

Or again, Canadian wholesale prices on the average in December 1947 were 39 per cent higher than in December 1945. But vegetable oils, hides and skins, cotton textiles, lead and zinc had almost doubled or more than doubled in price in those two years; while fresh fruit, rubber tires, furs, and most crude drugs and medicinal chemicals, had declined by five or ten or as much as forty per cent.

These striking disparities in price behaviours are to be explained very largely in terms of special or technical events. The point I should like to emphasize is that things that have doubled in price are not necessarily being sold at an excessive price; and conversely things that have fallen in price or risen much less than the average could still be unjustifiably high.

There is also a general proposition that flows from such facts as those I have just referred to. It is that prices and price relationships are constantly between one group or class of commodities and another group or class have no long run validity.

MEMORANDUM FOR SELECT COMMITTEE ON PRICES

The following tables compare the United States "Index of Consumer Prices" and the Canadian "Cost-of-Living Index." Both take the average of 1935-1939 prices as equal to 100. The Canadian index is for the first business day of each month; the United States index is for prices on the 15th day of each month. In the following tables the United States figures are for December 15, 1947, and the Canadian figures are the average of December 1st, 1947 and January 2nd, 1948.

December Index Numbers (1935-39=100)

	Canada	United States
Total Index	147.1	167.0
Foods	180.5	206.9
Dairy Products	188.4	204.9
Eggs	167.5	236.1
Meats and Fish	203.8	227.3
Cereals	138.6	170.5
Dry Groceries	164.2	
Beverages		198.5
Fats and Oils		208.5
Sugar and Sweets		183.7
Vegetables	190.1	
Fruits	165.6	
Fruits and Vegetables		205.3
Rentals	110.9	115.4
Fuel and Light	120.3	127.8
Clothing	160.3	191.2
Home Furnishings	156.7	191.4
Miscellaneous	121.2	144.4

Actual Average Retail Prices (December, 1947)

		Canada cents	United States cents
Dairy Products			
Milk	Imp. Qt.	16.5	25.0
Butter	lb.	68.2	95.4
Cheese	½ lb.	26.3	30.7
Eggs	doz.	57.5	81.8
Meats			
Round Steak	lb.	48.7	79.9
Rib Roast	lb.	48.2	66.7
Lamb (leg)	lb.	47.8	63.8
Bacon	lb.	64.1	87.2
Shortening	lb.	30.7	45.6
Lard	lb.	27.7	36.2