

UNITED STATES DEPARTMENT OF LABOR

L. B. Schwollenbach, *Secretary*

BUREAU OF LABOR STATISTICS

Isador Lubin, *Commissioner (on leave)*

A. F. Hinrichs, *Acting Commissioner*

+

Wartime Prices Price Control, and Rationing in Foreign Countries



Bulletin No. 851

For sale by the Superintendent of Documents, U. S. Government Printing Office
Washington 25, D. C. - Price 10 cents

Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., November 28, 1945.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on wartime prices, price control, and rationing in foreign countries. This report was prepared by Faith M. Williams, the Bureau's consultant on costs and standards of living, with the assistance of the Bureau's staff on foreign labor conditions.

A. F. HINRICHS, *Acting Commissioner.*

Hon. L. B. SCHWELLENBACH,
Secretary of Labor.

(III)

Contents

	Page
Recent price trends in foreign countries:	
Situation of a typical worker in France.....	1
General situation in Europe, other than France.....	3
General situation in South America and the Far East.....	5
Purchasing power of wages during the war period.....	6
Statistics of prices.....	7
Retail-price indexes.....	7
Wholesale-price indexes.....	10
Indexes of food and clothing prices.....	12
Price control and rationing in foreign countries during the war:	
Summary.....	19
New Zealand.....	20
Australia.....	21
Canada.....	22
United Kingdom.....	23
Union of Soviet Socialist Republics.....	24
France.....	25
Italy.....	26
Norway.....	27
Denmark.....	28
Sweden.....	28
Poland.....	29
Switzerland.....	29
Egypt.....	29
Iran.....	30
Palestine.....	30
Mexico.....	30
Brazil.....	31
Bolivia.....	32
Chile.....	33
Argentina.....	34
China.....	34
Germany.....	35
Japan.....	35

*Bulletin No. 851 of the
United States Bureau of Labor Statistics*

[Reprinted from the MONTHLY LABOR REVIEW, October and November 1945, with additional data]

**WARTIME PRICES, PRICE CONTROL, AND
RATIONING IN FOREIGN COUNTRIES**

Recent Price Trends in Foreign Countries

Situation of a Typical Worker in France

Jean Le Breque is a typical French worker in a large truck factory in Lyons. He is living in a country where homes, factories, and transportation facilities have been damaged by war and enemy occupation, and where civilian supplies are extremely short. Before and during most of the war, his was one of 200 families living in a model housing project, the Cité Ouvrière, near the plant where he works. The project was almost entirely destroyed by air raids in the spring of 1944. His family had to move to crowded quarters at some distance from the plant. He used to go to work on a bicycle but recently the tires gave out, and he has not been able to buy new ones.

Le Breque's pay envelope, like that of the average French worker, holds over three times as many francs as before the war. Early in 1945 there was a general upward revision of French wage rates, and the difference between wages in Paris and in the rest of the country was reduced, but in early summer Lyons workers still found it difficult to feed, clothe, and house themselves and their families.

Twenty-five percent of the workers in the factory where Jean Le Breque is employed have been found to have tuberculosis. Most of them are under normal weight and the health of the younger workers is particularly bad.

At present the rise of prices for food is one of Jean Le Breque's special worries. Ceiling prices of rationed goods are said by the Ministry of Finance to have somewhat more than tripled since August 1939, but the ration is not large enough to supply all the food needed to prevent actual hunger, and prices both of unrestricted items and on the black market have gone up far beyond Le Breque's ability to pay. In order to encourage increased farm production, French authorities removed fresh fruits and vegetables from price controls and the prices of these commodities rose sharply during the spring. The Government planned to open retail outlets at which housewives could buy at prices fair both to grower and to consumer. Frosts early in May damaged fruit and nut trees, vineyards, and the early potato crop. Insecticides are in short supply and insect damage has been serious for crops in some areas.

The plant where Jean Le Breque works has a farm of about 600 acres which is managed by the workers, and they also have the re-

sponsibility for procurement of food for the factory canteen, finding lodging for the labor force, and repairing and rebuilding the workers' housing project. An economist from the staff of the United States Embassy in Paris who visited this Lyons plant in May reported¹ that it had been taken over by the French Government because the owner and director of the factory had been a collaborationist. The works are now managed by a director appointed by the Regional Commissioner of the French Republic and by a council of the workers which takes part in and shares the responsibilities for management of the enterprise. The director of the plant stated that—

Apart from the working out of directives, and of policies and relations with central authorities with respect to the procurement and allocation of resources, most of the responsibilities for the management of the works, as well as for the living and other conditions of the workers, has been vested in the workers themselves. There was obviously a fervor on the part of the workers involved, which had enabled them to overcome very serious obstacles in the carrying out of their duties. They had apparently continued to work throughout the winter months, often in open sheds with little or no roofing, practically no glass and sometimes at a temperature of minus 10 degrees centigrade, and poorly fed and clothed.

The yield in output per worker was asserted by the director to have increased by 40 to 50 percent by comparison with 1943, when the factory was being utilized to the full. It was also stated that there were fewer accidents, and that as a result of workers' council, suggestions were continually being put before the attention of the management, either for improvement in production, or in increasing the work load on individuals who believed that they were not producing as much as they could, or being utilized to the best of their capacities. Absenteeism was said to account for 14 percent as against roughly 25 percent before liberation.

Absenteeism in plants throughout the area was reported to be due in part to the time required by workers to go into the farm areas outside the city for food needed for their families. Shortages of meat, fats, and oils were reported to be general throughout France. Supplies of clothing and household goods were also very low, and recent reports from France have noted that "in a substantial percentage of the shops, stocks are so depleted as hardly to warrant keeping the establishment open." Railroad bridges were destroyed, supplies of railroad equipment were far below prewar levels, and tracks and equipment were badly in need of repair. It has, thus, been very difficult to distribute fairly among the population the goods that are available.

Very little information is available in the United States on price changes in France during the war period. In January 1944, it was stated that the index of cost of living at the end of 1943 was 260 as compared with 100 in August 1939. Clothing prices had quadrupled, food prices had more than doubled, with smaller increases for light and rent. Recently, as noted, the Ministry of Finance estimated that prices of rationed goods have somewhat more than tripled and that prices of other goods are much higher. The above description of the situation of a typical French worker in Lyons has been given in some detail because more specific information about working and living conditions is available from the Lyons area than from most other cities abroad at the present time. This material, which comes from the reports of well-trained observers on the spot, makes it clear that price increases, which are characteristic of war and postwar periods, simply reflect shortages of consumers' goods, transportation, and production equipment, and the decline in productive capacity which comes with war suffering and war fatigue.

¹ Consular report from Rifat Tirana, U. S. Embassy in Paris, May 6, 1945

General Situation in Europe, Other Than France

The situation in other countries in Europe which have been the scene of conflict is similar in varying degree to that in France. Men, women, and children in every country of the world have been affected in one way or another by the shortages which follow the diversion of a large proportion of the population to the armed forces and to the production of war materials. In the countries where production equipment and transportation facilities have been destroyed and the health of the population has been undermined by food shortages imposed by the Axis powers, the situation is inevitably much worse than in countries far from the combat zones. There is, however, no country, for which information is available, in which there have not been wartime shortages of consumers' goods and consequent price increases.

Governments generally have attempted to bring about a fair distribution of the available supplies of consumers' goods by price controls and rationing. The success of the controls imposed has varied widely from country to country and has been determined in important part by the method of war financing used by the government. In countries where a large proportion of war expense has been met by taxation and by borrowing directly from individuals through war bonds issued in small denominations, part of the surplus purchasing power which inevitably accumulates in wartime has thus been removed from competition for available supplies of civilian goods. Where the major part of government war expenditure has been financed by issuing fiat currency, the price situation has been much more difficult to control. Obviously, the greater the war damage and the smaller the supplies of consumers' goods, the harder it is to control prices. In countries where supplies have not been large enough to meet the rations set for civilians, or where the rations were not large enough to maintain the population at a standard of living acceptable to the majority of the people, large black markets have developed. In addition, for effective administration of price controls there had to be a strong central government with a body of well-trained workers, high morale among the population, and a functioning transportation system to carry goods from production areas to centers of population.

There are no published records of wartime trends of prices in the Soviet Union, but people who have been in that country during the war period report the maintenance of official prices on rationed items (which include all kinds of consumers' goods) and a general acceptance by the population of the very low ration level. Invasion of the country by the Axis forces made it necessary to set the rations far below prewar consumption, and the maintenance of price controls was made possible only by the high morale of the civilian population. Foods produced in excess of the amounts rationed are sold in special stores by the Government and in free markets by farmers; prices are not controlled on the markets but tend to conform to the prices fixed for the special stores which are much higher than prices for goods sold on the rations.

In the United Kingdom and the British Dominions, price-control and rationing systems have been relatively effective. In some of these countries, price controls were not initiated until after considerable rise in prices had occurred, at least part of which was due to

higher costs of shipping and price increases in the countries from which goods were imported. Food production was stimulated by allowing farm prices to rise, and food prices were subsidized to some extent at the wholesale or the retail level.

Until the autumn of 1944 average prices in Germany were maintained at relatively stable levels by drawing supplies from the occupied countries and by a stern if not ruthless administration of price-control and rationing regulations. By the spring of 1944 there were reports of extreme shortages of meat and fats and of clothing and household goods in Germany, and by the fall of the year there were reports that an extensive black market had developed. Since the capitulation of Germany there have been serious shortages of consumers' goods and prices have been controlled by the Allied military authorities at stable levels.

Prices in the northern countries which were occupied by Germany or which were under German control apparently rose by 50 to 100 percent during the war period. No price indexes are available for Poland. There, prices for rationed goods were controlled during the German occupation, and no data are available to show the extent of the black market.

Although the economic and political situation in Spain has been in many ways different from that in Portugal, the two countries have been alike in that their normal imports have been largely cut off during the war period, and that extensive buying by the Axis powers at relatively high prices reduced supplies and raised prices in both countries. Official cost-of-living indexes show retail prices in November 1944 as about 80 percent above 1939 levels in both countries. These indexes cover only a few commodities, and it may be that a more complete price coverage would show that the increase has been even greater.

In the countries of southern Europe, which have been the scene of armed conflict almost continually since 1940 or 1941, the population has suffered greatly not only because of shortages of essential supplies, but also because the disorganization of government administrations has made it impossible to establish effective price-control and rationing systems. Reports in the press in these countries are confirmed by observations by returned members of the United States Armies. They show extreme price increases for even the most essential foods.

The years of World War II have brought considerable inflation in the price structure of the middle eastern countries and Turkey, although the situation has never been so extreme as in such war areas as Greece and Italy. Allied military expenditures in the Middle East and competitive bidding by the Axis and the Allies in Turkey, while increasing the purchasing power and the amount of currency in circulation, also reduced the supply of consumer goods and monopolized the means of transportation. Consumption levels in the cities of the Middle East were drastically lowered and low-income groups suffered. Figures on increases in prices in this area show that retail prices to wage earners' families rose about 150 percent in Palestine, almost 200 percent in Egypt, and almost 700 percent in Iran from August 1939 to late 1944 or early 1945. In Iran the control of supplies and prices was extraordinarily difficult because of the influx of war workers of various kinds and the insufficiency of transportation facilities.

General Situation in South America and the Far East

In South and Central America, as in Europe, official price indexes show that price increases have varied greatly from country to country. In Argentina, prices have not increased greatly. A large proportion of the consumers' goods bought by families of Argentinian wage earners is produced in the country, and food prices have been depressed because some of the markets for foods exported in peacetime were cut off by shipping shortages and other factors. At the other extreme is Bolivia which imports an important proportion of its foodstuffs. The official cost-of-living index for La Paz shows that the cost of living almost tripled during the war period. Figures for Chile, Mexico, and Nicaragua indicate that the retail prices have more than doubled since 1939, and those for Colombia, Brazil, Costa Rica, and Peru show advances of 50 to 80 percent.

Difficulties with the price situation are most extreme in China. Before the war, price indexes were compiled for a number of Chinese cities. The series for which current figures are now available in the United States is that of the Nankai Institute of Economics, applying to Chungking. Using average prices for July 1936-June 1937 as 100, the wholesale-price index for Chungking for the third week in May 1945 was 192500 and the index of cost of living for all classes in the population was 144700. In evaluating the price situation in China it is important to remember that the country has been at war with Japan since 1937 and that its customary trade with Manchuria was interrupted by Japanese aggression as early as 1931. Price control has been especially difficult because a large proportion of the population is rural, the transportation system has never been adequate to the needs of the country, and a large part of the Chinese territory was occupied by the Japanese army. Supplies of essential goods have been totally inadequate to the needs of the population. The index of cost of living in Chungking has included open-market prices of a number of commodities that were unobtainable at official prices. The use of open-market prices makes the index conform more closely to the actual conditions met by Chinese workers. The Chinese Government is giving consideration to the stabilization of the price situation, as one of its most important financial objectives in the postwar period.

The enormous depreciation of the value of the Chinese currency has made it necessary to increase wages throughout the war. The scattered statistics available here show, however, that wages have not kept pace with the increases in living costs, in spite of the fact that some factories have provided food and housing for part of their workers and some have paid part of the wage in rice. For example, a report on the situation of wage earners in a Government factory in 1940, in Kunming, shows that "even a skilled worker did not earn much more than the unskilled farm laborer and the position of the unskilled factory workers was decidedly inferior." At that time civil servants were paid allowances for dependents, which placed them in a better economic situation than wage earners.

The price data available in this country for Japan extend through February 1944. They do not show such extreme price changes as in China; however, the indexes appear to be based on official price

ceilings, as reports indicate that Government efforts at control of supplies and prices had not been successful and that there had been great dissatisfaction among the people at the extent of the black market and the heights to which black-market prices had risen.

Purchasing Power of Wages During the War Period

When prices rise with shortages of consumers' goods, the families of wage earners and clerical workers whose incomes are fixed by custom or by government order suffer more than other economic groups whose incomes tend to rise with rising prices. Many reports on wages in specific occupations or in specific industries abroad have come to the United States during the war period, but inclusive indexes of wage rates, or of earnings, are available from very few countries. The data which have been received show that in this, as in other wars, wage rates and earnings have risen in all countries; in many, however, wage rates have not risen as fast as the cost of living, and in countries where inflation has been extreme, increases in earnings have fallen far below increases in living costs.

In some countries, wage rates during the war period were definitely adjusted upward as the official indexes of retail prices rose. In the United Kingdom voluntary agreements for adjusting wages to changes in the official cost-of-living index applied to 1½ million workers in 1939 and 2½ million in 1944. However, the Government did not legislate in this field.

