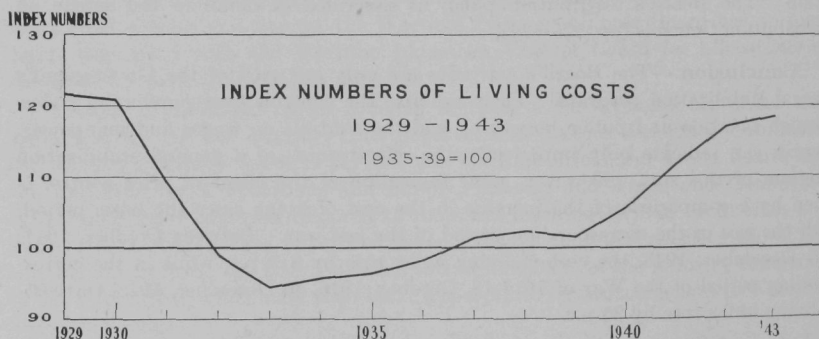
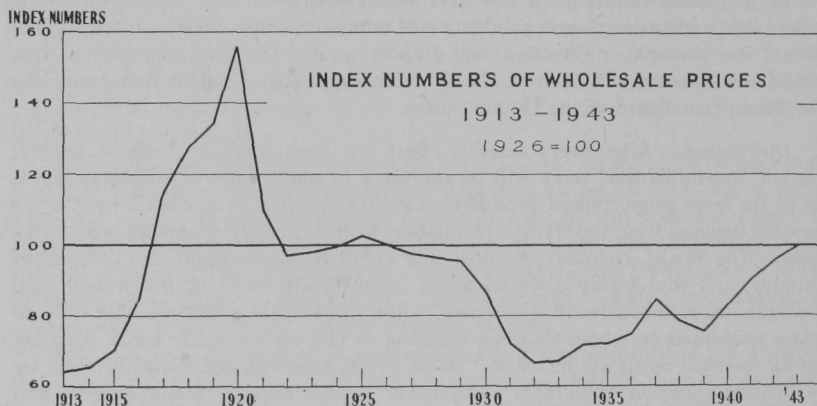


in May, 1920. The subsequent deflationary period lasted about two years, and between 1922 and 1929 price levels remained in comparative stability. Annual averages in this interval held between a high of 102.6 for 1925 and 95.6 for 1929. For the three years following 1929, depressionary influences were so severe that prices fell to the level of those of 1913. In February, 1933, the wholesale index touched an extreme low of 63.5 before turning upward again. Irregular recovery then continued until 1937, but the highest point reached, 87.6 in July, 1937, was substantially below the 1926 average. The collapse of the wheat market in 1938, along with fairly general depression in other markets, carried wholesale price levels just prior to the outbreak of war in 1939 down to about eleven points above the



1913 levels. The August, 1939, index of 72.3 marked the extreme low of a two-year decline. The movement of prices prior to the outbreak of the present war was quite different, therefore, from that which preceded the War of 1914-18. The relatively low level of prices in August, 1939, probably influenced the sharper initial advance at the outbreak of war. However, during 1940 price levels steadied and showed no sign of a steep increase until 1941. By that time, great expansion in war-time production had made serious inroads into stocks of nearly all basic commodities and, at the end of 1941, wheat remained the only important commodity for which stocks exceeded predictable requirements. The introduction of general