

production of peacetime goods and civilian supplies, then there are eight hours wages to be spent on the product of five hours labour. Therefore, unless something is done to channel back the wages for the other three hours, there is going to be such a disparity between purchasing power and what there is to be purchased, that there will be a most powerful upward pressure on prices."

The Price
Ceiling

To meet this upward pressure on prices and prevent the further development of inflationary trends, the government stabilized prices at the level of December 1, 1941. An over-all ceiling was established rather than extending selective price controls because it was felt that pressures had developed to a point where application of the latter method was no longer effective enough.

After December 1, 1941, the prices of all commodities and certain services were not to exceed the highest price paid for goods and services in the period between September 15 and October 11, 1941. Except where minimum prices were fixed, prices were free to fluctuate below this ceiling, according to the regulation.

Certain perishable commodities were exempted from the regulations, including livestock, poultry, eggs, milk, cream, dairy butter, farm-made cheese, etc., when sold by the primary producer to dealers, processors or manufacturers. If such products were sold by the primary producers directly to consumers, however, through public market or otherwise, prices were not to be higher than the maximum retail prices established during the basic period for the same period in the same area.

Services specifically brought under the price ceiling include: the supplying of electricity, gas, steam heat and water, telegraph, wireless and telephone services, the transportation of goods and persons and the provision of dock, harbour and pier facilities, warehousing and storage, undertaking and embalming, laundering services, plumbing, heating, decorating, cleaning and renovating, repairing of all kinds, the supplying of meals, refreshments and beverages, the exhibition of moving pictures, and manufacturing processes performed on a custom or commission basis.