Peacetime procedure in Australia required that basic wages should be adjusted periodically as changes occurred in the official retail-price index. When the price-stabilization measure of April 12, 1943, failed to keep the index stable, the Government paid the added wage costs, as price ceilings prevented employers from passing the increased wage bill on to consumers. By order of October 24, 1941, the Canadian Government introduced the payment of cost-of-living bonuses in industry generally, making the bonus mandatory for 1-percent increases in the cost-of-living index. The system was abolished on February 15, 1944, and the prevailing bonuses were incorporated into existing wage rates to form a basic wage. No further rises in wages were to be permitted for the duration of the war, except to eliminate gross inequities, and then only if such increases would not necessitate price rises. The practice in New Zealand under the stabilization program of December 15, 1942, was to vary wages according to changes in the wartime price index, but on June 16, 1944, the Arbitration Court was freed from the obligation of making such adjustments, although it might do so in its discretion.

Immediately after the outbreak of the war in Europe, plans for tying wages to the cost-of-living index were discussed in Norway, Denmark, and Sweden. On November 13, 1939, the Danish labor organizations reached an agreement with the employers' association, providing for specific increases in wages each quarter, provided the cost-of-living index rose 3 or more points during the quarter. In Norway, the wages of transport workers were tied to the cost-of-living index in December 1939, and the question of extending this arrangement was in process of discussion when the Nazis invaded Norway and Denmark in April 1940. These agreements were canceled by the

Nazis. In Sweden, workers' and employers' associations agreed on December 16, 1939, to adjust wages quarterly according to the fluctuations in the cost-of-living index. The agreement was renegotiated annually up to 1945; however, wages did not rise after October 1942 to the end of the war, as the index, because of Government price-stabilization measures, remained relatively stable.

Statistics of Prices

Most governments publish prices of the most important foods consumed in their countries and most of the governments of the major countries publish indexes of prices at both the wholesale and retail levels. The war interrupted many of these index series, but it is possible to assemble price indexes from a number of important countries which indicate price trends from 1939 to late 1944 or early 1945.

RETAIL-PRICE INDEXES

The retail-price indexes shown in table 1 are called "cost-of-living indexes" except in Australia and New Zealand. They are designed to measure changes in the cost of a fixed bill of goods representing the more important goods and services purchased by city wage earners.² These indexes do not show changes in family expenditures during the war period or differences in the cost of the same standard of living from country to country; they show simply the average rate of price changes at retail within each country. The Australian retail-price index is weighted by the per capita consumption of goods consumed by the entire Australian population. The kinds of goods and services included in these indexes, methods of weighting and computing them, and methods of collecting the prices on which they are based differ considerably from country to country, and the series are consequently far from comparable. They do, however, provide a basis for understanding how shortages of consumers' goods and the effectiveness of price-control measures have affected the retail prices paid by wage earners.

The trends in the price indexes since August 1939, in the various countries for which data are available, are shown in table 1. The number of commodities covered (shown—where available—at the beginning of the table) provide a rough guide to the representativeness of the series. In some countries, the indexes are based on official prices and do not take account of violations of ceilings set by price-control authorities. In others, field representatives of the government collect prices in personal interviews with store managers and buyers in stores where wage earners buy regularly, as is done by field representatives of the Bureau of Labor Statistics in the United States. These indexes do not include black-market prices which may be paid in fly-by-night hide-aways, but do take account of violations which occur in regular shops.

Diversion to war uses of many of the materials customarily used in producing consumers' goods, the interruption of normal trade, and shortages of manpower combined, during the war period, to reduce

² In the case of China, the cost-of-living index given in table 1 is that prepared by the Nankai Institute of Economics and represents changes in retail prices paid by all economic groups in the city of Chungking. The Institute prepares an index of cost of living of laborers in Chungking but complete figures for this index are not available in the United States. The index for Rio de Janeiro given in table 1 applies to goods purchased by moderate-income families (see footnote to table 1).

the quality of goods available to civilians throughout the world. Some of the types of goods included in the indexes in 1939 could not be purchased by civilians in the war years; for other types of goods, only substitutes were available. As far as one can judge from reports available in the United States, none of the statistical agencies responsible for the computation of these indexes allowed them to decline when wartime substitutes of lower price and lower quality were introduced into the price series used in their computation. It is generally reported, however, that all of the increases in costs resulting from wartime deterioration in quality were not reflected in any of the indexes, because of the lack of statistical measurements of quality change.

TABLE 1.—Indexes of Retail Prices (Living Costs) in Various Countries, August 1939–July 1945¹

[August 1939=100]

Month	New Zealand	Argentina (Buenos Aires)	Germany	Canada	Australia	United Kingdom	Japan	Sweden	Switzerland
Number of Items included ²	221	110	114	147	(³)	70	156	170	(⁴)
1939: August.....	* 100.0	* 100.0	100.0	100.0	100.0	100.0	100.0	* 100.0	100.0
December.....	102.2	105.7	99.3	103.0	101.1	111.6	106.7	(⁵)	103.6
1940: August.....	104.7	102.6	104.6	105.1	104.7	119.4	122.4	* 114.8	110.2
1941: January.....	105.4	100.6	103.3	107.4	108.6	126.5	⁷ 118.7	121.5	119.0
December.....	110.6	111.7	104.5	114.9	112.4	129.7	122.5	* 130.6	134.3
1942: January.....	110.1	109.6	104.9	114.5	(⁶)	129.0	123.8	134.3	135.8
February.....	108.5	110.4	106.4	114.8	(⁶)	129.0	123.4	(⁶)	137.2
March.....	108.3	112.1	106.8	115.0	115.1	129.0	124.0	(⁶)	138.0
April.....	108.9	112.0	107.3	115.0	(⁶)	128.4	125.0	138.0	139.4
May.....	110.3	111.6	108.0	115.2	(⁶)	129.0	125.7	(⁶)	140.1
June.....	110.4	112.7	109.1	115.8	118.1	128.4	125.3	(⁶)	140.9
July.....	110.7	111.5	110.3	117.0	(⁶)	129.0	126.1	139.8	143.1
August.....	112.4	110.7	(⁹)	116.8	(⁶)	129.7	126.1	(⁶)	142.3
September.....	113.0	111.6	106.2	116.5	120.8	129.0	126.3	(⁶)	142.3
October.....	113.5	112.0	105.9	116.9	(⁶)	129.0	126.2	140.7	143.8
November.....	114.3	111.4	106.2	117.7	(⁶)	129.0	126.2	(⁶)	145.3
December.....	113.4	112.4	106.7	117.9	122.5	129.0	127.3	(⁶)	146.0
1943: January.....	(⁸)	114.8	107.4	116.2	(⁸)	128.4	127.9	140.7	146.7
February.....	(⁸)	114.4	107.9	116.0	(⁸)	128.4	129.8	(⁸)	146.7
March.....	114.6	120.3	108.1	116.3	122.6	128.4	130.9	141.7	146.7
April.....	(⁸)	118.8	108.4	116.7	(⁸)	127.7	133.9	(⁸)	148.2
May.....	(⁸)	118.5	108.8	117.2	(⁸)	128.4	134.7	(⁸)	148.2
June.....	113.4	115.9	109.5	117.6	124.9	127.7	135.8	140.7	148.2
July.....	(⁸)	106.5	111.2	117.9	(⁸)	129.0	136.3	(⁸)	148.9
August.....	(⁸)	107.0	111.1	118.3	(⁸)	128.4	136.3	(⁸)	148.9
September.....	112.9	107.9	108.3	118.5	123.8	127.7	136.7	139.8	148.9
October.....	(⁸)	108.1	108.0	118.4	(⁸)	128.4	136.7	(⁸)	149.6
November.....	(⁸)	110.2	108.6	118.5	(⁸)	128.4	138.9	(⁸)	149.6
December.....	113.5	109.5	108.8	118.4	122.6	128.4	139.8	140.7	149.6
1944: January.....	(⁸)	109.7	109.4	118.1	(⁸)	128.4	141.3	(⁸)	150.4
February.....	(⁸)	108.2	109.7	118.0	(⁸)	129.0	142.5	(⁸)	150.4
March.....	113.9	110.7	110.1	118.1	122.8	129.0	(⁸)	139.8	150.4
April.....	(⁸)	108.5	111.0	118.2	(⁸)	129.0	(⁸)	(⁸)	151.1
May.....	(⁸)	109.0	110.1	118.3	(⁸)	129.0	(⁸)	(⁸)	151.1
June.....	113.5	109.5	111.5	118.1	122.9	129.0	(⁸)	139.8	151.8
July.....	(⁸)	111.3	117.0	118.1	(⁸)	129.7	(⁸)	(⁸)	152.6
August.....	(⁸)	106.5	117.8	118.0	(⁸)	130.3	(⁸)	(⁸)	151.8
September.....	113.7	110.2	110.0	117.9	123.3	130.3	(⁸)	140.7	151.8
October.....	(⁸)	112.1	108.8	117.7	(⁸)	129.7	(⁸)	(⁸)	151.8
November.....	(⁸)	110.9	109.1	118.0	(⁸)	129.7	(⁸)	(⁸)	151.8
December.....	113.8	115.3	109.4	117.6	123.0	129.7	(⁸)	139.8	151.8
1945: January.....	(⁸)	121.2	110.0	117.7	(⁸)	130.3	(⁸)	(⁸)	152.6
February.....	(⁸)	123.3	110.3	117.7	(⁸)	130.3	(⁸)	(⁸)	152.6
March.....	114.1	132.5	111.0	117.8	122.6	130.3	(⁸)	139.8	152.6
April.....	(⁸)	(⁸)	111.4	117.8	(⁸)	130.3	(⁸)	(⁸)	152.6
May.....	(⁸)	(⁸)	(⁸)	118.1	(⁸)	131.0	(⁸)	(⁸)	153.3
June.....	113.9	(⁸)	(⁸)	118.7	122.9	131.6	(⁸)	139.8	153.3
July.....	(⁸)	(⁸)	(⁸)	119.3	(⁸)	133.5	(⁸)	(⁸)	(⁸)

See footnotes at end of table.

TABLE 1.—Indexes of Retail Prices (Living Costs) in Various Countries, August 1939–July 1945¹—Continued

[August 1939=100]

Month	Denmark	Norway	Brazil (Rio de Janeiro)	Mexico (City of Mexico)	Chile (Santiago)	Palestine	Bolivia (La Paz)	Iran	China (Chungking)
Number of items included ²	(³)	170	144	23	31	(³)	56	(³)	48
1939: August.....	100.0	100.0	100.0	100.0	100.0	(³)	100.0	100.0	204.0
December.....	103.7	106.0	101.5	99.6	105.6	(³)	115.5	102.6	232.0
1940: August.....	127.1	115.9	105.2	99.1	115.6	(³)	124.9	111.8	652.0
1941: January.....	141.1	130.9	108.3	101.0	116.5	(³)	135.0	122.8	1230.0
December.....	151.4	142.6	120.5	115.1	142.5	(³)	182.5	139.1	2930.0
1942: January.....	151.4	143.2	124.0	113.7	144.0	175.0	186.9	203.9	2970.0
February.....	(³)	143.6	124.2	112.7	146.9	182.0	198.7	215.4	3080.0
March.....	(³)	144.0	124.2	115.1	154.0	186.0	197.3	222.9	3350.0
April.....	150.5	144.6	123.7	118.8	159.8	186.0	198.7	240.7	3870.0
May.....	(³)	145.6	124.4	120.2	163.3	184.0	202.0	245.7	4340.0
June.....	(³)	146.1	127.2	120.9	162.2	185.0	202.7	251.5	4310.0
July.....	154.2	146.6	129.1	120.6	162.7	186.0	204.7	281.3	4680.0
August.....	(³)	146.6	127.0	120.5	168.8	197.0	204.7	284.9	4940.0
September.....	(³)	146.3	135.2	125.3	171.7	202.0	205.4	278.3	5220.0
October.....	155.1	(³)	137.3	125.3	177.6	205.0	208.1	297.0	5570.0
November.....	(³)	(³)	139.7	127.9	177.4	209.0	233.3	341.1	6090.0
December.....	(³)	(³)	141.1	127.8	179.1	211.0	236.0	385.0	6290.0
1943: January.....	156.1	147.8	140.9	130.9	176.5	215.0	238.7	435.7	6780.0
February.....	(³)	148.0	141.2	136.8	179.4	219.0	250.8	503.6	7390.0
March.....	(³)	148.4	141.4	140.6	181.1	218.0	248.5	552.4	7970.0
April.....	156.1	148.9	140.8	148.0	189.0	228.0	248.5	670.7	8170.0
May.....	(³)	149.2	141.0	158.3	193.2	240.0	254.2	645.8	9510.0
June.....	(³)	149.4	141.1	160.1	196.5	248.0	256.2	620.3	10900.0
July.....	154.2	149.9	142.9	165.6	193.9	247.0	258.2	660.8	11800.0
August.....	(³)	150.0	146.7	168.4	194.3	248.0	255.6	695.5	13700.0
September.....	(³)	149.4	149.0	169.6	196.4	243.0	254.5	704.8	14400.0
October.....	156.1	149.5	147.1	170.5	198.1	239.0	254.9	731.7	15500.0
November.....	(³)	149.9	147.2	173.1	196.5	230.0	255.6	758.0	17200.0
December.....	(³)	150.2	147.6	174.7	193.4	230.0	255.9	763.7	18300.0
1944: January.....	156.1	150.3	150.3	177.7	196.4	233.0	261.6	761.5	19200.0
February.....	(³)	150.5	151.3	180.9	194.3	232.0	263.3	768.0	22200.0
March.....	(³)	150.7	152.1	186.7	198.2	236.0	273.1	770.0	28900.0
April.....	157.0	150.9	153.3	193.3	205.6	235.0	273.7	786.4	33600.0
May.....	(³)	151.1	156.6	197.9	210.0	234.0	266.3	797.7	40700.0
June.....	(³)	151.3	156.6	202.6	209.2	238.0	266.7	796.3	44500.0
July.....	157.0	151.4	162.4	208.5	209.3	244.0	267.0	780.7	45700.0
August.....	(³)	151.6	162.3	206.5	215.5	255.0	267.0	795.6	43300.0
September.....	(³)	151.2	163.8	209.4	226.2	249.0	267.0	777.1	44500.0
October.....	157.9	151.1	164.8	211.9	235.0	248.0	273.7	(³)	45300.0
November.....	(³)	151.2	167.4	208.7	234.6	248.0	275.4	(³)	49300.0
December.....	(³)	151.5	168.6	200.5	222.4	252.0	275.4	(³)	52800.0
1945: January.....	157.9	151.6	169.0	201.3	221.4	254.0	276.4	(³)	63300.0
February.....	(³)	151.7	183.1	201.7	222.8	255.0	276.4	(³)	86200.0
March.....	(³)	151.9	183.3	202.3	224.0	258.0	277.4	(³)	110500.0
April.....	158.9	153.8	183.1	205.0	225.8	257.0	274.1	(³)	127500.0
May.....	(³)	153.9	(³)	206.9	227.6	257.0	(³)	(³)	144700.0
June.....	(³)	154.4	(³)	209.1	229.8	(³)	(³)	(³)	(³)
July.....	158.9	154.6	(³)	213.8	(³)	(³)	(³)	(³)	(³)

¹ These indexes show changes in retail prices and rents in cities. In general they are similar in construction and design to the index of consumer prices to moderate-income families in large cities prepared by the U. S. Bureau of Labor Statistics, although different methods are used to collect the prices in different countries, and most indexes do not cover as many items as the United States index. The indexes given for Australian and New Zealand cities are weighted by the per capita consumption of the general population of the country, and are called retail-price indexes; those for Chungking represent changes in prices for goods purchased by all economic groups in the city's population; those for Rio de Janeiro represent changes in prices to "middle income" families except that there is included in the index of food prices a second Brazilian food index, which presents changes in food prices paid by families of wage earners in that city. The food-cost index for middle-income families in Rio de Janeiro has risen less than that for wage earners' families. None of these indexes measures increases in living costs caused by moving to war production centers, the employment of wives in war plants, being "bombed out," or other wartime costs not connected with price changes, except that the indexes for Sweden and Denmark include increases in income taxes. None of these indexes fully reflect increases in costs caused by quality deterioration of consumers' goods in the war period, because of the fact that in no country are statistical measurements of the quality of such goods available.

