

Commodity Prices Stabilization Corporation amounted to \$68,584,697. There are two reasons why they should be coming down. One of the important elements in subsidies was the war risk insurance and high costs of freight on some imports; those have gone down very considerably.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister say a word as to future policy?

Mr. ILSLEY: We are working on elimination of subsidies. Some of the subsidies have been eliminated already. We intend to get out of these subsidies just as soon as we can. It is a question always whether it is desirable to authorize a price increase or to continue the subsidy; in some cases one seems to be desirable, and in some cases the other seems to be desirable.

Mr. MACDONNELL (Muskoka-Ontario): That matter of price suggests one question I should like to ask. Are the price controls to be increasingly applied merely to necessities? I pointed out to the minister the other day that it is a serious thing if the price of food rises, but, except to a limited class of the community, it is not a serious matter if the price of jewellery rises. That is an exceptional case. But what is the policy? Is it that as quantities become adequate the minister will take the price controls off?

Mr. ILSLEY: The main reason for price controls is shortage, and when the conditions of shortage disappear the reasons generally for the controls will I think have pretty well disappeared also.

Mr. MACDONNELL (Muskoka-Ontario): But I mean when they disappear specifically, in any particular case.

Mr. ILSLEY: That is not so easy to answer. I could talk about this a long time, but we have not the time for it. However, I have discussed the matter with the officials and I have put this question to them: Why can you not take the price ceiling off jewellery and a long list of other things? We have gone into that question very fully, and it is extraordinarily difficult to do it unless you see the end of price control in sight, because you cannot pick out any class of things that do not enter in some form into the cost of other things. As I say, I have no time to enter into it in detail but it is most difficult. The policy now is an over-all price ceiling, with an increasing tendency towards increases on certain articles.

[Mr. Ilesley.]

Mr. WRIGHT: When the Americans lifted their price ceiling, how did it affect the amount of subsidies we had to pay in Canada?

Mr. ILSLEY: They did not lift their ceilings on articles that we were subsidizing.

Some hon. MEMBERS: Carried.

Mr. MACDONNELL (Muskoka-Ontario): I am sorry to be so disobliging, but I am not making any apologies. This is a serious matter. I do not find myself immediately convinced by what the minister has said about not being able to lift the price in any one case because of its effect on others. I am not disputing that that may to some extent be true, but if that argument is pushed very far it may result in continuing controls beyond the point where any of us would like to see them. One question the minister has not answered is this, and I will make it specific, so as to take up as little time as possible. I do want a picture, very brief, of just how one specific control works. Take food. I was in a little store in my riding and I imagine the amount of groceries in it would not occupy the space of more than twice the size of that table. An inspector had been in during the afternoon checking up what was there. I do not say that he was checking groceries particularly. In fact, two inspectors had been there that afternoon. Will the minister indicate how far the control goes in the case of food, how it gets down to the small man, and what is being inquired into when the small man is investigated?

Mr. ILSLEY: There is a retail price ceiling on the articles that are identical with those sold in the basic period. He must sell at basic-period prices unless there has been an order raising the ceiling on those particular articles. If there are different types of articles there have been orders fixing the respective price ceilings under which he must sell. It may have been an order fixing the wholesale price, with a mark-up permitted him. They are circularized and informed of the prices and the enforcement branch makes checks to see that they are complying with the law. New price fixations run from six thousand to seventy-five hundred per month.

Mr. BRACKEN: The minister spoke of the wartime prices and trade board. Is that the organization that administers meat rationing?

Mr. ILSLEY: Yes.

Mr. BRACKEN: Is there any thought of discontinuing meat rationing?