The biggest blunder of all is the way in which the government has treated the dairy industry. Speaking a year ago in the debate on the speech from the throne I said among other things that the dairy farmers would have to have higher prices or there would be a decline in milk production.

Under conditions such as we have to-day, Mr. Speaker, men are leaving the difficult and laborious tasks of farm and mine and forest for something else where wages are higher, and insufficient men are going back to those jobs to get us the production we need. Farmers are unable to get the men or to pay the wages necessary to compete with city wages.

At that time also I pointed out that dairy and hog production would decline to lower levels in 1946. I said that the government was asking for four per cent more hogs but would get twenty per cent less. I said that the government was asking for five per cent more butter and would get five per cent less. It now turns out that my pessimistic forecast was not pessimistic enough, for hog slaughterings declined twenty-five per cent and butter production seven per cent. Butter production has been falling for three years. This past year the decline was the greatest in any year for the past twenty years. Production in 1946 was down to the level of thirteen years ago.

The government, by its unwise policies—let us admit there are difficulties—over the last few years, is forced to import some twelve million pounds of New Zealand butter in order to maintain our low level of consumption. In 1947 Canada, by pre-war standards, is likely to be short no less than 60,000,000 pounds of butter for normal consumption.

Production of cheese has fallen drastically, no less than 25 per cent in the last year. This is the greatest decline in a single year for more than twenty-five years. We lost in one year what it took us five years to build up. The state of the dairy and hog industry is proof of the failure of the government to foresee the effects of its price policies on agricultural production.

The speech also deals with a question we have heard a great deal about in the last few years, namely, the question of controls—a word which covers a vast variety of government activities some of which are temporary, some of which have been dispensed with, and some of which may be more or less permanent. But paragraph 14 tells us little or nothing. What we do know is that the government is getting itself into increasing difficulties with the so-called decontrol policy. The public is treated to increasing and unnecessary irritations.

What is the public to think when the chairman of the wartime prices and trade board and three or four cabinet ministers say in July that a twelve-cent increase in wages in the steel industry would wreck the control policy altogether—

Mr. ABBOTT: We never stated that.

Mr. BRACKEN: —and then the Prime Minister came back in November and said we were to have a price ceiling but no wage control at all. It is this day-to-day policy of political expediency that has made it so difficult for the great majority of loyal Canadians to cooperate with government policy, when the government itself changes its announced policy from week to week.

With the removal of salary and wage controls, the difficulty of maintaining price controls rapidly increases. The government, when it established controls in 1941, took the position with considerable justification that to do a job with controls, they had to be substantially all-inclusive, and that was generally accepted, just as it was at the time of the strike dispute last spring. But now the shoe is on the other foot. When some controls are removed and others left, the worse the situation becomes with respect to those commodities where controls are still maintained. The reason is simple. Producers try as far as possible to confine themselves to those commodities which are not controlled.

It is true the wartime prices and trade board tries to alleviate what would be an intolerable situation for producers whose costs have gone up above selling price by showing a readiness to give favourable consideration to requests for higher prices. But this policy frequently fails for two reasons, first because it is not possible for government administrative machinery to keep up with the rapidly changing developments in the business world, and second because business men detest submitting themselves to the details, red tape and inquisitorial methods which are inescapable in the procedure of the board. Besides, the tempo of business is too fast and the turnover too rapid to wait for the cumbersome machinery of departmental measures to function.

The result of all this is that while the government says it has been practising orderly decontrol, the retreat from control becomes inevitably more and more disorderly. As time goes on, stocks of some goods become scarce while inventories of others are unduly large. We still have some scarcity in many essential articles of merchandise, and at the same time the threat of price collapse in others. No one can call this orderly decontrol.