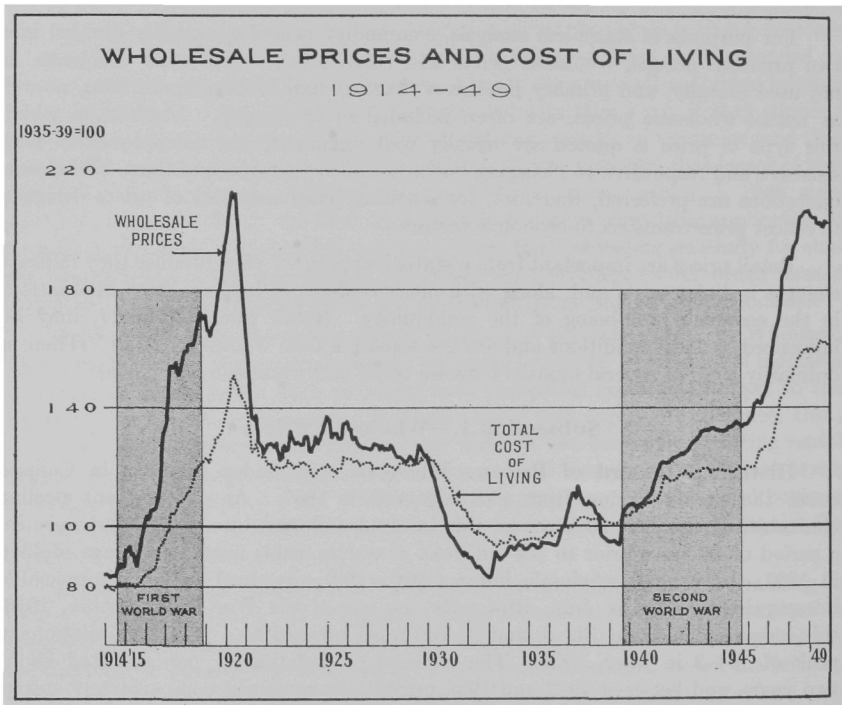


nearly all basic commodities and, at the end of 1941, wheat remained the only important commodity for which stocks exceeded predictable requirements. The introduction of general price control in December, 1941, ended a year in which wholesale prices had advanced 11 p.c. as compared with about 3 p.c. 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 p.c. above that for December, 1941, when price control became generally effective.



Post-War Price Movements.—The precipitous advance in United States general wholesale prices which began during the latter half of 1946 was of great concern to Canadian price-control authorities. This advance had been anticipated in July, 1946, when the Canadian dollar was returned to par with the United States dollar, thus reducing the Canadian dollar cost of imports from the United States. This provided a buffer of 10 p.c. only and the rise in United States prices was greater than that on a large majority of imported articles so that continuous pressure was felt, especially among individual items. The Canadian general wholesale price index rose from 103.6 to 112.0, an increase of over 8 p.c. in the 19 months between V-E Day in May, 1945, and December, 1946.

The Canadian price rise accelerated in 1947 as internal controls continued to be relaxed. The monthly general wholesale index advanced without interruption from 112.0 at December, 1946, to 143.5 at December, 1947, an increase of 28 p.c.