

order to freeze bread and flour prices as of July 23, 1940. After investigation, the price-fixing order was rescinded in September, 1940. A sharp upward movement in the price of butter in the early winter of 1940 was checked by fixing a maximum price, cancelled the following spring. (From May to October, 1941, a minimum price for butter was established by the Dairy Products Board.) In September, 1940, a Rentals Administrator was appointed and a series of Board orders pegged housing rentals in areas experiencing war-time housing shortages.

During 1940 the Board was charged with the responsibility of seeing that no advantage was taken of the war exchange tax on imports, or of the War Exchange Conservation Act and the 25 p.c. excise tax to raise prices by more than actual increases in costs.

By the summer of 1941, emphasis in the Board's activities was shifting to the control of inflationary price movements. Besides Canada's own increasing needs, the enormous requirements of the defence program in the United States and the continuous drain of supplies to Great Britain foreshadowed over-all scarcities. Lack of shipping space contributed further to the reduction of normal Canadian imports. In face of this situation the expansion of the monetary national income in Canada produced a strong upward trend in prices. The cost-of-living index (1935-39 = 100) of the Dominion Bureau of Statistics which had risen from 100·8 at the beginning of the War to 108·6 in April, 1941, advanced rapidly to 113·7 in August, 1941. In seventeen months wholesale prices (1926 = 100) had risen 13·7 points, viz., from 72·3 in August, 1939, to 86·0 in March, 1941. In the next six months, by September, 1941, they had risen another 7·4 points to 93·4. The necessity of more stringent and more general price control was apparent. To facilitate such control, the powers of the Wartime Prices and Trade Board were enlarged.

**The Price Ceiling.**—The cost-of-living index continued to rise from 113·7 on Aug. 1, 1941, to 115·5 on Oct. 1, or 14·6 p.c. in all since the outbreak of war. On Oct. 18, the Prime Minister announced a sweeping anti-inflationary program which included an over-all price ceiling, the administration of which was entrusted to the Wartime Prices and Trade Board. The new regulations (P.C. 8527 and P.C. 8528), which became effective Dec. 1, 1941, covered all goods and certain designated services. They set as the maximum lawful price the highest price at which each seller made sales during the basic period, Sept. 15 to Oct. 11, 1941. At the same time, rent control was extended to both housing and commercial rentals throughout Canada.

The designated services covered by the Maximum Prices Regulations include: the supplying of electricity, gas, steam, heat and water; telephone and telegraph services; transportation; warehousing and storage; undertaking and embalming; laundering, tailoring and dressmaking; beauty-parlour services; plumbing, heating, painting, cleaning and renovating; repairing; the dispensing of meals, refreshments and beverages; and the exhibition of moving pictures. Manufacturing processes performed on a custom or commission basis, and the services of optometrists and opticians were later included, but such services as the professional services of doctors or lawyers and financial services are not covered. Certain types of sales of goods were exempt under the regulations, namely: exports, sales of personal or household effects, isolated sales, sales of securities and bills of exchange, sales at auction where this is the normal procedure, sales to the Department of Munitions and Supply, and sales at prices fixed by or with the concurrence of the Wartime Prices and