

## CHAPTER XXIII.—PRICES\*

### CONSPECTUS

	PAGE		PAGE
SPECIAL ARTICLE: Activities of the War-time Prices and Trade Board 1945-46	851	SECTION 3. INDEX NUMBERS OF SECURITY PRICES.....	865
SECTION 1. WHOLESALE PRICES OF COM-MODITIES.....	858	SECTION 4. INDEX NUMBERS OF BOND YIELDS.....	867
SECTION 2. COST OF LIVING.....	861		

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 may be strongly influenced by local conditions 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.

#### ACTIVITIES OF THE WARTIME PRICES AND TRADE BOARD, 1945-46†

The functions of the Wartime Prices and Trade Board are to keep down prices and living costs and to promote an adequate supply and orderly distribution of essential civilian goods and services. The activities of the Board up to the end of 1944 are outlined in previous issues of the Canada Year Book. This article deals with developments in 1945 and the first four months of 1946, and outlines the problems facing the Board in the transition from war to peace. Since conditions are changing rapidly much of the material may no longer be applicable at the time of publication. Changes in the controls over the distribution of goods in short supply are described in the Chapter on Internal Trade (pp. 574-578). A more comprehensive account of the Board's activities may be found in the four Reports to Parliament (King's Printer, Ottawa).

**Price Control.**—The end of the War and the period of reconversion from war to peace necessitated important changes in the application of price control, though it did not mean that the need for controls had passed. There were still serious shortages of goods in relation to the demand, production costs had in many instances risen substantially, and prices in other countries were relatively high and rising. Controls were, therefore, still needed to prevent an inflationary spiral of prices and costs.

\* Except as otherwise credited, the sections of this Chapter have been revised by H. F. Greenway, M.B.E., M.A., Chief, Prices Branch, Dominion Bureau of Statistics. 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 XXXII, Section I, under Internal Trade.

† Prepared by the Research Division, Wartime Prices and Trade Board.