing this out to the minister in order that he may make an investigation. If the facts are as I have stated, in another year he should see that certificates are issued to all farmers from whom seed is purchased by the firms authorized to purchase. That would be the fair way to do it.

Mr. SENN: I suppose if a farmer did not want to take a participation certificate there was no reason why he should take it. Most of the farmers in my district did take participation certificates after the new regulations came out. The special products board quite early in the season, although not early enough, took over the export of seeds from Canada. They also set the price at which they would buy seed for export. Unfortunately that price was considerably below the retail ceiling price set by the wartime prices and trade board. The result was that the primary dealer, who bought the seed from the farmer, gave it a preliminary cleaning and then passed it on to the next dealer, usually a wholesaler, had to buy on the basis of the export prices which had been set by the special products board and which, as I have said, were less than the ceiling prices.

It is true that they set prices at the seaboard for different classes of seed such as alsike, red clover and alfalfa, and the primary dealers were forced to buy in accordance with those prices. They had no idea how much of the seed they purchased would go into the domestic trade and how much into export. There was a good deal of dissatisfaction among the farmers because they realized that the prices being paid were lower than retail ceiling prices.

It is true that participation certificates were issued and the farmers expect to get something from these, but I believe there was little