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PRICE MOVEMENTS, AUGUST, 1946 (PRELIMINARY)

**WHOLESALE:** The weekly index of Canadian farm product prices rose 1.1 points to 111.0 between July 26 and August 23. This was almost entirely due to an increase of 10¢ per bushel in the initial payment to farmers for wheat sold off the farm. Field products moved up 2.1 points to 100.0 as a result of the wheat increase and higher hay prices. However, prices for rye, barley, potatoes and onions moved lower during the month. In the animal products section easier quotations for steers, lambs and fowl nullified advances in hogs, calves and eggs, to lower the index 0.4 to 129.5.

Industrial material prices moved higher in August also, the composite index for 30 commodities advancing by 2.3 points to 105.0 between July 26 and August 23. Manufacturing material items registered a gain of 4.4 points to 90.3, due to higher prices for linseed oil and raw cotton. Five food commodities stiffened 0.3 to 106.0, reflecting upturns in hogs which outweighed weakness in steers. The stable price group was unchanged at 123.0.

**COST OF LIVING:** (Increase since August, 1939, 24.6 p.c.--from 100.8 to 125.6). The Dominion Bureau of Statistics cost-of-living index advanced from 125.1 on July 2 to 125.6 for August 1, 1946. Foods, clothing, homefurnishings and services, and the miscellaneous budget groups contributed to this increase. Seasonal declines for vegetables and fruits were not sufficient to balance seasonal gains for eggs plus other advances for butter and meats, and the food index rose from 144.2 to 144.7. Increases in prices of men's wear contributed the major part of a rise in the clothing index from 126.4 to 127.6. The homefurnishings and services series moved up from 125.1 to 127.0, due chiefly to advances in furniture and chinaware. The miscellaneous index gained fractionally from 113.7 to 113.6. The indexes for rentals and fuel and light remained unchanged at 112.6 and 107.2 respectively.

**SECURITIES:** For the third successive month common stock prices on Canadian exchanges registered weakness, the Investors' composite index easing 1.9 p.c. to 113.1 between the weeks of July 25 and August 29. Spasmodic rallies occurred during the first half of August culminating in an index peak of 119.3 on the 15th, but thereafter prices moved progressively lower. Group changes were relatively small, beverages declining 4.1 p.c. to 401.0 followed by transportation stocks off 3.9 p.c. to 187.2; industrial mines 3.2 p.c. to 91.7; and banks 3.2 p.c. to 130.5. Three groups were firmer, pulp and paper shares rising 1.7 p.c. to 259.7; textiles and clothing 1.0 p.c. to 204.5, and power and traction 0.7 p.c. to 106.9. Mining shares, following the pattern set by industrials and utilities, weakened 0.8 p.c. to 88.5 between July 25 and August 29. Golds were down 0.8 p.c. to an index level of 76.5, while base metals receded 0.6 p.c. to 110.8. Dominion of Canada long-term bond prices were slightly stronger in August as indicated by the yield on a theoretical 15-year 3 p.c. issue which declined from 2.63 on July 24 to 2.61 on August 28.

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

	August 1945	July 1946	August, 1946 Week ended -				
			1st	8th	15th	22nd	29th
<b>WHOLESALE</b>							
Industrial Materials .....	99.8	103.0	102.9	103.1	105.0	105.0	-
Canadian Farm Products .....	109.1	113.8	112.0	111.8	111.0	111.0	-
<b>COST OF LIVING (1st of month)</b> .....	120.5	125.1	-----		125.6	-----	
Foods .....	136.2	144.2	-----		144.7	-----	
<b>INVESTORS' PRICE INDEX (100 com. stocks)</b>	99.6	119.1	117.6	118.4	119.3	116.9	113.1
74 Industrials .....	93.0	112.6	111.4	111.9	113.0	110.3	106.5
18 Utilities .....	121.7	132.2	129.6	131.8	132.8	130.3	126.3
<b>MINING STOCK PRICE INDEX (27 stocks)</b> ...	93.7	93.4	91.3	89.5	91.3	89.5	88.5
23 Golds .....	89.7	81.7	79.7	77.7	78.7	77.4	76.5
4 Base Metals .....	99.4	114.9	112.6	111.4	114.6	111.7	110.8
<b>DOMINION OF CANADA LONG-TERM BONDS</b>							
Yield Index .....	94.4	85.1	85.3	85.3	85.0	85.0	84.7

/ Week ends Friday instead of Thursday.