² The number of items given represents the types of goods and services priced, and not the number of grades or qualities priced for a given item. The entry applies to the most recent date for which information is available.

³ The series given represents a combination of indexes with different weighting, prepared in different periods of time for overlapping dates.

⁴ July 1939 prices=100.

⁵ Figure relates to October.

⁶ Figure relates to February.

⁷ Figure relates to July.

⁸ Figure relates to May.

⁹ Figure relates to October.

¹⁰ Not available.

¹¹ Third week in May.

¹² Figure relates to July.

¹³ "Prewar" prices=100.

WHOLESALE-PRICE INDEXES

Indexes of prices in primary markets since the beginning of the war period are available in the United States for 16 major foreign countries.³ In general, these indexes show greater increases since August 1939 than the indexes of changes in retail prices to wage earners and clerical workers. This difference in the rate of rise is explained in part by the greater stability of retail prices at all times, and in part by the application of subsidies to essential consumer goods (notably foods) which bulk large in the retail-price indexes but which represent

TABLE 2.—Indexes of Wholesale Prices in Various Countries,
August 1939—July, 1945¹

[August 1939=100]

Month	New Zealand	Argentina	Germany	Canada	Australia	United Kingdom	Japan	China
1939: August	100.0	100.0	100.0	100.0	² 100.0	100.0	100.0	² 225.0
December	102.9	118.3	100.5	113.0	106.2	123.2	107.5	316.0
1940: August	113.0	119.3	103.5	114.4	116.1	142.8	109.6	698.0
1941: January	117.5	121.5	104.0	117.0	116.7	152.4	111.5	1170.0
December	127.0	164.9	⁴ 105.3	129.5	122.2	158.9	189.0	2760.0
1942: January	125.6	170.1	106.2	130.4	123.0	159.4	120.7	3010.0
February	124.7	172.6	105.9	130.8	124.4	161.6	121.0	3300.0
March	126.2	174.0	106.1	131.5	125.3	161.9	121.0	3670.0
April	125.3	177.9	105.8	131.4	127.6	162.7	122.4	4100.0
May	130.3	181.7	107.1	131.7	133.4	163.6	122.8	4440.0
June	133.2	183.2	106.7	132.5	136.5	162.7	122.9	4810.0
July	134.3	185.7	107.1	132.9	136.3	163.1	123.1	5170.0
August	134.0	188.1	(⁵)	132.2	137.6	161.9	123.8	6060.0
September	134.7	188.3	107.5	132.8	138.6	162.0	123.8	6730.0
October	134.3	189.0	107.4	132.9	137.4	163.0	124.1	7370.0
November	136.0	190.8	107.2	134.3	137.2	164.0	124.2	7760.0
December	136.3	187.1	107.7	134.2	137.8	164.4	124.6	8010.0
* 1943: January	134.9	191.2	108.2	134.3	135.7	165.2	126.4	8490.0
February	135.8	193.9	108.3	134.9	137.0	165.2	126.7	9230.0
March	136.2	194.4	108.3	136.2	138.9	165.3	127.9	9530.0
April	139.1	195.6	108.3	136.8	139.3	166.0	129.4	10030.0
May	140.4	197.3	108.2	137.2	139.5	166.5	129.4	11200.0
June	141.0	198.6	108.4	137.6	141.2	166.3	129.8	12700.0
July	140.4	198.3	109.2	138.5	141.5	167.2	130.9	14500.0
August	140.4	198.6	109.2	138.9	140.5	165.3	131.1	16400.0
September	140.2	197.3	108.6	140.0	141.0	166.1	131.3	17900.0
October	141.3	197.5	108.5	140.9	140.3	165.6	132.1	18900.0
November	143.8	197.2	108.6	141.6	139.6	165.8	132.3	20800.0
December	144.4	198.1	108.8	141.8	139.6	166.6	132.5	22400.0
1944: January	144.5	199.4	108.9	141.8	139.9	167.2	132.5	24200.0
February	144.6	200.9	108.8	142.0	139.3	167.8	133.8	27300.0
March	143.8	200.3	109.4	142.5	139.4	168.1	134.5	33700.0
April	143.7	202.7	109.8	142.3	140.4	168.7	134.9	37700.0
May	144.4	204.5	110.0	141.8	140.5	169.3	135.2	42500.0
June	144.4	206.7	110.0	141.8	141.5	169.3	136.4	46800.0
July	144.5	207.2	111.0	141.8	141.8	170.3	(⁶)	49300.0
August	143.7	208.3	111.0	141.5	141.6	170.7	(⁶)	49400.0
September	143.5	207.9	110.0	141.5	140.7	170.3	(⁶)	52600.0
October	143.8	207.6	110.0	141.6	140.4	169.9	(⁶)	55700.0
November	145.2	208.5	111.0	141.6	140.5	170.1	(⁶)	58400.0
December	145.5	209.8	110.3	141.8	140.5	170.4	(⁶)	64800.0
1945: January	144.9	210.5	111.0	142.2	140.2	170.4	(⁶)	76200.0
February	145.8	211.1	110.8	142.3	141.0	170.4	(⁶)	96300.0
March	145.5	211.4	(⁶)	142.5	141.5	171.0	(⁶)	127500.0
April	146.6	212.4	(⁶)	143.0	142.6	170.9	(⁶)	159200.0
May	145.8	211.5	(⁶)	142.5	141.6	171.7	(⁶)	(⁶)
June	(⁶)	211.4	(⁶)	142.7	142.3	173.4	(⁶)	(⁶)
July	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	174.1	(⁶)	(⁶)

See footnotes at end of table.

¹ Methods of collecting wholesale prices, and of weighting and computing the indexes differ from country to country, and the indexes are therefore not entirely comparable. The number of commodities covered (where available) indicates roughly the character of each index.

TABLE 2.—*Indexes of Wholesale Prices in Various Countries, August 1939–July, 1945*¹—Continued

[August 1939=100]

Month	Sweden	Switzerland	Denmark	Norway	Mexico	Chile	Palestine	Iran
1939: August.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
December.....	118.9	116.5	128.8	118.2	97.4	108.0	124.6	110.0
1940: August.....	131.5	135.6	153.2	138.2	98.7	112.9	135.2	107.7
1941: January.....	145.9	154.9	173.0	149.9	99.3	113.7	155.2	127.1
December.....	161.3	185.1	189.2	172.8	109.0	155.5	227.6	177.6
1942: January.....	164.0	187.7	190.1	173.0	109.8	159.5	233.7	202.3
February.....	164.9	190.5	191.0	173.4	111.2	160.7	258.9	204.1
March.....	165.8	192.1	191.0	173.8	112.5	164.4	273.2	212.2
April.....	167.6	193.3	191.0	173.9	114.3	168.8	262.3	217.8
May.....	168.5	194.7	191.0	174.3	116.6	171.9	248.4	232.7
June.....	169.4	194.9	191.9	175.1	114.9	176.7	246.9	240.4
July.....	173.9	197.5	191.9	175.2	117.0	185.1	254.5	238.9
August.....	173.0	196.7	192.8	175.7	114.0	188.6	275.1	240.2
September.....	173.0	197.1	192.8	175.8	114.7	188.9	286.6	247.6
October.....	173.9	197.3	192.8	176.8	115.2	189.0	298.4	275.8
November.....	175.7	198.8	192.8	(⁵)	118.0	188.4	303.1	343.9
December.....	175.7	(⁶)	193.7	(⁶)	120.3	191.4	304.6	370.7
1943: January.....	176.6	200.3	192.8	176.9	121.4	193.2	306.1	414.3
February.....	177.5	201.7	192.8	177.1	128.7	194.0	316.3	460.8
March.....	177.5	202.1	192.8	177.3	130.0	195.4	319.4	467.3
April.....	177.5	202.7	192.8	177.4	133.8	195.5	327.0	495.5
May.....	177.5	202.9	192.8	178.0	140.7	197.2	328.3	429.7
June.....	177.5	203.1	192.8	178.0	143.7	198.6	338.1	422.3
July.....	176.6	202.7	192.8	178.3	145.0	199.0	338.5	438.0
August.....	175.7	202.5	192.8	178.0	146.0	196.0	339.4	448.4
September.....	175.7	204.1	193.7	177.8	148.6	197.1	329.6	483.6
October.....	175.7	204.9	193.7	177.8	149.2	195.9	334.6	500.0
November.....	175.7	204.8	193.7	178.2	152.7	195.9	340.0	486.5
December.....	175.7	204.7	193.7	178.4	155.5	194.6	342.7	497.0
1944: January.....	175.7	205.2	193.7	178.4	154.2	191.8	341.6	499.3
February.....	175.7	206.0	194.6	178.5	157.4	193.1	337.8	494.8
March.....	175.7	207.3	194.6	178.5	163.7	193.1	342.9	494.0
April.....	175.7	207.6	194.6	178.6	174.5	194.2	350.1	533.6
May.....	177.5	207.9	194.6	179.1	180.2	194.6	338.1	528.4
June.....	177.5	207.9	195.5	180.0	181.6	199.0	333.4	513.5
July.....	178.4	208.4	195.5	180.1	181.7	204.5	338.0	516.4
August.....	177.5	208.0	195.5	180.3	181.3	209.1	355.9	535.1
September.....	176.6	207.3	196.4	180.0	181.2	210.8	358.7	506.7
October.....	175.7	207.2	196.4	180.1	183.0	211.6	362.7	(⁷)
November.....	175.7	206.7	197.3	180.1	186.1	214.9	366.7	(⁷)
December.....	175.7	206.0	197.3	180.4	184.3	212.5	353.9	(⁷)
1945: January.....	175.7	205.6	197.3	180.5	180.6	209.1	355.2	(⁷)
February.....	175.7	205.6	197.3	180.5	178.6	219.2	(⁷)	(⁷)
March.....	176.6	205.6	198.2	180.6	183.0	210.9	(⁷)	(⁷)
April.....	176.6	205.9	197.3	181.0	186.5	211.8	(⁷)	(⁷)
May.....	176.6	206.0	197.3	181.1	187.9	212.7	(⁷)	(⁷)
June.....	177.5	206.3	191.9	181.5	187.6	(⁷)	(⁷)	(⁷)
July.....	(⁸)	(⁸)	191.0	180.7	193.3	(⁸)	(⁸)	(⁸)

¹ These indexes are based on prices paid for goods sold in primary markets, weighted in accordance with their relative importance in the countries concerned. The number and kind of items covered, the method of collecting prices, and the method of computing the indexes differ from country to country.

² The series given represents a combination of indexes with different weighting, prepared in different periods of time for overlapping dates.

³ July 1937–June 1937 prices=100.

⁴ August 1941.

⁵ Not available.

a relatively small part of the commodity coverage in the wholesale-price indexes. The wholesale-price index for New Zealand shows an increase of almost 46 percent over 1939, as compared with an increase of 14.1 percent in the retail-price index. In the United Kingdom between August 1939 and June 1945, the cost-of-living index rose 31.6 percent, but the wholesale-price index advanced 73.4 percent. In Iran the wholesale-price index shows that in September

1944 prices in primary markets were five times those prevailing in 1939, whereas retail prices to the average worker were almost eight times what they paid in 1939. The difference may in part have been due to the presence in the country of large numbers of members of the armed forces of the United States, the United Kingdom, and the Soviet Union, who had greatly increased the demand for consumers' goods.

INDEXES OF FOOD AND CLOTHING PRICES

In the majority of the countries for which price indexes are available, the indexes of retail food prices have risen more than indexes of total living costs. In part, this is due to the fact that in most countries rents have been controlled at or near 1939 levels, and this has kept the cost-of-living indexes below the level of all other group indexes. In Chungking, China, to take the extreme case, the Nankai Institute cost-of-living index in April 1945 stood at 127500 as compared with 100 in July 1936-June 1937. Excluding rent, it stood at 145700 and excluding rent and rice, at 160000. In countries where any consumers' goods have been subsidized, the largest subsidies have been applied to basic food materials, wheat flour, milk, meat, in some countries vegetables, and (in countries largely dependent on that cereal) rice. In some countries where imported foods are important, the government has taken over the responsibility for food imports, and has resold such imports to distributors at subsidized prices. In the case of locally produced foods, subsidies have sometimes been given in the form of direct incentive payments to farmers and have sometimes been introduced at the processors' level. In Canada, as in the United States, although food prices have been subsidized to some extent, they have risen more than the average for all retail prices to moderate-income city consumers. The indexes for Switzerland, Chile, Bolivia, Iran, and Japan also show food prices in recent months higher than the cost-of-living index.

Increases in prices of selected foods in 7 countries where conditions vary widely are shown in table 3. In Australia, Canada, and the United Kingdom, increases have not been extreme. In Australia, incentive payments for locally grown vegetables have gone so far that prices for potatoes and onions were lower in 1944 than in 1939. In Switzerland, which is normally a large importer of food, price increases have been larger, but they have not approached those in southern Europe where the disorganization of food markets has been extreme. Increases in food prices in Greece have been higher than in any other country for which there are data on the prices of individual foods. (Such figures are not available for China.) Shortages in Greece during the German occupation and in the first months after liberation were so great that the death rate reached very high levels. The distribution of available food supplies was complicated by the large amount of currency in circulation as well as by the unsettled conditions which followed the withdrawal of German forces. An announcement in June 1945 by the Governor of the Bank of Greece, who is now Deputy Prime Minister and Minister of Supply, stated that the Government had taken over control of all supplies of consumers' goods and of the currency. The value of the drachma was set at 500 drachmas to the dollar, as compared with about 125 drachmas to the dollar before the war. The announcement stated that part of

the large increase in food prices which had occurred in May was due to hoarding and speculation, and that prices for foods imported from abroad had been reduced to levels prevailing in the last week of April. It went on to say—

We will also make efforts to reduce the prices of products locally produced by controlling production costs and transportation expenses. Such a control will at first be applied on commodities of prime necessity, and gradually extended to all products produced locally. The following are considered articles of prime necessity: Olive oil, soap, vegetables, currants, cheese, meat, and salt.

