

REFERENCE PAPERS

WARTIME INFORMATION BOARD, OTTAWA

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PRICE CONTROL IN CANADA

Wartime
Prices and
Trade Board

The Wartime Prices and Trade Board was constituted by Order-in-Council under the War Measures Act on September 3, 1939, "to provide safeguards under war conditions against any undue advancement in the price of food, fuel and other necessities of life, and to ensure an adequate supply and equitable distribution of such commodities."

The Board is responsible to the Minister of Finance and administers the machinery of price control in the Dominion.

The Course
of Prices

The trend of prices in the first two years of war followed closely the pattern of the comparable years in the war of 1914-18. Gradually price increases occurred in food, clothing and other necessities of life. The Wartime Prices and Trade Board took action in cases where it became necessary to check the upward movement of prices. Rents, for instance, responding to a demand exceeding supply, rose sharply, particularly where accommodation for workers in war industries became scarce. The Board froze rents in numerous districts, and eventually, in a continuing series of orders, froze rentals across the entire country.

Late in 1941 it had become evident that the application of individual price ceilings, such as those on rent, coal, sugar, timber and milk, was not sufficiently wide in scope to prevent inflation. The official cost-of-living index in the month preceding the outbreak of war stood at 100.8. By November, 1941, it had increased to 116.3. With war industries nearing full production, the income of workers was at the highest level in history. The great rise in individual purchasing power resulted in increased demand for a diminishing supply of civilian goods.

The Hon. J. L. Ilesley, Minister of Finance, declared on November 6, 1941:

"If the total work done by the people of the Nation is represented by eight hours, and three hours of that work is devoted to war purposes, and only five hours to the