

pork have been made at more than ceiling prices and that soon a similar arrangement will be made regarding poultry, lamb and liver.

Then I have a list of the firms from which these commodities have been purchased. Would the minister explain why—and I presume there is a reason—the Department of Munitions and Supply are exempt from ceiling prices, and whether this is the entire list of commodities, or whether they have purchased above the ceiling price a number of other commodities, for how long they have been purchasing at more than the ceiling price, and why it was possible to make agreements such as the one to which I have referred of September, 1942, but was not possible to have made it earlier. In other words, I should like to know how long the Department of Munitions and Supply have been purchasing supplies at more than ceiling prices. I wish to know also whether the Department of Munitions and Supply have been paying more than the ceiling price for rented properties; that is, have they been subject to the same regulations in connection with renting as have civilians throughout the country? I think that is a matter on which we should have some information.

Mr. ILSLEY: I may not be able to give a very complete answer to the hon. gentleman. My recollection of this runs back to the fall of 1941. I remember distinctly that the question arose as to whether purchases by the Department of Munitions and Supply would be exempt from the provisions of the maximum prices regulations. I can remember the argument there was about it. One day we thought there should be no exception; the next day we thought there should be an exception. The reason why these purchases were exempted from the maximum prices regulations was that the Department of Munitions and Supply felt it desirable to have a free hand in connection with what they were buying, so that they could get what they had to buy. They are buying very largely for the armed forces; they are buying for war purposes. Most of the time they buy at lower than ceiling prices; in a great many instances they buy by tender; in the odd case they have paid more than the ceiling price. I do not remember just what period of the price ceiling it was in; but at a time when beef was scarce, during one of our periods of beef trouble, the Department of Munitions and Supply paid more than the ceiling price for beef in order to get a supply for the army when there was a considerable shortage in the country. This made trouble, and finally the agreement which the hon. gentleman has read was arrived at in the fall

[Mr. Noseworthy.]

of 1942. That is my recollection of the reasons for the exemption and the development of the matter since that time. They certainly have a free hand in regard to rents and everything else; they are not bound by the law, by the price ceiling. They have a paramount and overriding interest in supply, greater than that of the civilian population, in order that they may carry on the war effort. If it should become necessary to go through the ceiling in order to get what they have to have for the armed forces, they are free to do so, but they have not done it to any great extent.

Mr. GILLIS: Why should the Department of Munitions and Supply have to go through the price ceiling?

Mr. ILSLEY: Because sometimes there is a great shortage.

Mr. GILLIS: That is not a good reason for puncturing the price ceiling. Why should Canada Packers, one of the firms indicated in this return, hold up Munitions and Supply for a higher price? The answer is profitable patriotism.

Mr. ILSLEY: I do not think Canada Packers—

Mr. GILLIS: They are listed in this return. The minister stated definitely that when there was a shortage of beef in the country the packing houses took advantage of that to drive up the price and extract from the taxpayers of Canada—

Mr. ILSLEY: I certainly did not state that.

Mr. GILLIS: It is not Munitions and Supply that is paying the bill, it is the taxpayers of Canada. The minister's argument is very weak. Many times the minister has referred in the house to the seriousness of inflation, to the dangers of puncturing the price ceiling and to the necessity of having workers work at starvation levels.

Mr. ILSLEY: My hon. friend should not put words into my mouth. I did not say any of those things.

Mr. GILLIS: That is exactly what the minister said. He said that when there was a shortage of beef in Canada the Department of Munitions and Supply were obliged and were permitted to go through the price ceiling.

Mr. ILSLEY: They did once.

Mr. GILLIS: They did that in order to get necessary war supplies. That is not an argument; that is an accusation against the