

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

DOMINION BUREAU OF STATISTICS  
55893 1937  
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 1937 (PRELIMINARY)

COMMODITIES

The decline in commodity prices, which began in the latter part of July, continued throughout the following month and the index of wholesale prices fell from 87.5 for July to 85.6 for August. Of the eight major groups, Vegetable Products, Textiles, Wood Products, Iron and Non-Ferrous Metals moved lower, while Animal Products, Non-Metallic Minerals and Chemicals advanced. A substantial decrease in grains occurred as interest became more definitely linked with shipments from the Southern Hemisphere and the Black Sea, and the index moved from 97.7 to 87.6 for a loss of over 10 p.c. Quotations were still considerably above last year, however, when the index for the final week of August stood at 71.2. The raw rubber index at 39.2 touched a new low for the year, and the potato series dropped from 51.5 to 33.5 within the month. Animal Products reacted somewhat differently and the net result of conflicting tendencies was a small gain. Exports of livestock were especially large and the prices realized were the highest since the summer of 1930. Cattle, particularly, were in demand and heavy shipments were well absorbed. The index for steers has risen from 76.8 to 121.3 in the past twelve months, and exports so far this year show an increase of over 10 p.c. above the corresponding period of 1936. Milk products, fats and eggs declined. The probability of a bumper cotton crop in the United States was reflected in a reduction of 9.5 points in the raw cotton index, despite a Government decision to continue loan and subsidy payments. With the exception of tin, the prices of the more widely used base metals moved lower, and the copper index slipped 2 points to 96.1. This compared with 68.9 for a year ago. Canadian Farm Products registered a loss of 7.7 points in August, due entirely to weakness in grains and potatoes.

COST OF LIVING

Moderate advances in food and fuel prices caused the cost of living index to mount from 83.0 in July to 83.6 in August. The food index was 79.1 as compared with 77.2 in the month preceding, and 74.7 a year ago. Higher quotations were noted for eggs, butter, cheese, flour, potatoes, sugar and tea, while dry beans and onions recorded decreases. An increase in the coal sub-group from 82.7 to 83.9, and in that for wood from 78.7 to 79.0 resulted in an upward movement in the fuel index from 83.9 to 84.6.

SECURITIES

A gradual advance in common stock prices extending over approximately six weeks came to a halt on August 16, when markets turned downward and continued to move irregularly lower for the balance of the month. This movement was anticipated almost a week by the power and traction group, but International Nickel and Consolidated Smelters were in the van as the recession later became general. Machinery and equipment, pulp and paper, beverages and building materials were also considerably affected. Oils and textiles, while registering net declines for August, did not follow the prevalent market pattern. Although losses in the final two weeks were extensive, closing quotations remained appreciably above low points registered in the closing days of June. The general course of the market may be judged from daily Investors' price indexes of 135.6 on July 31, 137.6 on August 14, and 132.8 on the 31st. Mines followed the same broad movement although declines in the final two weeks of August were sharper than for Industrials and Utilities. The general index of 2½ mining stock prices advanced from 141.7 on July 31 to 149.1 on August 13, and then dropped back to 142.6 on the 31st, with base metals leading the reaction. Dominion of Canada long-term bond prices stiffened slightly during August, an index of six issues advancing from 115.1 to 115.5, with the corresponding yield index declining from 68.8 to 68.2.

FOREIGN EXCHANGE

The irregular rise of sterling since April was halted in mid-August, as usual seasonal influences commenced to take effect. Montreal sterling rates dropped from a peak of \$4.9927 on August 18 to \$4.9653 on the 31st. The French franc remained fairly steady throughout the month at about 3.74 cents, although small losses occurred towards the close. Forward rates on francs were held within a narrow range after a declining tendency appeared in the third week. The Bank of France discount rate was reduced from 5 to 4 p.c. on August 4, and again to 3½ p.c. on September 2. The Belgian belga has recently been quite stable and there apparently is little evidence of underlying strain. The Japanese yen remained pegged to sterling at the rate of 1s. 2d. per yen. Gold shipments from Japan since March have approximated \$153,000,000. New York funds at Montreal returned to par on August 20 and remained at that level for the balance of the month.



STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010711537

Statistical file C92