

# Wholesale Price Movement in Canada

Rise in Prices During Twenty Years—Special Causes at Work  
in 1917—Influence of Crops and of Transportation Conditions

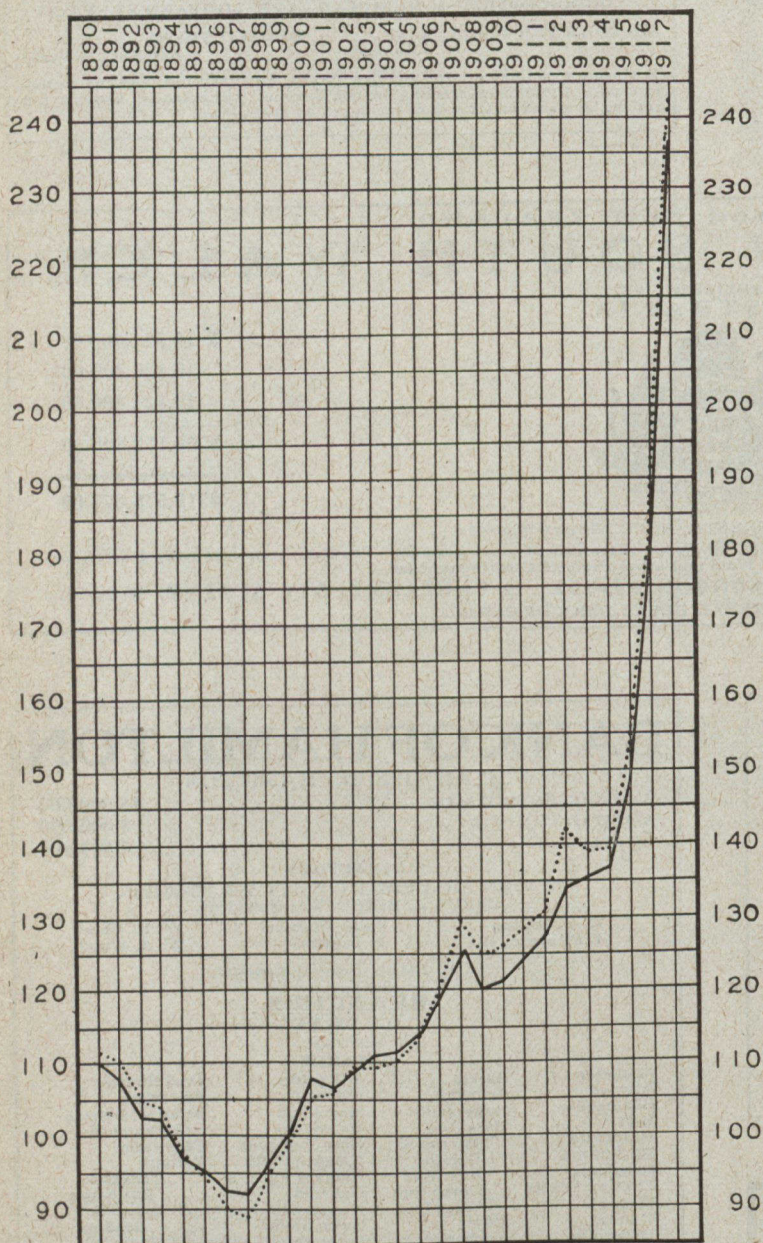
THE remarkable increase in prices which has been a leading economic factor during the past five years has probably come to a standstill, and the next few years may see a corresponding decline. Prices at the end of 1917, as com-

The original investigation covered 230 articles selected as representative in so far as possible of the more important places of production and consumption in Canada. The list, though made as complete as possible at the time, was not regarded as final, and efforts have since been made to extend it. Seven additional commodities were included in the annual report for 1910 and twenty-seven in the report for 1911. The dropping of two commodities in 1910 and of one commodity in 1911 accordingly brought the total covered by the investigation at the beginning of 1912 to 261. This total was increased to 272 during 1912 by the addition of eleven commodities, namely, nine new articles and additional series of quotations in the case of two articles previously included. In 1913 a new basis was secured for the quotations of indigo. During 1915 one line of spelter added in 1910 was dropped, as, owing to the great advance in prices of spelter, two series in addition to zinc sheets gave these lines an undue importance in the calculation of the index number. In 1915 a new basis was secured for molasses.

With reference to the movement in 1917 the report says: The feature of the prices movement of 1917 was the world shortage of food, aggravated by the difficulty of transporting stocks from the principal sources of production, a difficulty due largely to the demand on the world's ocean tonnage for transporting war supplies, etc., increased by the losses caused by submarines. In other commodities similar conditions prevailed to a less degree. Prices moved steeply upward during the first part of the year and less steeply thereafter. In Canada, the index number of wholesale prices, based on the average prices of 272 commodities in 1890-1899, rose from 212.7 in January to 257.1 in December, having advanced continuously from January to July, when it reached 248.7. In August, September and October there were slight recessions, bringing it down to 244.7 in October, but in November and December the movement was steeply upward again. The index number at the end of the year had, therefore, more than doubled since 1910, when the figure was 124.2, or in 1907, when it had reached 126.2. In Great Britain the index number of the Economist was up to 265.7 in December, double that in January, 1914; while the Sauerbeck index number, published by the Statist, was up to 185.1 as compared with 159.3 in January, 1917, 119.0 in January, 1914, and 78 in 1910. In the United States, Dun's index number reached 220.172 in December as compared with 169.562 in January, 124.528 in January, 1914, and 119.17 in January, 1910. In France, the index number of the General Statistical Office reached 288.2 in December as compared with 217.0 in the first quarter of the year and 120.3 in the third quarter of 1914.

## Influence of Grain Crop

The 1916 crops throughout the world had been quite short, but there was a great surplus from the 1915 record crops. In Great Britain, France and Italy the crops were short, and the purchase and supply of imported grain was toward the end of the year placed in the hands of an Allied Buying Commission. A shortage in grain developed in the spring of 1917, and before long the wheat trade in Canada and the United States was put under government control. There was some improvement in the crops of 1917 as a result of more favorable weather and efforts to increase production, but there was still an abnormal shortage in western Europe to be made up by importation. The total production of food did not show a great decrease as compared with pre-war years, but the consumption and demand on supplies had enormously increased. Nor had the



COURSE OF WHOLESALE PRICES IN CANADA, 1890-1917  
(Average Prices 1890-1899=100)

Note.—Dotted line indicates weighted index number.

pared with the end of 1914, showed an increase of over 80 per cent., as measured by the price index of the department of labor at Ottawa. This department has just issued its report on wholesale prices for 1917, which work was under the special care of Mr. C. W. Bolton. This is the ninth report on wholesale prices made by the department. The first, issued in 1910, included the results of an investigation into the course of Canadian prices during the twenty years from 1890 to 1909 inclusive.