

From 1926 to the latter part of 1929 a moderate decline occurred, but its effect upon the price structure was not great. Subsequent dislocation, however, was extremely serious, as may be observed from the following percentage declines of group prices between August, 1929, and February, 1933: Canadian farm products, 60.7 p.c.; raw and partly manufactured materials, 50.5 p.c.; fully and chiefly manufactured goods, 29.3 p.c.; and the average of all commodities at wholesale, 35.5 p.c. From March, 1933, to July, 1937, the movement of commodity prices was irregularly upward, culminating in a sharp rise dating from June, 1936. The July, 1937, index of 87.5 was 36 p.c. above that for February, 1933, although this increase was partly cancelled by a decline of 2.9 points in the last five months of the year. The following index numbers show the relationship between the average of all commodities and specified commodity groups for December, 1937: all commodities, 100.0; Canadian farm products, 101.8; raw and partly manufactured materials, 97.7; and fully and chiefly manufactured materials, 97.0. This represents material improvement over conditions existing at the nadir of the depression, and points to a substantial restoration of equilibrium between the major price groups.

2.—Weighted General Wholesale Price Index Numbers, by Months, 1928-37.

(1926=100.)

| Month. | 1928. | 1929. | 1930. | 1931. | 1932. | 1933. | 1934. | 1935. | 1936. | 1937. |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| January..... | 96.9 | 94.0 | 95.3 | 75.9 | 69.5 | 63.8 | 70.7 | 71.4 | 72.9 | 81.9 |
| February..... | 96.8 | 95.0 | 93.9 | 75.5 | 68.9 | 63.5 | 72.1 | 71.8 | 72.5 | 82.9 |
| March..... | 97.7 | 95.6 | 91.8 | 74.5 | 69.0 | 64.3 | 72.1 | 71.9 | 72.4 | 85.4 |
| April..... | 98.3 | 94.5 | 91.2 | 73.9 | 68.2 | 65.3 | 71.3 | 72.5 | 72.2 | 86.2 |
| May..... | 97.9 | 93.4 | 89.7 | 72.5 | 67.4 | 66.7 | 71.1 | 72.2 | 71.9 | 85.2 |
| June..... | 96.9 | 93.4 | 87.7 | 71.8 | 66.4 | 67.5 | 72.0 | 71.4 | 72.3 | 84.6 |
| July..... | 96.0 | 97.2 | 85.3 | 71.3 | 66.5 | 70.5 | 72.0 | 71.4 | 74.3 | 87.6 |
| August..... | 95.3 | 98.4 | 83.7 | 70.5 | 66.7 | 69.5 | 72.2 | 71.7 | 76.1 | 85.6 |
| September..... | 95.4 | 97.8 | 82.1 | 69.7 | 65.9 | 68.9 | 71.9 | 72.4 | 76.4 | 85.0 |
| October..... | 95.2 | 96.8 | 81.0 | 69.9 | 65.0 | 67.9 | 71.3 | 73.1 | 77.1 | 84.7 |
| November..... | 94.9 | 95.7 | 79.5 | 70.7 | 64.7 | 68.9 | 71.1 | 72.7 | 77.2 | 83.1 |
| December..... | 94.6 | 96.0 | 77.7 | 70.4 | 64.0 | 69.0 | 71.1 | 72.7 | 79.6 | 82.7 |
| Yearly Averages. | 96.4 | 95.6 | 86.6 | 72.1 | 66.7 | 67.1 | 71.6 | 72.1 | 74.6 | 84.6 |

This irregular rise in Canadian price levels which dates from February, 1933, received its first major setback in the last half of 1937. The Bureau's index of wholesale prices for December was 82.7 on the base 1926=100; it compared with a December 1936 figure of 79.6, and indicated a net rise of 3.9 p.c. Year-end indexes alone, however, fail to give a true picture of price movements. The rapid advance which featured the latter half of 1936 continued at an accelerated pace until the final week of March when the Bureau's weekly index reached a peak of 86.9. Coincident with subsequent recession in world commodity markets, Canadian price levels reacted moderately carrying the index to 84.1 for the week ended June 11. Rapid deterioration of the grain crop on the Prairies then stimulated an advance in the Canadian farm products index of more than 12 p.c. in the next 5 weeks, while the general index rose 4 p.c. to 87.7. A second decline commenced in August, and subsequent monthly indexes fell steadily with many wholesale prices ending the year considerably below opening figures.

Movements of indexes for the various component materials showed less variation in 1937 than in 1936. In the preceding year the range of dispersion was marked by vegetable products which advanced 25.2 p.c. and by a rise of 0.6 p.c. for non-metallic mineral products. In 1937 the range was from +13.9 p.c. to -7.1 p.c., and the actual percentage changes were as follows: vegetable products +1.5, animal products +5.8, textiles -2.7, wood products +8.5, iron and its products +13.9, non-ferrous metals -7.1, non-metallic minerals +1.4, and chemicals +2.0.