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*IN THE FIGHT
AGAINST INFLATION*

Clothing Retailers
Play An
Important Part

A BRIEF EXPLANATION OF
THE NEW "RETAIL BASE DATE
PRICING CHART REGULATION"
MPR-580 BEGINS ON
PAGE 16 OF THIS BOOKLET

UNITED STATES
OFFICE OF PRICE ADMINISTRATION
Department of Information
March, 1945

Retailers Remember That:

DURING WORLD WAR I...

Wholesale prices rose 103%.

After the Armistice they went
up another 45%.

THEN THEY CRASHED!

When the Crash Was Over...

106,000 Firms had failed



453,000 Farms had been
foreclosed



Unemployment increased by
5,600,000 *Customers*
without paychecks!



INVENTORY LOSSES TOTALLED
\$ 11,000,000,000

SO FAR... DURING THIS WAR...

The line against inflation has
been held much better.

Since the May 1943 "Hold the Line
Order" overall prices have risen
only 1.4% (through February, 1945).

BUT...

CLOTHING PRICES HAVE

GONE UP 12.0%

This threatens the entire stabil-
ization program.

RETAILERS KNOW THAT IF ...

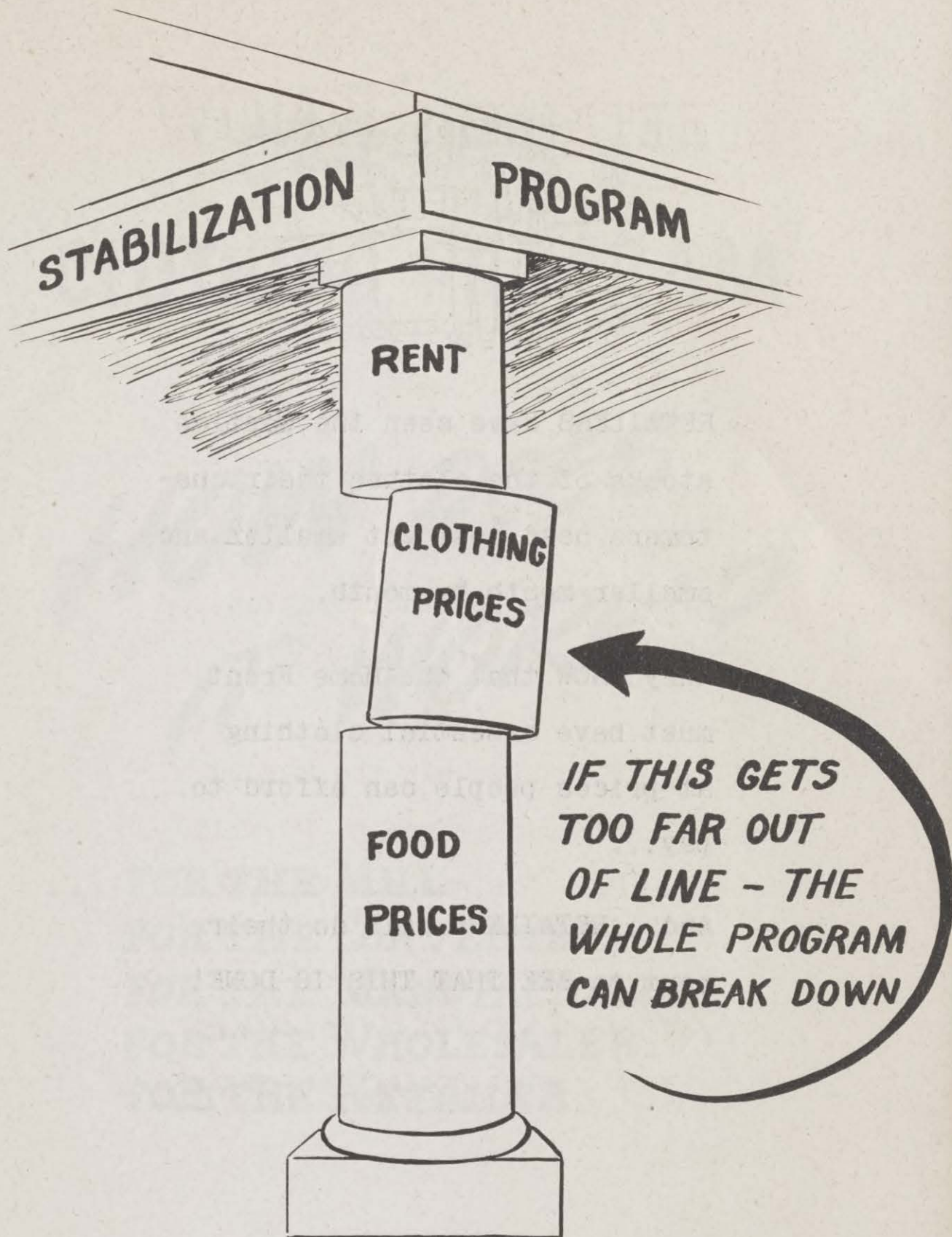
Clothing prices continue to rise
at the present rate...