The ships carrying the Allied assistance are already arriving. The supplies will be distributed immediately, and will permit the public to cover satisfactorily the more urgent of its needs. Do not turn to the open market for your supplies, save only when this cannot be postponed.

TABLE 3.—*Wartime Changes in Prices of Selected Foods in Seven Foreign Countries*

Item	Australia (Mel- bourne)	Canada (64 cities)	United Kingdom (over 500 cities and villages)	Switzerland (34 cities)	Belgium ¹	Italy (Rome) ²	Greece (Athens) ³
	Aug. 1939- Dec. 1944	Aug. 1939- May 1945	Sept. 1939- June 1945	July 1939- Feb. 1945	April 1940- June 1945	Sept. 1942- Jan. 1945	Average 1939- May 1945
Percent of change in period specified							
Bread	+3	+6	+9	+24	+149	+92	+1,596
Potatoes	-54	+44	+46	(⁴) +165	+370	+888	+4,174
Rice	+4	(⁵)	(⁶)	-	-	+843	+5,391
Milk	+1	-5	+32	+21	+455	+609	+1,567
Butter	+5	+45	+31	+58	-	(⁷)	+2,194
Onions	-39	+6	(⁸)	(⁹)	-	(¹⁰)	+242
Beef	+49	+68	+27	+75	+560	+1267	+1,414
Pork	+33	+42	+50	+104	+561	(¹¹)	+1,100
Sugar	0	+32	+32	+114	-	+113	+7,221
Coffee	(¹²)	+31	(¹³)	+58	-	(¹⁴)	+2,926
Tea	+1	+32	+21	+115	-	(¹⁵)	+638

¹ Number of cities not specified. Official and black-market prices combined by estimated actual consumption.

² Official prices.

³ Data from consular report from the U. S. Embassy in Athens, prepared by J. Enepekides, June 5, 1945.

⁴ Pasta (spaghetti, macaroni, etc.) increased 125 percent during this period.

⁵ Price data not available.

⁶ Increase from September 1942 to July 1944.

⁷ The figure is for stewing beef; price of sirloin steak rose 54 percent.

⁸ The figure is for thin flank; price of ribs rose 11 percent.

⁹ The figure is for bacon.

¹⁰ Estimated on the assumption that the relation between pork and beef prices was the same in May as in January 1945.

Indexes of clothing prices for all the countries for which data have been obtained have risen higher (and in some cases much higher) than indexes for food prices. The necessities of war have forced the peoples of most countries to go without clothing replacements to a very large extent since 1939. The only country with a marked decline in clothing costs from the peak wartime level was the United Kingdom where the index of retail clothing prices almost doubled from August 1939 to March 1942, remained unchanged for 6 months, and then declined to and remained stable at a point about two-thirds above the 1939 level. The decline was brought about by the Government's "utility clothing" program. This program provided durable low-cost clothing in standardized models, through allocations of raw materials to producers making goods meeting the Government's regulations on this subject. At last reports, 85 percent of the clothing being produced

in the United Kingdom met the specifications set for the "utility" models. In Sweden there was a small decline in clothing prices in November 1942 when prices of certain essentials were reduced by Government order, and further small decreases were accomplished in the next 2 years, so that the level of the Swedish index of retail clothing prices stood at 163 in March 1945 as compared with 171 in October 1942, a decline of about 4 percent.

TABLE 4.—*Indexes of Retail Prices of Food and Clothing Since August 1939, Compared with Cost-of-Living Indexes, in Selected Foreign Countries*

[August 1939=100]

Country	Month and year	Indexes, in months specified, of—		
		Food	Clothing	Cost of living
New Zealand.....	December 1942 ¹	108	(²)	113
Germany.....	April 1944.....	111	137	111
Canada.....	May 1945.....	133	122	118
Australia.....	March 1945.....	113	(³)	123
United Kingdom.....	July 1945.....	129	168	134
Japan.....	February 1944.....	145	156	143
Sweden.....	June 1945.....	138	163	143
Switzerland.....	February 1945.....	165	209	153
Denmark.....	April 1945.....	157	189	159
Norway.....	December 1944.....	153	195	152
Mexico.....	May 1945.....	196	251	207
Chile.....	April 1945.....	233	294	227
Bolivia.....	April 1945.....	267	302	274
Iran.....	September 1944.....	323	984	777
Argentina.....	March 1945.....	141	127	132
Brazil.....	November 1944.....	137	217	167
China.....	April 1945 ⁴	141, 100	182, 100	127, 500
Belgium.....	June 1945 ⁵	519		

¹ Based on an index of retail prices. When the new wartime index of living costs was initiated in New Zealand, it was published without giving the component group indexes.

² In 1939 the New Zealand index combined clothing and furniture prices in 1 group index.

³ In 1939 clothing was combined with miscellaneous items in the Australian index.

⁴ The index for Brazil (Rio de Janeiro) is based on goods purchased by moderate-income families. The index of food prices to wage earners for this city for November 1944 is 226, when August 1939 is taken as 100.

⁵ Index is based on July 1936-June 1937=100.

⁶ Index is based on April 1940=100. This is the only price index at present available for Belgium.

TABLE 5.—Indexes of Food Prices in Various Countries, August 1939–July 1945¹

[August 1939=100]

Month	New Zealand	Argentina	Germany	Canada	Australia	United Kingdom	Japan	Sweden	Switzerland
Number of items included ²		72	37	45				42	
1939: August.....	100.0	³ 100.0	100.0	100.0	100.0	100.0	100.0	⁴ 100.0	100.0
December.....	104.2	107.4	98.3	105.4	99.3	114.6	109.9	⁵ 102.6	105.3
1940: August.....	100.9	100.8	106.5	106.1	101.9	119.7	131.4	⁶ 116.7	111.5
1941: January.....	101.5	99.3	101.8	110.5	106.2	125.5	⁷ 120.3	122.8	122.1
December.....	109.4	116.3	101.1	124.7	104.4	120.4	122.8	⁸ 130.1	144.3
1942: January.....	108.1	112.7	101.7	123.2	106.1	119.0	124.0	136.8	145.8
February.....	102.9	113.5	104.1	124.0	108.0	119.0	123.0	(⁹)	148.1
March.....	102.5	117.2	104.9	124.6	109.7	118.2	123.6	(⁹)	148.9
April.....	103.9	117.2	105.5	124.6	111.0	116.8	124.8	141.2	150.4
May.....	104.3	116.8	106.9	125.2	111.0	116.8	125.5	(⁹)	151.9
June.....	104.5	118.4	108.9	127.1	112.8	116.1	124.0	(⁹)	151.9
July.....	105.2	116.1	111.0	131.2	114.4	116.8	125.2	143.0	155.0
August.....	106.7	114.7	(⁹)	130.5	115.4	116.8	125.0	(⁹)	154.2
September.....	108.4	115.8	103.1	129.4	115.1	116.8	124.9	(⁹)	155.0
October.....	109.7	116.6	102.6	130.7	114.8	118.2	124.1	143.0	155.7
November.....	110.7	115.3	103.0	133.3	114.7	119.0	123.7	(⁹)	157.3
December.....	108.4	117.2	103.6	133.7	114.1	119.7	125.6	(⁹)	158.8
1943: January.....	(⁹)	117.5	105.0	128.2	112.2	119.7	126.5	141.2	159.5
February.....	(⁹)	116.6	105.9	127.6	112.8	119.7	130.6	(⁹)	159.5
March.....	(⁹)	126.5	106.2	128.6	114.9	120.4	130.7	142.1	160.3
April.....	(⁹)	122.1	106.7	129.6	115.3	120.4	136.2	(⁹)	160.3
May.....	(⁹)	121.4	107.5	130.8	115.1	120.4	137.2	(⁹)	160.3
June.....	(⁹)	116.3	108.8	131.8	115.4	120.4	137.7	141.2	161.1
July.....	(⁹)	112.0	111.8	132.7	115.8	122.6	138.3	(⁹)	161.1
August.....	(⁹)	112.9	111.5	134.1	111.8	121.9	139.0	(⁹)	161.1
September.....	(⁹)	114.5	106.3	134.4	111.1	121.2	137.9	139.5	161.8
October.....	(⁹)	114.9	105.6	133.8	111.1	122.6	136.6	(⁹)	161.8
November.....	(⁹)	118.7	106.6	134.0	110.5	122.6	140.6	(⁹)	162.6
December.....	(⁹)	117.5	107.0	133.6	110.3	122.6	141.6	140.4	162.6
1944: January.....	(⁹)	117.8	107.9	132.4	111.1	122.6	144.6	(⁹)	162.6
February.....	(⁹)	114.8	108.2	131.8	111.0	122.6	145.2	(⁹)	163.4
March.....	(⁹)	119.3	109.0	132.0	111.2	122.6	(⁹)	139.5	163.4
April.....	(⁹)	115.1	110.6	132.4	111.1	122.6	(⁹)	(⁹)	164.1
May.....	(⁹)	116.1	110.1	132.6	111.3	122.6	(⁹)	(⁹)	164.1
June.....	(⁹)	116.1	111.5	132.0	112.8	122.6	(⁹)	139.5	164.9
July.....	(⁹)	119.5	117.0	132.9	113.3	123.4	(⁹)	(⁹)	165.6
August.....	(⁹)	114.4	114.8	132.4	113.2	124.1	(⁹)	(⁹)	164.9
September.....	(⁹)	118.3	110.0	132.1	112.1	123.4	(⁹)	141.2	164.1
October.....	(⁹)	122.0	108.8	131.7	111.9	122.6	(⁹)	(⁹)	164.1
November.....	(⁹)	119.7	109.1	132.5	111.1	122.6	(⁹)	(⁹)	164.1
December.....	(⁹)	124.1	109.4	131.2	111.0	122.6	(⁹)	138.6	164.1
1945: January.....	(⁹)	121.6	110.0	131.1	111.7	122.6	(⁹)	(⁹)	164.9
February.....	(⁹)	123.8	119.3	131.5	111.7	122.6	(⁹)	(⁹)	164.9
March.....	(⁹)	141.6	111.0	131.9	112.6	122.6	(⁹)	139.5	164.9
April.....	(⁹)	141.9	111.4	131.9	112.8	122.6	(⁹)	(⁹)	164.9
May.....	(⁹)	143.0	(⁹)	132.6	112.8	122.6	(⁹)	(⁹)	164.9
June.....	(⁹)	143.2	(⁹)	134.3	(⁹)	124.1	(⁹)	137.7	165.6
July.....	(⁹)	146.6	(⁹)	136.6	(⁹)	128.5	(⁹)	(⁹)	165.6

See footnotes at end of table.

TABLE 5.—Indexes of Food Prices in Various Countries, August 1939–July 1945¹—Con.

Month	(Denmark)	Norway ²	Brazil ¹² (Rio de Janeiro)	Brazil ¹³ (Rio de Janeiro)	Mexico (City of Mexico)	Chile (Santiago)	Bolivia (La Paz)	Iran	China (Chungking)
Number of items included ²			51	19	12	26	32		
1939: August.....	⁴ 100.0	100.0	¹⁰ 100.0	100.0	100.0	100.0	100.0	100.0	¹¹ 149.0
December.....	⁵ 103.7	108.2		105.3	96.8	110.8	116.2	103.2	234.0
1940: August.....	⁶ 119.4	120.2	106.7	98.2	96.2	119.2	124.7	113.1	611.0
1941: January.....	145.4	(⁸)	109.5	102.7	98.0	115.7	144.1	128.2	1330.0
December.....	(⁹)	(⁹)	114.5	108.0	108.3	152.5	208.1	216.4	3240.0
1942: January.....	(⁹)	(⁹)	116.1	117.7	108.1	153.8	216.6	232.9	3110.0
February.....	(⁹)	(⁹)	116.6	117.7	107.0	156.8	217.4	249.7	3150.0
March.....	(⁹)	(⁹)	116.6	117.7	109.3	163.4	212.1	259.9	3320.0
April.....	155.6	(⁹)	114.7	117.7	112.0	168.8	214.6	282.2	3920.0
May.....	(⁹)	(⁹)	116.4	117.7	114.7	175.0	222.7	283.4	4460.0
June.....	(⁹)	(⁹)	123.4	117.7	113.6	172.7	223.9	284.2	4090.0
July.....	157.4	(⁹)	128.2	118.6	112.9	173.7	227.9	290.8	4290.0
August.....	(⁹)	(⁹)	122.8	115.9	113.0	185.5	228.7	293.1	4450.0
September.....	(⁹)	(⁹)	143.1	117.7	118.1	191.9	228.7	309.7	4630.0
October.....	157.4	(⁹)	145.9	121.2	118.0	201.7	232.8	339.6	4930.0
November.....	(⁹)	(⁹)	148.7	122.1	119.1	196.9	245.7	403.0	5430.0
December.....	(⁹)	(⁹)	148.7	123.9	118.9	200.2	246.6	460.3	5410.0
1943: January.....	157.4	(⁹)	142.5	124.8	122.0	192.9	255.9	545.6	5390.0
February.....	(⁹)	(⁹)	143.1	124.8	127.7	197.8	255.5	645.4	6960.0
March.....	(⁹)	(⁹)	143.7	124.8	131.0	200.3	248.2	701.4	6980.0
April.....	156.5	(⁹)	143.3	131.0	137.0	208.8	248.2	849.4	7430.0
May.....	(⁹)	(⁹)	143.7	133.6	147.4	217.3	252.2	779.9	8800.0
June.....	(⁹)	(⁹)	144.0	131.0	148.3	222.7	257.5	739.0	10000.0
July.....	153.7	(⁹)	144.7	131.0	154.9	217.4	261.1	773.0	10700.0
August.....	(⁹)	(⁹)	154.2	129.2	153.9	214.9	264.8	820.8	12700.0
September.....	(⁹)	(⁹)	160.1	135.4	154.4	218.0	261.5	830.1	13600.0
October.....	153.7	(⁹)	155.9	138.1	155.8	218.3	261.5	854.8	14600.0
November.....	(⁹)	152.0	156.7	141.6	158.9	214.2	262.3	873.4	17100.0
December.....	(⁹)	152.5	157.1	153.1	160.8	208.7	263.2	871.8	18000.0
1944: January.....	153.7	152.6	155.6	165.5	164.3	213.4	272.0	866.4	19300.0
February.....	(⁹)	152.7	156.9	179.6	168.0	208.8	275.7	874.9	22700.0
March.....	(⁹)	(⁹)	159.3	195.6	175.3	214.8	304.9	880.3	32200.0
April.....	154.6	(⁹)	162.2	196.5	183.2	216.9	305.3	893.4	37700.0
May.....	(⁹)	153.7	170.5	191.2	188.6	217.4	282.6	991.9	47200.0
June.....	(⁹)	153.9	170.4	195.6	194.4	215.1	283.4	874.9	51200.0
July.....	(⁹)	154.0	173.6	196.5	201.5	213.1	283.8	862.5	50200.0
August.....	(⁹)	154.3	174.7	197.3	198.8	226.0	283.8	871.8	44500.0
September.....	(⁹)	(⁹)	177.3	197.3	201.4	245.2	283.8	827.8	45000.0
October.....	(⁹)	(⁹)	180.6	219.5	203.5	262.1	298.8	693.3	43800.0
November.....	(⁹)	(⁹)	187.4	225.7	199.0	255.1	302.8	640.9	44900.0
December.....	(⁹)	153.4	(⁹)	(⁹)	188.2	228.9	303.2	(⁹)	48500.0
1945: January.....	(⁹)	(⁹)	(⁹)	(⁹)	189.3	226.4	294.7	(⁹)	63300.0
February.....	(⁹)	(⁹)	(⁹)	(⁹)	189.6	228.6	294.7	(⁹)	91600.0
March.....	(⁹)	(⁹)	(⁹)	(⁹)	190.7	229.7	296.4	(⁹)	119800.0
April.....	157.4	(⁹)	(⁹)	(⁹)	193.6	233.1	287.0	(⁹)	141100.0
May.....	(⁹)	(⁹)	(⁹)	(⁹)	195.7	(⁹)	(⁹)	(⁹)	156000.0
June.....	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)
July.....	157.4	155.7	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)

¹ For explanation of indexes see footnote 1, table 1.

