

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. between 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. The rise carried through into 1948, although at a decreasing rate, and by December the index had reached a level of 159.6. Wholesale price levels during 1949 were generally stable.

Wholesale prices rose narrowly during the first five months of 1950 to reach an index level of 161.8 (1926 = 100) by May. In June, a sharp gain to 165.0 occurred, due mainly to rapidly advancing prices for live stock, lumber, iron and steel products and non-ferrous metals. An important factor stimulating further advance was the outbreak of war in Korea. The effect on basic commodities originating in or near that area was particularly sharp. By the end of the year the index had risen to 175.7.

1.—Annual Index Numbers of Wholesale Price Groups, Significant Years, 1940-50, and Monthly Index Numbers, 1949 and 1950

(1926=100)

Note.—Figures for significant years 1913-39 will be found at p. 952 of the 1948-49 edition of the Year Book.

Year	General Wholesale	Consumer Goods	Producers Goods	Raw and Partly Manufactured Goods	Fully and Chiefly Manufactured Goods	Canadian Farm Products ¹	Building and Construction Materials	Industrial Materials
1940.....	82.9	83.4	78.7	75.3	81.5	67.6	95.6	79.0
1941.....	90.0	91.1	83.6	81.8	88.8	72.8	107.3	87.3
1942.....	95.6	95.6	88.3	90.1	91.9	85.0	115.2	94.2
1943.....	100.0	97.0	95.1	99.1	93.1	97.9	121.2	97.6
1944.....	102.5	97.4	99.9	104.0	93.6	107.1	127.3	99.8
1945.....	103.6	98.1	100.7	105.6	94.0	114.9	127.3	99.8
1946.....	108.7	101.1	105.7	109.5	98.8	124.4	134.8	103.6
1947.....	129.1	117.3	129.3	130.7	117.4	132.9	166.4	130.4
1948.....	153.4	140.8	153.9	156.2	140.3	149.7	195.7	155.2
1949.....	157.0	143.9	159.0	160.6	142.3	148.1	201.5	151.9
1950.....	166.1	150.5	169.7	170.5	148.9	147.8	219.6	170.7

For footnote, see end of table, p. 962.