

In many cases quantities available to civilian consumers have been well maintained or even increased, but the added demands are so great that there appears to be a very short supply. A good instance of this is jams, jellies and marmalades. Before the war the production of these items was in the neighbourhood of 45 million pounds. By 1942 the output had risen to over 70 million pounds. Of this total some 15 million pounds were used by the armed forces and other priority users, but there still remained a considerably larger quantity for civilians. Yet hon. members, or at least their wives, know that jams, jellies and marmalades are very difficult to obtain in retail stores. Another example is evaporated milk. In 1939 Canada retained 95 million pounds. In 1942 the quantity of evaporated milk retained for use in Canada was 144 million pounds, of which 127 million pounds was set aside for civilian consumption, yet the board has had numerous complaints that the supply is quite inadequate.

To maintain the price ceiling policy has involved certain costs, but I think it can be said that these have been much less than anticipated and certainly well justified by the results achieved. Perhaps the committee will recall the fears expressed at the outset that business could not continue to operate under such a policy. It is true, of course, that many sacrifices and inconveniences have been imposed on business; a programme that cuts across ordinary methods of price determination was certain to have this effect. But in the result these gloomy forecasts have not been borne out. The number of commercial bankruptcies in 1942 according to Dun's "Statistical Review" was 609, while in 1941, the year prior to the imposition of the price ceiling, the number was 882. Some businesses, for example, many dependent on the automobile industries, have had to discontinue operations, but most of these difficulties are not due to price control. They are the inescapable result of changing the country's economy over to the fulfilment of the war programme.

The committee may also recall the predictions that to maintain an effective price ceiling it would be necessary to employ an army of officials at a cost to the country out of all proportion to the value received. The staff of the wartime prices and trade board has, of course, expanded substantially since the price ceiling was introduced, from 154 on November 30, 1941, to 5,251 on March 31, 1943, and the cost of administration from \$1,436,988 for the fiscal year ended March 31, 1942, to \$9,277,480 for the fiscal year ended March 31, 1943. These figures, nevertheless,

[Mr. Ilesley.]

are by no means great in relation to the task in hand, which involves the regulation of virtually the entire civilian sector of the Canadian economy.

The major item of costs is, of course, subsidies and trading losses paid by the Commodity Prices Stabilization Corporation, which actually amounted to \$68 million from the inception of the ceiling to March 31, 1943, and which are in the estimates as \$120 million for the present fiscal year. The reasons for subsidies and the basis on which they are paid by the Commodities Prices Stabilization Corporation have been fully explained to the house on several previous occasions, and a complete account of the payments made will be found in the report of the board. With these records available, I do not think it is necessary for me to make any extended remarks at this time, except to say that payment of subsidies and the bulk purchase operations of the Commodity Prices Stabilization Corporation have played an integral and vital part in ensuring a supply of essential goods and services and of protecting the standards of living of those receiving low or moderate incomes. British experience as well as our own has convinced me that price control can only be effectively maintained by the judicious and timely use of subsidies.

The CHAIRMAN: Shall the item carry?

Mr. HANSON (York-Sunbury): No. I would ask the minister to give a break-down of the expenses of administration, and salaries paid.

Mr. ILSLEY: The item is \$14,300,000, and the breakdown is as follows:

Salaries	\$ 9,200,000
Travelling expenses	920,000
Printing and stationery.....	1,400,000
Telephones	260,000
Telegrams	100,000
Legal and audit.....	100,000
Advertising	800,000
Sundries	640,000
Postage	250,000
Freight and express.....	30,000
Local ration boards.....	600,000

\$14,300,000

Mr. GRAYDON: What would be the expenses of the local ration boards? I understand that a great bulk of the work done by these local boards is on a voluntary basis.

Mr. ILSLEY: That is correct. Generally speaking, the work is done voluntarily, but there are 550 ration districts with 550 local ration boards. There are permanent secretaries.