The line on the cost of
living will be broken.

The whole Stabilization
Program will break down,
and

Though we win the war on
the battlefronts, we will
LOSE the war on the HOME
FRONT.

***THEY ARE NOT GOING
TO LET THIS HAPPEN!***





RETAILERS have seen the wartime stocks of the clothes their customers need most get smaller and smaller month by month.

They KNOW that the Home Front must have essential clothing at prices people can afford to pay...

And...RETAILERS will do their part to SEE THAT THIS IS DONE!

**OPA-WPB
CLOTHING PROGRAM**

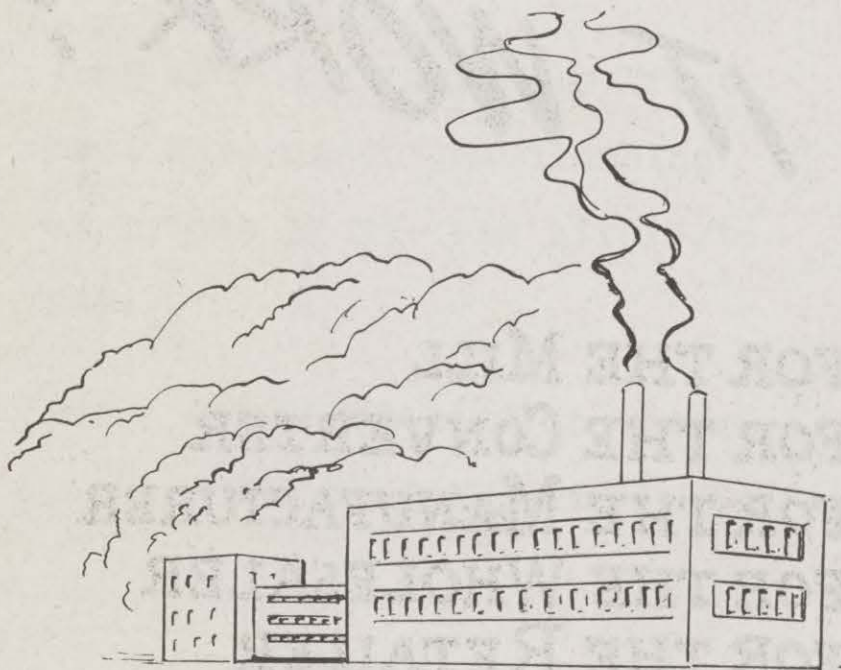
***HOW DOES
IT WORK?***

**... FOR THE MILL
FOR THE CONVERTER
FOR THE MANUFACTURER
FOR THE WHOLESALE
FOR THE RETAILER**

TO THE MILL

IT MEANS.....

In general, textile mills will produce each type of material at average prices which are the same as their average in a base period.



TO THE CONVERTER

IT MEANS

A recent amendment to the "Converter Regulation" effective January 1, 1945, stopped much over-finishing and over-fancying of simple materials by converters.

Each converter must finish at least 75% of his cloth to fit the orders of manufacturers who have priorities for material to produce essential garments.

This means more of available supplies will be suitable for the essential low and medium priced garments people need most.

TO THE MANUFACTURER

IT MEANS ...

Priority to get textiles to make
garments your customers need most.

Producing these essential garments
at the same average prices he
charged during the base period of
July 1, 1942--June 30, 1943.



