

Farm Prices

Then follows the latter part of the section:

"and provided further that the net operating loss in any fiscal year may be recouped to the said account from moneys appropriated by parliament for the purpose."

Mr. GARDINER: If such an amendment were to be put into the bill, this is not the place to put it. That is, it would come under the powers of the board. If we wish to give the board powers to set up an agency which would be in a position to make participation payments, that would go into section 9. But apart from that, I would call attention to paragraph (g) of subsection 1 of section 9:

to purchase at market or contract prices and export any agricultural product under any contract between His Majesty in right of Canada and any other government or agency thereof and to do all things necessarily incidental thereto.

Our contract on bacon, which was the one mentioned, is one of the contracts which is dealt with under that section. That is, if we were going to go on selling bacon under a contract such as we have to-day, all the provisions which are incidental to that contract are provided for there. The present position in connection with contracts of that kind is that any profits which are made in connection with it in one year are put into the price of the succeeding year, and do go back to the farmer; there never is any accumulation of profits. For example, the bacon board, in handling bacon in the earlier years of the contract, made it possible for a certain fund to be set up to take care of things which might happen, and when those things did not happen, when they set the price for the succeeding year, or just before they set it, for a few weeks the price was advanced beyond what otherwise could be paid. That was done during the season when the greater number of hogs were brought on the market, in the fall, as a part of the provision to prevent hogs going down unnecessarily during the rush period. The methods which do that are pretty well set up under the contracts that are made with the British government, or whatever government it may be made with, so that that is taken care of in so far as that particular kind of transaction is concerned.

Mr. PERLEY: I mentioned bacon as an illustration. I could mention any other commodity—grains, or beef.

Mr. GARDINER: Well, I am mentioning it too just to illustrate the first point. But under the provisions we now have for participation, let us say as regards the wheat board, under the wheat board act we say to the farmers: "If you deliver wheat to the wheat

board there is an initial payment"—or there was such a provision—under the present practice farmers are compelled to deliver to the wheat board. "If you deliver to the wheat board there is a certain initial payment, and if that wheat is sold at a profit there will be participation certificates." Now, under this bill all we are saying is that there is a floor payment, and we probably turn the handling of oats and barley or any grain of that kind over to the wheat board and we say: "We authorize you to buy any such grain at a stated price", just as did happen in wheat during free marketing under the wheat board as now constituted; farmers would only sell to the board when they can get as much from it as they can get from anyone else. I would assume that the wheat board under those circumstances would require to have provided to them a special fund in addition to this \$200 million we are talking about here. They would have to have an entirely new set-up which would handle oats on much the same basis as wheat is being handled at the present time, and the financing of that would not come out of this money at all, and could not.

As a matter of fact, one of the reasons for some delay in bringing the bill down beyond the delays I have suggested was that we had under consideration the question whether or not we should definitely say now what was going to happen if oats and barley came under the bill, and if we had undertaken to say that, we would have had to make new financial provisions in connection with the handling of that grain. If at any time in the future it is necessary to bring in oats and barley and turn over to the wheat board the handling of those products, we shall have to bring in new financial arrangements which will be altogether outside this \$200 million. I am simply pointing out that the \$200 million is to take care of the kind of transaction I am speaking of, and that if we are involved in those greater transactions we shall have to provide more money for the purpose of handling it.

Mr. PERLEY: Could not the minister embody here the same principle with respect to bacon, beef and other products as he does now for the handling of coarse grains, where we have the equalization payment? The wheat board takes the oats and barley. It is delivered by the farmer. He receives what is termed an initial payment. There is an equalization payment which is the difference between that payment and what the coarse grains are sold for. Could not the same principle be considered or taken in with a ceiling on the other products?

[Mr. Perley.]