² The number of items given represents the types of goods and services priced, and not the number of grades or qualities priced for a given item. The entry applies to the most recent date for which information is available.

³ The series given represents a combination of indexes with different weighting prepared in different periods of time for overlapping dates.

⁴ July 1939 prices=100.

⁵ Figure relates to October.

⁶ Figure relates to July.

⁷ Figure relates to February.

⁸ Not available.

⁹ September 1939 prices=100.

¹⁰ The year 1939=100.

¹¹ July 1936–June 1937 prices=100.

¹² Index of food as part of the cost-of-living index, prepared monthly by the Statistical Service of Welfare and Labor of the Ministry of Labor, Industry, and Commerce, for Rio de Janeiro only.

¹³ Index of 19 articles of prime necessity, prepared monthly by the Bureau of Statistics and Publicity; similar indexes are prepared for numerous other municipalities in all States of Brazil

TABLE 6.—Indexes of Clothing Prices in Various Countries, August 1939–July 1945¹

[August 1939=100]

Month	New Zealand ²	Argentina	Germany	Canada	United Kingdom	Japan	Sweden (49 cities)	Switzerland
Number of items included ³		28	31	31			19	
1939: August.....	100.0	⁴ 100.0	100.0	100.0	100.0	100.0	⁵ 100.0	100.0
December.....	⁶ 100.9	112.4	100.6	103.2	118.1	107.5	⁷ 100.9	102.5
1940: August.....	113.4	112.4	104.9	109.0	139.8	124.9	⁸ 121.1	122.5
1941: January.....	⁹ 117.6	112.4	113.2	113.6	159.0	⁹ 128.9	135.8	140.8
December.....	⁶ 122.4	120.5	124.6	119.8	191.6	138.9	⁷ 156.9	165.0
1942: January.....	⁽¹⁰⁾	120.5	125.4	119.8	192.8	139.9	159.6	170.8
February.....	124.1	120.5	127.1	119.7	194.0	140.2	⁽¹⁰⁾	170.8
March.....	⁽¹⁰⁾	120.5	127.8	119.7	195.2	140.7	⁽¹⁰⁾	170.8
April.....	⁽¹⁰⁾	120.6	128.3	119.7	195.2	141.2	164.2	177.5
May.....	126.4	120.6	128.7	119.8	195.2	142.0	⁽¹⁰⁾	177.5
June.....	⁽¹⁰⁾	120.6	129.0	119.8	195.2	142.5	⁽¹⁰⁾	177.5
July.....	⁽¹⁰⁾	120.6	129.2	119.9	195.2	143.1	167.0	181.7
August.....	131.0	120.6	⁽¹⁰⁾	120.0	195.2	143.1	⁽¹⁰⁾	181.7
September.....	⁽¹⁰⁾	120.6	129.8	120.0	191.6	143.0	⁽¹⁰⁾	181.7
October.....	⁽¹⁰⁾	120.6	130.0	120.0	188.0	143.2	171.6	187.5
November.....	132.9	120.6	130.8	120.0	185.5	143.3	⁽¹⁰⁾	187.5
December.....	⁽¹⁰⁾	120.6	131.3	120.1	181.9	143.7	⁽¹⁰⁾	187.5
1943: January.....	⁽¹⁰⁾	120.6	131.7	120.1	178.3	143.9	170.6	191.7
February.....	⁽¹⁰⁾	120.6	132.0	120.0	175.9	144.2	⁽¹⁰⁾	191.7
March.....	⁽¹⁰⁾	120.6	132.6	120.0	173.5	147.4	168.8	191.7
April.....	⁽¹⁰⁾	120.6	132.6	120.1	171.1	148.9	⁽¹⁰⁾	197.5
May.....	⁽¹⁰⁾	120.6	132.9	120.1	169.9	149.6	⁽¹⁰⁾	197.5
June.....	⁽¹⁰⁾	119.9	133.2	120.3	168.7	150.1	168.8	197.5
July.....	⁽¹⁰⁾	119.9	133.5	120.4	167.5	150.8	⁽¹⁰⁾	200.0
August.....	⁽¹⁰⁾	119.9	134.1	120.5	166.3	151.3	⁽¹⁰⁾	200.0
September.....	⁽¹⁰⁾	119.9	134.1	120.5	166.3	152.0	164.2	200.0
October.....	⁽¹⁰⁾	119.9	134.1	121.0	165.1	153.1	⁽¹⁰⁾	202.5
November.....	⁽¹⁰⁾	119.9	134.7	121.0	165.1	153.4	⁽¹⁰⁾	202.5
December.....	⁽¹⁰⁾	119.9	134.9	121.0	165.1	153.9	163.3	202.5
1944: January.....	⁽¹⁰⁾	119.9	135.4	121.0	165.1	154.2	⁽¹⁰⁾	204.2
February.....	⁽¹⁰⁾	119.9	135.7	121.2	165.1	156.4	⁽¹⁰⁾	204.2
March.....	⁽¹⁰⁾	119.9	136.0	121.2	165.1	⁽¹⁰⁾	163.3	204.2
April.....	⁽¹⁰⁾	119.9	136.8	121.3	165.1	⁽¹⁰⁾	⁽¹⁰⁾	205.8
May.....	⁽¹⁰⁾	119.9	137.3	121.4	166.3	⁽¹⁰⁾	⁽¹⁰⁾	205.8
June.....	⁽¹⁰⁾	123.8	137.3	121.4	166.3	⁽¹⁰⁾	163.3	205.8
July.....	⁽¹⁰⁾	123.8	138.0	121.4	166.3	⁽¹⁰⁾	⁽¹⁰⁾	206.7
August.....	⁽¹⁰⁾	111.4	138.0	121.4	166.3	⁽¹⁰⁾	⁽¹⁰⁾	206.7
September.....	⁽¹⁰⁾	111.4	138.5	121.4	166.3	⁽¹⁰⁾	163.3	206.7
October.....	⁽¹⁰⁾	111.4	138.5	121.5	166.3	⁽¹⁰⁾	⁽¹⁰⁾	208.3
November.....	⁽¹⁰⁾	111.4	138.7	121.5	167.5	⁽¹⁰⁾	⁽¹⁰⁾	208.3
December.....	⁽¹⁰⁾	127.4	139.4	121.5	167.5	⁽¹⁰⁾	163.3	208.3
1945: January.....	⁽¹⁰⁾	127.4	139.9	121.7	167.5	⁽¹⁰⁾	⁽¹⁰⁾	209.2
February.....	⁽¹⁰⁾	127.4	140.3	121.6	167.5	⁽¹⁰⁾	⁽¹⁰⁾	209.2
March.....	⁽¹⁰⁾	127.4	140.9	121.6	167.5	⁽¹⁰⁾	163.3	209.2
April.....	⁽¹⁰⁾	127.4	140.9	121.7	167.5	⁽¹⁰⁾	⁽¹⁰⁾	210.8
May.....	⁽¹⁰⁾	127.4	⁽¹⁰⁾	121.9	167.5	⁽¹⁰⁾	⁽¹⁰⁾	210.8
June.....	⁽¹⁰⁾	127.4	⁽¹⁰⁾	122.0	167.5	⁽¹⁰⁾	163.3	210.8
July.....	⁽¹⁰⁾	127.4	⁽¹⁰⁾	122.1	167.5	⁽¹⁰⁾	⁽¹⁰⁾	⁽¹⁰⁾

See footnotes at end of table.

TABLE 6.—Indexes of Clothing Prices in Various Countries, August 1939—July 1945—
Continued

Month	Denmark	Norway	Brazil (Rio de Janeiro)	Mexico (City of Mexico)	Chile (San- tiago)	Bolivia (La Paz)	Iran	China (Chung- king)
Number of items in- cluded ² -----			36	8	5	8		
1939: August-----	¹ 100.0	¹ 100.0	¹¹ 100.0	100.0	100.0	100.0	100.0	¹³ 378.0
December-----	⁷ 107.3	106.1	(¹⁰)	105.0	100.7	109.2	97.0	447.0
1940: August-----	⁸ 145.9	117.2	103.8	116.4	110.7	124.0	109.3	1090.0
1941: January-----	165.1	(¹⁰)	105.8	116.1	129.7	135.6	114.0	1590.0
December-----	(¹⁰)	(¹⁰)	119.2	131.5	154.3	187.0	176.8	3750.0
1942: January-----	(¹⁰)	(¹⁰)	121.5	131.8	157.7	192.1	204.3	4300.0
February-----	(¹⁰)	(¹⁰)	121.5	135.6	166.1	228.4	222.6	4460.0
March-----	(¹⁰)	(¹⁰)	121.5	136.8	171.8	228.4	232.2	5050.0
April-----	174.3	(¹⁰)	121.5	150.3	174.0	228.4	249.6	5490.0
May-----	(¹⁰)	(¹⁰)	121.5	142.6	174.0	228.4	263.3	5780.0
June-----	(¹⁰)	(¹⁰)	121.5	147.1	174.0	228.4	273.8	6430.0
July-----	178.0	(¹⁰)	121.5	148.1	174.1	228.4	275.2	7370.0
August-----	(¹⁰)	(¹⁰)	121.5	147.4	174.1	228.4	280.6	7880.0
September-----	(¹⁰)	(¹⁰)	121.5	151.1	174.1	228.4	292.7	8590.0
October-----	180.7	(¹⁰)	121.5	148.1	174.1	232.2	292.8	8920.0
November-----	(¹⁰)	(¹⁰)	128.8	156.7	184.2	237.7	324.6	9830.0
December-----	(¹⁰)	(¹⁰)	136.5	187.9	184.2	240.8	356.7	0700.0
1943: January-----	184.4	(¹⁰)	148.5	162.0	184.2	242.5	381.6	14700.0
February-----	(¹⁰)	(¹⁰)	148.5	171.3	184.2	277.1	441.7	15300.0
March-----	(¹⁰)	(¹⁰)	148.5	169.4	184.2	277.1	506.5	15700.0
April-----	184.4	(¹⁰)	148.5	178.9	198.4	277.1	580.0	15900.0
May-----	(¹⁰)	(¹⁰)	148.5	190.6	198.4	292.8	626.1	19700.0
June-----	(¹⁰)	(¹⁰)	148.5	191.6	198.4	291.8	614.2	23000.0
July-----	184.4	(¹⁰)	165.0	197.9	198.4	290.8	659.6	25500.0
August-----	(¹⁰)	(¹⁰)	165.0	209.5	198.4	276.4	498.5	29600.0
September-----	(¹⁰)	(¹⁰)	165.0	212.2	198.4	277.4	722.8	29800.0
October-----	185.3	(¹⁰)	165.0	216.4	198.5	278.1	768.7	29800.0
November-----	(¹⁰)	191.3	165.0	217.7	203.3	278.8	786.0	31100.0
December-----	(¹⁰)	191.6	165.0	219.6	203.3	278.8	820.3	33500.0
1944: January-----	185.3	191.9	196.5	221.3	207.4	280.8	823.6	34100.0
February-----	(¹⁰)	192.6	196.5	223.3	207.4	280.8	838.1	39900.0
March-----	(¹⁰)	(¹⁰)	196.5	225.5	207.4	280.8	854.5	46200.0
April-----	185.3	(¹⁰)	196.5	227.2	240.5	280.8	916.4	51900.0
May-----	(¹⁰)	193.2	196.5	229.0	259.0	280.8	963.8	62800.0
June-----	(¹⁰)	193.3	196.5	230.2	259.0	280.8	984.2	73200.0
July-----	(¹⁰)	193.6	216.5	233.6	259.0	280.8	936.8	89500.0
August-----	(¹⁰)	193.7	216.5	235.4	259.0	280.5	977.0	90500.0
September-----	(¹⁰)	(¹⁰)	216.5	237.8	264.1	280.5	984.2	91800.0
October-----	(¹⁰)	(¹⁰)	216.5	239.7	265.7	281.2	868.3	93500.0
November-----	(¹⁰)	(¹⁰)	216.5	242.3	284.7	278.1	733.4	94500.0
December-----	(¹⁰)	196.0	(¹⁰)	244.2	290.3	278.1	(¹⁰)	95900.0
1945: January-----	(¹⁰)	(¹⁰)	(¹⁰)	246.3	294.0	293.8	(¹⁰)	98800.0
February-----	(¹⁰)	(¹⁰)	(¹⁰)	247.4	294.0	293.8	(¹⁰)	133300.0
March-----	(¹⁰)	(¹⁰)	(¹⁰)	247.2	294.0	294.5	(¹⁰)	165300.0
April-----	189.0	(¹⁰)	(¹⁰)	250.1	294.0	302.4	(¹⁰)	182100.0
May-----	(¹⁰)	(¹⁰)	(¹⁰)	250.8	(¹⁰)	(¹⁰)	(¹⁰)	200200.0
June-----	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)
July-----	192.7	195.4	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)	(¹⁰)

¹ For explanation of indexes, see footnote 1, table 1.

