

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

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STATISTICS

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PRICE MOVEMENTS, FEBRUARY, 1936 (PRELIMINARY)

COMMODITIES

Losses slightly overbalanced gains in February commodity markets, causing the Dominion Bureau of Statistics wholesale price index number to decline from 72.7 for the week ending January 31, to 72.5 for the week of February 28. An appreciable reaction occurred in raw silk prices, and livestock and raw cotton also moved lower. Copper was the only basic commodity of importance to record definite gains, although raw sugar was firmer. Wheat, rubber, coffee, tin, zinc and silver showed little or no net change.

The index of 72.5 for the week of February 28, compares with one of 72.3 for the week of March 1, 1935. Noteworthy gains have been registered by the principal animal products, including livestock, leather, meats, butter, and eggs during this period. Substantial advances have also occurred for lumber, copper, lead and zinc, although tin and silver have declined. Textiles, on balance, have shown losses, weakness in raw cotton, raw silk and their manufactures, being of more consequence than higher wool prices. Chemical products, too, have declined, particularly prepared paints. Vegetable products have been unusually stable during the past year, while ferrous and non-metallic minerals have exhibited customary rigidity.

COST OF LIVING

A moderate recession in food prices was reflected in a slight decline in the general Canadian cost of living index from 80.7 in January to 80.4 in February. The February food index was 72.9 as compared with 73.9 in the month preceding, and 69.2 a year ago. Eggs, butter, lard, and pork products were higher, while all other meats and potatoes showed declines. Coal and coke prices were slightly higher, as were also those for gasoline.

SECURITIES

Despite a lull in the latter part of February, common stock prices registered appreciable net gains for the month and trading on an unusually broad basis was the heaviest in recent years. The Dominion Bureau of Statistics general price index number of common stocks advanced from 120.7 for the week of January 30 to 126.7 for the week ending February 27. Moderate rises occurred in the first and third weeks, with little change in the second and fourth. With the exception of Textiles, and the Telephone-Telograph group, all sections of the index were higher for the month. The Miscellaneous group dominated by International Nickel and Consolidated Smelters continued to lead the advance. Unusual strength among utilities was a feature of the February market. Gold stock prices "marked time" for the most part, although minor declines were shown by the gold index. Base Metals held firm, while trading in both sections was in large volume. The Bureau's index of Dominion of Canada long-term bond yields moved fractionally lower during February from 71.1 to 70.7, and is now upon a par with the lowest levels for 1935, which created a record for the preceding 30 years.

FOREIGN EXCHANGE

February was relatively uneventful in foreign exchange markets, stability in the second half of the month being more marked than at any time since last August. The French franc dipped temporarily in the second week coincidental with a brief interval of political tension, and the Japanese yen also was subject to pressure due to political developments in Tokyo during the final week of the month. Montreal quotations on the £ sterling moved above \$5.01 during the first two weeks, but later dropped back to \$4.9747 and closed the month at \$4.9878. The discount on the United States dollar was reduced from 0.22 p.c. to 0.9 p.c. It was intimated that the proceeds of the French loan recently negotiated in London were being transferred to France mainly by the expedient of "ear marking" gold held by the Bank of France, thereby preventing disturbance of the London-Paris rate. Independent behaviour of the China (Shanghai) dollar during February was followed by intimations that it was not pegged to any outside currency unit, although sterling and United States dollar rates are subject to control.

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