

CHAPTER XXII.—PRICES*

CONSPECTUS

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For purposes of statistical analysis, commodity prices are usually divided into two principal groups, wholesale prices and retail prices. The term 'wholesale' is not used literally, and primary producers, factory and jobbers quotations, as well as actual wholesale prices, are often included in this group. Markets in which this type of price is quoted are usually well organized, and frequently very sensitive. They are responsive to changing business and monetary conditions. Wholesale quotations are preferred, therefore, for sensitive index numbers of prices designed to reflect price reactions to economic factors.

Retail prices represent more diffused markets and are less sensitive. There is ordinarily a lag of several months between this type of quotation and its wholesale counterpart. Retail prices are important from a statistical point of view, however, because they indicate changes in living costs and, along with measurements of income, show fluctuations in the economic well-being of the community.

THE ACTIVITIES OF THE WARTIME PRICES AND TRADE BOARD IN CONTROLLING PRICES, RENTS AND SUPPLIES†

The functions of the Wartime Prices and Trade Board are to prevent prices and living costs from rising, and to assure a sufficient supply and orderly distribution of necessary civilian goods and services. The activities of the Board during the first two years of the War and the early period of the overall price ceiling were outlined in the Canada Year Book, 1942 (pp. 724-727). The present article, dealing mainly with developments in 1943, outlines the main principles of price control in Canada and the Board's work in maintaining and distributing civilian supplies. Further discussion of various aspects of the Board's work will be found in the Introduction to this Year Book and in the chapters on Manufactures and Internal Trade (pp. 354-362 and pp. 521-526). A more comprehensive account of the Board's activities may be found in the two Reports to Parliament (King's Printer, Ottawa), the first covering the period from Sept. 3, 1939, to Mar. 31, 1943, the second dealing with the remaining nine months of 1943.

Price Control.—The system of price control in Canada is based on the general principle that the maximum ("ceiling") price of an article for each individual seller shall be equal to the highest price which the seller charged for the article during the four-week "basic period", Sept. 15 to Oct. 11, 1941. In some cases (e.g., certain agricultural and forestry products such as meats and fuelwood), the Board has

* Except as otherwise credited, the sections of this chapter have been revised by H. F. Greenway, M.A., Chief, Prices Branch. This Branch compiles and publishes statistics on: Wholesale and Retail Prices and Services; Cost of Living; Prices of Securities and Bond Yields. For a complete list of the publications of this Branch see Chapter XXX, Section I, under Internal Trade.

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