² Index includes draperies.

³ The number of items given represents the types of goods and services priced, and not the number of grades or qualities priced for a given item. The entry applies to the most recent date for which information is available.

⁴ The series given represents a combination of indexes with different weighting prepared in different periods of time for overlapping dates.

⁵ July 1939 prices=100.

⁶ Figure relates to November.

⁷ Figure relates to October.

⁸ Figure relates to July.

⁹ Figure relates to February.

¹⁰ Not available.

¹¹ The year 1939=100.

¹² July 1936-June 1937 prices=100.

Price Control and Rationing in Foreign Countries During the War

Summary

When manpower and materials are diverted to war production and shortages develop at the same time that purchasing power is expanding, serious disturbances in the production and distribution of wartime essentials are inevitable unless goods are rationed and their prices controlled. Judging from reports which have come to the United States, some type of price control was in effect in all the countries of the world during the war period, and controls have been continued since the end of the war, because there has not yet been the time or productive capacity to provide enough goods to meet current effective demand. Great Britain has already enacted a law making it possible to maintain economic controls over a 5-year period.

Price-control measures have varied widely from country to country during the war period, depending on the military situation, the extent of dependence on imported goods, the transportation facilities available, and the traditions of the country as to government control.

Most nations had some form of price control by the government in the interwar period. In some, controls were designed only to prevent unfair competition. In some, rents were also regulated because of housing shortages. In certain countries, prices of specific commodities regarded as particularly important to the national economy were subject to government control. In other countries, prices generally were subject to government control before the outbreak of the war—notably in New Zealand, the Union of Soviet Socialist Republics, Norway, Denmark, Switzerland, Mexico, Chile, Italy, Germany, and Japan.

At the outbreak of hostilities, price ceilings for a large number of essential raw materials and consumers' goods were set by some governments immediately. Others, Canada for example, limited price controls in the early part of the war largely to informal agreements with the trade to restrain prices, and did not establish formal controls generally until several months, or even a year or more, after the war began.

In some countries, price ceilings have been set for all goods and services. In others, as for example in the United Kingdom, prices of goods and services which were regarded as essential in wartime were strictly regulated, but no attempt was made to regulate prices of goods which were not considered necessities. It was thought that this procedure insured effective policing of price ceilings for the goods which every family must have, without diverting manpower (needed for war production) to policing prices charged for luxury and semi-luxury goods which it was possible to do without as long as hostilities continued.

Many countries have resorted to subsidies for food and some other necessities either at the producers', the wholesalers', or the retailers'

level to maintain prices at the ceilings fixed, in spite of increased production costs.

Subsidies to producers encouraged the production required at a lower cost to the whole population than would have resulted if primary-market prices had been allowed to rise and distribution charges at each level had been computed on the basis of increased prices. In some cases, subsidies were granted to high-cost producers of war materials who would not have been able to operate under the ceilings set for the industry as a whole. Subsidies were introduced at the wholesalers' or retailers' level when primary-market prices had risen, but the stabilization of prices at retail was regarded as necessary in order to prevent undue increases in living costs.

In the countries which were invaded by the Axis powers, price-control measures have proved largely ineffective because of the extreme shortages caused by the destruction of production equipment and transportation facilities, and the disruption of government administration.

In most countries from which reports are available, certain essential foods were rationed during the war period, and food rationing continues even in countries with export surpluses because of the general shortage of food around the world. The cessation of hostilities has made it possible to increase food rations in some countries recently but in others rations have been decreased. Bad weather in a number of important food-producing countries and the disruption of production caused by the war have combined to keep world food supplies far below prewar levels. Food production in continental Europe and North Africa is estimated as 25 percent below the 1935-39 average in 1944-45. It is clear that large exports from areas having food surpluses will be required to avert general disaster. Production in Occupied China, the Philippines, Siam, French Indo-China, and Japan was also below the prewar average this year, and the food situation in East Asia is serious.

In most countries certain essential articles of clothing were rationed during the war period and in some countries, rationing covered clothing of all types and housefurnishings. In addition, tires and gasoline were rationed in many areas and other essential consumer goods were allocated only to persons who had lost their possessions as a result of enemy action.

New Zealand

Price control was in effect in New Zealand before the European war. Under the Prevention of Profiteering Act of 1936, prices were not to be raised above those in effect on June 1, 1936, unless the increases were "reasonable." The Primary Products Marketing Act of 1936 provided for the fixing of prices of butter, cheese, eggs, fruit and honey, hops, and potatoes. Maximum prices were set for a wide variety of foods which the Government marketed at wholesale. Certain categories of rent were regulated under the Fair Rents Act of June 1936. These measures continued in effect during the war, in addition to the specifically wartime controls.

Immediately following the outbreak of war, prices were frozen at the September 1, 1939, level. However, within a few weeks, the Price Tribunal was authorized to grant increases for goods with in-

creased costs, though the seller might be required to absorb part or all of the increases when gross profits seemed high; replacement costs were not included in computing permitted price increases. In August 1941, it was announced that the retail prices of 38 essential commodities were to be stabilized at the September 1, 1941, level, using standardization, improvements in the organization of production, and subsidies where necessary; the commodities included food-stuffs, New Zealand-made clothing and footwear, streetcar fares, and fuel and light. No increases in these commodities were to be permitted by the Price Tribunal, which continued to hear applications for price increases, even for stabilized items, and to recommend methods of stabilizing prices, when increased costs could not be absorbed. The policy was one of stabilizing the price of each item separately. Rationing was applied in April 1942 and was extended as shortages developed, covering meat, sugar, butter, tea, clothing, footwear, etc.

By November 1942, the retail-price index was 14.3 percent higher than in August 1939, and in December 1942 regulations were issued promulgating a new stabilization policy. In order to provide the Government with a more effective check on price trends than had been available hitherto, a new wartime index of retail prices was prepared. It covered a broader range of commodities and services than the earlier index and included all items which were regarded as essential to a wartime standard of living and which the Government intended to control. Instead of trying to stabilize the price of each item separately, however, the Government aimed at stabilizing the wartime index. Thus, increases in some prices might be offset by reductions in others. Rents other than those of dwelling houses, which were covered by the Fair Rents Act, were fixed at the rent payable on September 1, 1942, although a "fair rent" above that amount could be determined. Subsidies were utilized extensively, totaling 3.5 million pounds in 1943-44, and being estimated at 5.4 million pounds for 1944-45; items subsidized included sugar, wheat, hides, etc.

Australia

Price control became effective in Australia in October 1939, under an order providing that certain products should not sell at higher levels than on August 31, 1939, unless it could be shown that unavoidable increases in costs had occurred. This order was superseded by the National Security (Price) Regulations of 1940, which prohibited any unauthorized increases in wholesale or retail prices. At first, allowance was also made for maintaining a constant ratio between profits and costs, but in April 1942 it was decided that the total profits of any business should not exceed those of April 15, 1942, assuming the same volume of business and notwithstanding any rise in the value of sales resulting from higher costs. Rent restrictions were instituted early in the war and differed in form, depending upon the tenants and kind of property. In general, increases were made contingent on obtaining official permission.

On April 12, 1943, rigid general ceiling prices were introduced, the maximum being fixed at the levels current on that date. All commodities on the civilian market were subjected to stabilization, it being the deliberate public policy to include goods outside the coverage of the official price index. To maintain the ceilings, the Government

subsidized producers and traders for any advances occurring after the price freeze. The subsidy even extended to wage increases. During 1943-44, the total cost of the subsidy was 7 million pounds, and in 1944-45 it was 12 million pounds. Items that bulked large in the respective totals were tea, potatoes, milk, firewood, essential imports (particularly textiles), and wage increases. Essential consumer goods gradually brought under consumer rationing were clothing, footwear, certain household drapery goods, butter, tea, sugar, gasoline, and meat. Many additional items were rationed at the source, by the restriction of supplies of raw materials and labor. From the date of the stabilization program (that is from the end of the March quarter of 1943) to the first quarter of 1945, the price index for all household commodities remained constant.

*Canada*⁴

On September 3, 1939, Canada established control of the supply and prices of the "necessaries of life." In addition, prices of specifically war materials were controlled. During the following 2 years, control consisted largely of informal agreements with the trade, to restrain prices; efforts to increase supplies; and a few formal price controls during emergencies only (wool, sugar, and butter). Control of housing rentals was established in September 1940, and certain areas were put under formal price-control orders.

In the fall of 1941, prices advanced more rapidly and increases were more widespread than during the previous 2 years. Accordingly, a general price ceiling was announced in October 1941, centralizing regulation of all prices of goods and of certain services—at all levels of distribution—under the jurisdiction of the Wartime Prices and Trade Board, and freezing prices of most of them at the highest prices charged in the period September 15 to October 11, 1941. Certain exceptions were made, such as sales by the primary producer of a wide range of foods, but even in these cases prices could not be more than "reasonable or just." Rent control was extended to include all except farm land, and maximum rental for those properties not already controlled was established at the rate in effect on October 11, 1941. Consumer rationing on a relatively very limited scale was adopted for some products, such as several foods (sugar, butter, preserves, and meat, formerly also tea and coffee), tires, and gasoline. Subsidies were used freely, as well as remission of duties and bulk purchasing for resale, any losses being absorbed by the Government. Subsidies were restricted to essential consumer goods; they were utilized for many foods, such as tea, rice, oranges, butter, milk, groceries, and canned fruits and vegetables, and for coal, petroleum and its products, fertilizers and chemicals, raw cotton and wool and their products, raw hides and skins and their products, lumber, footwear, woodenware, and other products. In the first 6 months after December 1941, the amount paid in subsidies amounted to 4 million dollars; for the period between December 1, 1941, and December 31, 1944, expenditures totaled 230.8 million dollars (including direct subsidies and trading losses of four administrative agencies). As a result of the measures, the cost-of-living index for Canadian cities rose only 2.8 percent from October 1941 to April 1945.

⁴ See Price Control in Canada, in *Monthly Labor Review*, August 1945 (p. 243).

United Kingdom

Responsibility for the public control of prices of raw materials and of food was assumed by the British Government at the outset of hostilities in 1939; other goods bought by consumers were soon controlled; and rents had been regulated since 1915. The State became the sole importer and sole buyer of many raw materials, but followed the policy of permitting the preexisting wholesale and retail distributive system to be maintained by allowing all reasonably efficient traders to continue in business. On the consumer side, pressure on supplies was checked by the early introduction of rationing, which started with bacon, ham, butter, and sugar, and was gradually extended to most of the scarce foods and to clothing, and by the introduction of utility goods designed to meet essential needs in the most economical manner.

Living costs mounted rapidly during the first 4 months of the war, when prices of consumer goods other than food were still uncontrolled. Chief causes of the rise were the depreciation of the pound sterling, rising prices in the countries from which goods were imported, and sharp advances in shipping costs. Subsequently, shipping costs and insurance rates continued to increase.

Under the Prices of Goods Act, which was enacted in 1939 and became operative on January 1, 1940, the Board of Trade was empowered to freeze the price of any goods at the level prevailing on August 21, 1939, subject to adjustment for changes in costs. Permitted changes in prices were limited to those "reasonably justified in view of changes in the business," and this provision was interpreted to cover only the amount of increased cost, leaving the profit margin at the same money level and not permitting a percentage rise. The net result of the interplay of pressure on prices and of controls was that the official cost-of-living index increased by 28 percent between September 1, 1939, and April 1, 1941.

Beginning in the latter month, the Government successfully undertook to stabilize consumer prices, as measured by the official cost-of-living index, at not more than 30 percent above the prewar level. Under the Goods and Services (Price Control) Act, effective July 22, 1941, the Board of Trade was empowered to fix maximum price orders covering any stage of production or consumption and not merely to freeze prices as had been provided by the 1939 price law. Another important factor in stabilization was the doubling of subsidies in 1941 as compared with 1940. Initially, subsidies had been placed on flour, bread, meat, bacon, and milk, and were later extended to other commodities. Estimated expenditures by way of subsidy in 1945 total 225 million pounds, of which 65 million pounds are for bread, flour, and oatmeal, 26 million for bacon and other meat, 40 million for milk, cheese, and eggs, 17 million for sugar, 3 million for tea, 28 million for potatoes, and 46 million pounds for other commodities. The amounts spent annually for subsidies from 1938 through 1945 are shown in the accompanying statement.

1938.....	£15, 000, 000	1942.....	£175, 000, 000
1939.....	20, 000, 000	1943.....	190, 000, 000
1940.....	70, 000, 000	1944.....	220, 000, 000
1941.....	140, 000, 000	1945.....	¹ 225, 000, 000

¹ Estimated.

In the budget statement of April 1944, the Chancellor of the Exchequer stated that it might be necessary to allow the cost-of-living index to rise 35 percent from the prewar level instead of 30 percent. However, by July 1, 1945, the index, having reached its maximum in World War II, was 33.5 percent higher than at the outbreak of war in Europe.

Union of Soviet Socialist Republics

The Soviet civilian supply of foods and goods was seriously cut by the German invasion in June 1941 and the continued demands of the Soviet armed forces. So grave was the situation that rationing was introduced in July 1941, after a period of about 6 years of nonrationing. For purposes of rationing, the civilian urban population was divided into the following five categories, in descending order of size of rations received: (1) Manual workers in war industries, (2) other manual workers, (3) white-collar workers, (4) dependents over 12 years of age, and (5) children under 12. For example, in 1942 bread (the principal item of food) was rationed daily to the five population categories as follows: Those in class 1 received 28 ounces; those in class 2, 21 ounces; those in class 3, 18 ounces; and those in classes 4 and 5, 14 ounces. The customary wartime diet of the Soviet worker included cabbage and potatoes, in addition to bread. Very little meat, if any, was available to civilians during the war period.

In March 1943, the bread ration for manual workers in war industries was reduced to 25 ounces, but miners and workers performing extra-heavy work were entitled to a special ration of 35 ounces of bread a day. In addition, workers fulfilling or exceeding their production quotas received supplemental food rations. Such workers also had priority in purchasing goods that were too scarce for general rationing. Price fixing was essential in carrying on the distribution of the rationed foods and goods, and prices were frozen during the war period. The consumer, moreover, could buy his rations only at the store where he was registered.

Civilians could supplement their food rations by planting individual gardens (in 1944, some 16.5 million workers had done this) and by buying on the inflated-price free market or, after April 1944, in special Government-controlled stores.

