

62 002

C1

DOMINION BUREAU OF STATISTICS

CANADA
DOMINION BUREAU OF STATISTICS

INTERNAL TRADE BRANCH

REVIEW
of
PRICES & PRICE INDEXES
for
1924

♦ ♦ ♦

Published by Authority of the Hon. Thos. A. Low. M. P.,
Minister of Trade and Commerce.

♦ ♦ ♦

OTTAWA

1925

DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

(Issued January 14th, 1925)

Dominion Statistician: R. H. Coats, B.A., F.S.S., F.R.S.O.
Chief, Internal Trade Branch: F. J. Morning, B.A., F.S.S.

REVIEW OF WHOLESALE PRICES AND PRICE INDEXES
IN CANADA IN 1924.

Wholesale prices in Canada during 1924 fluctuated between 50 and 60 per cent above the pre-war level. During the year they registered the highest and lowest figure since 1921. In May the official index number published by the Dominion Bureau of Statistics was 150.6, but in December it was 160.8. Commencing the year at 156.9 there was a steady decline until May, then a rise until August when the index was 156.8. In September it fell again to 153.9, but from that month continued to rise through the remainder of the year.

An examination of the index numbers of the various groups into which the 236 commodities included in the general index are classified, shows clearly that the rise which commenced after May was due to the great increase in the prices of agricultural and vegetable products (chiefly grains and their products) and was achieved in spite of important declines in seven out of eight groups of commodities. In November and December the influence of higher prices for agricultural products combined with other influences such as the more stable political situation in England and the United States, increasing stabilization in European currencies and the optimism created by the progress of the Dawes scheme, caused prices in the iron and steel and the non-ferrous metals groups to turn upward. The textile index rose in December due to the very strong position of wool.

That the rise in the level of prices was due in the main to increases in grain prices may be seen by reference to the index numbers for farm products. Total Canadian farm products, including animal products, at wholesale prices, rose from 128.2 in January to 165.9 in December. The animal group in Canadian farm products rose from 136.6 in January to 147.2 in December, while the vegetable group (grains, fruits, etc.) rose from 125.3 in January to 176.8 in December.

These index numbers for farm products should be contrasted with those for fully or chiefly manufactured materials. For this group the index was 152.5 in January and 160.1 in December. The level of this group would have been even lower in December had it not included flour and milled products which, following grain, rose considerably in price. By the end of the year therefore the disparity in prices as between farm products and manufactured goods, between what the farmer sells and what he buys, which had been to his disadvantage for many months, had disappeared and was tending to swing to his advantage. It is significant however that fully or chiefly manufactured goods were rising during the last six months of 1924. In May the index had gone as low as 152.7. The recovery to 160.1 in December was partially due to the influence of higher grain prices and the increased purchasing power of the farmer.

The index number for vegetable products (grain, fruits, etc.) was 139.0 in April and 175.0 in December. In 1923 the low point was 135.2 in December and the high 152.5 in May. It will be seen that the high level in 1924 was more than 22 points above that of 1923.

The index numbers for animals and their products during 1924 followed the normal course due to seasonal influences, declining gradually from January to the middle of the year and then gradually rising again, but taking the year as a whole and comparing it with 1923, prices were on a lower level. In 1924 the index number ranged from 117.3 in May to 139.8 in December, while in 1923 the range was from 126.1 to 141.6.

Fibres, textiles and textile products fell throughout most of the year, the range of the index numbers being 217.0 in January and 192.1 in September. In 1923 the index was 189.0 in January and 207.1 in December. In 1923 therefore the range showed a rise of approximately 18 points while in 1924 it dropped 25 points.

Wood, wood products and paper ranged from 176.0 in January to 156.8 in December. In 1923 the corresponding figures were 173.5 in April and 179.8 in June. In December 1923 the figure was 176.4. Since the end of 1923 the price level for this group has fallen about 20 points.

