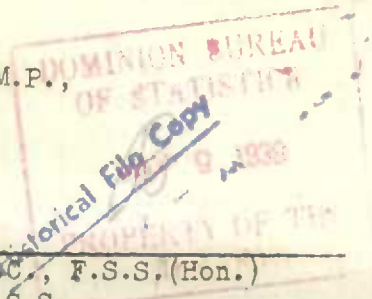


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| Dominion Statistician: | R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.) |
| Chief, Internal Trade Branch: | Herbert Marshall, B.A., F.S.S. |
| Prices Statistician: | H. F. Greenway, M.A. |

PRICE MOVEMENTS, APRIL, 1939 (PRELIMINARY)

COMMODITIES

A relatively sharp break occurred on wholesale commodity markets in the first week of April, but a better tone developed thereafter and losses were more than recovered by the end of the month. The Dominion Bureau of Statistics' index of Industrial Material Prices, which stood at 64.7 for the last week of March, fell to 64.1 for the week of April 7, but rose to 64.8 for the week of April 28. This was due mainly to strength for grains and raw sugar in the Food Materials section, the index for this group rising from 56.7 to 58.2 over the month, while the index for Manufacturing Materials declined from 51.3 to 51.0, and the index for Stable Materials remained unchanged at 87.8. General Wholesale Commodity Price levels fluctuated less widely than did Industrial Material Prices, falling from 73.3 to 73.2 and then rising to 73.5. Moderate advances occurred in Vegetable Products, Textiles, Wood and Iron, whereas small declines took place in Animal Products, Non-Ferrous Metals and Non-Metallic Minerals. Canadian Farm Products closed 0.2 higher at 65.6. Wholesale prices have shown remarkable steadiness in the past eight months and the index movements of both the Industrial Material Prices and the General Wholesale Commodity Prices have remained within a range of 1.6 throughout that time.

COST OF LIVING

The Dominion Bureau of Statistics' cost of living index for Canada was unchanged at 82.9 for April, a minor seasonal reduction in coal being offset by a slight rise in the sundries group. The general index was 1.5 per cent below the level of April 1938. The food index for April, 1939, was 74.5, the same as for March. Higher quotations were reported for beef, pork, mutton, cooked ham and potatoes, while veal, bacon, fish, lard, butter, eggs, canned vegetables and pepper registered declines. The fuel index fell from 85.4 to 85.2, owing to a reduction in the coal sub-index from 87.1 to 86.8. An increase in the tax on gasoline for the Province of Ontario caused the motor operating costs sub-group to advance from 92.0 to 92.7, which in turn resulted in a rise in the sundries group from 93.4 to 93.5.

STOCKS AND BONDS

Common stock prices on Canadian exchanges fell to new 1939 low levels in April though subsequent recovery carried prices back to within fractions of closing March quotations. Moderate gains, accumulated in a brief opening rally, were quickly cancelled in the face of mounting European tension and the Bureau's index for 95 common stocks sagged to a new low of 92.6 on April 11. The irregular recovery, which ensued, moved the index back to 97.3, at the end of April compared with 97.1 on March 31. Industrial shares, as a whole, registered considerably wider fluctuations than did utilities, though closing quotations in both cases were practically on a par with March-end prices. Milling, food and allied products, and telephone and telegraph were the only three sub-groups to record noteworthy gains. Banks closed the month at 84.4 for a net gain of 0.6. Mining issues paralleled industrial and utility movements though the range of fluctuation was greater. From an opening peak of 147.5 on April 3, the general index for 25 mining stocks dropped to a low of 138.5 on the 11th but by the end of the month had rallied to 145.3. Closing indexes for golds and base metals were 111.1 and 286.8 respectively, compared with 108.3 and 283.3 on March 31. An index for Dominion of Canada long-term bond prices, followed the easier tendency in other security markets, and moved down from 117.4 on March 31 to 116.3 at the end of April.

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

European political repercussions continued to be the dominating force behind currency fluctuations through April. Sterling spot rates were held within the relatively narrow limits of 1 1/3¢ during the month while the closing quotation at \$4.7011 was unchanged from the opening level. Noticeably wider discounts on forward rates, on the other hand, reflected continued pressure. During the earlier part of the month discounts on 90-day futures, New York on London, increased 1/2¢ to 3¢ on the 11th but subsequently reacted to 2 19/32¢ at the close. French francs were steady at 2.66¢ while discounts on 90-day futures fluctuated between a low of 1 1/4 on April 3 and 2 1/2 points on the 22nd. The belga was under considerable pressure during the first three weeks of April due mainly to a continued heavy flight of gold to other repositories, coinciding with devaluation rumors. The National Bank of Belgium raised its re-discount rate from 2 1/2 to 4 per cent, and official denial of any contemplated currency devaluation led to a pronounced rally later in the month. The closing rate for the belga at 17.08¢ showed a net gain of 19 points. Month-end commercial obligations and substantial short covering advanced rates for the Netherlands florin sharply higher. Quotations jumped from 53.33¢ on April 24 to 53.73¢ at the close and compared with 53.31¢ at the end of March. Rates on the Brazilian milreis were discontinued on April 6, the last quotation being 05.88¢. United States currency at Montreal closed the month unchanged at \$1.00 7/16 while the intervening range was between \$1.00 3/8 on April 3 and \$1.00 21/32 on the 11th.



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