

upon which the Board based their recommendation for retaining control of automobile prices and for approving increases in the amounts proposed. While there were, necessarily, a number of uncertainties in the forecasts which had been made for the coming year, it was felt that 10% and 7% represented reasonable levels which would maintain necessary production.

One feature of importance was the course of the differentials between Canadian and U.S. automobile prices over the years.

9. The Cabinet, after considerable discussion, agreed that, for the present, passenger automobile and truck prices should be retained under control and that selective increases of 10% and 7% respectively or 9% and 6% respectively be permitted, the precise figures to be determined upon computations to be made by the Board with respect to the relationship between Canadian and U.S. prices.

Price policy; farm machinery

10. The Minister of Finance, referring to the discussion at the meeting of December 10th, reported that he had gone into this question with the Minister of Agriculture. It had been agreed that the government would not be justified in granting a price increase to obtain production of special agricultural machinery by the firm in question.

Accordingly, it was proposed that the Wartime Prices and Trade Board be instructed to take no action to return the company to the production of farm machinery.

11. The Cabinet, after discussion, noted with approval the course proposed.

International organizations; financial aspects

12. The Minister of Finance submitted a chart and attached memorandum showing the probable cost to Canada for the fiscal years 1946-1947 and 1947-48 of contributions, other direct expenses, and investments required in connection with various international (and Imperial) organizations of which Canada was a member.

(Departmental memorandum, Dec. 11, 1946 and attached chart "Interim Review of Estimates and Investments, etc.")

13. The Cabinet, after discussion, agreed that copies of the chart and the memorandum submitted be circulated to all Ministers and that the question be considered at a later meeting.

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