

fairly and in accordance with the previously announced policy down to August 1, 1947. The only reference made to any period beyond August 1, 1947, is the fact that the ceilings may not be off all agricultural products that are affected by grain. Up to the moment we have taken the ceiling off eggs, and there have been suggestions that the ceilings will come off other farm products, but no one will know exactly what the relationship between live stock and feed grain prices will be until we get close to August 1. As far as equalization payments on oats and barley are concerned, however, these with their implications are discontinued as of August 1, 1947. I think everyone in western Canada who is concerned with these matters understands the situation fully. I quite agree that statements were made in the press some time ago which did not bear out the facts contained in the announcement itself.

I have just returned from having spent two weeks in western Canada. I believe I saw representatives of most newspapers, and also had occasion to address farm meetings while I was there. I am sure that the farmers of western Canada understand the position as it was announced on March 17. I suggest that if the leader of the opposition would read my statements a little more carefully, analyse them, and then explain them to the public, they probably would be better informed.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, perhaps I had better say a word in answer to some of the points raised by the hon. member for Rosetown-Biggart (Mr. Coldwell), in respect of increases in prices. I do not know of any way of popularizing increases in prices, and I have no intention of trying to do so.

I am sure the government shares the concern of everyone in Canada in increasing prices. Nevertheless the fact remains that prices have not remained constant throughout the war and since. There has been a gradual but controlled increase in prices. It was never contemplated that a rigid price control could be maintained for long after the cessation of hostilities; and the government has always contemplated a policy whereby, when it was felt that supply was in reasonable conformity with demand, the proper thing to do was to allow the law of supply and demand to operate and to remove price ceilings.

The specific instances of increases in prices which have been cited by my hon. friend were, in particular, shortening, soap and textiles. Those were the principal ones, although he did refer also to household necessities such as washing machines and the like. But, to speak

[Mr. Gardiner.]

first about shortening and soaps, one of the greatest shortages in the world today is that of oils and fats; that is one of the most acute. The greater part of our supplies comes from outside Canada. For some considerable time past they have been bulk purchased by the government through the Commodity Prices Stabilization Corporation. And that, in effect, in so far as those products were sold under a ceiling which represented less than cost, involved a trading loss to the corporation; or, in other words, a subsidy.

As has been clearly stated on a number of occasions, it was never the policy of the government to continue subsidies indefinitely in the post-war period. Once conditions of supply were reasonably stabilized, and once prices abroad were established at levels from which there was no immediate possibility of early reduction, it was felt that subsidies should be discontinued, and the added cost reflected in the price of the goods.

That is exactly what has happened in respect of such increases as there have been in shortening and soap. The same applies with respect to cotton textiles; and I assume that is what the hon. member was referring to, and in particular to shirts and underwear. For some time past we have been paying a fairly substantial subsidy on raw cotton. It was felt that the time had now come when we must discontinue paying that subsidy, and a policy has been initiated of gradually working out of it. So far as one can see, while the price of raw cotton may not be stabilized, it shows no indication of any early reduction. Consequently the government felt that in matters of that kind we must face up to post-war realities, and the added cost of the raw cotton would have to be reflected in the cost of the finished product.

As hon. members know, a considerable number of items have been removed from price control. There remains also a considerable number under price control, and, may I say, those include the greater part of foodstuffs and the greater part of the necessities of life. Of those which have been removed from price control, I think it is fairly significant that there has not been any appreciable increase in price. In some instances there have been no increases, while in some others there have even been decreases. There have been increases where subsidies entered into the cost of the goods, either by way of direct subsidies or by way of bulk purchasing through the Commodity Prices Stabilization Corporation.

For instance, motor cars were removed from the ceiling recently. There has been no increase in price, nor do I anticipate that there will be any. Again, in respect of foot-