

*Farm Prices*

power to do. Whether paragraph (c) restricts them or not I would not be certain just offhand.

Mr. DIEFENBAKER: Can the minister answer this question? Is it the intention to have participation certificates issued in order to assure that the producer will receive the average price that is secured on the sale of his products less the cost of administration as provided for in section 10? For, Mr. Chairman, there can be no net operating profit if the farmer or the producer receives the final return of the profits that are ultimately made on the resale. As I understand these two sections, reading them together, one provides for a price being fixed at the time of the purchase, and later a provision is made that an average shall be arrived at on whatever is secured on resale and that average price shall be paid to the producer for that year; therefore it must be the intention to set up a system of participation certificates. If a system of participation certificates is set up there could be no operating profit.

Mr. GARDINER: That is what I was trying to say in another way. If it is possible under this to set up participation certificates, the fact that the board did decide to do that with the consent of the governor in council would be taken into consideration in determining whether or not there were any profits. If the board has not decided to do that, then, of course, as has been said, there might be profits. Those would go into the account, and I can see some reason for it in some cases. What we are doing is we are guaranteeing the farmer a certain fair price for his products. We say we are going to buy those products. Let us say the product is barley which can be kept for an indefinite period of time. We may find that in 1944, if this measure were in operation, we have a considerable supply of barley, and it is determined that the farmer shall receive a certain floor price on that particular product. We say to him: "You go ahead and sell it if you can at a better price, but if you must take this price for it we are prepared to take it." We take the barley and we put it in storage. We may not sell it for three or four years. In the meantime he has what we guarantee him, the floor price. Our costs of carrying it may run to more than we ultimately get, or they may run to a little less than we ultimately get. I would think in some of those cases it would be considered inadvisable to carry all accounts over that considerable period of time, and if there is a small amount, turn it back to the farmer at the end of the time.

[Mr. Gardiner.]

Mr. DIEFENBAKER: This board is to be under the direction of the minister, Does the minister intend to ask the board to set up a system of participation certificates?

Mr. GARDINER: It cannot be done at this stage.

Mr. DIEFENBAKER: I understand. That is one of my objections to this entire section. No one in this parliament knows anything about the general method of the operation of the scheme that the government has in mind. That can be ascertained only if the minister is able to advise the committee as to whether the farmer, having received the base price and the board later on selling at a profit, will receive the difference, or whether it is the intention of the government to take all the commodities together, put them all into one account, take the losses of one and balance them against the profits of another, and in the end make no further division, provided that there is a profit, among the vendors or the producers? That is the point I have in mind. Is it the intention of the government to put everything together in one fund? If that is done it would be impossible to set up a system of participation certificates. What in fact the government or this board would be doing would be simply taking all the profits and applying them against all the losses.

Mr. GARDINER: Of course the last statement, that the government intend to put everything into one fund and operate it in that way, is quite wrong; that could not possibly happen as the bill is drawn, because this legislation may operate with regard to a dozen different products in certain years, and may operate in a dozen different ways in regard to those products. That is, we may turn one commodity over to the wheat board and tell them to deal with it. In that case, if we turned oats or barley over to them, under their method of doing business they would require a separate account to be set up by legislation or by order in council. On the other hand we might simply say to a business concern, perhaps the people who export cheese, "We want you to do this job," and indicate what the job is. They will go ahead and do it. In another case we might appoint a commodity board to handle a product. The way a product will be handled will depend very largely on what the product is. For example, if we were handling butter in the way I suggested a few moments ago, simply taking up surplus stores in the summer months and carrying them over into the winter, that transaction would be so different from the handling of oats or barley through the wheat board that there could not possibly