AT WHOLESALE *IT MEANS...*

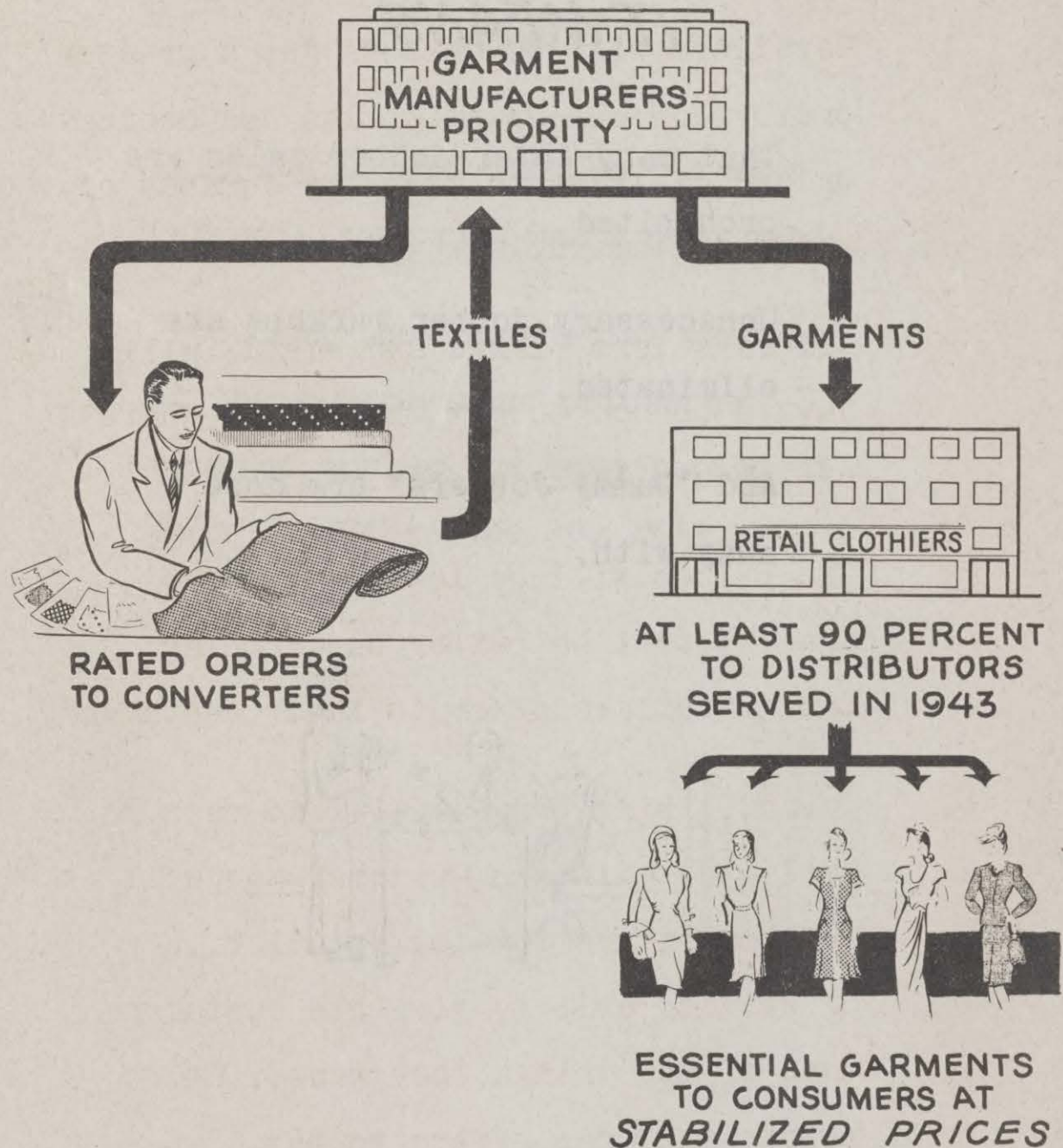
That many inter-jobber sales are prohibited.

Unnecessary jobber markups are eliminated.

And "Dummy Jobbers" are done away with.



IN GENERAL THIS IS HOW THE PRIORITIES QUOTA SYSTEM WORKS



HOW DOES ALL THIS AFFECT THE RETAILER ?

