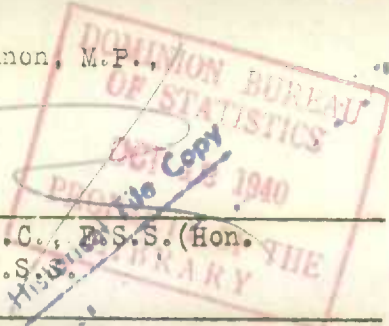


Published by Authority of the Hon. James A. MacKinnon, M.P.,
 Minister of Trade and Commerce
 DEPARTMENT OF TRADE AND COMMERCE
 DOMINION BUREAU OF STATISTICS - CANADA
 INTERNAL TRADE BRANCH



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PRICE MOVEMENTS, SEPTEMBER, 1940 (PRELIMINARY)

The relatively steady tone which has been characteristic of the Bureau's general wholesale price index for the past few months continued through September. The closing index level of 82.8 showed no net change, although the index had touched 83.0 in the second and third weeks. In the industrial materials index moderate increases confined largely to the food and manufacturing sub-groups, lifted the composite index from 78.5 at the end of August to a monthly peak of 79.2 for the week of September 20. Cancelling most of this advance the average level dropped back to 78.8 in the following week for a net increase of 0.4 p.c. Canadian farm product prices closed the month 0.4 points higher at 63.5, due principally to sharply increased quotations for hides and skins.

The Canadian cost of living index continued upward from 105.9 in August to 106.4 for September. The increase was due mainly to clothing and housefurnishings which mounted from 109.1 to 112.4, and 106.9 to 108.9 respectively. The food group remained at 105.4 and rents at 106.9. Fuel and light gained 0.1 to 108.5, while the Miscellaneous section dropped back from 103.0 to 102.8.

Continuing the advance initiated in mid-August the Investors' daily index for 95 common stocks rose 3.5 p.c. to an index level of 82.0 between August 31 and September 30. This level compared with intermediate high and low points of 85.3 on the 7th and 79.7 on September 3. Among the various sub-groups substantial advances occurred for milling stocks, up 12.6 p.c.; building materials, 9.0 p.c.; foods and allied products, 7.9 p.c. and oils 5.9 p.c. Paced by a 5 p.c. increase in golds the index for 25 mining stocks gained 4.2 p.c. to 112.2 during September. In the same period fractional easiness in Dominion of Canada long-term bond prices lowered the index for this series 0.2 p.c. to 115.5.

No change was recorded in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds in September. These were quoted at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. In the same interval sterling free market rates at New York stiffened from \$4.03 1/2 at the end of August to \$4.05 on September 30. Short covering operations coupled with dwindling supplies were mainly responsible for lifting free rates above official quotations. Recording a mid-month decline Canadian funds at New York dropped from 87 3/4¢ at the end of August to 82 1/2¢ on September 14. Weakness in the Canadian unit largely reflected redemption of a Canadian government bond issue resulting in some United States investors converting resources into New York funds through the free market. Subsequently pressure against the dollar eased, with quotations recovering to 85 1/2¢ by the close.

SUMMARY OF PRICE INDEXES

(1926=100 for Wholesale and Security Prices)

(1935-39=100 for Retail Prices, Rents, and Services)

	Sept. 1939	Aug. 1940	September, 1940			
			Week ended -			
			5th	12th	19th	26th
WHOLESALE						
General-567 Price Series.....	78.4	82.7	82.9	83.0	83.0	82.8
Industrial Materials	75.0	78.1	78.8	78.8	79.0	78.8
Canadian Farm Products	64.3	62.7	63.8	64.4	64.1	63.5
RETAIL PRICES, RENTS AND SERVICES (1st of month)	100.8	105.9	-----106.4-----			
SECURITY PRICES						
Investors' Price Index(95 com. stocks)	100.1	76.0	82.4	83.6	82.7	83.4
68 Industrials	168.2	119.6	131.4	133.7	132.2	133.4
19 Utilities	42.2	37.1	39.2	39.5	39.1	39.3
Mining Stock Price Index(25 stocks)...	137.7	101.8	109.9	110.5	109.0	113.1
22 Golds	99.6	76.0	82.3	82.7	82.1	85.1
3 Base Metals	298.3	209.0	224.6	227.9	222.8	229.7
Dominion of Canada Long-Term Bonds						
Price Index	109.6	115.2	115.7	115.7	115.7	115.6
Yield Index	78.3	72.0	71.2	71.2	71.3	71.4
FOREIGN EXCHANGE QUOTATIONS-noon rates (Bank of Canada) at Montreal						
Sterling xdollars..	4.4090	4.4500	4.4500	4.4500	4.4500	4.4500
U.S. dollars xdollars..	1.0943	1.1050	1.1050	1.1050	1.1050	1.1050
Indian rupeecents....	32.82	33.59	33.59	33.59	33.59	33.59
Argentine peso-free market.cents....	25.66	24.92	25.30	25.79	26.02	25.68

* Week ends Friday instead of Thursday. x Average of daily buying and selling rates set by the Canadian Foreign Exchange Control Board since September 12, 1939.



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