

DOMINION BUREAU OF STATISTICS - CANADA

INTERNAL TRADE BRANCH

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POST-WAR PRICES OF RAW COTTON

In a bulletin issued by the Dominion Bureau of Statistics on Post-War Cotton Prices it is pointed out that raw cotton is now selling for about double pre-war values. The average price in 1913 for middling cotton 1" to 1 1/16" at Hamilton, was approximately 15 1/2¢ per pound. At the middle of February, 1925, it was selling for 27 1/2¢. During the period 1913 to 1924 the highest price was 59 1/2¢ (including special war duty of 7 1/2¢) in May 1920, the lowest was 7 1/2¢ in December 1914. The latter was due to war interference with markets. The average yearly prices and index numbers for the period are as follows:

Year	Price ¢	Index	Year	Price ¢	Index
1913	13 1/2	100	1919	38 1/2	285.6
1914	11 1/2	85.3	1920	44 1/2	329.6
1915	10	75.2	1921	17	127.2
1916	14 1/2	106.7	1922	23 1/2	173.5
1917	22 1/2	169.6	1923	31 1/2	234.1
1918	31 1/2	235.7	1924	30 1/2	226.3

During 1924 the raw cotton situation improved in spite of the outlook at the beginning of that year which was decidedly gloomy. Weather conditions were not propitious for the boll-weevil and its depredations were not so severe as in recent years. The result was a larger crop which brought much needed relief to the textile industries. 1-1 1/16" cotton at Hamilton was 38¢ in January and 25 7/8¢ in September, 1924.

The final ginning report shows that the 1924 crop was the largest picked since 1914 and consisted of 13,619,000 bales. This compares with 16,134,000 bales in 1914, 7,950,000 in 1921, 9,760,000 in 1922 and 10,100,000 in 1923. The average production in the five years 1911-15 was 14,200,000 bales and in the period 1916-1920 11,900,000 bales. In the four years preceding the war the smallest crop grown, that of 1912, was 13,703,000-500 pound bales. Growing conditions in 1924 were specially favorable because the frost in the cotton belt had killed off many hibernating weevils but even under these exceptional conditions and a larger acreage relatively to pre-war, production was below pre-war figures.

It is the opinion of some experts that an international cotton shortage was impending before the boll-weevil became such a serious factor and quite independently of that pest. They argue that there were certain adverse factors beginning to operate against cotton expansion in the United States as, for example, the fact that soil exhaustion, unless counteracted by the use of expensive fertilizers, would bring lower yields; and secondly, that the industrial uses of cotton, apart altogether from its use for clothing and allied needs, was growing very rapidly (it is estimated that 360,000 bales are now used annually for tire fabrics alone) and that demand was likely to outstrip supply.

Whether this be so or not it is true that since 1914 the work of the boll-weevil has brought about a shortage of raw cotton. The work of that pest was not sufficient to prevent an increase in the United States crop until after 1914, but after that year crops were much smaller in spite of increasing acreages. It seems certain that unless the crop of the Southern States should falsify all predictions, there will be relative scarcity and high prices in this commodity for some years. Relief may ultimately come from other sources of supply but the development of such is proceeding slowly. In 1923 sources of

supply other than the United States produced the highest crop on record 9,000,000 bales as against an average of 7,264,000 bales in the period 1901-20 and 7,885,000 bales in 1922. Outside of the United States only five countries have to the present produced more than 500,000 bales. Of these India is the largest producer, but her crop is mostly of short staple, ^{and} a good deal of it is poor quality. Experimental and educational work is being carried on to induce the Indian agriculturalist to institute improvements, but it is difficult to make progress against the ingrained conservatism of the natives. Moreover in those densely populated areas the pressure of population on the food supply makes the growing of food a strong competitor of cotton growing. Sind and the Punjab offer at present the greatest possibilities of development. These depend on irrigation and the completion of the Sukkur Barrage in Sind will greatly increase the cultivable area.

Conditions in China are somewhat similar to those in India. China has land, climate and abundant labor suitable for cotton production, but again the conservative habits of the people create a formidable obstacle to improving the quality of the cotton crop.

In Central Asia, Russian Turkestan and Trans-Caucasia produced annually in the years just prior to the war, over 1,000,000 bales of short-staple cotton. Changed conditions during the war and after were responsible for the small production of 45,000 bales in 1921-2. This has increased to 200,000 bales in 1923-24.

Chiefly due to the efforts of the British Cotton Growers' Association efforts are being made to increase cotton growing in Africa and Australia. As yet the results are not very big, but they are considered hopeful. East African territories over which Britain exercises suzerainty, the Anglo-Egyptian Sudan, Northern Nigeria and South Africa are all regarded hopefully. It is estimated that, exclusive of Egypt, the African production has been increased from 55,000 bales in 1913 to 160,000 bales in 1923. In Australia 8,000 bales were produced in 1922-3.

The South American Republics, particularly Brazil, are thought by many to contain the greatest possibilities. In Brazil there is much cheap land available for cotton growing. Brazil produced on the average 317,000 bales in pre-war years. In 1919-20 this had risen to 561,000 bales.

One requisite for cheap cotton is cheap labor (efficient labor at relatively low wages) and this is the obstacle which some countries as for example, Australia, have difficulty in surmounting. The labor supply is not adequate in the American Republics, but immigration, especially since the restriction laws in the United States, is on the increase and a satisfactory labor body of an agricultural bent is being built up. Even in the United States labor shortage is threatened because of the drift of the Negroes toward the industrial centres. There is great need of more labor-saving machinery. Inventions in this line might again revolutionize the industry.

None of the newer cotton-growing regions seem able to duplicate the conditions which prevailed at first in the Southern States - a combination of low-priced fertile lands cultivated extensively, abundant supplies of cheap and comparatively efficient labor, resulting in the production of cheap cotton.

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