Iron and its products declined steadily from January to November. The index was 168.5 in January and 154.8 in November. The range in 1923 was from 158.9 (January) to 174.4 (June). In December 1923 it stood at 168.7. This group declined 14 points in 1924. In December 1924 there was a recovery of about 3 points.

Non-ferrous metals and their products rose from 94.5 in January to 98.1 in March, fell to 93.1 by July and then rose to 101.5 by December. The range of 93.1 to 101.5 contrasts with that of 93.8 (October) to 102.5 (March and April) in 1923. Though prices in this group tended upward during the last five months of 1924 the level over the whole year is slightly lower than that of 1923.

Non-metallic minerals and their products ranged from 187.8 in February and March to 177.9 in December. In 1923 the range was 182.3 in June to 186.4 in April. The December 1923 index was 182.5. The end of 1924 showed this group on a lower level than prevailed at any time during 1923 but on the average prices were slightly higher for 1924 than for 1923.

The range for chemicals and allied products was 170.6 in March to 154.1 in August. In 1923 the range was from 168.4 in January to 162.2 in December. On the average prices were lower for this group in 1924 than in 1923.

Consumers' goods rose from 151.4 in January to 155.6 in December. Higher flour and bread prices were chiefly responsible for higher levels at the end of the year.

Producers' goods rose from 143.3 to 156.8. In this group the rise in materials for the milling industry from 111.1 in January to 131.7 in December more than counterbalanced declines in materials for building and construction from 167.7 to 151.5 and in materials for the textile industry from 227.6 to 199.0.

OUTSTANDING PRICE DEVELOPMENTS IN 1924.

VEGETABLE PRODUCTS (grains, fruits, etc.): The rise in grain prices was the most important event in the prices field in 1924. Severe winter killing of grain in Europe followed by drought in the Mediterranean basin and in parts of Eastern Europe, combined with a short crop in Canada, were the chief causes which led to a decline of over 400,000,000 bushels of wheat and 173,000,000 bushels of rye in the current crop as compared with that of a year ago. The average price of No. 1 Manitoba Northern cash wheat, Fort William and Port Arthur basis, was 96½¢ per bushel in January and \$1.72¼¢ in December. Oats #2 C.W. rose from 39½¢ in January to 62½¢ in December. 1st patent flour, per 2-98s jute bags, was \$6.20 in January and \$9.50 in December. Rolled Oats were \$2.90 per 90 lb. sack in January and \$4.00 in December.

The largest Cuban sugar crop in history combined with an increase in the European beet sugar crop of about 20% brought sugar prices to lower levels in 1924. Raw sugar, 96° centrifugal was \$7.13 per cwt., at Montreal in February and \$4.70 in December. Refined sugar was \$9.28 per cwt. in February and \$7.12 in December.

Immediately after the further restriction in July 1924 of crude rubber exports, under the Stevenson scheme, to 55% of the standard production, prices of this commodity began to rise sharply. Ceylon, ribbed, smoked, sheets were 26¢ per lb. in January, 20¢ in June and 38¢ in December. Upriver fine para was 22½¢ in January, 19¢ and 36¢ in December.

Increasing consumption and smaller production of tea caused a strong market to develop in 1924. Ceylon and Indian Pekoe tea was 45¢ per pound in January and 53¢ in December.

to \$140 in December. Box boards fell from \$55.00 to \$34.00. B.C. fir 2x4 and up 6-16 ft. at Toronto was \$55.00 per M. Bd. Ft. in January and \$46.00 in December. Birch G. & B. fell from \$70.00 to \$60.00 and Oak from \$140.00 to \$110.00. Spruce siding at St. John fell from \$28.00 to \$18.00. Cedar flooring at Victoria was \$47.50 per M. Bd. Ft. in January and \$40.00 in December.

Newsprint paper because of increased production, due to new mills, combined with a fairly stable demand, declined in price being \$5.75 per cwt. in January and \$3.50 in December.

