

first two years of war, the advance in non-farm prices appears to have been only slightly more than the average increase in agricultural prices. The prospects are that this discrepancy would be even more pronounced in the future if a general price-ceiling is not adopted. In short, general price stability based on present levels would offer the greatest advantage to the agricultural groups which, under conditions of advancing prices, for one reason or another, do not obtain as much of an increase as the average increase in the prices of other products.

The price-ceiling policy, accompanied by stabilization of wages, would tend to help agriculture with respect to the problem of keeping farm labour. Present conditions, however, particularly in Eastern Canada, indicate that additional positive steps would be necessary. Without attempting to suggest a detailed policy, it may be noted that a vigorous campaign to attract to essential farm production some discharged soldiers and certain persons now employed in non-essential urban occupations, together with the organization of High School students and "farmorettes", might achieve considerable results. Other measures of an economic character would no doubt also be necessary; for example, payment by the Government of 50% or even 100% of the cost of transporting coarse grains and low grade wheat from Western Canada to Eastern Canada for feeding purposes. Any measure by which Eastern farm costs could be reduced would react upon and alleviate the difficulties caused by the present farm labour situation.

NOTE: Mr. McKinnon has not had an opportunity of reviewing certain parts of the above section.

Labour

The proposed Government program with regard to labour is set forth in an accompanying memorandum. With certain exceptions, it makes it illegal for employers to increase wage rates (including any bonuses) past a point equal to the August 1939 level, or highest previous level since 1926, plus the official cost-of-living bonus. It also makes it mandatory for the employer to pay whatever is needed by way of bonus to bring total