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PRICE MOVEMENTS, JULY, 1946 (PRELIMINARY)

WHOLESALE: Seasonal advances in potatoes and eggs increased the composite index of Canadian farm product prices by 0.2 to 109.9 between the weeks of June 28 and July 26. Field products rose 0.6 to 97.9, the rise in potatoes more than outweighing lower quotations for rye, onions and hay. However, animal products weakened 0.6 to 129.9 due to a sharp decline in livestock which overbalanced the egg advance.

The industrial material price index registered a decline of 0.9 to 102.7 between June 28 and July 26. All sub-groups were lower, the index for five foods reacting 2.2 points to 106.0 due to easier prices for steers and hogs. Twelve stable items declined 1.0 to 123.0 reflecting the removal of the 10 p.c. exchange differential on iron ore from the United States. A sharp drop in the price of raw cotton lowered the manufacturing series 0.4 to 85.9.

COST OF LIVING: (Increase since August, 1939, 24.1 p.c. from 100.8 to 125.1). The Dominion Bureau of Statistics cost-of-living index advanced from 123.6 for June 1 to 125.1 for July 2, 1946. In the past four months the index has recorded a gain of 5.0 points. The July rise reflected widely distributed price increases, affecting four of the six index budget groups. Foods advanced from 142.1 for June to 144.2 for July, as prices moved higher for eggs, beef, lamb, potatoes and carrots. Clothing moved up from 124.3 to 126.4 due mainly to advances in the men's wear and footwear sections. Homefurnishings and services also showed a substantial gain from 122.4 to 125.1 on increases in furniture, textile furnishings, and chinaware. Advances in the health maintenance and recreation sections caused the miscellaneous group index to rise from 112.1 to 113.7. Fuel and light remained at 107.2 and rentals at 112.6.

SECURITIES: The decline in Canadian common stock prices was accentuated in July, reflecting in part the revaluation of the Canadian dollar in terms of United States funds. Between the weeks of June 27 and July 25, the Investors' index for 100 common stocks dropped 6.5 p.c. to 115.3. Utilities moved 8.3 p.c. lower to 127.6, while 74 industrials weakened 6.6 p.c. to 108.7. All sub-groups were down with the exception of beverages which stiffened 0.2 p.c. to 418.0. Transportation stocks, down 17.6 p.c. to 194.7, paced the decline, followed by industrial mines off 12.3 p.c. to 94.7; pulp and paper fell 9.4 p.c. to 255.4; building materials 8.9 p.c. to 151.2; machinery and equipment 6.9 p.c. to 183.6; power and traction 4.8 p.c. to 106.2, and oils 4.2 p.c. to 70.0. In the mines section substantial losses also were in evidence, and the composite index for 27 representative issues dropped 13.7 p.c. to 89.2 between June 27 and July 25. An index for 23 golds was down 16.4 p.c. to 77.1, while 4 base metals recorded a decline of 9.8 p.c. to 111.5. Dominion of Canada long-term bond prices were slightly weaker in July as indicated by the yield on a theoretical 15-year 3 p.c. issue which rose from 2.60 on June 26 to 2.63 on July 24.

SUMMARY OF PRICE INDEXES
 (1936=100 for Wholesale Prices)
 (1935-39=100 for Cost of Living and Security Prices)

	July 1945	June 1946	July, 1946			
			Week ended			
			4th	11th	18th	25th
WHOLESALE /						
Industrial Materials	100.1	103.3	103.6	103.3	103.3	102.7
Canadian Farm Products	108.0	109.5	111.3	111.3	110.4	109.9
COST OF LIVING (1st of month)	120.3	123.6			125.1	
Foods	135.6	142.1			144.2	
INVESTORS' PRICE INDEX (100 common stocks).	100.5	123.3	123.3	120.7	118.6	115.3
74 Industrials	93.3	116.7	116.6	114.1	112.1	108.7
18 Utilities	125.0	138.4	138.6	134.1	131.3	127.6
MINING STOCK PRICE INDEX (27 stocks)	93.1	104.0	99.0	95.6	90.9	89.2
23 Golds	38.0	92.0	88.3	84.0	79.2	77.1
4 Base Metals	101.1	125.7	101.0	116.8	112.4	111.5
DOMINION OF CANADA LONG-TERM BONDS						
Yield Index	94.6	84.9	84.7	85.0	85.0	85.3

/ Week ends Friday instead of Thursday.