Mechanical wood pulp prices, due largely to foreign competition, were on the decline during much of the year. Groundwood No. 1 was \$37.50-42.00 per ton in January and \$28.00-30.00 in December. Chemical pulp, unbleached sulphite, newsgrade, was more stable being \$47.50-60.00 in January and \$52.00-55.00 in December.

IRON AND ITS PRODUCTS: The quietness in the construction industry and the more or less general dullness in business conditions which characterized 1924 was distinctly reflected in iron and steel prices. No. 1 Foundry pig iron at Montreal was \$30.95 per ton in January and \$27.70 in November. In December, however, it rose to \$30.20 per ton. Basic pig at mill was \$26.00 in January, \$21.00 in November and \$23.00 in December. Steel billets at Montreal were \$41.50-52.00 per ton in January, \$34.00-48.00 in November and \$39.00-48.00 in December.

NON-FERROUS METALS AND THEIR PRODUCTS: The non-ferrous metal group commenced the year with a rising market. Demand was fairly active and as stocks were not excessive prices quickly responded and rose until March. There followed a period of declining prices which lasted until July. The decline seems to have been brought about by the recovery of the French franc. German speculators in non-ferrous metals were surprised by the recovery and were forced to throw large quantities of copper, tin, lead and spelter on the market with the result that prices were considerably depressed. The depression could not last long because of the strong statistical position of lead and tin, the demand for which has been tending to outstrip supply. Lead and spelter turned upward in August and all four metals, lead, spelter, copper and tin, influenced by the improving business prospects, closed the year strongly. American electrolytic copper at Montreal was \$14.70 per cwt. in January and \$16.30 in December. Lead at Montreal was \$7.75 in January and \$9.95 in December. Tin at Toronto was 51½¢ per pound in January and 57½¢ in December. Zinc spelter (American) at Montreal was \$8.05 per cwt. in January and \$9.10 in December. Antimony affected by the unsettled conditions in China was 8¼¢ per pound in January and 15½¢ in December. Silver prices rose almost steadily until November when they declined slightly. An important factor influencing the rise was the development of a continental demand for coinage purposes indicating a movement away from the paper regime. Fine silver in British Columbia was 64¼¢ per ounce in January, 71¼¢ in October and 69¼¢ in December.

NON-METALLIC MINERALS AND THEIR PRODUCTS: Owing to the over-production of crude oil in the United States leading to an over-supply of gasoline the price of oil declined considerably. Gasoline at Toronto was 25¼¢ per gallon in January, 27½¢ in February and 20½¢ in December.

The quietness in the building industry was reflected in the prices of important building materials. Lime, high calcite, declined from \$9.00 per ton in January to \$8.00 in December and portland cement from \$2.32 per barrel in January to \$1.97 in December.

A short current crop of coffee in Brazil, and a small carry-over from 1923 combined with increasing consumption raised coffee prices in 1924. Green Santos Coffee at Toronto was 21¢ per pound in January and 33½¢ in December.

Japan, India, China and other important rice-growing countries produced short crops of rice in 1924 which in combination with the shortage of other foodstuffs caused a rise in price. Pakling rice, uncleaned, in British Columbia was \$4.82 per cwt., in January and \$5.40 in November.

ANIMALS AND THEIR PRODUCTS: The greatly decreased corn crop in the United States influenced the trend of hog prices in Canada. Hogs, thick, smooth, W.C.C. at Toronto, were \$8.23 per cwt. in January and \$10.12 in December. Smoked standard bacon light was 22-25¢ per pound at Toronto in January and 25-27¢ in December.

Several varieties of fish tended to scarcity during the year. Salted mackerel at Halifax were \$7.75 in January, \$8.50 in May and \$12.00 in December. The lobster pack was over 40,000 cases short of the 1923 production. It was the smallest pack save one (1913) on record. Canned lobsters at Cango were 40¢ per pound in January and 75¢ in December. A larger pack of Sockeye Salmon brought prices down from \$4.05 per dozen 1 pound tins in January to \$3.65 in December. The Cohoe pack was smaller and prices rose from \$2.25 to \$2.45.