- 1 Retailers will be able to get a greater proportion of essential low and medium priced clothing to meet the demands of their customers.
- 2 All retailers, large and small, will have a chance to get their fair share of the available supply.
- 3 The prices will be lower and the quality will be better on clothing that retailers offer to their customers.
- 4 This Clothing Program will do much to build and maintain Customer Goodwill and Confidence for the retailer...
He will be able to give his customers more of the things they want...at prices they can afford to pay.

- 5 The retailer will be given a more simple regulation for pricing his goods. Most clothing, house furnishings, and furniture will be taken out from under General Maximum and placed under a simple pricing chart method similar to MPR 330 (Women's and Children's Outer Wear).

EVEN UNDER STRICT WAR-TIME MEASURES.... AND *A TOUGH PROGRAM...*

The Retailer will derive all of these benefits.



BUT...

**There are some things
the retailer must do to
make the program work.**

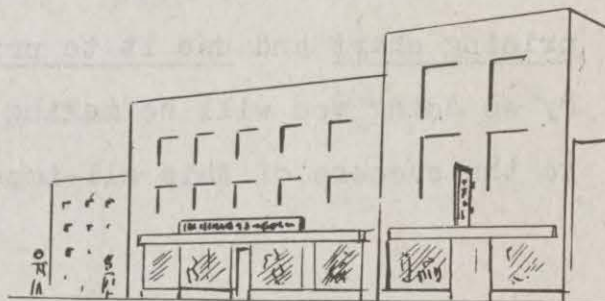
FIRST....

He must support it and recognize
that, although it is tough...

He can get something out of the
program by working with it.

AND THEN....

He must do the mechanical things
in his store that will put the
program to work for him.



A MESSAGE TO RETAILERS
ABOUT
THE NEW BASE DATE PRICING CHART REGULATION
AND
WHAT IT MEANS TO THEM

The steady increase since the fall of 1942 in the family bill for clothing and home furnishings has made it necessary for the Office of Price Administration to change and improve the controls over prices charged by sellers of clothing and home furnishings at all levels of production and distribution. As one step in that program, a new Retail Regulation has been issued. It supersedes the GMPR and other freeze regulations for retail sales of many of those items and substitutes a mark-up control.

This booklet contains a brief explanation of the part clothing retailers play in the program. Study it carefully. By carefully following the simple instructions and examples, you will be able to prepare your pricing chart and use it to price your merchandise. By so doing you will be making a worthwhile contribution to the success of this all-important home front program.

Here are some of the highlights
of the regulation:

1. It applies to you if you sell at retail men's, women's, children's or infants' wearing apparel, accessories, or shoes, household textile items like blankets, towels, or sheets, yard goods, furniture, floor coverings, lamps, or bedding and other articles. (A list of the articles covered by this regulation is printed in the "Base Date Pricing Chart" Regulation.)
2. It requires you to prepare a "base date pricing chart." This chart consists of a list of your costs and your prices for the items covered by the regulation, which you were selling on March 19, 1945. (Sample charts are printed in this booklet with simple instructions telling how to make and use your pricing chart.)
3. Two copies of your chart must be prepared and filed with your OPA District Office by April 20, 1945.
4. Starting April 20, 1945, every retailer must correctly price all of his merchandise covered by the regulation according to the prices on his new chart.
5. RETAILERS MUST FIND THEIR CEILING PRICES BY TAKING THE "MARK-UPS" THEY TOOK ON THE "BASE DATE." Under no circumstances may a retailer increase his mark-ups above the mark-ups he took on March 19, 1945.

7. By April 20, 1945 you must mark or tag all of your ceiling prices so they are clearly visible to your customers as follows:

"CEILING PRICE \$ _____."

OR

"OUR CEILING \$ _____."

(a) Marking: Placing the ceiling price on the shelf, bin, rack, or container where the article is kept; but you may use this method only if all articles in or on the shelf, bin, rack, or container have the same ceiling price.

(b) Tagging: Marking the ceiling price on the article itself or on a tag or ticket attached to the article.

Marking may not be used when the container, room or place where the article is kept is not readily visible to the customer.

