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WEEKLY INDEX NUMBERS OF WHOLESALE PRICES, 1935-1936.
(1926=100)

The Dominion Bureau of Statistics index number of wholesale prices on the base 1926=100 declined from 72.9 for the week ending January 17 to 72.8 for the week ending January 24. Vegetable Products and Textiles advanced while Animal Products, Wood and Non-Ferrous Metals moved lower.

Vegetable Products rose from 67.8 to 67.9. Coarse grains displayed a mixed tendency but with sufficient firmness apparent to raise the index for grains. Other increases were noted in milled products, vegetable oils, raw rubber, raw sugar and potatoes, while hay was the only Vegetable sub-group to move lower. Changes in Animal Products, on the contrary, were mostly downward and the index dipped from 73.0 to 72.3. Heavy runs of livestock were received at the leading stock yards and, although the number of cattle exported to the United States was about double that of last week, easier prices were the rule. Both fresh and cured meats declined while reductions occurred also in milk products, fats and eggs. Strength in raw cotton and raw wool raised the index for Textiles from 69.7 to 69.8 but lower prices for maritime spruce were responsible for the Wood index dropping from 66.9 to 66.8. Advances were reported in copper, lead and zinc but declines in silver and tin proved of greater weight and the index for Non-Ferrous Metals fell from 68.4 to 68.1. No changes occurred in Iron, Non-Metallic Minerals and Chemicals which remained at 87.2, 85.3 and 77.3 respectively.

Canadian Farm Products receded from 66.2 to 65.8. Field Products rose from 59.2 to 59.3 largely because of strength in grains and potatoes but Animal Products declined from 76.0 to 76.7 when weakness in livestock, hides and eggs exerted a greater influence than a rise in raw wool.

	No. of	1935	1936			
Price	Series	Jan. 25	Jan. 3	Jan. 10	Jan. 17	Jan. 24

Total Index 567						
Commodities	567	71.7	72.8	73.0	72.9	72.8
INDEX NUMBERS OF COMMODITIES CLASSIFIED ACCORDING TO THEIR CHIEF COMPONENT MATERIALS						
I. Vegetable Products	135	67.2	67.9	68.2	67.8	67.9
(grains, fruits, etc.)						
II. Animals and Their Products	76	68.0	73.4	73.3	73.0	72.3
III. Fibres, Textiles and Textile Products	85	72.5	69.6	69.7	x69.7	69.8
IV. Wood, Wood Products and Paper	49	64.6	65.8	66.5	66.9	66.8
V. Iron and Its Products	44	86.9	87.2	87.2	87.2	87.2
VI. Non-Ferrous Metals and Their Products	18	63.9	68.7	68.6	x68.4	68.1
VII. Non-Metallic Minerals and Their Products	83	86.3	85.4	85.4	x85.3	85.3
VIII. Chemicals and Allied Products	77	80.8	77.5	77.5	77.3	77.3
CANADIAN FARM PRODUCTS	70	61.2	66.5	66.5	66.2	65.8

x Revised.

October. The reaction that followed was largely technical, and in the closing days of December an upturn occurred which carried the index[†] approximately 40 p.c. above January levels.

In contrast to the more pronounced fluctuations of the Textile group, Iron Products showed but small variations. Beginning at 86.8, it gradually worked through the twelve months to finish at 87.2 for a gain of 0.4. Although there was small change in price levels, the production of steel in Canada for the year 1935 increased appreciably over that of 1934. Pig iron and ferroalloys made a gain of 51 p.c. while primary steel was up 23 p.c. Wood was also one of the more stable commodities, wheat suffered no violent fluctuations during the year. For the first six months business was quiet and the index of prices eased downward from 64.7 to a low of 63.9. In June and July, lumber strikes in the western United States diverted some business to British Columbia mills, and the index rose to 64.2. Improved domestic demand and an increase of approximately 50 p.c. in foreign shipments were reported during September while for the remaining months a good output at firm prices was maintained. The index moved to a high for the year of 65.5 on December 20.

Considerable activity was shown by Non-Ferrous Metals. In the first two months the index dropped gradually, from 64.1 to 63.7. On March 8 an international conference of copper producers met in New York and production and marketing agreements resulted. A steady increase in the price of copper carried quotations from 6.72½¢ on March to 8.50¢ per pound, c.i.f. European ports on May 27. Subsequent to this date, when a decision of the United States Supreme Court invalidated an industrial code affecting copper producers, heavy speculative selling was reported from European centres and the index dropped from 71.9 at the end of May to 68.2 on June 28. Later, prices rose steadily, supported by European demand and increased war tension. The index touched a high for the year of 74.5 in October but was slightly easier during the next two months. In December a sharp drop in the Non-Ferrous group occurred, owing to weakness in silver, tin and copper, and the index fell to 69.4. Movements of silver prices were dominated by the policy of the United States Treasury, and that metal was the most outstanding performer in the Non-Ferrous group. Keen speculative demand ran the price up from 54¢ an ounce in February to 81¢ an ounce in the latter part of April, but the failure of the United States to advance its purchase price beyond 77.7¢ an ounce for newly mined metal brought about a reaction and quotations gradually declined. Curtailment of support by the Treasury in the second week of December disorganized the London market sufficiently to necessitate a temporary suspension and outside quotations fell away sharply. The price for silver dropped from 65 3/8 cents to 49 3/4 cents per ounce between November 29 and December 27.

Non-Metallic Minerals showed slight variation during the year. Firmness was in evidence during the first two months when the index rose from 86.1 to 86.4 but this was followed by a slightly downward tendency due in part to the seasonal reductions in coal prices. In July, price cutting in gasoline broke out in Montreal, and the index dropped to a low for the year of 84.6. There followed a gradual rise to finish December at 85.4.

Chemicals commencing the year at 80.6 were very quiet during the first eight months, but in September a sharp reduction in the price of prepared paints depressed the index 2.6 points. During the remaining months few changes occurred, and the index rested at 77.5 as the year closed.

The index for Farm Products fluctuated in close sympathy with Vegetable Products during the first eight months but in September a sharp upturn took place, as animal prices became higher, and the index rose from 61.3 to 66.3. The following reaction was not serious in extent and the year closed with the index at 65.8

	: No. of : : Price : : Series :	1935		1936		
		Jan.	Dec.	Jan.	Jan.	Jan.
		18	27	3	10	17
Total Index 567						
Commodities	567	71.4	72.6	72.8	x73.0	72.9
INDEX NUMBERS OF COMMODITIES CLASSIFIED ACCORDING TO THEIR CHIEF COMPONENT MATERIALS						
I. Vegetable Products (grains, fruits, etc.)	135	66.7	67.5	67.9	68.2	67.8
II. Animals & Their Products	76	67.0	72.9	73.4	73.3	73.0
III. Fibres, Textiles and Textile Products	85	72.6	69.6	69.6	69.7	69.9
IV. Wood, Wood Products & Paper	49	64.8	65.5	65.8	x66.5	66.9
V. Iron and Its Products ..	44	86.9	87.2	87.2	87.2	87.2
VI. Non-Ferrous Metals & Prod.	18	64.0	69.4	68.7	68.6	68.2
VII. Non-Metallic Minerals & Prod.	83	86.3	85.4	85.4	85.4	85.1
VIII. Chemicals & Allied Prod.	77	80.8	77.5	77.5	77.5	77.3
CANADIAN FARM PRODUCTS	70	60.9	65.8	66.5	66.5	66.2

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