

payment to the producer at the time of delivery of the product including a margin for handling, sales returns to be made to the producer on a co-operative plan. The guaranteed initial payment may be up to a maximum of 80 p.c. of the average price for the previous three years, the exact percentage to be recommended by the Minister of Agriculture who enters into an agreement with the selling agency for the product. The payment to the producer is to be made through the sales agency on a graded basis at the time of delivery of the product.

According to the Act, the co-operative plan means an agreement or an arrangement for the marketing of agricultural products providing for equal returns to primary producers for agricultural products of like grade and quality; for the return to primary producers of the proceeds of the sale of all agricultural products delivered thereunder produced during the year or pooling period, after deduction of processing, carrying and selling costs; and for an initial payment to primary producers. When a fruit grower or rancher delivers products for sale on such a basis, he surrenders title to the product and acquires in exchange a fractional interest in a pool and will receive exactly the same return as other participants for the same grade and quality. Under the Act, agreements may be made by the Minister with co-operative associations, processors of agricultural products or selling agencies authorized to act for one or more co-operative associations, one or more processors or one or more associations and processors. It has been usual to make agreements with a selling agency of the latter type if one marketer does not handle a substantial portion of the product in the area.

Agreements under this Act have been made with respect to the marketing of maple products, honey, onions, potatoes, cheddar cheese, apples, peaches, apricots, cherries, oats, barley, flax, rye, corn, fox and mink pelts, and the following seeds: alfalfa, crested wheat grass, brome grass, slender wheat grass, western rye grass, timothy, red clover, alsike clover, sweet clover, creeping red fescue, meadow fescue, and peas. Thus far the Government of Canada has suffered losses under this Act only with respect to fox pelts and potatoes. This experience indicates that any service to agriculture rendered by this Act has been at relatively small expense to the taxpayers of Canada except for small administrative expenses, most of which have been taken care of as part of the day-to-day administration of the Department of Agriculture.

In administering the Act, the Minister has required that, as far as possible, products should be marketed annually or in a shorter period of time so that pools might be closed out promptly. Where stocks have been carried over for more than one year, definite arrangements are usually made for the marketing of such stocks before a new agreement is completed. The question of carry-over and length of the marketing pool may conceivably present some administrative difficulty during periods of declining price levels. There is some possibility of producer groups attempting to use this Act for the purpose of price support. The Government has made it quite clear that the Act is not intended as a means of supporting prices, but as a basis for assistance in providing credit and financing the orderly marketing of agricultural products on a voluntary pool basis. Another problem arises when arriving at an initial payment basis since the guarantee is usually open to all who wish to deliver and cannot quickly be closed off. Some consideration may have to be given to time and quantity limitations if such difficulties develop.

**The Agricultural Products Marketing Act.**—The drop in farm prices and income after the end of World War I, the modest recovery in the 1920's, and the start of the depression of the 1930's caused farmers to look to marketing adjustments and reorganization to help resist a further decline in their farm income. British Columbia introduced the first producer-operated market control measures in Canada in 1927 and 1929; authority was given by the Produce Marketing Act and the Dairy Products Sales Adjustment Act, but both Acts were later declared *ultra vires* of provincial authority. The form of organization was originally developed in Queensland, Australia, in connection