8. On and after April 20, 1945, you are required to retail your invoices for the merchandise which this regulation covers. That is, you must put your first selling price on the invoice. Unless you keep a record of all sales at other prices, the selling price shown on the invoice will be taken as the price at which you actually sold all the articles covered by that invoice.
9. ON AND AFTER MAY 3, 1945, YOU MAY NOT SELL ANY MERCHANDISE COVERED BY THIS REGULATION UNLESS YOU HAVE FILED A CHART AND RECEIVED AN ACKNOWLEDGEMENT OF IT.

THE "BASE DATE PRICING CHART"
IS THE HEART OF THE
RETAIL REGULATION

It is the retailer's part in the new government clothing program.

YOUR CHART INVOLVES SIX STEPS

YOU MUST LIST:

1. Your net cost for each price line.
2. Your offering price for each article.
3. Your invoice for each costline.

YOU MUST FIGURE:

4. Your Circled Price.
5. Your percentage mark-up for each costline.
6. Your average percentage mark-up for each category.

NOTE:

IN ORDER TO FIND UNDER WHICH CATEGORY YOUR MERCHANDISE MUST BE LISTED - REFER TO APPENDIX C OF THE "BASE DATE PRICING CHART" REGULATION.

SAMPLE WORK SHEET

MARK-UP ON COST METHOD FOR BASE DATE PRICING CHART

★★ Always figure only one category at a time

NAME AND ADDRESS OF YOUR ESTABLISHMENT		KIND OF STORE AND WHAT DEPARTMENT IF YOU HAVE MORE THAN ONE DEPARTMENT		TOTAL YEARLY DOLLAR VOLUME OF STORE	
COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	
Category	Net Cost (per unit)	Invoice Cost (per doz.) show discount	Offering Price (per unit)	Percentage mark-up on Cost	Supporting Invoice
Category 117 Shirts	\$ 1.21 (\$1500, 3% EDM)		\$ 1.98	63.6 %	# 91357 Ace Shirt Co. 2/1/45 (men's shirts)
	1.25 (\$1550, 3% EDM)		1.98	58.4 %	# 97531 XYZ Shirt Co. 1/2/45 (Boys' shirts)
	1.38 (\$16.50 Net)		<u>2.25</u>	63.0 %	# 75319 Top Shirt Co. 1/26/45 (men's shirts)
	1.38 (\$16.50 Net)		2.50	—	# 63147 Ace Shirt Co. 1/20/45 (men's shirts)
	1.82 (\$22.50, 3% EDM)		2.98	63.7 %	# 31975 Ace Shirt Co. 2/2/45 (men's shirts)
	1.94 (\$24.00, 3% EDM)		3.50	80.4 %	# 19733 Top Shirt Co. 2/10/45 (men's shirts)
	3.64		<u>5.95</u>	63.5 %	# 24680 Sportswear Inc. 2/2/45 (Boys' sport shirts)
	3.64		6.95	—	# 46802 X Sport Shirts Inc. 2/3/45 (men's sport shirts)
	5.34		7.95	—	# 68024 Sportswear Inc. 1/20/45 (Boys' sport shirts)
	5.34		<u>8.95</u>	67.6 %	# 80246 X Sport Shirts Inc. 1/13/45 (men's sport shirts)
26.94 Total		44.99 Total			

THESE
ENTRIES
OPTIONAL

Average Percentage
mark-up 67%

LIST IN COL. 1 DESCRIPTION
AND NUMBER OF THE
CATEGORY

LIST YOUR NET COST
(PER UNIT) OF ALL ARTICLES
IN COL. 2

LIST YOUR OFFERING PRICE
(PER UNIT) OF ALL ARTICLES
IN THE CATEGORY IN COL. 3

LIST NUMBER, NAME, DATE
AND TYPE OF ITEM OF LAST
INVOICE IN COL. 5

PLACE YOUR AVERAGE
PERCENTAGE "MARK-UP"
AT BOTTOM OF COL. 1

FOR EXPLANATION OF "CIRCLED
PRICE" SEE EXAMPLE ON PAGE
23 OF THIS BULLETIN

LIST THE PERCENTAGE "MARK-
UP" OF EACH COSTLINE IN
THE CATEGORY IN COL. 4

NOTE: When transferring your records from your "work sheet" to your "Permanent chart," everything remains as shown above with the following exception:

In Column 1, the same net cost should appear only once on your chart - opposite a "circled price" - all other net costs of the same amount drop out as indicated in the work sheet by a line drawn through them. The totals of Columns 2 and 3 should not be transferred to your official "Pricing Chart."