In contrast to the "frozen" prices of rationed foods and goods, prices on the free market in the Soviet Union are uncontrolled. Prices of certain commodities on the free market and in the special Government stores selling foods and goods on a nonrationed basis are available for certain dates. In Moscow, in April 1944, the uncontrolled prices on the free market were about 30 to 40 times higher than the prices that the Government asked for corresponding foods that were rationed. This indicated a steep wartime rise in prices on the free market, for in January 1940 free-market prices of meats and eggs in Moscow were only half again as high as the fixed prices in Government stores; the price of milk was 1½ times higher; the price of potatoes proved to be the exception by being 12 times higher. The free market is supplied by collective farmers who want to sell or barter any of their share of the collective-farm produce or of the products from their own gardens. Free-market prices vary from city to city and are progressively higher east of Moscow; in the summer of 1943 free-market prices on the Siberian coast were on the average about twice

as high as Moscow prices. In evaluating these figures, it is important to remember that only a very small part of the goods produced in Russia is sold on the free market. Most of the goods produced are rationed and sold at ceiling prices. Goods sold on the free market are those for which production quotas were not established in plans for the year.

The establishment, in several large cities in mid-April 1944, of special Government-controlled department stores, food shops, and restaurants served to stabilize or reduce prices on the free market. The Government made available some foods and other goods on a nonrationed basis, at prices approximating or lower than those on the free market. Factory workers were allowed a 10-percent discount, Government employees a 20-percent discount, and heroes of the Soviet Union and other distinguished citizens a 40-percent discount. As a result of this Government action, it was reported that by August-September 1944 prices on the free market, as compared with prices of a year before, had decreased as follows: Meats, 66.7 percent; milk, 70 percent; potatoes, 28.6 percent; onions, 40 percent; cucumbers, 75 percent; and carrots, 50 percent. According to *Izvestia* (December 21, 1944), the opening of these special Government-controlled stores indicates the stimulation of war-interrupted production in the textile, shoe, haberdashery, perfumery, pastry, and other consumer-goods industries.

France

On September 1, 1939, a decree law was passed in France providing for strict limitation of the profits of private enterprise working in the interest of the nation. Similar restrictions were placed on the profits of other enterprises by a decree of September 9. A price-stabilization law followed on October 21, 1940, after the country had been occupied by the enemy. The price structure was then geared to German economic policy. Large proportions of the goods produced in France during the German occupation were shipped into Germany. On liberation, the returning French Government undertook to retain the price-fixing system, with modifications designed to make the arrangements more equitable, but the machinery did not operate successfully. Price rises continued, owing to shortages of supplies, inadequate transportation, wage increases, hoarding, and inability to enforce the price controls. The continuance of rationing of most essential food and clothing items and Government subsidies on food products and basic industrial products to a total of 40 billion francs (for an unstated period) were ineffective in halting either the price rise or the black market.

In an effort to avoid placing a heavy burden on future generations by reason of subsidies, the Government determined to pursue a changed policy in the spring of 1945. This program was presented by the Minister of Finance and National Economy, who stated that effective stabilization of prices and salaries would require courageous measures, that is, the absorption into prices of certain costs such as wage increases already granted (and a fraction of certain others) and the full cost of fuel and raw materials, including the payment of costs of wheat for bread that was formerly subsidized from public funds. Once these and other adjustments were made, enterprises would be expected to meet their own price problems by recourse to economies and by in-

creasing production; wages would be stabilized. Rents were to remain frozen for workers' dwellings throughout 1945. Regarding agricultural prices, some upward adjustment was considered to be warranted on livestock, and a bonus was believed to be in the interest of insuring an increase in milk production during the winter of 1945-46. For the Government's part, it would exchange old bank notes for a new issue and would control credit.

For the 1945 growing season, the French Government removed fresh fruit and vegetables from price control and undertook to establish retail "token" shops in Paris and other major cities in which such products were to be sold at fair prices. It was hoped that such shops would operate to drive the regular distributors' prices down to a fair level.

Italy

Fascist Italy.—The first central price committee in Italy was initiated by the Fascist Government in Italy in 1935, and soon after the outbreak of war in Europe the Government adopted rationing for individual consumers. Beginning in July 1941, food prices were regulated by a committee attached to the national directorate of the Fascist Party, and rationing was extended. Nevertheless, prices rose rapidly.

The cost-of-living index for 50 Italian cities, which stood at 77.5 in 1935 (1928=100), reached 99.1 in 1938 and 102 in 1939. During the same periods, the food index rose from 72.8 to 93.0 and to 96.0. By June 1942 (the latest date for which this series is available) these indexes (1929=100) had risen to 162 and 172, respectively.

Liberated Italy.—For the period of Allied-Italian control over liberated Italy, as well as the latter part of the Fascist regime, neither satisfactory indexes nor price lists are available. In March 1944, the Allied authorities froze prices of a number of foods, daily necessities, and public utilities and an Allied Military Government decree required the posting of fixed price lists twice a month. The compulsory collection of grain, oil, livestock, and other commodities was continued. Fertilizers, important raw materials, etc., were allocated by the Allied authorities.

Coupon rationing was complicated by problems of transportation as well as of supply from Italian and Allied sources. A High Food Commissioner of the Italian Government, with power to fix prices, control supply and distribution, and requisition supplies, collaborated with the Allies in establishing ration scales, which varied for different categories of consumers. Until March 1945, Government subsidy kept the price of bread down to 5 lire per kilogram, but at a cost of some 10 billion lire annually. The system of price control and rationing was extended as the area of liberated Italy grew.

Increases in wages and cost of living and family allowances and increases in prices operated in a cycle, while compulsory pooling of agricultural supplies became more ineffective and the quantity of lire in circulation (14 times as great in early 1945 as in 1938) expanded. A cost-of-living index (November 1940=100) for Rome (from the Rome Chamber of Labor) stood at 400 in November 1943 and 1070 in December 1944. An index of the monthly cost of a food budget, providing 2,200 calories daily for a family of 3.9 consuming units (based upon data from the Central Statistical Institute and the Allied

Labor Subcommittee, with 1938=100), reached 100.9 in 1939, 134.4 in 1941, 544.8 in 1943, and 2229.4 in November 1944.

The black market operated openly, providing a market for those sellers who did not wish to take Government prices in the pools (*ammassi centrali*) and a source of supply for those buyers who could afford to supplement their rations. The Labor Subcommittee estimated that of a food budget of 171.8 kilograms, 39.0 percent was obtainable by ration card and 61.0 percent only on the black market in September 1942, and 23.4 and 26.2 percent by ration card and 76.6 and 73.8 percent on the black market in September of 1943 and 1944, respectively. In March 1945 about one-twelfth of the theoretical budget of a family of five, providing 2,200 calories daily per consuming unit, could be obtained by ration card; the remainder would have to come from other sources—obviously the black market.

The Italian rationing authorities, in collaboration with the Allied Commission, established different categories of consumers, whose rations differed in quantity and kind. Children and the aged, for example, were entitled to a larger sugar ration, and expectant and nursing mothers were entitled to an extra milk ration. The actual distribution of supplementary foods to persons in need has been irregular, however, and uncertain. The daily ration, in ounces, of the two major foods for the principal categories of the population, was as follows:

	<i>Bread</i> (ounces)	<i>Spaghetti</i> (ounces)
Allied diplomats.....	17.64	7.05
Policemen and other public security officers.....	14.99	3.00
Merchant seamen.....	14.99	3.00
Hospital patients.....	12.35	3.53
Refugees in camps.....	10.58	3.53
Civil prisoners.....	8.82	2.82
Italian army inductees.....	8.82	2.82
Italian civilians.....	7.05	2.82

Some suggestion of how present food shortages are affecting the Italian people is provided by recent data on mortality rates. In 1944 the death rate in Rome was approximately 50 percent greater than in 1937 and it exceeded the birth rate for the first time since the epidemic of 1918. The largest number of deaths was attributed to "heart failure," and the second largest to tuberculosis. The infant mortality rate is reported to be approximately 50 percent; and the press states that in one foundling home 40 percent of the children are dying of malnutrition.

Norway

In the interwar period, control of certain prices in Norway was vested in a Cartel Control Board. Price controls initiated in September 1939 were therefore merely an enlargement of regulations already in operation.

In September 1940, after the German occupation of the country, a Price Directorate was established by the Quisling Government which set prices and rations and had extensive powers to investigate the records of producers and distributors and to fine or imprison persons who violated its decrees. There was an extensive black market, as the Norwegians regarded black-market purchases as a means of hampering the German administration. Black-market prices are not reflected in the official statistics.

Industrial materials, foodstuffs and other consumer goods, transportation, and use of communications facilities were rationed. Meat was available to the general public only on certain holidays; although some persons in the employ of the German Government had almost half a pound a week, the average person received only about 2 pounds a year. Whole milk was generally reserved for children; adults had rations of skimmed milk. Vegetable rations fluctuated with supply. Wheat, rye, and potato flour, bread, and cakes constituted a single ration unit and consumers distributed their purchases among these items as they saw fit. Clothes were rationed on a point system.

Raw materials were allocated to manufacturers on a quota basis. During the occupation, the first consideration in making allocations was to supply producers of goods ordered by the German Government.

At the time of the liberation, it was decided that the continuance of controls of prices and wages and rationing would be necessary for a while because of shortages of goods of all kinds. In a statement of June 9, 1945, in the *Arbeiderbladet*, the Price Director of the free Norwegian Government pointed out that, with the amount of currency in circulation and the short supplies, the danger of inflation was imminent. He stated that the new decree on controls was "only of a temporary and extraordinary character," and that it was desirable that the Storting consider this entire matter as soon as possible.

Denmark

Price control over certain goods which enter into foreign trade was established in Denmark in 1937. Ceiling prices, established by the Germans the day after the occupation, were soon ineffective owing to the withdrawal of ceiling prices on agricultural products and inclusion of the increased cost of production in the prices of other commodities. The laws of May 30, 1940, supplemented by the law of November 22, 1941, however, strengthened the controls.

In view of German dependence on Denmark as a source of food supply, prices paid for agricultural products were allowed to rise rapidly between August 1939 and April 1940. Thereafter, subsidies were granted to producers to keep down the prices of staple goods. In 1942-43 these, together with direct rebates on food and clothing to needy consumers, amounted to 158 million crowns. The black market was relatively inactive.

Sweden

Sweden's economic life was practically untouched during the first 6 months of the war, thus permitting the testing of the emergency system before it was put into full operation after the blockade of April 1940. The State Food Commission was established in October 1939, the official Fuel Commission in July 1940, and the State Price Control Board in June 1941. Rationing of food and fuel was instituted as necessary to prevent shortages and hoarding, and subsidies were maintained on the most important foodstuffs. By the beginning of the fourth year of war (September 1942), because of the blockade and the very poor harvests of 1940 and 1941, it was necessary to ration foods representing 70 percent of Sweden's total food consumption. Milk and fish are the only important foods which have

been unrationed. Clothing was rationed from December 30, 1941, and shoes from May 1943.

Poland

In the summer of 1941, after the Russian retreat, all of prewar Poland came under German control, and strict price control, wage control, and rationing were instituted. The industrial parts of western and northwestern Poland, with about 10 million people, were incorporated into the German Reich, and prices, wages, and rationing conformed to the system for Germany. In the remaining territory of Poland, prices, wages, and rations were also strictly regulated. However, non-Germans received lower wages and lower rations; Poles received rations which constituted only about half the normal requirements for health, and Jews were entitled to only about half the inadequate rations received by other Polish citizens. As a result of the low rations, black-market prices are reported to have risen to 500 percent of 1939 prices by 1941, and subsequently became much higher still. In 1942, when the food situation was the worst, actual famine occurred in many localities. The food situation became less critical by the autumn of 1943. On October 1, 1944, the Polish Committee of National Liberation introduced a ration-card system in liberated Polish territory, providing for larger and more adequate rations of food and other consumer goods at prices fixed by the State.

Switzerland

As the Swiss Price Control Office was established as early as 1932, Switzerland at the outbreak of the war had an experienced agency to cope with emergencies. Its chief weapon was the right to enforce price ceilings. Another Government measure was the establishment of a fund from which profits on similar articles could be equalized. Under the 1932 laws, a grain reserve had been accumulated, which at the outbreak of the war totaled 80,000 metric tons. Bread was not rationed during the first 3 years of war; thereafter a ration of 7.9 ounces per day was set, which was increased during the fifth war year to 8.8 ounces. Government subsidy kept down the price of the bread. Rationing in 1944 included all staple foods except fruits and vegetables. Switzerland was forced to rely almost exclusively on German coal throughout the war, and the prices rose 80 to 90 percent during the first war years.

Egypt

Maximum prices of some foods were fixed in 1940 and the system was extended in 1941 to include cereals, flour, bread, and later rice and rice flour. Eventually the Government became the sole buyer of the wheat and corn and other essential food crops. Rents were frozen at 12 percent above the April 1, 1941, level. Control to prevent war profiteering began early in the war, and decrees of 1943 regulated sales of retailers, wholesalers, and manufacturers and limited commercial profits. In spite of these and other devices, the wholesale price index (1935=100) stood at 322 in February 1945, and the cost-of-living index (June, July, and August 1939=100) at 294. In Egypt, as in other countries of the Middle East, production and import

control was carried on in cooperation with the Middle East Supply Center—a British and American war agency.

Iran

A Price Stabilization Section was created in the Ministry of Finance in Iran, and it acted with the Middle East Supply Center in allotting import quotas for Iran. The Finance Ministry controlled the licensing of private dealers, the distribution of rationed and unrationed goods, and the Government stores. Although the Government placed sugar, cotton piece goods, tea, wheat, and other items under Government monopoly, the distribution of the available supplies in the Provinces was difficult.

Palestine

The Government of Palestine adopted price fixing as early as 1940, and maximum-price orders were issued from time to time for milk and other dairy products, meat, and various vegetables. The Government also subsidized wheat, flour, and millet, and assumed control of imported wheat and flour. Certain foods (meat, bread, sugar, vegetable oil, cocoa, etc.) were rationed by a point system in urban areas and by allocation in villages and semi-urban areas (the source of supply to retailers being under Government control). These measures were accompanied by others which limited the amount of currency in circulation (increased income and land taxes and the sale of defense bonds).

Mexico

Price control was established in Mexico by a decree of June 25, 1937. This measure gave the Department of National Economy control over the production, distribution, and prices of all commodities regarded as of fundamental importance. Prices continued to rise, however, and in July 1938 a Federal Regulatory Committee of the Food Market was authorized to fix and to advertise the prices at which specified food products were to be sold to producers and to consumers. The organization was also empowered to purchase and to import wheat, rice, and corn for the purpose of lowering prices. The committee's chief function proved to be the importation of wheat and lard to meet a serious national deficit.

In 1939, the Government opened a number of retail stores to sell staple commodities such as rice, flour, corn, and sugar, and price ceilings were established for these commodities. In addition, legislation provided for export control of goods needed in Mexico.

