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INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, DECEMBER, 1941 (PRELIMINARY)

WHOLESALE: Closing 1941 at 93.8, the Dominion Bureau of Statistics' weekly index of 567 commodity wholesale price series showed a net loss of 0.1 p.c. for the month of December and an increase of 11.4 p.c. for the year. Weakness in the index reflected sharp declines for lard and eggs coupled with lesser decreases for furs, cheese, cotton fabrics and cedar lumber which more than offset moderate advances for a number of items including grains, flour, potatoes, fish, livestock, fresh meats, raw cotton, carpets, spruce and hemlock lumber, and coal. Of the eight component groups animal products and fibres, textiles and textile products were lower, vegetable products, wood, wood products and paper and non-metallic minerals were higher, while the remaining three were unchanged. During the year all groups registered increases varying between 18.3 p.c. for animal products and 0.6 p.c. for non-ferrous metals. Industrial material prices recorded an advance in December. Closing the month at 91.6, the composite series of 30 commodities indicated a net increase of 0.7 p.c., reflecting an advance of a similar amount for the stable price sub-group coupled with an increase of 0.6 p.c. for the sensitive price series. Canadian farm product prices moved higher also, the composite index advancing from 74.3 for the final week of November to 74.7 for the week of December 26. This rise reflected firmer prices for grains, tobacco, potatoes and onions in the field products section which more than outweighed a decline in the animal products section due to a sharp drop in egg prices.

COST OF LIVING: (Wartime increase 14.9 per cent - from 100.8 to 115.8) The Dominion Bureau of Statistics cost-of-living index declined from 116.3 on November 1, 1941, to 115.8 on December 1, 1941. This index which has been specified as the basis for calculating cost-of-living bonus adjustments under Order-in-Council P.C.8253, has increased 14.9 per cent between August, 1939 and December, 1941. The December decrease was due almost entirely to a decline in the food index from 125.4 to 123.8. Eggs, meats and fresh fruits recorded substantial reductions while moderate increases occurred in butter and fresh vegetables. The only other change for December 1 was a decline in the clothing index from 120.0 to 119.9. Remaining group indexes were unchanged as follows: Fuel and light 112.7, rent 111.2, home furnishings and services 117.9, and miscellaneous 106.7.

SECURITIES: Reflecting a further preponderance of losses for both industrial and utility stocks, the Investors' weekly index of 95 common stocks again moved down in December. An index of 66.8 for the closing week of December was 2.5 p.c. below the level of 68.5 for the week of November 27. During this interval the index for 68 industrials receded 2.3 p.c. to 63.7, while a corresponding series for 19 utilities moved 3.4 p.c. lower to 67.8. A weaker tone was noted also in mining stocks as indicated by a drop of 5 p.c. to 61.0 in the composite index for 25 golds and base metals between November 27 and December 26. Gold stocks declined 6.6 p.c. to an index level of 50.7 while base metal stocks were off 2.9 p.c. to 81.4. Registering their first decline in several months, Dominion of Canada long-term bond prices eased fractionally in December from an index level of 102.2 at the end of November to 101.9 for the week of December.26. Yields were correspondingly firmer, closing 0.5 points higher at 93.8.

SUMMARY OF PRICE INDEXES

(1926=100 for Wholesale Prices)
(1935-39=100 for Cost of Living and Security Prices)

	Dec. 1940	Nov. 1941	December, 1941 Week ended - - 4th	11th	18th	26th
WHOLESALE ≠						
General - 567 Price Series	84.2	94.0	93.6	93.5	93.7	93.8
Industrial Materials	79.1	91.0	91.4	91.2	91.6	91.6
Canadian Farm Products	67.1	74.1	74.5	74.2	74.3	74.7
COST OF LIVING - (1st of month)	108.0	116.3	----------	----------	----------	----------
Investors' Price Index (95 common stocks)	70.3	68.8	67.9	67.0	65.9	66.8
68 Industrials	65.9	65.3	64.4	63.7	62.7	63.7
19 Utilities	76.4	71.1	70.6	68.3	67.1	67.8
Mining Stock Price Index (25 stocks)	80.2	65.0	65.1	63.5	62.9	61.0
22 Golds	74.9	54.9	54.9	52.7	51.5	50.7
3 Base Metals	90.0	85.0	85.4	84.9	85.5	81.4
Dominion of Canada Long-Term Bonds -						
Price Index	100.5	102.0	102.2	102.1	101.9	101.9
Yield Index	97.0	93.6	93.2	93.5	93.8	93.8
FOREIGN EXCHANGE QUOTATIONS - noon rates at Montreal (Bank of Canada)						
U.S. dollars (x) ....dollars	1.105	1.105	1.105	1.105	1.105	1.105
Sterling (x) ....dollars	4.450	4.450	4.450	4.450	4.450	4.450

≠ 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.