On section 10—Expenses.

Mr. GARDINER: There is still subsection 3 of section 10.

Mr. SENN: In the discussion this morning the minister referred to paragraph (c) of section 9. As I understand it paragraph (c) provides for the payment of the difference between the prescribed price and the average price when that falls below the price set by the board. The minister suggested a little later on that most of the activities of this board would be carried on in another way, that whenever the price of a product fell below the price set by the board, the board would take over that product. Evidently there are two ways in which this bill may operate. Does paragraph (c) mean that in certain instances we are going to pay what are really subsidies to bring the farmers' prices up to the board levels, and if so, on what commodities will it be considered advisable to do that, and on what not?

Mr. GARDINER: The commodity that I used as an illustration was cheese, and my hon. friend knows probably better than any other member just how that operates. Without that clause I do not think you could get the cheese factories in Ontario and Quebec and elsewhere taken care of properly. The same type of organization exists in connection with some other products, and may exist in connection with a great many more. If this is applied to any product at all, this clause may operate in connection with it. If we limited it to cheese, the clause could operate only with respect to cheese, but we have framed the clause in general terms so that it can operate in connection with any products. In other words, any organization that is taking in the products of the farmers at floor prices and has to sell those products below those prices can make an arrangement under this section and come to the government and get the difference in price. That product may come under this bill, and it does not make any difference what the product is.

Mr. SENN: Then as I understand it, arrangements have to be made by the cooperative organization beforehand or the board would not consent?

Mr. GARDINER: Take for example cheese. If the price is twenty cents and the producers of cheese say that they cannot sell cheese at twenty cents, we say: You are our agents, so go ahead and buy the cheese at twenty cents and sell it for whatever you can get for it. Then at the end of the period, whatever period may be fixed, we shall be required to pay the difference. I would not say definitely that their accounts would be the only thing to be taken into consideration, because the clause says that we must take the average selling price for that period. One organization may have been selling the cheese at fifteen cents and another man may have gone out and sold it at ten cents. We do not say that we will pay the difference between ten cents and the twenty cents, but that we will pay the difference between the average selling price and twenty cents, and if the average selling price was fifteen cents we would pay the five cents difference. He will have to sell his product at whatever the market will bring and the difference will be paid under the arrangement set out here.

Mr. SENN: Just to carry that one step further, $200,000,000 is provided as the fund to be used under this bill. If I remember correctly, $140,000,000 was also voted in the war expenditure estimates this year to subsidize different classes of farm products. Is there any danger that this amount will not be sufficient in case of a real depression where, as subsection 2 says, you are setting floor prices to "ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions"? Does the minister think that $200,000,000 will stabilize agricultural income during a depression period? Only last year we had an instance of farm income representing only fifteen per cent of the total national income, even including all the subsidies that were paid on farm products. In a real depression $200,000,000 would be a mere bagatelle in stabilizing farm income to enable the farmer to realize the cost of production, with or without a small profit.

Mr. GARDINER: Of course the $200,000,000 is a revolving fund; money comes back into it as well goes out of it. If we were considering oats and barley along with the other products there would be some justification for doubting whether $200,000,000 would be enough, but as I have stated—it is a matter of record in our discussions, and I want to make it a matter of record on *Hansard*—special provision would have to be made if we were required to deal with products like oats and barley. If we had been going to deal with wheat, for instance, we would have had to take into consideration what has had to be done in connection with wheat in past years. Twice this amount of money has been involved in the operations of the wheat board in a single year in connection with wheat alone. But as to paying subsidies such as have been paid on other products, even under