

certificates. There are a great many products where you could not possibly provide them, where it would be ridiculous to provide them. In addition, the period may not necessarily be a year; it may be three months or it may be more than a year. We may be dealing in a product for a particular period of time.

Following up what we were discussing Saturday night I have had handed to me a measure which was passed in Great Britain in 1535 and which provided for price fixing. They set forth a period of a few months and you can find that kind of provision all the way through this type of legislation. It may not necessarily cover a year, and there is a possibility that the transactions may cover more than a year before the provisions of this subsection would come into effect. There is a possibility of dealing with organizations that can pay participation certificates and our government then would not become involved.

All section 10 provides is that there will be \$200,000,000 there and that certain arrangements can be made to get some money out of that fund. Then when the arrangements are completed as between the board and somebody else, the money resulting has to be put back into the fund. Then it says that after the money is back in the fund, if a profit is shown then that profit goes into consolidated revenue fund. It simply says what is to be done with the money when the thing is wound up. If we gave consideration to this I do not think it would be possible to operate this legislation. We would just have to throw it out.

Mr. PERLEY: Will you consider the change in the wording that I suggested to substitute "any product designated?"

Mr. GARDINER: That would limit it to products where participation certificates could be paid, and I do not want to limit it to that extent. I want this bill to be applicable to any farm product, not just those where we can pay participation certificates.

Mr. WRIGHT: The minister made a statement a little while ago that he could appoint as a board a cooperative association which had as its principle the payment of participation certificates.

Mr. GARDINER: Not as a board—as an agent.

Mr. WRIGHT: As an agent under this bill. Would not that preclude the possibility of their using participation certificates? Unless

[Mr. Gardiner.]

there is some change made in the bill, I think you might find that the organization could not pay participation certificates.

Mr. GARDINER: We would only be asked to take action by any organization set up under the cooperative act of 1939 in cases where they knew they could not possibly make a profit. They come along to us and say, "If we are going to operate as we have been operating you will have to prescribe a price." We say, "All right; under this bill we will appoint you as agent to take delivery of the product for the government at a price higher than you or any one else knows can be secured on the market." They take delivery and pay the farmer that price. There is no necessity for any participation because there is no possibility of a profit. They pay the farmer that price and then come to us and ask us for the difference which we pay to them.

Mr. WRIGHT: The minister knows that in marketing in western Canada there are tremendous variations during the season. It is possible that in the early part of the season the particular organization could pay a price high enough. However, later on in the season the price might drop to below the floor price. The government would then appoint them as agent and they would carry on under this bill. But there might have been a profit made on what they had handled already, and I would say that under this bill they could not distribute that because they were acting as agent of the government.

Mr. GARDINER: They were not acting as agent in the early part of the season when they did make a profit. When the price of a product drops to too low a level they come to the government and say, "Under the bill you have authority to set a floor price." We set a floor price on that product and from then on they do not make a profit. They simply take delivery of a product and pay out the price. Of course, there would be a cut-off at the time they took that action. When they were required to make their distribution to the membership of their organization, the profits to be distributed would be those earned in the first part of the season. In other words, the participation principle that applied to the organization could be carried on. This bill does not interfere with their right to pay participation under those circumstances.

Amendment (Mr. Perley) negatived.

Section agreed to.