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INTERNAL TRADE BRANCH

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A WEEKLY INDEX NUMBER OF WHOLESALE PRICES

The Dominion Bureau of Statistics begins publication with this bulletin of a weekly series of wholesale price index numbers. The same 567 items and weighting system employed in constructing the Bureau's monthly indexes have been used in calculating weekly figures shown for 1934 on page 2. The week to which these indexes apply ends on Friday.

It is believed that the publication of a weekly index of wholesale prices will give a more accurate picture of price movements than the monthly index, which does not always show clearly the extent and duration of "short-run" fluctuations. The weekly series performs the additional service of making available a close range view of price movements since it will be issued within four or five days after the close of the week to which latest calculations apply.

Four of the eight sub-indexes, i.e., those for Wood and Its Products, Iron and Its Products, Non-Metallic Minerals and Their Products, and Chemicals and Allied Products, are composed largely of items which do not fluctuate a great deal. For those groups, weekly indexes may seem unnecessary. They have been treated in the same fashion as the others, however, in order to make the weekly index as accurate as possible. The remaining four groups composed largely of commodities whose prices are active, i.e., Vegetable Products, Animals and Their Products, Textiles and Textile Products, and Non-Ferrous Metals and Their Products, have a combined weight of 61 as compared with 39 for the four less active groups.

Prices for the weekly index are obtained as follows:

1. For commodities traded on organized exchanges, weekly averages of daily spot closing quotations are made.
2. Prices for other commodities subject to frequent changes are reported by representative firms each week.
3. Prices for less active commodities are reported by representative firms as changes occur.

NOTE ON WEIGHTING SYSTEM

Amounts exchanged during the base year (production plus imports) form the basis of the Bureau's wholesale price index weights.

Individual price series are weighted by amounts representative of physical quantities exchanged.

Sub-group indexes are weighted by percentage figures indicative of the base year value of all commodities which may be properly included in that sub-group. This gives sub-groups a more accurate weight than would be obtained by commodity weights only, since it tends to offset any inequalities due to incomplete sampling.

Group indexes are weighted to form a final wholesale price index in the same manner as is employed in combining sub-group indexes.

WEEKLY WHOLESALE PRICE INDEX NUMBERS, JANUARY 5 - MAY 11, 1934.
(1926=100)

The general movement in wholesale prices was upward from the beginning of the year until March 2, during which time the index mounted from 69.9 to 72.2. It then fell steadily for nine weeks with the index for May 4 being 70.6. Led by a sharp increase in grain prices the index again moved upward to 71.1 for the week ending May 11. For the first four months of the year animal product prices exerted a dominant influence upon the general wholesale index. Animal Products mounted from 64.9 on January 5 to 71.7 on March 2, and then dropped to 65.3 on May 11. Vegetable Products and Textiles both rose steadily until the middle of March, and then turned gradually downward. Their decline continued until the week of May 11, when both groups advanced. Movements for other groups since the beginning of the year were of small proportions.



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