

In November, 1949, the Federal Government referred to the Supreme Court of Canada the question of the validity of the Wartime Leasehold Regulations, and on Mar. 1, 1950, the Court unanimously upheld them.

In March, 1950, Parliament extended the Continuation of Transitional Measures Act to Apr. 30, 1951, the date of the earliest expiration of the leases required of landlords who desired to avail themselves of the right to increase rents under the order effective Dec. 15, 1949. Speaking to the resolution in the House of Commons the Minister of Finance gave explicit notice that the Government did not intend to ask for a further extension beyond Apr. 30, 1951.

On Jan. 24, 1951, the Government of Quebec introduced a bill in the legislature providing for a system of provincial rent control as from May 1, 1951.

Section 2.—Wholesale Prices and Cost of Living

Statistical and economic analysis of commodity prices normally requires an examination of price change at various stages of production and distribution. Both prices and price indexes have much more significance when it is known whether they relate to primary producers, manufacturers, wholesalers or retailers. In order to achieve this distinction, commodity prices are normally classified as either 'wholesale' or 'retail', and the principal indexes of these groups are shown in the following pages.

In the case of wholesale, prices are not restricted to the normal meaning of that word, but may include price quotations ranging from those paid by primary producers for basic raw materials to prices paid by retailers for finished articles. Within this broad group, numerous sub-classifications are available, such as component material, degree of manufacture and purpose. Wholesale prices are frequently very sensitive to changing conditions and are often used to gauge the economic effect of events, as well as to forecast retail price change. An example of this is the price increase which followed the outbreak of hostilities in Korea in 1950.

Retail price indexes are important because they indicate changes in living costs and, along with measurements of income, show fluctuations in the economic well-being of the community. During recent years the cost-of-living index has been used extensively in wage negotiations.

Subsection 1.—Wholesale 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 but 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 1918, this index had reached 132.8, and 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