

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, AUGUST, 1935. (PRELIMINARY)

COMMODITIES

The steady tendency in August wholesale price levels was disturbed in the final week by a moderate reaction which centred mainly around grain markets. For the week ended August 30, the general wholesale price index was 71.4 as compared with 71.8 for the preceding week, and 71.8 at the beginning of the month. The most outstanding feature of August commodity markets was undoubtedly the continued spectacular advance in raw silk prices. This appeared to have reached a peak on August 16, but in spite of subsequent reaction the net gain for the month was substantial. Raw sugar and copper also recorded appreciable gains. Cotton and silver showed moderate declines while livestock, rubber, coffee, and eggs fluctuated within relatively narrow limits. A composite index for Canadian farm product prices declined from 62.3 to 61.2 during August.

COST OF LIVING

Higher prices for foods and fuel caused the Canadian cost of living index to advance from 78.8 in July to 79.4 in August. An index for foods rose from 69.3 to 71.3, due principally to higher prices for eggs and potatoes. Onions and most meats averaged lower. Seasonal increases in coal prices resulted in an upward movement in the fuel index from 84.7 to 85.4. Miscellaneous items registered a slight rise from 92.4 to 92.5. The general index of 79.4 compared with 78.5 for August, 1934.

SECURITIES

Common stock prices turned upward again for a brief interval during the first three weeks of August. In the final ten days of the month, however, a moderate reaction occurred which reduced net gains for the movement by about one-third. A general price index number for common stocks touched 99.5 for the week of August 22, which compared favourably with the 1935 high of 100.7 established for the week of May 23. The general index for the final week of August was 98.1, and that for the final week of July, 95.4. Strength was apparent in most security groups, with the lead being taken by oils, leverages, and power and traction. Prices for gold stocks continued to decline throughout August as indicated by indexes of 109.8 and 102.9 for the first and final weeks. This movement has continued without major interruption since the week of March 7, for which the corresponding index was 131.2.

Bond prices weakened moderately on a listless market in the latter half of August. Conversely, yields advanced, an index of long-term Dominion of Canada yields mounting from 71.6 to 73.4 during the month.

Security Price Index Numbers, August, 1935. (1926=100)

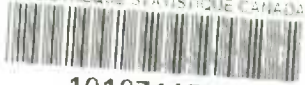
August, 1934

	<u>1st Week</u>	<u>2nd Week</u>	<u>3rd Week</u>	<u>4th Week</u>	<u>Final Week</u>
Industrials	144.0	146.3	147.5	146.3	121.5
Utilities	45.7	48.3	48.2	47.3	52.0
Gold Stocks	107.8	107.1	105.3	102.9	138.8

FOREIGN EXCHANGE

Heavy purchases of silver by the United States Treasury coupled with an inflow of funds from continental Europe was mainly responsible for unusual strength in the £ sterling during August. Montreal quotations for sterling mounted from \$4.96 $\frac{1}{2}$  on August 1, to \$4.99 $\frac{3}{4}$  on the 20th and 21st, and closed the month at \$4.99 $\frac{1}{4}$ . As buying of silver by the United States became less active in the latter half of August, the premium on New York funds commenced to increase, the final quotation being 9/16 of one per cent. as compared with 3/16 of one per cent. at the beginning of the month. European gold currencies showed practically no change at Montreal, although reports repeatedly mentioned pressure upon the Dutch guilder and the Italian lira. Instability of the Brazilian milreis was followed by official assurance that present external debt servicing arrangements would be maintained to the utmost of the government's ability. The restoration of a free market for the Austrian schilling has been followed by considerable repatriation of funds to that country.

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010711513

1010711513