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

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PRICE MOVEMENTS, MAY, 1935 (PRELIMINARY)

COMMODITIES

Led by reactions in markets for wheat, cattle, and silver, the general level of wholesale prices receded gradually throughout the month of May. Improvement in crop prospects in Canada and the United States was followed by a marked decline in wheat quotations approximating seven cents per bushel. Silver prices dropped back sharply when the United States Government failed to advance its purchase price for silver beyond 77.2¢ per ounce. The decline was halted, however, above the 70¢ mark in the second week of May, and quotations subsequently moved between 76¢ and 73¢ per ounce. Although cattle prices were reduced appreciably in the latter half of the month, hogs continued to advance and reached a new high for the year in the final week. Cotton turned slightly weaker following the adverse decision handed down by the United States Supreme Court on May 27 regarding the constitutionality of recovery measures. Other basic commodities including rubber, copper, and zinc showed little change. The Dominion Bureau of Statistics weekly index number of wholesale prices declined from 72.6 for the week of May 3 to 71.9 for the week of May 31.

COST OF LIVING

The Dominion Bureau of Statistics cost of living index remained unchanged at 78.8 for May. There was a slight rise in the food group from 68.6 to 68.7, firmer prices for beef, pork, butter and flour being of greater consequence than declines for bacon, eggs, potatoes and coffee. The May rental survey showed rents also to be increasing gradually, and the index for this group mounted from 80.3 to 81.4. These advances were counterbalanced by seasonal declines in fuel prices, the fuel index falling from 88.9 in April to 86.1 in May.

SECURITIES

Activity in common stocks reached the highest peak of the current year during May. Quotations for industrials reacted to movements in New York which in the first three weeks were influenced by the growing sentiment in favour of the Patman Bonus Bill. The veto of this measure and the United States Supreme Court decision against the National Industrial Recovery Act in the closing days of the month were followed by a slight decline in stock prices. A composite index of Canadian industrial and utility common stocks advanced from 89.4 for the week ending May 2, to 100.7 for the week of May 23, and then dropped back to 98.7 in the final week. Corresponding indexes for industrials were 132.4, 150.4, and 147.2 respectively. Utilities showed little reaction to bullish forces and an index for this group moved between 43.6 (second week) and 45.4 (third week) during May. Gold stocks declined steadily from 125.3 for the week of May 2, to 117.1 for the week of May 30, at which level this index was lower than for any preceding week of the year. A slight decline in quotations for Dominion of Canada long-term bonds, caused an index of yields for this type of issue to mount from 71.2 in the first week to 72.2 in the final week of May.

FOREIGN EXCHANGE

The French franc was a storm centre in exchange markets during May. Large quantities of gold flowed out of France in an effort to maintain the franc upon its present parity, and the situation appeared to be reaching a crisis as the month ended. At Montreal, franc quotations fell gradually from 6.64¢ in the first week to 6.58¢ in the final week of May. Quotations for New York funds also declined from \$1.0045 to \$1.0009. Sterling on the other hand was firmer, rising sharply from \$4.8583 to \$4.9392 between the first and final weeks of the month.

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