

Provided that the initial increase did not exceed \$1.00 to \$1.50 per hundred pounds on hogs, and that the larger increases did not apply until later, the Board saw no objection to the proposed discussions with the United Kingdom along these lines.

5. Mr. Gardiner observed that the Canadian representative should, at the same time, discuss the related question of cheese prices with a view to possible upward adjustment of up to 2¢; this would bring it more into line with the return to the farmer on fluid milk.

In this connection, a proposal to have the government make payments of \$5.00 per acre for land sown to barley had been discussed at the recent meeting with Provincial representatives. No action of this kind was suggested, however, at present.

6. The Cabinet, after further discussion, approved the initiation of discussions with the United Kingdom on bacon prices along the lines suggested by the Minister of Agriculture, it being understood that a report thereon would be made subsequently to the Cabinet, and that any price increase for the initial period would not exceed the equivalent of \$1.50 per hundred pounds on hogs.

It was also understood that the question of methods for increased barley and coarse grain production would be considered at a later date.

Price policy; automobiles and trucks

7. The Minister of Finance referred to discussion of this question at the meeting of December 10th.

It was necessary that a decision be taken at once as to whether the Wartime Prices and Trade Board should permit a controlled price increase or, alternatively, release automobiles and trucks from the price ceiling.

As it had been stated at the previous meeting, the Board were inclined to feel that 10% on passenger cars and 7% on trucks would be a justifiable increase which would enable manufacturers to produce without unde profits. The Board were opposed to taking the ceiling off altogether at this time, for this would mean higher prices while the controlled increase would be likely to remain in effect during the 1947 season.

8. The Chairman of the Wartime Prices and Trade Board explained in some detail the reasons

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