

it has been the practice to place at the disposal of the Commissioner are not now sufficient for the work which should be done.

3. That the government amend the regulations of the appropriate legislation, if that be found necessary, so that immediate specific action can be taken wherever the evidence discloses flagrant cases of profiteering at the consumer's expense. While recognizing that it is difficult to establish a hard and fast formula that can be universally applied, the Committee is convinced that there are cases of abuses where the public interest is so clearly being disregarded that action should be taken against the offenders.

The work of investigation and fact-finding already undertaken by the Committee has resulted in 12 prosecutions of those profiteering in butter, with 3 convictions already registered. In addition, proceedings have been instituted in 5 cases of profiteering in the fruit and vegetable industry. These prosecutions were undertaken by the Wartime Prices and Trade Board under the authority of its powers in regard to "just and reasonable" prices. The Committee feels that these activities should be extended, and that the regulations governing the powers of this Board might even be amended and strengthened, where found necessary, in order to ensure the maximum protection of the consumer.

4. That the Government consider the removal of import restrictions now in effect on certain fruits and vegetables, taking care not to affect adversely the interests of Canadian primary producers, particularly producers who, like those engaged in market gardening, are striving to increase production to meet the increasing demand.

The Committee recognizes that the exchange conservation program which has been approved by Parliament is both unavoidable and necessary. However, the Committee feels that in so far as this program creates a situation in which the scarcity of certain essential foods—a scarcity which can be and has been exploited by certain handlers of these commodities in such a way as to bring hardship to consumers—the Government should give consideration to removing or relaxing provisions of the program which affect these commodities.

5. The Government should give consideration to the desirability and practicability of restricting price rises by special taxation of unreasonable profits.

6. That the Government consider including in the terms of incorporation of businesses under the Companies Act a provision for the institution of a uniform system of business accounting.

By giving the lead in this way, the Federal Government could encourage the development of a more uniform system of accounting across Canada. This action would greatly facilitate the work of the Commission recommended.

The Committee noted from the evidence presented before it that there now exists a wide variation in business accounting practices. In some cases this evidence has shown that excessive profits can be concealed by accounting practices such as the manipulating of inventory values, the adjusting of replacement costs, and so on.

A universal accounting system has from time to time been advocated by various business associations in Canada.

7. That the Government give immediate consideration to amending the Companies Act to provide for a more complete disclosure of information about inventory reserves deducted in determining profits.

Your Committee recommends further that the Government consider in conjunction with the provinces a general revision of the disclosure now required by the various Companies Acts in annual financial statements of companies and of the provisions respecting the availability of such information to the public.

8. The Committee does not feel that the interests of Canadian consumers would be safeguarded by a system of overall price and related controls.

The Committee is of the opinion that, during this difficult transition period in cases where, it is clearly shown that hardship would otherwise ensue, the