world. Let me say at once that there can be and are many socially desirable aspects to government bulk purchasing and selling, but there are also very real dangers of inefficiency, instability and unduly high prices.

Bulk purchasing, as it developed during the war, was absolutely essential in the organization of supply and shipping programmes; and when it was coordinated through the various inter-allied combined boards, it operated to prevent the competitive bidding up of prices, especially in neutral markets. But since the end of the war and the dissolution of the combined boards there have been indications in some parts of the world that on the selling side governments, like private industry, may press for the maximum the traffic will bear, and that on the buying side they may not always be as careful as the man or the company whose personal fortunes depend on skilful purchasing.

I turn now to more specific factors bearing directly on the Canadian price structure.

First—the cost of imports. I have already pointed out that the general Canadian price level is below that of almost every other country in the world. Canada cannot control the prices of things we have to import, and many of our imports are of really essential importance to our economy. The prices of many of our basic imports have been rising at extraordinary rates during the past two years.

To take petroleum as an example, mid-continent crude has gone up more than 90 per cent in the past 20 months.

Vegetable oils, from which we get most of our soap and shortening, cost from 4 to 7 cents a pound pre-war; two years ago we paid 10 to 12 cents; now we pay anywhere from 20 to 37 cents a pound, or five times pre-war.

Hides, certain grades of which we have to import, are about three times pre-war, and have advanced over 50 per cent during the past year.

Cocoa beans before the war were about 7 cents a pound; our price ceiling found them at about 11 cents; when we decontrolled cocoa and chocolate a year ago, they had reached 24 cents; later in the year they crossed 50 cents, and now they are about 42 cents, or six times pre-war.

Before the war raw cotton was 8½ cents a pound; it was about 11 cents when our ceilings were imposed; it has been as high as 39 cents during the past year; it is now about 33 or 34 cents, or four times pre-war.

I do not say these are average cases, they are some of the more striking examples; but they are all basic commodities that we have to import, and for which we must pay the world price or go without.

Secondly—external prices largely determine the prices of our principal export commodities. The recent sharp increase in pork prices was directly related to the new and higher export price. Base metals are another striking example. The pre-war price of copper was about 10 cents a pound, it is now 21; zinc and lead world prices were about 4 cents pre-war, they are now 10 and 14 respectively. Similar figures, differing only in degree, could be given for almost all our export commodities of the farm, the forest, the mines, and the sea.

The Canadian prices of all these things, and indeed the whole Canadian price level, could not be insulated from these external forces except by an elaborate and continuing system of export controls by licence and permit or by a government monopoly of the selling; and by a very complicated system of import subsidies and import allocations, and government monopoly of the buying.

Thirdly, there are the primarily internal factors affecting prices.

Almost all costs of production have gone up. There are a great many elements in any cost of production—materials, labour, administration, selling and fixed overhead. I have already referred to the costs of materials. Labour costs have gone up, how much it is very hard to say. There are a great many variables in the equation of wage rates and unit labour costs. It all depends on