



Bulletin

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RETAIL MONITORING SYSTEM

The Prices and Incomes Commission is now making regular checks on the prices of the largest retail stores in Canada.

The monitoring system was instituted by Commission personnel in consultation with the Retail Council of Canada. Officials lent to the Commission by Molson Industries Ltd., Union Carbide of Canada Ltd., and the Dominion Bureau of Statistics are responsible for operating the system and ensuring that the major companies stay within the guide-lines formulated by the National Conference on Price Stability held in Ottawa last February.

Nationally-known supermarket and wholesale food chains such as A and P Stores, Canada Safeway, Dominion Stores, Loblaw Groceterias, M. Loeb Ltd., Oshawa Wholesale Ltd., Steinberg's and Supervalu Food Stores are reporting to the Commission on a monthly basis.

In addition to the supermarkets, department, variety and discount stores are sending price data to the Commission every month. Information is now being received regularly from Allied Towers, Canadian Tire, the T. Eaton Co., the Hudson's Bay Co., Kresges and K. Marts, Simpsons-Sears, Woodwards, Woolworths and Woolco, Zellers, Robert Simpson Co. Ltd. and Miracle Mart.

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These concerns, which constitute a large cross-section of wholesale and retail sales in Canada, have outlets in almost every part of the country. The Commission is interested, of course, in prices prevailing in other stores, but limitations on time and staff make it impossible to obtain detailed reports from each of the many thousands of retail outlets in Canada.

ACTION WHEN PRICES ARE HIGH

The Commission has asked supermarket, variety, discount and department stores to supply information from the beginning of 1969 and for each month in 1970. This information is being analysed by the Commission each month and, if initial markups are found to exceed the markup in 1969, the company involved is asked to reduce its markup or gross profit after consideration of justifiable increases in expenses since 1969. Examples of additional expenses common to the industry are those in labour and salaries, costs of borrowing money for expansion, freight and distribution costs.

One obvious reason for a price increase in a product is an increase in the price to the store from the manufacturer or the processor.

On request, supermarket, department, discount and variety stores will supply the Commission with more detailed price information on any specific product it wishes to investigate. This has been achieved by a Commission-established system of contacts throughout the retail trade in Canada that allows immediate identification of the reason for an individual increase in the price of the product.

The Commission can then trace back the increase from the manufacturer or processor to ensure that it is within the guide-lines established for manufacturers. In addition, it can make an immediate check with supermarkets, department, discount and variety stores across Canada to ensure that they are not increasing their markup or gross profit beyond the agreed guidelines.