

62-D-84

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

DOMINION BUREAU OF STATISTICS - CANADA

INTERNAL TRADE BRANCH

Dominion Statistician: R. H. Coats, B.A., F.S.S. (Hon.) F.R.S.C.  
Chief, Internal Trade Branch: F. J. Horning, B.A., F.S.S.  
Prices' Statistician: Herbert Marshall, B.A.

POST WAR TIN PRICES

Tin is another of those non-ferrous metals, which have been discussed in a series of bulletins issued by the Dominion Bureau of Statistics, which are well below the general price level as compared with 1913. The Bureau's index number for tin ingots at Toronto was 114.6 for 1924. In 1913 the average price per pound of this commodity was 46 $\frac{1}{2}$ ¢. The peak price was reached in June 1918 when it was \$1.35 to \$1.50 per pound. The average yearly price for 1918 was \$1.06; 1919, 58¢; 1920, 60 $\frac{1}{2}$ ¢; 1921, 37 $\frac{1}{2}$ ¢; 1922, 36¢; 1923, 47 $\frac{1}{2}$ ¢; and 1924, 53 $\frac{1}{2}$ ¢. During 1921 and 22 tin was selling below pre-war levels and just rose above it on the average in 1923. In 1924 it followed pretty closely other non-ferrous metals. At the commencement of the year prices rose, then slumped to July and in December registered the highest for the year. In January the price was 51 $\frac{1}{2}$ ¢ and in December 57 $\frac{1}{2}$ ¢ per pound.

The low price levels of 1921 and 22 were due to large stocks and the general commercial depression. The improvement, which began in 1923 and became more marked in 1924, was the result of the reduction of surplus supplies and of increased demand - mainly from the United States.

Tin suffered a very severe price recession in the industrial depression which commenced in 1920. The collapse was so serious in the East, whence comes most of the world's supply, that the Government of the Federated Malay States, to assist the producers, adopted a policy of fixing minimum prices and took up the output which could not be sold to equal advantage in the open market. Large stocks were accumulated as a result of this policy. An agreement was also made, as the result of what became known as the Bandoeng Conference, between the F.M.S. Government and the Dutch East India Government and others who had accumulated stocks, by which these were kept off the market until conditions improved. In 1923 the states concerned arranged for regular monthly releases from the pool the amount of which was 17,600 tons. During 1923 it was reduced to 8,000 tons and still further reductions were made in 1924.

Estimates of production show that present figures are under pre-war figures. In 1913 the production was about 133,000 long tons. The highest figure since then was 131,000 tons in 1922. For 1923 the figure is 127,000 tons.

World consumption of tin appears to be now somewhat in excess of pre-war levels. This is due to the great demands made by the United States where the tinsplate industry has experienced extraordinary activity. It was estimated that the United States alone consumed 75,000 tons in 1923 which beats all records including the 73,700 ton consumption in the war year, 1918. The 1913 consumption in the United States was 45,000 tons.

The factors contributing to the higher prices of 1923 and 1924 were therefore (1) increased consumption particularly in the United States and (2) production under pre-war figures.

Factors restraining an upward price movement were (1) the existence of the pool of surplus stocks, but as these were rapidly nearing depletion in 1924 that factor was being eliminated, (2) the comparatively sluggish condition of the continental market which did not experience an activity corresponding to that enjoyed in the United States.



Factors which are likely to affect the situation in the future are (1) disappearance of the Bandoeng surplus, (2) current consumption has tended lately to exceed current production, (3) the probability of a greater European consumption and also of some revival in such countries as Russia, (4) the difficulty of augmenting supplies since many mines have passed their peak of production. New sources of supply have been discovered but total production has not gained. The demand for tinned goods is on the increase and a shortage of tin, which was talked of even before the war, seems likely to push prices upward so as to make profitable the working of low-grade ores, which must be utilized if an increased demand is to be met. At present the Federated Malay and British protected Malay States supply about 33% of the world's output, Bolivia supplies over 20%.

The real position of the tin market is frequently obscured by propaganda for speculative purposes. London is the principal market and speculative activities there are the reason for frequent fluctuations in the price of this metal. Behind these activities, however, are the facts as outlined previously which indicate the underlying strength of the market. The most important factor is the American consumption for the tinplate industry. The United States is the key to the situation. Any considerable decrease or increase in demand from that quarter would have a marked effect on the trend of prices.

STATISTICS CANADA LIBRARY  
BIBLIOTHEQUE STATISTIQUE CANADA



1010366200

c.1