

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

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DEPARTMENT OF THE TREASURY

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PRICE MOVEMENTS, JANUARY, 1936. (PRELIMINARY)

COMMODITIES

Commodity markets were relatively stable throughout January, and this was reflected in very slight fluctuations of the weekly wholesale price index which fell fractionally from 73.0 to 72.8 between the first and final weeks of the month. Grain prices moved gradually lower, dominating a moderate recession in Vegetable products. Lower quotations for eggs and cattle more than offset advances for hogs, causing animal products also to show a net decline. Raw cotton and silk likewise were weaker. Non-Ferrous metals, on balance, were firmer although silver prices dropped about 5 cents per ounce during January. Changes in other commodity groups were not of great consequence.

Stability in the general wholesale index during the past year has been paralleled fairly closely by the eight constituent groups included. Only Animal Products and Non-Ferrous metals have shown net changes amounting to more than one or two p.c. These groups have registered advances of approximately six p.c. in each case.

COST OF LIVING

The general cost of living index for Canada was unchanged at 80.8 for January, slightly higher prices for foods being offset by a decline in the sundries group. An index for foods rose from 73.7 to 73.9, due principally to increases for butter, eggs, cheese, potatoes and a number of meats. Sugar prices tended downward. The sundries index fell from 92.5 to 92.3, as the result of a reduction in motor operating costs caused by declines in gasoline prices in several cities.

SECURITIES

Strength was fairly general in security markets during January, although the impetus which carried the Investors' index of industrial and utility common stocks upward into new territory for the recovery movement, came largely from oils and a selective list of miscellaneous issues including International Nickel and Consolidated Smelters. Other groups such as iron and steel, pulp and paper, textiles, beverages, and utilities showed little change. The Investors' series mounted steadily from 111.4 in the final week of December to 120.7 for the last week of January. Industrials were the main source of this strength, advancing from 173.3 to 194.4 between the two periods mentioned, while utilities mounted from 49.8 to 52.7. Mining stocks were also active, an index for this group rising from 133.1 to 149.9 during January. Both gold and base metal issues contributed to this movement, indexes for the former mounting from 116.7 to 131.3, and for the latter from 200.4 to 226.2. Continued improvement in bond prices was reflected in the steady decline of yields during January. An index of Dominion of Canada long-term bond yields dropped from 73.3 to 71.1 during the month.

FOREIGN EXCHANGE

Exchange markets became quite unsettled during January, influenced by the unstable position of the French franc and a revival of sentiment in the United States in favour of inflationary measures. Quotations on New York funds declined appreciably in the second week of January and again in the final week following the overriding of the Presidential veto of soldier bonus legislation. This development served to remove pressure from the French franc and reversed the flow of gold hitherto moving towards New York, back towards Paris. Sterling also advanced at New York moving above \$5.00 on January 24 for the first time in over a year. As is usual when the franc and sterling advance while the United States dollar declines, the Canadian dollar followed a middle course. Montreal moved against New York, but rates on sterling and the franc advanced materially. Montreal rates between December 31 and January 31, advanced, sterling moving from \$4.9590 to \$4.9928, and the French franc from 6.66¢ to 6.68¢. New York funds fell from a premium of 0.56 p.c. to a discount of 0.22 p.c.

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