

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH *Historical File Copy*

Dominion Statistician: R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch: Herbert Marshall, B.A., F.S.S.
Prices Statistician: H.F. Greenway, M.A.

PRICE MOVEMENTS, OCTOBER, 1935. (PRELIMINARY)

COMMODITIES

The wholesale level of commodity prices was higher in the second week of October than at any time since April 1931. The Bureau's index of wholesale prices advanced gradually from 71.2 at the beginning of July to 73.2 for the week ended October 11, but subsequent reaction carried it downward to 72.4 for the week of November 1. October witnessed a marked recession in wheat prices which wiped out two-thirds of gains registered in the preceding two months. The spectacular rise in silk prices also terminated in the month under review, and a moderate decline followed. Markets for livestock were weaker, although eggs and butter scored ~~small~~ increases. Copper and tin received a setback towards the middle of the month, but subsequently were firm. Zinc, rubber, silver, and cotton were relatively steady throughout October.

COST OF LIVING

Higher prices for foods and fuel together with increased rentals were responsible for an upward movement in the Dominion Bureau of Statistics cost of living index from 79.6 in September to 80.4 in October. The food index rose from 70.9 to 72.4, influenced mainly by advances for eggs, butter, milk, and potatoes. Increases in coal prices, and to a lesser extent in coals and wood quotations, resulted in a rise in the fuel index from 85.4 to 86.5. Rentals were somewhat firmer, the index being 82.6 in October as compared with 81.4 in September. A slight decrease from 92.6 to 92.5 was recorded by the sundries group, due to moderate declines in household effects and motor operating costs.

SECURITIES

The movement of common stock prices has been strongly upward during October, sending an index number measuring their fluctuations to the highest level occupied since March 1931. This advance followed a period of relative inactivity which commenced last May. Prior to that time an earlier rise of major proportions had occurred in the spring months. The current movement has been led by industrial issues, an index for which mounted from 144.1 for the week of October 3, to 159.0 for the week of October 31. Utilities were slightly firmer, rising from 44.3 to 46.4 during the same period. Gold mining issues failed to reflect much of the advance in other sections. A minor improvement carried an index for this group from 102.6 for the week of October 10 to 106.8 for the week of October 31.

Better stock prices were paralleled by increases in bond quotations, and yields consequently declined. An index for Dominion of Canada long-term yields fell from 83.8 for the week of October 4 to 75.7 for the week ending November 1.

FOREIGN EXCHANGE

Exchanges were reasonably stable during October following a period of erratic behaviour in the preceding month. The Canadian dollar improved its position both with relation to sterling and to the United States dollar. Large shipments of gold from Europe to the United States beginning early in September tended to dwindle towards the end of October, and the flight of capital from London was believed to have been definitely halted. Pressure remained upon the French franc which was weak as the month closed. Gold shipments during the current movement have totalled approximately \$470,000,000 to date. Sharp declines in Chinese silver units in the latter half of October finally led to a formal declaration that the currency would be devalued at about its current level (30 cents in Canadian funds), and that silver would be nationalized.

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