peded into the removal of price controls by the Canadian Manufacturers Association and other bodies. I refer to the Canadian Manufacturers Association deliberately because in January of last year at its convention it called by resolution for the removal of price controls as soon as possible. There is little doubt that the attitude of the Progressive Conservative and Social Credit opposition also had much to do with it, for we must not forget that in March, 1946, a resolution was adopted by a Progressive Conservative meeting in Ottawa, reading as follows:

> We are opposed in principle to the continuation of every wartime wage and price ceiling, and restrictive controls.

Speaking in the House of Commons on March 21, 1948, the leader of the Social Credit party (Mr. Low) said:

> Social Crediters are implacably opposed to planned controls.

On the other hand, C.C.F. members have repeatedly pressed the federal government to retain price control but have received very little support from any section of this house. I think recent events have proven, beyond a shadow of doubt, that on that occasion the C.C.F. was right.

Mr. Low: No, wrong.

Mr. McKay: Talk to the farmers and workers and see what they think about it. Controls should not have been removed until surpluses of goods were available on the market.

Mr. Low: There would not have been any surpluses.

Mr. McKay: That is what you think. The C.C.F. is of that opinion still, and believes that price controls should be re-established on consumer goods if ceilings are to remain on the farmer's chief product in the west.

Mr. Hackett: Wage control as well?

Mr. McKay: Wages are now being controlled. The subsidization of essential food products such as milk and butter should also be a part, as it was during the war years, of federal government policy—

Mr. Low: Now you are on sound ground.

Mr. McKay: —so that production may be encouraged, and price levels reduced to the consumer. If it can work during a war emergency it is pretty hard to explain to the general public why it cannot work during peacetime. High prices of consumer goods are causing real distress to disabled veterans, old folks on pension, wage earners, and farmers, because of the prices they have to pay for consumer goods. They are now at the highest level in Canadian history. Big business was aware of the fact, and others too, that shortages of consumer goods would force up prices, and therefore profits would be increased. Neither the wage earner nor the producer desired the removal of price control because they knew from the past experience of twenty-five years ago following the first world war that they would be the ones forced to bear the burden of inflation.

But the government did not listen to the C.C.F. nor to the people who were canvassed by the Canadian institute of public opinion. They permitted the oil companies to increase the basic price of gasoline two cents a gallon on February 6, 1946. The effect of that increase was, of course, to boost the cost of production to the farmer, particularly those of the west who operate, in many cases, highly mechanized farms. On March 1 of the same year the federal government reduced or completely removed the subsidies on wool and cotton goods, which forced up the price of those commodities to the consumer. The government permitted the price of steel to go up $5 per ton even before the wages of the workers were increased, and despite the fact that the Steel Company of Canada, one of Canada's biggest producers, had a profit after taxes of $4 million in 1945.

On April 13, 1946, Canadian farm machinery was allowed to go up 12½ per cent over the protests of this group in the house. The increase in machinery prices also forced up the cost of production for the western farmer, and other farmers all across Canada. Thus the cost of production to the farmer and the cost of living to the worker were increased long before those two groups sought any compensating increase for their produce or their labour. Despite this fact, big business still blames the farmer and labourer for the high cost of living, and I think this is done deliberately in order to divert attention from the enormous profits that have been made since the removal of price controls.

At this time I think it important that we should know just what the farmer and labourer do receive in relation to the present prices of consumer goods. According to figures recently compiled by the Ontario department of agriculture it was found that on a can of tomatoes selling on the local market at from 25 to 27 cents a tin the farmer's share of that selling price was very small, only 3¾ cents. Peas selling on the same market for 16 cents a can returned only 2½ cents to the producer. Rolled oats, which retailed at 14 cents a pound, netted the farmer slightly over 2½ cents. Pastry flour, which sold for 5½ cents per pound, gave the man who produced the grain only 2 cents.