SAMPLE WORK SHEET

MARK-UP ON SELLING PRICE METHOD FOR BASE DATE PRICING CHART

** Always figure only one category at a time

NAME AND ADDRESS OF YOUR ESTABLISHMENT		KIND OF STORE AND WHAT DEPARTMENT IF YOU HAVE MORE THAN ONE DEPARTMENT		TOTAL YEARLY DOLLAR VOLUME OF STORE	
A.B.C. Department Store 123 Main St. New City, Ky.		Independent Retailer Men's Furnishings, Dept 21		\$150,000 total yearly volume in 1944	
COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	
Category	Net Cost (per unit)	Invoice Cost (per doz.) <i>Show discount</i>	Offering Price (per unit)	Percentage mark-up on Selling Price	Supporting Invoice
Category 117 Shirts	\$ 1.21	(\$ 15.00, 3% EOM)	\$ 1.98	38.9 %	# 91357 Ace Shirt Co. 2/1/45 <i>(men's shirts)</i>
	1.25	(\$ 15.50, 3% EOM)	1.98	36.9 %	# 97531 XYZ Shirt Co. 1/2/45 <i>(Boys' shirts)</i>
	1.38	(\$ 16.50, Net)	<u>2.25</u>	38.7 %	# 75314 Top Shirt Co. 1/26/45 <i>(men's shirts)</i>
	1.38	(\$ 16.50, Net)	2.50	—	# 53147 Ace Shirt Co. 1/20/45 <i>(men's shirts)</i>
	1.82	(\$ 22.50, 3% EOM)	2.98	38.9 %	# 31975 Ace Shirt Co. 2/2/45 <i>(men's shirts)</i>
	1.94	(\$ 24.00, 3% EOM)	3.50	44.6 %	# 19733 Top Shirt Co. 2/10/45 <i>(men's shirts)</i>
	3.64		<u>5.95</u>	38.8 %	# 24680 Sportswear Inc. 2/2/45 <i>(Boys' sport shirts)</i>
	3.64		6.95	—	# 46802 X Sports Shirts Inc. 7/3/45 <i>(men's sport shirts)</i>
	5.34		7.95	—	# 68024 Sportswear Inc. 1/29/45 <i>(Boys' sport shirts)</i>
	5.34		<u>8.95</u>	40.3 %	# 80246 X Sports Shirts Inc. 1/13/45 <i>(men's sport shirts)</i>
26.94 Total		44.99 Total			

Average
percentage
mark-up
40.1%

THESE
ENTRIES
OPTIONAL

LIST IN COL. 1 DESCRIPTION AND NUMBER OF THE CATEGORY

LIST YOUR NET COST (PER UNIT) OF ALL ARTICLES IN COL. 2

LIST YOUR OFFERING PRICE (PER UNIT) OF ALL ARTICLES IN THE CATEGORY IN COL. 3

LIST NUMBER, NAME, DATE AND TYPE OF ITEM OF LAST INVOICE IN COL. 5

PLACE YOUR AVERAGE PERCENTAGE "MARK-UP" AT BOTTOM OF COL. 1

FOR EXPLANATION OF "CIRCLED PRICE" SEE EXAMPLE ON PAGE 23 OF THIS BULLETIN

LIST THE PERCENTAGE "MARK-UP" OF EACH COSTLINE IN THE CATEGORY IN COL. 4

NOTE: When transferring your records from your "work sheet" to your "Permanent chart," everything remains as shown above with the following exception:

In Column 1, the same net cost should appear only once on your chart - opposite a "circled price" - all other net costs of the same amount drop out as indicated in the work sheet by a line drawn through them. The totals of Columns 2 and 3 should not be transferred to your official "Pricing Chart."

