

CHAPTER XXII.—PRICES*

CONSPECTUS

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ACTIVITIES OF THE WARTIME PRICES AND TRADE BOARD, 1947-48†

The activities of the Wartime Prices and Trade Board up to the end of 1946 in controlling prices and promoting an adequate supply and orderly distribution of essential goods and services, and later in the program of readjustment and decontrol, are described in previous issues of the Canada Year Book. This article deals with developments in 1947 and the first six months of 1948. Developments in controls over the distribution of goods in short supply are described in the Chapter on Domestic Trade (pp. 837-841).

Price Decontrol.—Though substantial progress had been made in the program of orderly decontrol and readjustment, ceiling prices still applied to practically all essential items or staple articles of food, fuel, clothing and shelter at the beginning of 1947. A considerable variety of such articles were being subsidized and certain important supply and distribution controls remained in effect.

Beginning in January, 1947, there were five major decontrol steps taken during the year, of which the most important was that of September, and by the end of October the greater part of the structure of the wartime stabilization program had been dismantled.

Decontrol was undertaken with the realization that it involved difficult adjustments. The general policy was to withdraw each control at the period of the year when supplies were at their seasonal peak in order to minimize immediate price adjustments and in order to allow the primary producer to share in such benefits as might accrue from a free market. It was not possible because of the complex nature of price relationships to adopt this approach with respect to each individual commodity but it was applied to broad groups of commodities. Thus, eggs and poultry were decontrolled in the early spring, butter and other dairy products in the early summer, canned goods in the middle and late summer, cotton textiles, meat, feed grains and farm machinery in the early autumn.

The first decontrol step of the year became effective on Jan. 13, 1947, at which time the list of items under the price ceiling was substantially reduced, one of the more important deletions being fresh fruits and vegetables with the exception of apples. A further major measure of decontrol followed on Apr. 2, 1947. In announcing this step in the House of Commons, the Minister of Finance stated

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