

2.—Weighted General Wholesale Price Index Numbers, by Months, 1928-38.

(1926=100.)

| Month. | 1928. | 1929. | 1930. | 1931. | 1932. | 1933. | 1934. | 1935. | 1936. | 1937. | 1938. |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------|
| January | 96.9 | 94.0 | 95.3 | 75.9 | 69.5 | 63.8 | 70.7 | 71.4 | 72.9 | 81.9 | 83.8 |
| February | 96.8 | 95.0 | 93.9 | 75.5 | 68.9 | 63.5 | 72.1 | 71.8 | 72.5 | 82.9 | 83.6 |
| March | 97.7 | 95.6 | 91.8 | 74.5 | 69.0 | 64.3 | 72.1 | 71.9 | 72.4 | 85.4 | 83.1 |
| April | 98.3 | 94.5 | 91.2 | 73.9 | 68.2 | 65.2 | 71.3 | 72.5 | 72.2 | 86.2 | 82.3 |
| May | 97.9 | 93.4 | 89.7 | 72.6 | 67.4 | 66.7 | 71.1 | 72.2 | 71.9 | 85.3 ¹ | 80.3 |
| June | 96.9 | 93.4 | 87.7 | 71.8 | 66.4 | 67.5 | 72.0 | 71.4 | 72.3 | 84.6 | 80.1 |
| July | 96.0 | 97.2 | 85.3 | 71.3 | 66.5 | 70.5 | 72.0 | 71.4 | 74.3 | 87.6 | 78.6 |
| August | 96.3 | 93.4 | 83.7 | 70.5 | 66.7 | 69.5 | 73.2 | 71.7 | 76.1 | 85.6 | 76.0 |
| September | 95.4 | 97.8 | 82.1 | 69.7 | 65.9 | 68.9 | 71.9 | 72.4 | 76.4 | 85.0 | 74.5 |
| October | 95.2 | 96.8 | 81.0 | 69.9 | 65.0 | 67.8 | 71.3 | 73.1 | 77.1 | 84.7 | 74.1 |
| November | 94.9 | 95.7 | 79.5 | 70.7 | 64.7 | 68.9 | 71.1 | 72.7 | 77.2 | 83.1 | 73.5 |
| December | 94.6 | 96.0 | 77.7 | 70.4 | 64.0 | 69.0 | 71.1 | 72.7 | 79.6 | 82.7 | 73.3 |
| Yearly Averages | 96.4 | 95.6 | 86.6 | 72.1 | 66.7 | 67.1 | 71.6 | 73.1 | 74.6 | 84.6 | 78.4 |

¹ Revised since the publication of the 1938 Year Book.

The range of fluctuation in the component groups between December, 1937, and December, 1938, explains to some extent the behaviour of the general index. The 1938 net changes (with 1937 net changes in parentheses) were: vegetable products -29.3 p.c. (+1.5 p.c.), animal products -6.8 p.c. (+5.8 p.c.), textiles -3.9 p.c. (-2.7 p.c.), wood and wood products +0.9 p.c. (+8.5 p.c.), iron and its products -5.6 p.c. (+13.9 p.c.), non-ferrous metals -1.4 p.c. (-7.1 p.c.), non-metallic minerals -1.0 p.c. (+1.4 p.c.), and chemicals -2.1 p.c. (+2.0 p.c.). It is readily apparent that index fluctuations with the exception of vegetable products were comparatively small. Of the eight groups, wood and wood products was the only one to show a gain in 1938, and that of a minor character. The tremendous effect of the recession in the grain index was clearly shown by the loss in the vegetable group index. The position of the animal products group index was altered considerably during the latter half of 1938, coinciding with the substantially cheaper feed situation. Live-stock prices which had been kept at a high level for the first six months were quick to react to the changing grain picture. Declines in the textile group were mostly confined to raw wool and its manufactures. In the wood and wood products group strength was due mainly to the higher prices ruling in the newsprint industry when a basic New York price of \$50 a ton was set for 1938. All sections of the iron and steel group experienced weakness though price reductions were chiefly centred in the pig iron and rolling-mill products indexes.

Lower prices in the aluminium, antimony, and solder sub-group indexes were mainly responsible for the narrow change in the non-ferrous group. Removal of the sales tax on building materials in 1938 contributed to a slight recession in the non-metallic group index, and lower gasoline prices were also associated with the decline in this group. Price reductions in the chemical group were general and outweighed advances for fertilizers and industrial gases.

The Canadian farm products index, in which grains are the most important constituent, suffered a sharp setback in 1938. The opening level was 87.3 but successive monthly declines brought it down to a 1938 low of 63.0 on Sept. 9. Following the stabilizing effect of the 80-cent minimum price set on No. 1 Manitoba Northern wheat by the Canadian Grain Board, the index ruled firmer for the remainder of the year, closing at 64.6.

As might be expected from the foregoing comments, primary commodity indexes showed considerable recessions during 1938, compared with manufactured goods indexes. The position occupied by producer goods, raw and partly manufactured materials, and Canadian farm products relative to manufactured materials was approximately on a par with December, 1935, or about 10 p.c. below corre-