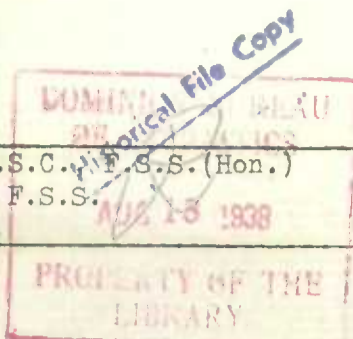


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DOMINION BUREAU OF STATISTICS - CANADA  
INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, JULY, 1938 (PRELIMINARY)

COMMODITIES:

Apart from a minor increase in the second week, the Dominion Bureau of Statistics index number of wholesale prices continued downward from 79.1 to 78.0 during July. This compared with 86.7 for the week of July 30, 1937. Reductions for the chief commodity groups ranged from 1 p.c. to 3.0 p.c. and affected all classes with the exception of non-ferrous metals. The grain index moved lower, subsequent to a rise from 68.5 to 69.0 in the second week, and closed at 65.2. After reaching the highest levels for the current year, raw rubber markets reacted irregularly during the second and third weeks of July. Prices then advanced sharply as reports showed consumption increasing and world supplies diminishing. Copper markets strengthened and were further supported during the closing days by a temporary shortage of electrolytic copper at London. Prices there at £46 10sh. per ton on the 28th showed a £2 rise from quotations on the 21st. Gradual advances raised the Connecticut Valley price from 9 1/2¢ on the 1st to 10 1/8¢ per pound on the 29th of July.

COST OF LIVING:

The Dominion Bureau of Statistics cost of living index number for Canada was 84.2 in July as compared with 84.1 in June, moderate advances in the prices of foodstuffs being partially offset by reductions in fuels. The comparative figure for July, 1937, was 83.1. Slightly easier prices for veal, mutton, bacon, cooked ham, butter, milk, and sugar were more than offset by advances for pork, codfish, eggs, and potatoes, resulting in an increase in the food index from 78.1 to 78.4. During the past year food prices indexes have fluctuated within narrow limits, the highest point recorded being 79.1 in August, 1937, while 77.2 for July and December, 1937, marked the lowest level. The fluctuation in wholesale food prices has been of considerably greater magnitude. The retail fuel index receded from 85.1 to 85.0, owing to moderate reductions in the coal, coke and wood sub-groups.

STOCKS AND BONDS:

The rally in common stock prices inaugurated during the third week of June was well maintained throughout July. Industrial stocks led chiefly by steel, construction, food, beverage and pulp and paper issues showed the sharpest gains, although utility stocks also recorded moderate net advances. The Bureau's monthly index of 95 common stocks at 106.9 for July was 6.9 higher than the June average. The spread between June 30 at 103.9 and July 30 at 107.1 showed a narrower fluctuation than was indicated by the monthly average. The daily index for 24 mining issues opening at 148.7 on July 4 made steady progress throughout the month to close at 155.4 on July 30. Both gold and base metal sub-groups showed their greatest gains in the final week of July, closing at 122.9 and 289.7 respectively, on July 30, as compared with 116.8 and 280.6 on July 4. The daily index for Dominion of Canada long-term bond prices receded 1.1 to 117.0 during the same interval.

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

Sterling suffered a decline of 7.2¢ between July 1st and 30th, although over 1¢ of this was recovered in the final day's trading. A quotation of \$4.928 on the 30th was on a par with levels of mid-April 1937. The decline was associated with increasing United Kingdom import trade balances and a continued flow of capital to United States security markets. London gold prices were repeatedly revised upward to a high for the month of 141sh. 6 1/2d. on July 29th. The French franc receded from 2.81¢ on the 1st to 2.77¢ on the 19th as discussions of the unstable position of government finances were renewed. Later the franc steadied and remained firm at 2.77¢ till the close of the month. Gold exports from Japan continued to support the yen which closed at 28.77¢ against an opening quotation of 29.15¢. Premiums on the United States dollar were reduced during the first week of July from 13/16 to 3/4 of 1 p.c. After fluctuating around that level during the following week the recession was resumed and by the close of the month New York funds were only 9/32 of 1 p.c. above par.



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