

Farm Prices

has been raised from \$5,000 to \$10,000, and there are definitely improved benefits for the widows. Although I do appreciate the spirit in which they were advanced, I suggest that the observations of my hon. friends are not relevant to the third reading of this measure.

Motion agreed to and bill read the third time and passed.

FARM PRICES

PROVISION FOR STABILIZATION, PURCHASE OF STAPLE PRODUCTS AT APPROVED PRICES, ETC.

The house resumed from Saturday, July 29, consideration in committee of bill No. 168, for the support of the prices of agricultural products during the transition from war to peace—Mr. Gardiner—Mr. Bradéte in the chair.

On section 9—Powers of the board.

Hon. J. G. GARDINER (Minister of Agriculture): The question was raised on Saturday afternoon by the hon. member for Lake Centre and raised again on Saturday night by the hon. member for Qu'Appelle as to whether paragraph (c) of section 9(1), along with subsection 3 of section 10, permitted provision for participation certificates. The hon. member for Lake Centre raised the question whether it was intended to provide for participation certificates and suggested that if that was intended it was not provided for in the bill. I therefore asked that the section stand so that I could give further consideration to it. Since then I have gone through the bill and discussed it fully with the officials. I find that provision is not made for any agency which may be set up by the government to provide for the payment of participation certificates through the use of funds that are provided for in this bill. Provision is made in paragraph (c) for paying any difference between the floor price set by the government and any price actually paid to the producer by any agency of the government. In other words, provision is made for paying a subsidy to the producer above a lower price which may be received by any agency of the government in order to bring the receipts to him up to the floor price.

Mr. DIEFENBAKER: Under what section is that?

Mr. GARDINER: That is under paragraph (c) of section 9(1). Provision is made there to pay the difference between the actual price paid to a producer of cheese, let us say, and the price at which the cheese is sold to the consumer by the cheese factory; similarly with any other organization of that kind that may be set up. But there is no provision for taking out of the \$200,000,000 provided funds with

[Mr. Ian Mackenzie.]

which to make good participation certificates. The reason for that is this. If we appoint an agency, a cooperative agency, let us say, to take delivery of a farm product at a floor price we guarantee that floor price to that agency. The agency in turn may have an undertaking, perhaps under our 1939 cooperative act, whereby they can pay the initial payment which is thereby guaranteed by the government, and then they can go on doing business on that basis and if they themselves make money they pay out the participation. Any dealing which they have with the government would be based on the floor price which we have provided, and they would no doubt provide the same floor price in their dealings with the producers, so that when they make their accounting back to the government, as the agency of the government, there would be no profit involved at all.

There may be a limited number of cases where the government would be taking delivery of the product direct and where there might be the possibility of a small profit, but it is very difficult to conceive of any such cases, because all we do in this bill is to say that if no one else will buy the product at a price higher than the floor price the government will take the product and handle it at that price.

Mr. SENN: Not in all cases.

Mr. GARDINER: That is all we say in this bill, and that is all we can say. We say that if no one else will take the product at a certain price level, whether it be a farmers' cooperative or a private organization, we will arrange for the government by some method to take that product.

Mr. SENN: That is not what paragraph (c) says.

Mr. GARDINER: My hon. friend, if he will read the whole bill, will find that that is exactly what it says. It says that we can take this product over at that floor price. It is not anticipated that there will be any profit in any product which the government handles. We may incidentally make a few thousand dollars out of something we have, and if we do, it would go into the treasury. It is not anticipated, however, that there will be any profit made by the handling of any products by the government.

Mr. WRIGHT: There are participation certificates issued right now in the handling of coarse grains.

Mr. GARDINER: There are right now, but under this legislation what we say in connection with coarse grains is that we are prepared to take the product at such and such a price delivered; let us say it is forty-five cents. If