

reimpose ceilings previously suspended; and that these powers are being used. The government has made it clear, however, that it regards these as emergency powers, and that it does not intend to go back to a general or over-all price controlling system. It is using its powers only to place specific controls on those sections of the price structure which appear to be getting out of line.

A further recent development in Canada is the appointment at the request of the government of a special Parliamentary Committee to hold public hearings to ascertain the facts concerning the causes of the recent rise in prices and to examine whether and to what extent profiteering and hoarding have contributed to the rising cost of living. This committee started its hearings last week.

To a major extent the increase in the level of Canadian prices is a reflection of the rapid rise in world prices, or, to speak more precisely, the rise in American prices. Canada ranks as the third largest importer and exporter of goods in the world. Until recently we had insulated ourselves from much of the effects of these rising external prices by retaining extensive and elaborate controls and subsidies both domestically and on imports and exports. As these controls have been withdrawn, piece by piece, the Canadian price structure has become more and more exposed to these external influences.

There has been a good deal of discussion in this country as to the effects of overseas credits and assistance on your price level. We, too, have had this problem. In a speech in this city two weeks ago our Ambassador to Washington gave a few figures. He told his audience that since the end of the war Canada has extended post-war credits to Western Europe in amounts in excess of \$1,750,000,000. This may not sound large to a country accustomed to do most of its national accounting in billions. But we in Canada have only one-twelfth of your population, and about one-eighteenth of your national income. The United States in this same period has extended about \$9 billions in overseas credits. Had your country made its credits on our per capita basis your total would have been \$21 billions; had you done it in proportion to our respective national incomes your total would have been over \$30 billions. I have repeated our Ambassador's figures for the sole purpose of suggesting that if your credits have influenced your price structure, our European credits have imposed upon our economy an even greater strain.

May I conclude by repeating that we in Canada have been and are going through much the same price cycle as you are, but hitherto at least, on a much less exaggerated scale. This moderation of our price rise has been due in very large part to a more cautious and flexible decontrol policy which has been spread over a much longer period of time.

We are having our troubles and our difficulties. Like almost all your customers we are short of American dollars, and we are having to cut our import cost according to the cloth of our dollar resources. We are nevertheless, enjoying a standard of living that is considerably above our pre-war standards, and among the nations it is second only to yours. Our prices are quite a bit higher than they were a year ago, but they are lower than in almost any other country.

If some of you should make a return visit to Canada as fraternal delegates to our Canadian Conference of Mayors, I think you will find us a friendly country, different but not too different from your own, where prices are reasonable, and where the standards of integrity and efficiency in both business and government are high.