

Coming back to my original request, I think the people of this country have a right to know where the millions went which were voted last year and were expended before March 31 last, and to whom they went. This year we have \$120,000,000 proposed to be expended in this budget, and I venture to suggest that if the policy is continued to its logical conclusion that sum will reach \$200,000,000 this year.

I should like to make this suggestion to the minister. The price stabilization policy in respect of certain commodities has been too inflexible, and some consideration ought to be given to the increased cost of production and the increased cost of labour. Deny it if you will, but there have been increases in every item of cost of some of these commodities. I am not speaking of imported commodities at all. There could be a levelling up of the ceiling in certain given instances so that we would avoid, if possible, this policy of subsidization of our own production and thus equalize to a degree at least the increased cost of production. The minister will say at once, of course that that is inflation, and theoretically he would be right. But what is \$200,000,000 spent on subsidizing Canadian production? Is that not inflation?

Mr. BLACKMORE: What is inflation?

Mr. HANSON (York-Sunbury): Please pardon me; I am not going to get into an academic discussion of inflation to-night. I know what it means to myself.

Mr. BLACKMORE: Let us hear it.

Mr. HANSON (York-Sunbury): I refuse to be tempted. I certainly am not going to get into an altercation with the hon. member for Lethbridge on inflation, because I have an idea that he would win. I do not know anything about the theories of economics; I just think I have a little common sense. I am not saying that he has not, but I know that if it comes to a battle on textbook theories and information I do not stand the ghost of a show.

I am trying to get across to the minister in a very inadequate way what has developed from the government's policy in respect of one commodity only, and I am limiting my remarks to that at the moment. I have discussed this matter privately with the Minister of Munitions and Supply, who made the commitment for all Canada. I know the trade itself is struggling with the situation. I do not know what solution, if any, has been reached, because I have not been apprised. But I know there is very grave danger of the situation which I have tried to envisage for the minister becoming more and more acute, with the result that

Canadian labour will be thrown out of employment, because mills will have to lay off men for a time at least. That is a very real danger. I am not raising this question for any political purpose at all. I want the minister to understand the viewpoint of those who are attempting to give some consideration to the producers of this country. This whole policy of price stabilization is in the interests of the consumer and in the interests of the government's policy against inflation, but I suggest to the minister and his advisers that no consideration, or very little, has been given to the producers of this country under this policy. That is the position. I wanted to limit my remarks to this pulpwood situation, and I hope the minister will be able to say something that will alleviate the anxiety of those who have to face and deal with this situation.

Mr. ILSLEY: Before I come to any particular matters I should like to make a general statement.

The chief items in the war appropriation estimates for the Department of Finance relate to the wartime prices and trade board and its associated crown companies, the Commodity Prices Stabilization Corporation Limited, Wartime Salvage Limited and the Canadian Wool Board Limited. Hon. members have already been furnished with a copy of the report of the board and its associated companies for the period ending March 31, 1943, and I do not think it is necessary for me to repeat what is in that report by giving at this time a further detailed review of the activities of these organizations. I may say that one of the chief reasons for having the report prepared was to facilitate discussion in the committee by providing members with a much more complete account of the administration of price control and related matters than could possibly be given in a verbal statement. The few remarks I intend to make will, therefore, have to do with the general results achieved rather than with particular aspects of administration.

Nineteen months ago, in December, 1941, the overall price ceiling was established. As the Prime Minister said in his announcement of policy, the overall price ceiling represented an experiment "hitherto untried by the will and consent of any free people anywhere." Many said it could not succeed; and I am free to admit that even in the government there was no one who could be entirely confident that a general price ceiling was the right answer. But we did recognize the terrible consequences that inflation would have