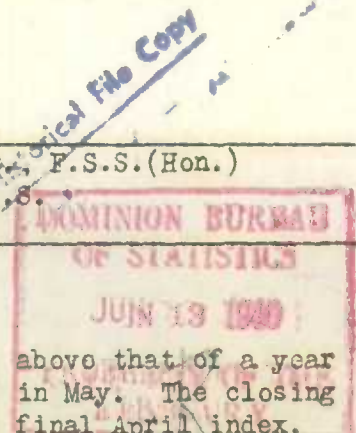


DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, MAY, 1940 (PRELIMINARY)

Though still maintaining a level approximately 11.3 p.c. above that of a year ago the general weekly index for 567 price quotations turned lower in May. The closing index of 81.7 showed a net loss of 1.8 p.c. when compared with the final April index. While sharp drops in cash grain and milled product prices were primarily responsible for this decline, moderate losses also occurred for commodities included in the Animal and Textile groups. Indicative of the drop in grains, the Vegetable products group fell from 76.6 to 71.2, while other component groups showed little or no change during the same period. Moving conversely to the general index for the first three weeks the weekly composite industrial materials price index advanced from 79.1 to 79.6. However a sharp decline in the ensuing two weeks lowered the index level to 77.8 on May 31 for a net loss of 2.3 p.c.

The Bureau's index of retail prices, rents, and costs of services advanced from 85.6 in April to 85.9 in May. The May rental index moved up 1.7 p.c. to 91.5 and the fuel section also mounted fractionally. The food index dropped 0.1 to 78.2 for its third consecutive monthly decline. This level compared with a war peak of 80.5 in November 1939.

Relative steadiness in Canadian security markets during the first eleven days of May subsequently gave way to one of the sharpest price declines since the sweeping recessions of the early 1930's. Between April 30 and May 31 the Bureau's daily index for 95 common stocks dropped 21.6 p.c. to 72.5, bringing the general level of prices down to early 1933 levels. Led by a 44.0 p.c. drop in pulp and paper stocks the industrial section index fell 23.5 p.c. to 111.5, while utilities were off 20.7 p.c. in closing at 36.7. In the mining section the decline was even greater, the composite index for 25 mining stocks falling 26.7 p.c. to 93.2. Losses were shared almost equally in both the gold and base metal sub-groups. Maintaining a much greater degree of stability Dominion of Canada long-term bond prices eased only 1.0 p.c. in the same interval to an index level of 114.5.

Sterling and United States funds continued unchanged in terms of the Canadian dollar during May at the Canadian Foreign Exchange Control Board's official buying and selling rates of \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sharp declines in both sterling and the Canadian dollar during the month reflected greatly accentuated activity on the European war front. As the month ended sterling free market rates were down 28 1/2¢ to \$3.22 3/4 while Canadian funds at 78 1/8¢ were 6 3/4¢ lower. Earlier in the month both of these units touched new ten year lows, sterling being quoted at \$3.16 on May 10 and the Canadian dollar at 78¢ on the 23rd.

SUMMARY OF PRICE INDEXES
(1926=100 for all index series)

	May 1939	April 1940	May, 1940				
			2nd	9th	16th	23rd	30th
WHOLESALE							
General-567 Price Quotations	73.7	83.1	83.0	82.8	81.9	81.2	81.7
Industrial Materials	65.2	79.4	79.1	79.3	79.6	77.7	77.8
Canadian Farm Products	65.1	72.1	71.6	71.3	68.3	64.8	65.8
RETAIL PRICES, RENTS AND SERVICES	83.1	85.6	85.9				
(1st of month)							
SECURITY PRICES							
Investors' Price Index (95 common stocks)	99.2	97.0	92.7	91.8	83.6	75.3	72.6
68 Industrials	163.0	154.8	146.2	145.2	132.0	117.2	112.4
19 Utilities	43.2	47.1	46.3	45.1	40.0	36.8	36.1
Mining Stock Price Index (25 Stocks) ...	151.4	130.7	126.7	122.8	111.5	99.7	93.4
22 Golds	114.6	95.7	93.3	91.0	82.6	74.7	70.9
3 Base Metals	303.3	276.7	264.7	255.3	232.3	204.8	186.1
Dominion of Canada Long-Term Bonds							
Price Index	118.1	114.9	115.7	115.6	115.4	115.2	114.9
Yield Index	68.4	72.4	71.3	71.4	71.7	71.9	72.5
FOREIGN EXCHANGE QUOTATIONS -noon rates (Bank of Canada) at Montreal							
Sterling xdollars	4.6981	4.4500	4.4500	4.4500	4.4500	4.4500	4.4500
U.S. dollars xdollars	1.0036	1.1050	1.1050	1.1050	1.1050	1.1050	1.1050
Italian liracents	5.28	5.60	5.60	5.60	5.59	5.59	5.60
Argentine peso - free market.cents	23.23	25.50	25.47	25.20	25.08	25.21	24.96

*Week ends Friday instead of Thursday. x Average of daily buying and selling rates set by the Canadian Foreign Exchange Control Board since September 18, 1939. Current buying and selling rates are \$4.43-\$4.47 for sterling and \$1.10-\$1.11 for United States funds.



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