

In respect of automobiles, efficiency of production has reached a point where one manufacturer has reduced the price of the finished article below the ceiling. It is expected that other manufacturers will be in a similar position. That being so, there seems to be no purpose in continuing the ceiling on automobiles.

Then, we had to recognize the situation in respect of used automobiles. The fact of the matter is that the black market in used automobiles has grown to an extent where it is probable that more second-hand automobiles are reaching the public through the black market than through legitimate channels. Therefore we believe that the effect, on the public, of removing the ceiling on used automobiles, will not in general require the public to pay a higher price.

Wool and wool products were mentioned. The world price of wool is stable today, and has been for some months. Wool supplies are adequate for all requirements. Pressure for woollen goods is not such as should lead to any material price increase in that commodity.

Following this general pattern, the war-time prices and trade board have from time to time removed a considerable number of articles from the list of controlled items, with every expectation that their removal will not affect the price level in this country. It should be remembered that, assuming that this bill passes, the power of control has not been lost. If for any reason prices are forced up to a level which cannot be justified, then price control can be reestablished. But it is also notable that of all the considerable number of articles subjected to decontrol since the process of decontrol was undertaken, to date it has not been found necessary to reimpose controls on any of those articles.

Mr. ILSLEY: There is one exception.

Mr. ABBOTT: Jute bags.

Mr. HOWE: I am told that jute bags is one exception. They were decontrolled; but later the price advanced to a point where control had to be reimposed.

One of the commodities decontrolled by today's list was coal. Coal is in a special category. During the period of the war the government controlled the price of coal; in fact, the coal control was the first control to be imposed shortly after the outbreak of war. Coal prices have been controlled, while production has been stimulated by subsidies. It was felt that during the period of the war the need for coal in Canada was such that the country could not afford to permit any source

[Mr. Howe.]

of coal to go out of production. The result was that higher cost mines, or less efficient mines, were subsidized so that they could produce at a price that could properly be allowed to the high-grade low-cost mines.

Over the years a system of subsidies in the coal industry has been built up, which has more or less levelled out the value of good mines as against poor mines, and of efficient operation as against inefficient operation.

About two years ago parliament appointed a coal commission, consisting of a member nominated by the operators, a second member nominated by labour and a chairman chosen from the judiciary of this country. That commission spent nearly two years in investigating the coal situation and presented a voluminous report recommending ways and means of handling the industry in post-war years. The commissioners were unanimous that production subsidies should be suspended without delay, and the action taken today implements that recommendation of the commission. The Cape Breton situation was recognized by the commissioners as a special problem. Two of the commissioners recommended that, instead of an abrupt cessation of production subsidies in the Cape Breton field, there be a tapering off of production subsidies to give time for readjustments in the industry. The announcement today ended production subsidies in the Cape Breton area as well as in all other parts of Canada. But I should like it understood that the government is willing to reexamine the needs of the production of coal in the Cape Breton area and to reintroduce subsidies in that area, provided that there can be a settlement of the present labour dispute on a basis that promises that the industry will ultimately be restored to a healthy condition.

The hon. member for Cape Breton South (Mr. Gillis) has objected to the present form of subsidy in that area, which is based on a guarantee against loss to the producing company. That, of course, is wholly inappropriate at the present moment when no production is being obtained in that area, and therefore it is appropriate at this time to suspend the present production subsidies in Cape Breton, as well as in other parts of Canada. But I do want to say that the government is ready at any time to sit down with the union and with the operators and work out a form of subsidy which will permit that section of the country to resume the production of coal on a healthy basis.

The price of coal in western Canada has dropped below the ceiling price in some instances. There have been sales of coal recently at below ceiling prices, and it is