

became an appreciable part of the total stock. The War itself, both through the scarcity of commodities that it occasioned and the inflation of currency, drove prices rapidly upward to a maximum of 243·5 in 1920, followed by a rapid drop to 152·0 in 1922. The tendency from 1925 to 1929 was gradually downward, although the period was one of increasing prosperity.

Commencing in the autumn of 1929, a severe economic depression was accompanied by a drastic decline in wholesale prices (the wholesale price index fell from 153·7 in August, 1929, to 99·2 in February, 1933). A subsequent irregular rise followed until 1937, although the trend of prices was downward in the latter half of that year. This movement persisted until September, 1939, when the outbreak of war in Europe was followed by a rise that continued with only one minor interruption throughout 1940.

1.—Annual Index Numbers of Wholesale Prices in Canada, 1867-1940

(1913=100. Unweighted index from 1867-1912)

Year	Index No.	Year	Index No.	Year	Index No.	Year	Index No.
1867.....	133·0	1886.....	90·7	1905.....	87·8	1924.....	155·2
1868.....	128·7	1887.....	91·9	1906.....	92·6	1925.....	160·3
1869.....	126·5	1888.....	93·5	1907.....	96·2	1926.....	156·2
1870.....	123·5	1889.....	92·6	1908.....	90·9	1927.....	152·6
1871.....	124·5	1890.....	93·0	1909.....	91·4	1928.....	150·6
1872.....	135·7	1891.....	91·4	1910.....	94·3	1929.....	149·3
1873.....	133·8	1892.....	86·2	1911.....	95·0	1930.....	135·3
1874.....	129·0	1893.....	85·2	1912.....	99·5	1931.....	112·6
1875.....	120·7	1894.....	80·6	1913.....	100·0	1932.....	104·2
1876.....	116·6	1895.....	79·6	1914.....	102·3	1933.....	104·8
1877.....	115·1	1896.....	76·0	1915.....	109·9	1934.....	111·8
1878.....	104·3	1897.....	75·6	1916.....	131·6	1935.....	112·6
1879.....	101·0	1898.....	77·8	1917.....	178·5	1936.....	116·5
1880.....	112·9	1899.....	81·4	1918.....	199·0	1937.....	132·1
1881.....	109·9	1900.....	85·8	1919.....	209·2	1938.....	122·8
1882.....	112·1	1901.....	84·5	1920.....	243·5	1939.....	117·6
1883.....	106·0	1902.....	86·2	1921.....	171·8	1940.....	129·5
1884.....	100·6	1903.....	86·9	1922.....	152·0		
1885.....	92·7	1904.....	87·0	1923.....	153·0		

Subsection 2.—Canadian Wholesale Price Movements, 1940

After a mild reaction in the summer of 1940, wholesale price levels again turned upward, but the net advance of 3·1 p.c. during the year was much less than the increase registered in the last four months of 1939. During the first quarter of 1940 the composite index on the 1926 base for 567 commodity prices moved up to a peak of 83·2 in March from 81·7 in December, 1939. In the ensuing three months a general price recession lowered the index to 81·6 for June, which proved to be the turning-point for the year. Summer price declines coincided with the German invasion of the Low Countries and culminated with the collapse of France late in June. Among price quotations showing the most serious losses at this time were grains, and on May 18 the Canadian Wheat Board established minimum quotations for wheat futures.