HOW TO FIGURE YOUR AVERAGE PERCENTAGE

MARK-UP FOR EACH CATEGORY

(To Be Entered In Column 1)
(Figures Taken From Sample Work Sheet)

After you have listed your offering prices for each cost-line and entered them in Column 3, then:

- (1) get total of all offering prices (Column 3) -- \$44.99
- (2) get total of all net costs (Column 2) -- \$26.94
- (3) Subtract \$26.94 (total net costs for category) from \$44.99 (total offering prices for category:) Thus:

$$\begin{array}{r} \$44.99 \\ -26.94 \\ \hline \end{array}$$

\$18.05 This is your dollar mark-up for this category.

Then: Divide \$18.05 (dollar mark-up) by \$26.94 (total unit cost) - Thus:

$$\$18.05 \div \$26.94 = 67\%$$

67% is your average percentage mark-up for the category if your chart is based on "mark-ups on cost." Enter 67% in Column 1.

NOTE:

If you want to figure your mark-ups on selling price...

Divide the result of step (3) - \$18.05 by \$44.99 (total offering prices) - Thus:

$$\$18.05 \div \$44.99 = 40.1\%$$

40.1% is your average percentage mark-up for the category if your chart is based on "mark-ups on selling price." Enter 40.1% in Column 1.

Decide whether you want to use mark-ups on cost or on selling price. Then you must use the same method for all categories in your entire chart.

WHAT IS YOUR "CIRCLED PRICE"?

If items in a category which have the same net cost were offered at two or more prices on the base date you must figure a "circled price." This "circled price" becomes your permanent ceiling for all items of that net cost in that category.

NOTE: When you have a "circled price" on your work sheet, the percentage mark-up of the circled price only is listed on the chart. All other percentage mark-ups of articles with the same net cost drop out as shown in Column 4 of sample work sheet.

HOW TO FIGURE A "CIRCLED PRICE"

1. Take all the items in a category with the same net cost that you offered at different prices on the base date. Thus:

Shirts \$1.38 net cost -- offering price \$2.25 each

Shirts \$1.38 net cost -- offering price \$2.50 each

2. Apply the "average percentage mark-up" for the category (67.0% -- on the sample work sheet) to the net cost (\$1.38). Thus:

Multiply \$1.38 by 67.0% which equals \$.9246 or \$.92
Then add \$1.38 (the net cost)
You then get \$2.30

The offering price on your work sheet nearest to this (\$2.30) is your "circled price."

\$2.30 is nearer to \$2.25 than it is to \$2.50 on the sample chart. Therefore, \$2.25 becomes your circled or ceiling price for all items in the category which cost \$1.38 net.

NOTE: If you figured your average percentage mark-up on selling price, and entered 40.1% in Column 1, you would apply your mark-up thus:

Subtract 40.1% from 100% which equals 59.9%.
Then divide \$1.38 (the net cost) by 59.9%. You again get \$2.30.

You proceed to find your circled price of \$2.25 in the same way as described above.

HOW TO FIGURE YOUR MARK-UPS FOR EACH COSTLINE
IN A CATEGORY (COLUMN 4) ON YOUR CHART

(Figures Taken From Sample Work Sheet)

1. Subtract your net cost \$1.21 (Col. 2) from your offering price \$1.98 (Col. 3), thus:
$$\$1.98 - \$1.21 = \$0.77.$$
2. Divide the result of step 1 (\$0.77) by your net cost (\$1.21) thus:
$$\$0.77 \div \$1.21 = 63.6\%.$$

Use the above method to figure the percentage mark-up of each separate costline in each category and list them in Column 4 on your chart.

NOTE:

If you figured your average percentage mark-up on selling price...

Divide the result of step 1 (\$0.77) by your offering price (\$1.98) in the example above.

Thus:

$$\$0.77 \div \$1.98 = 38.9\% - \text{percentage mark-up on selling price.}$$

HOW TO USE YOUR CHART
TO PRICE ALL ARTICLES
THAT BELONG IN A CATEGORY
(LISTED IN COLUMN 1)

First, take part of the chart that applies to the category of the article that you are pricing.

Rule 1.

To price an article bought at a cost listed in Column 2 of the chart, use the offering price listed in Column 3 for that cost.

If more than one offering price is listed on the chart for the same net cost:

Use your "Circled Price." This is your ceiling price for all articles bought at that net cost.
(See example of "Circled Prices.")

Rule 2.

