

CHAPTER XXIV—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 are frequently very sensitive and 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, 1946-47†

The activities of the Wartime Prices and Trade Board up to the end of 1945, in controlling prices and promoting an adequate supply and orderly distribution of essential goods and services, are described in previous issues of the Canada Year Book. The present article deals with developments in 1946 and the first three months of 1947, and describes the activities and problems of the Board in the program of orderly readjustment to post-war conditions.

Changes in the controls over the distribution of goods in short supply are described in the Chapter on Domestic Trade (pp. 757-763). A more comprehensive account of the Board's activities may be found in its five Annual Reports (King's Printer, Ottawa).

Price Control.—During the war years the stabilization program had been very successful in holding in check strong inflationary forces. The threat of disorderly price advances and hence the need for price control persisted well into the transition period because of continued shortages, many of them severe and world-wide in scope, and strong pressure from high prices in other countries. The speed with which controls could be discontinued was, of course, largely dependent upon the

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