A better demand for hides in the last half of the year brought an improvement in prices. Beef hides, city cured at Toronto were 9½¢ to 10¢ in January and 13-13½¢ in December.

Butter prices because of a relatively quiet market at the end of the year were considerably lower than at the beginning. Creamery finest at Montreal was 44¢ per pound in January and 37¢ in December. Creamery prints at Toronto were 43¢ in January and 41¢ in December.

FIBRES, TEXTILES AND TEXTILE PRODUCTS: A much increased crop of American cotton (over 13,000,000 bales) brought about a fall in cotton prices. Raw cotton, upland middling, at New York was 34½¢ per pound in January and 23¼¢ in December. Yarn and textiles moved in sympathy. 10s white single hosiery cops were 58¢ per pound in January and 44¢ in December. Blue denim 2 yards to the pound was 80¢ per pound in January and 63¢ in December. Saxony 4.15 yards to the pound was 35½¢ in January and 87¼¢ in December.

A short crop of jute explains the rise in the price of this commodity. Raw Jute, 1st marks, at Montreal, was \$8.01 per cwt. in January and \$11.61 in November. Hessians 10½ oz. 40" wide at Montreal following jute prices were \$10.00 per cwt. in January and \$13.12½ in December.

Slackness in demand for silks and relatively large stocks at New York and Yokohama depressed silk prices. Raw Silk, Japanese filature, Kansai No. 1 was \$8.00 per pound in January and \$6.10 in December. In June it had fallen to \$5.00 but recovered to some extent. Manufactured silk reflected the condition of the raw material. Machine twist silk was \$13.65 per pound in January and \$15.50 in December.

The disappearance of war stocks of wool, a consumption demand actually greater than current production and a recent considerably augmented demand from Germany, France and Japan sent wool prices to much higher levels. Eastern wool, domestic, bright & blood was 33¢ per pound at Toronto in January and 44-46¢ in December. Western rangewool, semi-bright, ½ blood was 37¢ in January and 46¢ in December. Serge cloth 16 oz. 64s quality, was \$2.90 per yard in January at Toronto and \$3.35 in December. 14 oz. 46s cloth at mill was \$1.47½ in January and \$1.65 in December.

WOOD, WOOD PRODUCTS AND PAPER: Lack of export demand because of adverse exchange conditions and quietness in the building industry in Canada caused lumber prices to find lower levels in 1924. Pine, good sidings, at Toronto, fell from \$150 per M. Bd. Ft. in January

CHEMICALS AND ALLIED PRODUCTS: Coal tar also affected by the condition of the building industry was \$9.60 per barrel in January and \$8.50 in December. Pure white lead, ground in oil, like lead prices rose at the beginning of the year and fell until July. Unlike lead it did not recover but remained stationary for the remainder of the year. It was \$14.95 per cwt., in January, \$17.20 in March and \$13.45 from August to December.

Index Numbers of Fully or
Chiefly Manufactured Goods.

1 9 2 3

January	156.7
February	160.2
March	164.4
April	164.6
May	159.7
June	158.3
July	157.6
August	156.6
September	159.8
October	157.9
November	156.4
December	156.4

1 9 2 4

January	159.5
February	161.0
March	159.7
April	155.0
May	152.7
June	152.9
July	154.7
August	158.2
September	156.7
October	159.0
November	158.3
December	160.1

Index numbers of Canadian
Farm Products

1 9 2 3

January	128.2
February	128.5
March	127.4
April	132.4
May	132.4
June	128.3
July	123.9
August	128.8
September	128.8
October	123.0
November	125.3
December	127.0

1 9 2 4

January	128.2
February	128.7
March	123.8
April	119.7
May	122.3
June	129.4
July	139.7
August	148.7
September	143.4
October	153.8
November	159.3
December	165.9

Movement of Canadian Farm Prices and Fully or Chiefly Manufactured Goods in 1923 and 1924 based on index numbers of Wholesale Prices 1913 = 100



