

landlord. In the case of self-contained dwellings the increases were conditional upon the landlord offering to the tenant a term-certain lease of 12 months duration not to expire prior to Apr. 30, 1951. Any landlord who owned a self-contained dwelling prior to Nov. 1, 1949, could recover it from the tenant on six months notice if he needed the dwelling as his own residence, and any landlord of rooms could recover possession from the tenant upon six months notice without giving any reason for his action. A landlord and tenant of a self-contained dwelling could enter into a two-year term-certain lease, free of all control.

Section 2.—Wholesale and Retail Prices

For purposes of statistical analysis, commodity prices are usually divided into two principal groups, wholesale prices and retail prices. The term 'wholesale' is not used literally, and primary producers', factory and jobbers' quotations, as well as actual wholesale prices, are often included in this group. Markets in which this type of price is quoted are usually well organized, and are frequently very sensitive and responsive to changing business and monetary conditions. Wholesale quotations are preferred, therefore, for sensitive index numbers of prices designed to reflect price reactions to economic factors.

Retail prices are important from a statistical point of view because they indicate changes in living costs and, along with measurements of income, show fluctuations in the economic well-being of the community. Retail prices, however, may be influenced by local conditions and are less sensitive than wholesale prices. There is ordinarily a lag of several months between retail and wholesale quotations.

Subsection 1.—Wholesale Prices

Historical Record of Prices.—Wholesale price index numbers in Canada cover the period dating from Confederation in 1867. An intermittent decline characterized the first 30 years of this interval, followed by a gradual advance for a period of 16 years prior to the outbreak of war in 1914; from an average of 43·6 in 1897, the general wholesale index (1926=100) advanced without appreciable interruption to 64·4 in July, 1914. By the end of the War in November, 1918, this index had reached 132·8, and it continued upward to a post-war inflationary peak of 164·3 in May, 1920. The subsequent deflationary period lasted about two years, and between 1922 and 1929 price levels remained comparatively stable. Annual averages in this interval held between a high of 102·6 for 1925 and 95·6 for 1929. For the four 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 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