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

DOMINION BUREAU OF STATISTICS - CANADA

INTERNAL TRADE BRANCH

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POST WAR ZINC (SPELTER) PRICES.

The index number for zinc (or spelter) as computed by the Dominion Bureau of Statistics was 138.2 in 1924 based on 1913 prices. This compares with 92.4 for electrolytic copper and 173.1 for lead. The general index for all commodities was 155.2.

The average yearly price in 1913 was $5.80 per cwt. The war found the chief ore sources in allied and neutral lands but the chief smelters in enemy or occupied territories. The lack of zinc which ensued, combined with huge war demand, caused prices to soar and in 1915 they ranged from $6.52 in January to $23.99 in June. As productive capacity increased outside the territory controlled by the enemy prices fell. The average was $15.37 per cwt. in 1915 which had dropped to $8.85 by 1918. The post war boom raised the level somewhat. In 1920 the average was $10.15. The slump which followed saw zinc at $6.83 in 1921. It rose to $7.40 in 1922, $8.40 in 1923 and was $8,01 in 1924. The latter year commenced with a rising market, but in common with the other non-ferrous metals, due to the liquidation of stocks on the part of speculators who were caught by the unexpected rise in the French franc and also to a general slowing up in business, prices tended downward for several months. There was a marked recovery at the end of the year. The range in 1924 was $7.45 in July and $9.10 in December.

The present relatively low level of zinc prices is due to the greatly increased capacity brought into being by war conditions, improvements in mining, smelting and refining and subnormal conditions in Europe and elsewhere.

At the present time the United States produces about ½ of the world's total production of zinc. Prior to the war her production was less than 1/3 of the world output. The following table gives the production of various countries in 1913, 1917 and 1923 in metric tons.

	1913	1917	1923
United States	320,283	619,079	481,906
Belgium	204,220	10,290	148,080
Germany	109,361	57,668	48,000
Upper Silesia	169,439	128,832	84,000
World Production	1,014,370	1,003,417	974,748

These figures indicate that in 1917 production in the United States had greatly increased while that in enemy and occupied territories had diminished very considerably. Evidently it is possible to increase production enormously under pressure. After the war the Belgian output showed much recovery. The enlarged smelter capacity in the United States plus the pre-war capacity in other countries would yield an output of over 1,300,000 metric tons. Improved methods of mining and smelting, enlarged capacity and abundant supplies of ore apparently render this or an even greater world output possible. A considerable amount of the ore is, however, of a low grade and only higher prices would make it profitable to work it. The situation recently has been that any improvement in prices brought a quick response in larger supplies.

On the other hand it is expected that the demand for zinc will show large increases in the next few years. It is now relatively cheaper than lead and can be used as a substitute metal for some purposes as for example in certain alloys. There has been a considerable growth in the utilization of it for zinc oxide. Its chief uses are for galvanizing and for brass. With the recovery of European countries construction demands of various kinds will help to bring latent production capacity into activity. The present world consumption of zinc is estimated to be somewhere around 80 to 90% of pre-war figures. Zinc does not appear to be in as strong a position as lead because the supply of raw material for the former is abundant relatively to present and prospective demand whereas in the case of the latter there are signs of scarcity.

The war acted as a stimulus to Canadian production which has showed an almost continuous increase since pre-war times. In 1913 our output was about 2,800 tons. This had increased to 17,500 in 1918. The 1924 production is estimated to have been 49,000 tons.