

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, MARCH, 1935 (PRELIMINARY).

COMMODITIES

The gradual advance in commodity wholesale prices which began early in January reached a peak in the second week of March. During this interval the Dominion Bureau of Statistics wholesale price index number mounted from 71.3 to 72.3. At that level it was higher than at any time since last August. Marked stability in the general wholesale prices since the beginning of 1934 was indicated by the fact that weekly indexes since then have fluctuated between 69.9 and 72.9. The mild reaction in the latter half of March was associated with weakness in eggs, steers, cotton, rubber, tin, and silk. Continued strength was apparent in wheat, silver, and sugar. Hogs turned upward in the last two weeks of March, regaining about one-third of losses registered since February 1st. The general index for the final week of March was 72.1, or 0.2 below the peak figure for the second week.

COST OF LIVING

Moderate reductions in clothing prices were responsible for a slight decline in the Dominion Bureau of Statistics cost of living index from 79.1 in February to 79.0 in March. The clothing group fell from 71.0 to 70.3, while foods advanced slightly from 69.2 to 69.5. The general index of 79.0 compares with 79.9 for March 1934.

SECURITIES

Common stock prices declined throughout the first three weeks of March, but turned upward again in the fourth. The general movement since the beginning of the year has been gradually downward. An index of industrials for the week of March 28, was 125.2 as compared with a January average of 129.7; utilities similarly had fallen from 50.4 for January to 44.4 for the week of March 28. Gold stocks at 126.5 were materially lower than the 1935 peak of 131.2 (March 7), but higher than the January average of 123.2. Milling and iron and steel issues showed weakness during March, while beverages and power and traction were relatively firm.

	<u>March, 1935</u>				<u>March, 1934</u>
	<u>1st Week</u>	<u>2nd Week</u>	<u>3rd Week</u>	<u>4th Week</u>	<u>4th Week</u>
Industrials	128.0	124.4	123.7	125.2	128.2
Utilities	46.1	45.4	44.7	44.4	58.2
Gold Stocks	131.2	126.8	125.6	126.5	128.3

FOREIGN EXCHANGE

The Canadian dollar declined moderately in terms of most currency units during the first three weeks of March, but regained the greater part of earlier losses before the month closed. A sharp break in the belga in the final week followed an official decree announcing that Belgium would reduce the gold value of the belga by 28 p.c. Gold currencies weakened as pressure against the belga increased, while marked advance occurred in the sterling bloc. Sterling, however, dropped 2 $\frac{3}{4}$ ¢ to \$4.82 $\frac{1}{2}$ on March 30, at Montreal. New York funds commanded a premium of $\frac{3}{4}$ of one p.c. at the end of March as compared with 5/16 of one p.c. at the beginning. Unofficial rates on the Brazilian milreis of roughly 6.30¢ were 2¢ below official rates.

March, 1935

(Montreal rates supplied by the Bank of Montreal.)

<u>Averages of daily rates</u>	<u>1st Week</u>	<u>2nd Week</u>	<u>3rd Week</u>	<u>4th Week</u>
Sterling	4.8200	4.8280	4.8280	4.8280
New York funds	1.0110	1.0120	1.0110	1.0070
French franc	.0675	.0672	.0667	.0664

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