

# CHAPTER XXIII.—PRICES\*

## CONSPECTUS

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NOTE.—The interpretation of the symbols used in the tables throughout the Year Book will be found facing p. 1 of this volume.

## THE ROYAL COMMISSION ON PRICES†

The Royal Commission on Prices was appointed in July, 1948, under the chairmanship of Professor C. A. Curtis of the Department of Economics, Queen's University. Its function was to continue the inquiry, begun by the House of Commons Select Committee on Prices, on the causes of the rise in the cost of living. The Commission held 77 public hearings and examined 179 witnesses drawn from trades and industries across Canada. In addition, 12 national organizations covering wide fields of social and economic activity were asked to submit briefs. The findings of the Commission are contained in a three-volume report which was tabled in the House of Commons on Apr. 8, 1949. Volume I of the Report contains a summary of the other volumes and some general observations and suggestions. Volume II contains an analysis of various factors affecting the rise in prices and Volume III deals with each of 10 industries or commodities investigated and surveys consumer credit.

The Commission found that, "in the main, the post-war price rise in Canada was a consequence of the War, of rising prices abroad, of large export demands financed to some degree by the Canadian Government, and of the capital boom". Fiscal and monetary measures and direct controls offset these forces to some extent and, outside of exceptional cases, the behaviour of particular industries, individuals or groups was not found to be a main cause of rising prices.

**Price Control and Rationing.**—The stability of consumer prices during the War was achieved, to some extent, by the timely introduction of a price ceiling late in 1941. Other factors contributing to the same effect were high rates of taxation which kept down consumer spending, taxes on corporations, wage and salary controls, export controls, import subsidies, foreign exchange control and the introduction of price controls in the United States. The Commission found much evidence to support the withdrawal of price control after the close of hostilities.

The Commission found that selective, rather than general, price control might be justified under exceptional circumstances for a temporary period but it was found to be doubtful that selective price control has much to recommend it in ordinary

\* Except as otherwise credited, this Chapter has been revised in the Prices Section, Labour and Prices Division of the Dominion Bureau of Statistics.

† Summarized from the "Report of the Royal Commission on Prices" in 3 Vols. Price \$2. Obtainable from the King's Printer, Ottawa.