

profits over and above that, they could pay out their participation just as they are paying now; if they did not believe they were able to make profits on that basis, they would no doubt come to the government for an arrangement under (c) of 10 to obtain the difference between the price they had paid out under our guarantee and the price they actually got for the product on the average over that year. They could do that under paragraph (c). Therefore the activities of organizations that are doing that kind of work to-day are safeguarded by this bill so far as their initial payment is concerned; and that is all they would ask for, because if they make a profit they will pay out participation; if they do not, they will come to the government under that paragraph to make arrangements with the government in advance. That is exactly the idea that has been involved in cheese that has been referred to. The producers of cheese have their cheese factories organized. We say that the producer must get a certain price for his cheese, but somebody else says the consumer cannot afford to pay that much. This bill makes it possible for the producer to obtain his price and then for the cheese factory to come back to the government and get the difference between what they sold the product for and what they paid the producer. Now, that operates all the way along the line.

In connection with coarse grains the only argument is that \$200 million would not be enough, if you bring coarse grains under it. Then the question immediately comes up as to how you are going to finance, particularly if it is to be financed for two or three years, or if the grain is to be held for some considerable time. Well, it is obvious the only system under which you could finance it is the system that the wheat board is now using. In answer to the suggestion of the hon. member for Lake Centre that we may not have authority to do that when we bring section 9 into force, may I say that section 9 would have to be brought in during the six months' period after the end of the war at the latest, when we still have all the authority under the War Measures Act; and the only addition to this measure which would be required by regulation—and the government has the authority to pass regulations under section 11—would be a regulation to provide for the financing of any products that are not covered by the financing already set up here. That action can be taken if thought advisable during that period of time.

Mr. WRIGHT: The minister mentioned alfalfa seed. Suppose we have a large crop of alfalfa seed in some years. Naturally at that time the price will go down. There may be a large production in other countries as well. The board decide to set a floor under it, and naturally they will get the most of the alfalfa that year, which they will dispose of in the domestic market. What they cannot dispose of in the domestic and foreign markets they will have to carry over another year. The next year there may be a complete alfalfa crop failure and naturally the price will go up. The government, having on hand this additional supply which they had purchased the year before under the floor price legislation, will dispose of it at a good profit. Under this act that profit will go into the consolidated revenue fund and will not come back to the producers. There should be something in this bill which would allow the issuing of participation certificates in such cases, so that additional receipts for the products would come back to the producer.

Mr. CRERAR: May I ask my hon. friend a question? His remarks have been quite interesting. He cited a case where the producers of alfalfa seed may have a large crop this year and the board contemplated under this bill may establish a floor price and take it over. He then said there may be a scarcity of alfalfa seed next year, the price may advance sharply, the board make a profit on the seed it held, and his contention is that this profit should be distributed to the growers. Suppose in the second and third year there were large crops of alfalfa seed, and the board had incurred substantial loss on the amount they had taken over; how would he provide for that loss? Does he argue that the taxpayers—and I am only asking for information; I am not expressing an opinion—should put up the difference and provide for the loss? In other words, if the board's operations result in a profit, the profit must be distributed to the producers; but if they result in a loss, the loss must be borne by the taxpayers; is that it?

Mr. SENN: Is that not what they are doing already?

Mr. CRERAR: No.

Mr. SENN: Oh, yes.

Mr. CRERAR: That is not quite so. The principle of the wheat board act is that the wheat board will fix an initial advance, and it is regarded as an initial advance. That advance is fixed in the light of conditions as