To price articles you buy at a higher cost than any listed in that category, apply the "average percentage mark-up" for that category listed in Column 1 of your chart.

Example 1: (Figures Taken From Sample Work Sheet)

If your cost for a new article is \$5.75 and your average percentage mark-up on cost for the category is 67.0% you would multiply \$5.75 by .670 which equals \$3.852 or \$3.85; then add \$5.75; Thus:

$$\begin{array}{r} \$5.75 \times .670 = \$3.85 \text{ AND } \$3.85 \\ + 5.75 \\ \hline \$9.60 \end{array} \begin{array}{l} \text{This would be} \\ \text{your Ceiling Price.} \end{array}$$

Example 2: If you had figured the mark-ups on your chart on selling price, and had therefore listed 40.1% in Column 1, you would subtract 40.1% from 100% (59.9%) and then divide \$5.75 by 59.9%. Thus:

$$\begin{array}{r} .599 \overline{) 5.75000} \\ \underline{9.598} \end{array}$$

Your ceiling price for the article in either case would be \$9.60.

Rule 3.

To price articles you buy at lower cost than any listed in a category, apply the mark-up listed for the lowest cost in the category.

Example 1: (Figures Taken From Sample Work Sheet)

If your net cost for a new article in a category is \$1.10, and the mark-up on cost for the lowest cost article in the category is 63.6%...

Multiply your net cost (\$1.10) by .636 which equals \$.70. Then add your net cost (\$1.10).

Thus:

$$\begin{array}{r} \$1.10 \times .636 = \$0.70 \text{ AND } \$0.70 \\ \quad \quad \quad \underline{+1.10} \\ \quad \quad \quad \$1.80 \end{array} \begin{array}{l} \text{This would be} \\ \text{your Ceiling Price.} \end{array}$$

Example 2: If you had figured your percentage mark-ups on selling price, the mark-up for your lowest cost would be 38.9%. You would then subtract 38.9% from 100% (61.1%) and divide the net cost (\$1.10) by 61.1%. Thus:

$$\begin{array}{r} 1.80 \\ .611 \overline{) 1.10} \end{array}$$

Your ceiling price for the article in either case would be \$1.80.

Rule 4.

To price articles bought at any other cost not listed in Column 2 of the chart, apply the mark-up listed in Column 4 for the next lower cost.

Example 1: (Figures Taken From Sample Work Sheet)

If your net cost for the new article is \$1.49 and the mark-up for the next lower cost in the chart (\$1.38) is 63.0%:

Multiply your net cost (\$1.49) by the mark-up for your next lower cost (.630) which equals \$.94. Then add your net cost (\$1.49) thus:

$$\$1.49 \times .630 = \$.94 \text{ AND } \$0.94$$

$$+1.49$$

\$2.43 This would be
your Ceiling Price.

Example 2: If you had figured your percentage mark-up on selling price, the mark-up listed for your \$1.38 cost would be 38.7%. You would then subtract 38.7% from 100% (61.3%) and divide your net cost (\$1.49) by .613, thus:

$$.613 \overline{) 2.43} \\ \underline{1.49}$$

Your ceiling price for the article in either case would be \$2.43.

HOW TO PRICE ARTICLES IN A CATEGORY COMPARABLE
TO A CATEGORY LISTED ON YOUR CHART

Rule 5: To price articles of a category not listed in Column 1 of your chart but comparable to one of these categories, you price the new articles under Rules 1, 2,3, or 4 as if they belonged to the first comparable category listed on your chart.

(See comparable categories, Appendix D of the regulation to find which categories are comparable.)

WHAT ELSE CAN THE RETAILER GET OUT OF THIS PROGRAM?

He can take full credit for
striving to supply his customers
with more of the things they
demand.

Better quality clothing
at prices they can afford
to pay.

This will Protect and Build Good-
Will and Confidence of his cus-
tomers.



HOW CAN THE RETAILER DO THIS ?

- 1 By ~~tying~~ the program - and his support of it - into his advertising.
- 2 By building the program into his store and window displays.
- 3 By letting his customers know by every means available...that he is making every effort to see that his customers get the clothes they need at the prices they can afford to pay.



WE ARE COOPERATING

**TO KEEP
CLOTHING
PRICES**



DOWN