

62-001
2-1
Published by Authority of the Hon. W. D. Euler, M.P.,
Minister of Trade and Commerce

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

DOMINION BUREAU OF STATISTICS
APR 3 1938
Historical File Copy
LIBRARY

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, MARCH, 1938 (PRELIMINARY)

COMMODITIES

A decidedly weak undertone in basic commodity markets was responsible for a decline in the Dominion Bureau of Statistics index number of wholesale prices from 83.8 at the end of February to 83.0 for the week ending March 25. Moderate recovery to 83.3 in the following week was due almost entirely to grain prices, as the majority of other commodity exchanges showed further appreciable losses. Severe reactions were apparent among the non-ferrous metals, rubber, and textiles. World prices of silver also declined following the cancellation of purchases from Mexico by the United States. The position of various commodity groups in relation to corresponding positions a year ago reveals the unstable condition of price levels during that interval. On balance there has been a decline of more than 4 p.c. This has occurred in spite of increases of nearly 7 p.c. in animal products and lesser advances for wood, iron, and non-metallic products. It has been attributable mainly to declines of nearly 10 p.c. in vegetable products, and of more than 25 p.c. in non-ferrous metals. Canadian Farm Products as a group have fallen by more than 11 p.c.

COST OF LIVING

Moderate increases in the price of foodstuffs and fuel were responsible for a rise in the Dominion Bureau of Statistics cost of living index from 83.9 in February to 84.2 in March. The comparative figure for March, 1937, was 82.2. The retail food index advanced from 77.9 to 78.6, easier quotations for sirloin beef, veal, lard and pepper being of less consequence than gains for butter, onions, fresh pork, mutton and canned salmon. The fuel index moved up from 86.0 to 86.3, influenced by sub-index increases as follows: Coal from 86.6 to 86.9, coke from 87.0 to 87.4, and wood from 79.0 to 79.9. A slight advance in hardware prices was not of sufficient importance to affect the miscellaneous index.

STOCKS AND BONDS

Common stock prices in March suffered the most severe decline since last September and October. Moderate advances registered since that time were completely wiped out as price averages plunged to the lowest levels reached since April 1935. With the exception of a brief recovery between March 18 and 21, markets moved steadily lower, still pointing downward as the month closed. The extent of losses may be judged from the following price index numbers for February 28 and March 31: industrials 181.4 and 142.0, utilities 47.2 and 39.8, and the general investors' index 108.9 and 87.9 respectively. Liquidation was heavy during the sharp break which terminated March 18. Mining stock prices suffered correspondingly severe deflation with an index for golds dropping from 121.9 on February 28 to 103.4 on March 31, and base metals from 250.2 to 198.1. The general mining stock price index fell from 147.0 to 122.0. An index of Dominion of Canada long-term bond prices advanced during the first two weeks of March from 116.8 to 117.9 before declining to 114.9 on the 18th. It had recovered to 116.6 however, by the end of the month.

FOREIGN EXCHANGE (Quotations mentioned are Montreal noon rates unless otherwise specified)

Foreign exchanges were seriously disturbed by the turn of international events in the second and third weeks of March. The Canadian dollar weakened during this period with quotations on New York funds showing premiums which ran as high as 11/16 of one per cent. The premium was 9/16 as the month closed. Declines in sterling of nearly 4 cents in the first two weeks were followed by an advance of approximately 2 cents to \$5.00 coincidental with a considerable outflow of capital from London to New York. French francs broke to a new low of 3.03 cents on the 14th following the resignation of the Chautemps Ministry, but recovered to 3.08 cents during the balance of the month. Noteworthy gold losses from Belgium were indicative of pressure upon the belga. The German mark was made legal tender in Austria following the Austro-German union, at the rate of 1.50 schillings to the mark. Mexican pesos dropped sharply after the United States announced the cancellation of Mexican silver purchases after April 1. The March 31 rate of 22.07 cents was approximately 5 $\frac{1}{2}$ cents below levels at the beginning of the month.

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010711544

Microfilm Copy