The Federal Regulatory Committee of the Food Market was dissolved when a decree of May 3, 1941, established the National Distribution and Regulating Company ("Reguladora") under the Ministry of National Economy. The new agency was "to regulate the prices of commodities of prime necessity, or of those which serve as raw materials in the manufacture of products of that nature, and to assure fair prices to the producers and consumers." Later (April 23, 1942), Reguladora was directed to purchase the total production of certain vital foodstuffs, and to sell them directly to merchants "in order to prevent speculation and profiteering." Acting upon that

authority, Reguladora in 1942 intervened directly in the Mexican market and bought and sold 60 percent of the rice, about 85 percent of the lard, and from 60 to 70 percent of the corn consumed in the country.

In the meantime, the Secretary of National Economy was given the power to compel all persons holding large stocks of certain important items to put them on sale at prices not in excess of the legal maximum. Merchants were ordered to display a list of prices of all the articles named and a decree of April 13, 1942, required a monthly declaration of stocks on hand of articles of prime necessity by all farmers, merchants, and shop owners with a capital of more than 10,000 pesos, engaged in buying and selling one or more articles of food considered as of prime necessity, to register in the Department of National Economy, and thereafter to make weekly declarations concerning their stocks of such items.

Further intervention in marketing operations was sanctioned by a decree published March 2, 1943. This measure authorized the establishment of a Consortium by Reguladora and three other Government agencies—the National Bank of Agricultural Credit, the National Bank of Ejidal Credit, and the Importing & Exporting Co. In order to maintain price stability, protect producers and consumers, and prevent speculation, the Consortium was empowered to acquire rice, beans, corn, and wheat at fair prices. It was also given the control of exports.

Absolute control over the prices and transportation of foodstuffs was established by an executive decree promulgated May 18, 1943.

The price-control machinery was reorganized in February 1944 when a presidential decree abolished the Consortium and transferred Reguladora and the price-control activities to the Ministry of Finance. Since that time, emphasis has been placed upon increasing the production of foodstuffs by the extension of credit to producers and by giving Reguladora authority to enter any market and control it to the extent needed. Probably the most effective price-control measures have been Reguladora's imports of large quantities of basic food items, thereby increasing available supplies.

Despite the efforts of the Government to control them, prices and the cost of living have risen almost continuously in recent years.

An exception to this general statement as to price-control measures has been the price ceilings for pharmaceutical products, established by the Ministry of Public Health since July 1942. These ceilings are said to have been generally well observed, having had the backing of public opinion as well as active enforcement by Public Health inspectors. Aside from import control of commodities allocated to Mexico by the United States, designed to complement the United States allocation and export-control system, Mexico has not resorted to rationing, except for rubber, rubber products, and cement.

Brazil

Under the Coordinator of Economic Mobilization, who was appointed in September 1942, municipal price commissions were created in Brazil on January 10, 1943. Temporary price ceilings were established for foodstuffs and basic commodities, at the levels of December 1, 1942, and the commissions were directed to ascertain what prices

were charged on that date by producers and wholesale and retail dealers. By that time, the cost-of-living index for Rio de Janeiro had risen 23 percent above its August 1939 level. The price commissions were authorized to publish and enforce the observance of maximum prices set for foodstuffs and "commercial" products of necessity to the less-privileged classes.

Subsequent orders of the Coordinator fixed prices of all merchandise for which ceilings had not been issued earlier, froze transportation rates at November 10, 1943, levels, prohibited profits greater than 10 percent on certain articles, and established the conditions of their sale. Nevertheless, the Rio de Janeiro cost-of-living index rose almost 27 percent between January 1942 and May 1944. In that month the Coordinator placed prices for 10 articles under the control of the Federal Government, assumed control of export permits, and announced plans for further price-control measures. The Rio de Janeiro index continued to rise, however, through March 1945, the latest date for which the series is available in Washington.

In May 1945, a plan was announced to abolish the Office of the Coordinator of Economic Mobilization and to transfer most of its functions to other Government agencies.

Bolivia

Price control in Bolivia developed from governmental efforts to check speculation in the distribution and sale of imported foods and commodities. The nation is largely dependent upon other countries for its supplies of food and most other consumer goods, and the inadequacy of transportation and distribution facilities encourages speculation. Until June 1941, Government regulation of prices in Bolivia was carried out under the direction of the Ministry of National Economy through the powers granted by a law of 1938 intended to prevent speculation. The Minister, however, exercised his price-control function directly only in La Paz; in the Departments, prices were fixed by price-regulation committees under his supervision and with his approval. These committees were composed of the Prefect of the Department, an agent of the Central Bank, and the local inspector of commerce and industry. Prices were determined on the basis of cost, plus profit and overhead.

The Ministry of National Economy was also given the authority, on June 21, 1941, to regulate prices of imported articles of subsistence and of articles of national production. A decree of September 17, 1941, governing the prices of all commodities, established 5 categories of merchandise—live animals, articles of subsistence, raw materials, manufactured articles, and gold and silver. On these 5 groups, the decree set profit and overhead percentages which varied according to two factors—the type of merchandise, and the activity of the merchant (i. e. whether importer, wholesaler, or retailer). The decree also required merchants to display price lists and use price tags on articles for which prices had been fixed. No general price ceilings were established and there was no general rationing system.

In May 1943, the Office of Price Control was established under the supervision of the Ministry of National Economy. The Office was authorized to establish and maintain fixed prices for all articles of consumption, services, and rents; to ration articles subject to import

quotas; and to act as a court in hearing charges of violations of its price-control regulations. Each Department was to have a price administrator and a price-control council, and within the Departments, each Territory was to have a price-control council. The Office of Price Control was empowered to use the services of the inspectors of commerce and industry who previously had been assisting in the enforcement of price-control measures in the various Departments.

Within a year of its establishment, the Office of Price Control was abolished (April 30, 1944). Control of prices for farm products and foods of prime necessity reverted to the municipalities, with the Ministry of National Economy continuing its former functions with regard to price control.

Chile

The 1932 law providing for the Chilean Commissariat General of Subsistence and Prices did not go into effect until July 1939. Since that date, broad powers have been granted to the Commissariat. In 1942, it was further strengthened by a budget appropriation, instead of having to rely upon income from fines imposed. Even before the war, the Commissariat had the authority to control prices, take measures to prevent hoarding and speculation, designate commodities as "articles of prime necessity," and subject the industries concerned to regulation with regard to manufacture, imports, exports, distribution, transportation, quality, weight, and measurement. In the exercise of these powers numerous decrees were issued, fixing prices and regulating trade in a variety of articles of common consumption, including rice, potatoes, coal, sugar, alcohol, candles, shoes, beans, and wheat.

After the outbreak of the war, the Commissariat was assigned the control of wartime prices and the rationing of specified vital commodities. It imposed a general prohibition against retail prices higher than those prevailing on August 25, 1939, and regulated wholesale prices also when necessary. Acute shortages of numerous articles were met by price controls and regulations governing distribution and consumption. Representative articles thus controlled were aluminum ingots, matches, tin plate, iron products, tires and inner tubes, paper products, sewing machines, sacking and jute, and electrical supplies. Control over the price of wheat and wheat products was vested in the Agricultural Export Board.

The status of the Commissariat was changed by the Economic Law of December 1943, which placed the Commissariat under the President; control of prices in each commune was vested in Vigilance Committees composed of 5 members designated by the Intendant of the respective Province from the citizens of the place. The members of the Vigilance Committees were to serve for 1 year, were available for reappointment, and were to serve without pay.

The Commissariat has continued to function as an executive agency under the President. During the first quarter of 1945, the majority of price-control decrees published by that agency established higher wholesale and/or retail ceiling prices for foodstuffs, agricultural products, and certain industrial commodities. Such increases were only partly reflected in the official cost-of-living index for Santiago, since it includes relatively few fabricated goods. Two other decrees provided for submission of financial statements or balances and stock

declarations to the Commissariat General by all individuals or firms possessing articles of prime necessity or of habitual use or consumption.

It is difficult to assess the effectiveness of the price-control activities of the Commissariat because there is no price index with a commodity or geographic coverage extensive enough to reflect the total situation. Recent reports indicate that, despite the existence of ceiling prices, there is a strong tendency toward increases in the prices of staple foodstuffs.

Argentina

Price control in Argentina was initiated by law No. 12,591 of September 8, 1939, which froze maximum retail prices of articles of prime necessity at the level of the first 15 days of August of that year, and authorized the executive branch of the Government to determine and enforce maximum prices to be charged by factories, wholesale dealers, and importers. Reduction of wages or salaries because of price fixing was prohibited under this law. Commodities such as food, clothing, household goods, construction materials, and equipment for lighting, heating, and sanitation were declared to be subject to regulation or expropriation. At about the same time, Government price guaranties for wheat and linseed were abolished. No general system of rationing has been organized; however, from time to time various agencies have been created or designated to supervise the distribution of scarce materials.

China

Controls of production, transportation, and sales of essential commodities were introduced by the Chinese Government under the regulation of 1937, which governed wartime control of agriculture, mining, and commerce. In an effort to control the price and distribution situation in China, the Executive Yuan subsequently established controls over strategic raw materials, coal, iron and steel, alcohol, cotton, and rice. A system of incentive prices for coal was initiated on August 1, 1945. Although price controls are national in scope, they have been administered locally, and have affected the conditions in the large cities primarily. Such controls have been more effective for manufactured products than for farm commodities. However, ceiling prices on manufactured goods vary between localities, owing to differing production costs.

Price subsidies take different forms. The Chinese Government has a monopoly on all salt produced, and fixes the price. It buys cooking fats and may sell them below cost. Rice, cotton, and wheat are accepted in payment of taxes and, in addition, producers are required to lend or sell part of the rice crop to the Government at fixed prices. These commodities may be sold in the cities or supplied, as wages in kind, to Government employees, teachers and workers in Government factories, and in factories working on Government orders; these groups include most of the industrial wage earners in free China. In the last year, supplies of the blue cotton cloth which is so important to the Chinese worker and his family have not been large enough to give rations to the entire population, and tickets entitling the holder to buy such cloth have been distributed from time to time by lot. Such rationing as exists is for city populations. Each individual

registers with a single cooperative and must purchase his rationed articles from that source.

The great difficulties under which the Chinese Government has been operating during the war period are well known. Measures intended to control prices have been hampered by the fact that the major part of the war expenses of the Chinese Government has been met by borrowing from the banks, which in turn have issued currency against credits given the Government.

The rise in prices has led to hoarding of commodities in anticipation of future price increases and to the purchase of foreign currencies by persons who anticipate returning to occupied China after the war and who wish to have foreign balances to buy production equipment for the replacement of machinery destroyed by the Japanese. The Government has met especial difficulty in increasing the available supplies of agricultural products, because of the traditional attitudes of the Chinese farmers who have not been accustomed to Government controls and usually sell only enough produce to finance their needs for clothing and salt. In a period of inflation, they tend to withhold their products from the market in anticipation of higher prices later.

Germany

Price control, introduced toward the end of 1936 in Germany, was based on the prices prevailing on October 16, 1936, and was rigorously enforced throughout the war. Certain adjustments to wartime conditions were reflected in the relatively slight wartime rise in the official cost-of-living index. Penalties for the violation of price regulations were severe and speedy, even in the early period of the war; for example, in March 1941 alone, no fewer than 3,975 Berlin shopkeepers were convicted of violating price regulations. However, ways were found to circumvent price control, mainly by barter which the State-controlled press in 1942 called "Public Concern No. 1." Allied bombings and the German mobilization of manpower for the armed forces caused an increasing shortage in consumer goods and in price-control enforcement personnel. In April 1943, the *Frankfurter Zeitung* admitted that price control had become more difficult for these reasons. The effect of the bombings was so great that, at the beginning of 1944, over 26 million people in Germany were reported by the German Labor Front as being fed in communal feeding centers; subsequently, this number increased. Contributing greatly to the maintenance of the food situation in Germany before the last year of the war was the importation of animal products from the occupied countries. Because of this, the consumers' level of living in Germany was higher than that of any other belligerent European State, with the possible exception of the United Kingdom. The German food situation became really serious toward the end of 1944, when the first cut in food rations to consumers was made. Other cuts followed in 1945, and the rationing system broke down completely after the capitulation of the country to the Allied Nations.

Japan

When increased industrial expansion began in Japan about the time of the "China incident" of 1937, the Antiprofitteering Ordinance of 1917 was revived and its control extended. Enforcement was ineffective.

and the Government began a policy of subsidization of industry. Maximum prices for raw cotton, rubber, etc., were fixed by voluntary agreement between producers and dealers. The wholesale price index was rising, however, and in 1938 the Government created an organization for price fixing, with a central committee presided over by the Minister of Commerce and Industry. Official maximum prices were set for 60 important commodities. With the outbreak of war in Europe, the Government froze all wages, prices, freight rates, and other fees and charges at the level of September 18, 1939. Since prices continued to rise, the central price committee was reorganized in April 1940, and a price-policy council was attached to the Cabinet. The policy then introduced was to include better enforcement and subsidies to stimulate production.

Early in 1943, an emergency price plan was announced and in November the Government again reorganized the price-control structure. The Ministry of Agriculture and Commerce was established, and within it a price-control deliberative council and a price-control committee. Meetings of the council began in 1944, preceded by the mobilization of a country-wide organization of price administrative informants. By 1944, food consumption had decreased materially, and all staple foods were controlled by the Government and distributed through the Central Food Corporation which, after providing for the armed forces and for a reserve, sold the remainder to local food corporations. These corporations, under the administration of the local governments, passed the supplies on to local neighborhood associations.

Food rationing based on age, sex, and type of work began in 1941. Families received ration coupons, and commodities were obtainable through the neighborhood groups on surrender of the coupons. By 1945, the caloric value of the Japanese diet had fallen by about a third.

In spite of subsidies to agriculture, the farmers' incentive to production was reduced by high living expenses, and early in 1945 the Food Administration Inspection Mission estimated that there were 1,000,000 illegal peddlers of foodstuffs. In Tokyo, the retail price index of daily necessities reached 294 in October 1944—an advance of 194 percent since the year of the "China incident" and of 110 percent since 1939. No index of illegal black-market prices is available.

Rationing of textiles was started in February 1942; nearly every item of wearing apparel was rationed. Cards were issued on the point system, differentiated for rural and urban consumers, and (in 1944) for the summer and winter season, with points based on age and special conditions. The inferior quality of textiles and shoes and the earmarking of goods for military uses caused serious shortages.

In order to make economic regulation effective during the war, the Japanese Government created control societies in the fields of production, distribution, and transportation. These eventually became business corporations attached to the various ministries. The control society of each industry had the responsibility of developing maximum production under complete Government control. Great complexity in business procedures developed, as well as opposition to interference with the profit motive, which may have aided in the development of widespread black-market operation in foods, war materials, and labor.