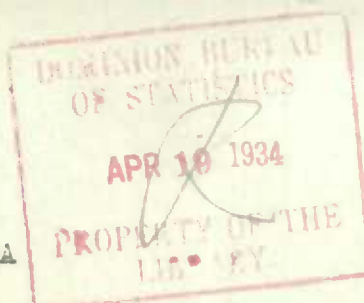


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DOMINION BUREAU OF STATISTICS - CANADA

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POST WAR SUGAR PRICES

NE PAS PRÊTER

Granulated sugar is now selling at the lowest level which has prevailed since June, 1922. The wholesale price on April 15th last was \$6.41 per cwt., net, at Montreal. This compares with an average price of \$4.20 per cwt. in 1913, a low point since that year of \$3.90 in March and April 1914, and a peak price of \$22.80 in July 1920. The average yearly prices and index numbers for the period 1913 to 1924 are as follows:

<u>Year</u>	<u>Price</u>	<u>Index</u>	<u>Year</u>	<u>Price</u>	<u>Index</u>
1913	4.20	100	1919	9.90	235.9
1914	4.34	115.4	1920	17.02	405.5
1915	6.21	148.0	1921	8.91	212.2
1916	7.18	170.9	1922	6.67	158.9
1917	7.93	188.8	1923	9.58	228.3
1918	8.70	207.3	1924	8.32	199.0

Present prices have come down to about 150% of pre-war values, which is close to the general level of prices as measured by 236 commodities. The current decline in sugar values is due wholly to the expectation of a record world production which will be more than sufficient to meet a probable record demand.

Sugar is one of the two chief food commodities which serve as a basis for vigorous speculative dealings, wheat being the other. Since the war, prices of this commodity have been subject on several occasions to spectacular movements.

Just prior to the war cane sugar furnished about 54% of world supplies and beet sugar the balance. Up to the middle of the 19th century cane sugar had been supreme. Then came beet sugar and a system of subsidies and bounties in European export countries, which ultimately gave beet sugar a preponderance over cane sugar of 75% to 25% in the world's visible supplies. The Brussels sugar convention in 1903 abolished the artificial system of bounties on exports and in the next ten years, because of more equitable competition and also because of the application of scientific methods to its production, cane sugar advanced to a position where it supplied 54% of world requirements. Just prior to the war Great Britain was obtaining nearly $\frac{1}{2}$ of her sugar supplies from Germany and about $\frac{1}{5}$ from Austria-Hungary. When the war cut off these sources there was a greatly augmented demand upon the cane sugar of Cuba, Java, Porto Rica, etc. France, whose beet-fields then produced but little, and Great Britain, made joint purchases in New York hoping to keep prices at reasonable levels, and consumption was restricted by a system of rationing. Output was increased in the producing countries as quickly as possible but prices rose steadily throughout the war years.

In 1919 supplies were inadequate for the enlarged demands due to the cessation of hostilities and a world shortage of sugar was stressed on the markets. Sugar speculation was rampant and carried the price up to its peak in the first half of 1920. The Cuban output had been greatly expanded and when late in 1920 the commercial crisis, which had already affected many other industries, caused a severe break in sugar prices, stocks began to pile up. 1921 was a year of falling prices despite increasing demand and 1922 commenced with a carryover of more than 1,500,000 tons of Cuban sugar which, because of the discontinuance of the Sugar Finance Committee which had been formed after the crisis in 1920, had to be liquidated. On top of this large carryover came a Cuban crop of nearly 4,000,000 tons. Prices ruled low for the first half of the year but after that, so great was the increase in demand, they rose in the last half.

Demand continued to increase and a world shortage of sugar was predicted in 1923 which became a year of great speculative activity and rising prices. European beet sugar was again becoming a factor in the market, having increased from 2,500,000 tons in 1919-20 to 5,000,000 tons in 1923-24. In 1923-24 the Cuban crop was over 4,000,000 tons, the largest on record and the world crop of cane and beet sugar in 1923-24 was a record, viz. 19,700,000 tons. Consumption also increased but supply overtook demand and prices fell. The present Cuban crop is expected to be larger than last year by some 700,000 tons and the world crop by 3,000,000 tons.

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