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price ceiling policy will operate to the advantage of our competitive export position in the post-war era. Our relatively low cost structure would provide a cushion against a possible collapse of export prices at that time.

AGRICULTURE

The general price-ceiling policy requires, of course, stability of food prices to consumers as well as stability of other prices. On the other hand, sound agricultural policy must maintain such a relationship between farm prices and costs as will call forth required supplies.

Food prices have been one of the most volatile components of the cost of living, contributing more than half the rise in living costs since the war began. Broadly speaking, retail food prices now bear about their normal relationship to other retail prices. Wage and price policies can only be effective if retail prices of foods are kept at their present level; in order to do this we must also stabilize the prices of the agricultural products which go into those foods, using other methods, if necessary, to meet the special situation of certain agricultural commodities.

War has distorted the normal demand for our agricultural products, so that in some cases we have had supplies in excess of markets, the pre-eminent example being wheat, while in other cases, such as hogs, the demand has been far greater than normal output, and special production programmes have been necessary. Subject to two or three exceptions mentioned below, a ceiling at present levels will leave farm products in reasonable relationship with other goods, and with the prospect that the continued demand will not permit the prices of those farm products to fall very far, or for a very long time, below present levels. This is true, for example, with respect to oats, barley, butter, eggs, cattle, hogs, sheep and wool. Price increases for whole milk just recently arranged for the coming year in five provinces bring that product also into this group.