



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 11 points above the 1913 level. 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 Second World War was quite different, therefore, from that which preceded the First World War. 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 wartime 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 price control in December, 1941, followed a year in which wholesale prices had advanced 11.0 p.c. as compared with 3.1 p.c. in 1940. The effectiveness of control is indicated by the fact that percentage increases in wholesale prices amounted to only 3.7 and 5.7 for the years 1942 and 1943, respectively, while the December, 1944, index remained the same as the December, 1943, figure. The December, 1945, index of 103.9 was 11.1 p.c. above that for December, 1941, when price control became generally effective. By that time, the gradual removal of wartime price controls had been commenced.

The general wholesale price index rose from 103.6 to 112.0, an increase of 8.1 p.c. in the nineteen months between V-E Day in May, 1945, and December, 1946. The rate of increase was greater toward the end of the period and further increases were expected after Jan. 15, 1947, when the Prices Board restricted price control to listed articles only, removing it on all others. In relation to farm products, the increase in prices was greater from 1939 to 1946 than for any other group of commodities. This was also the experience of the United States over the same period, but, since January, 1947, United States farm products have shown weakness in a