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PRICE MOVEMENTS, AUGUST 1950, (PRELIMINARY) *

COST-OF-LIVING:- The Dominion Bureau of Statistics cost-of-living index advanced 1.0 points to 168.5 between July 3rd and August 1st. The index stood at 162.8 on August 1st, 1949, and at 157.5 at August 2nd, 1948. Foods were again responsible for most of the July increase; the index for this series moving from 214.3 to 216.7. Prices continued upward for practically all meats, while eggs, sugar and coffee also advanced. Fresh vegetables recorded moderate seasonal declines. The clothing index showed a slight advance from 180.7 to 180.9, reflecting increases in footwear and piece goods. This is the first upward movement in clothing prices since October, 1949. Fuel and light advanced 0.7 points to 138.4 in response to higher prices for coal and coke in Ontario and Quebec. Home furnishings and services moved up 2.0 points to 168.9, due mainly to an increase in telephone rates in eastern Canada. Indexes for the two remaining groups continued unchanged - rentals standing at 134.9 and miscellaneous items at 132.5.

From August 1939 to August 1950, the increase in the cost-of-living index was 67.2 percent.

DOMINION COST OF LIVING INDEXES (1935-39 = 100)

| | Combined Index | Food | Rent | Fuel and Light | Cloth- ing | Home Furnish- ings and Services | Miscel- laneous |
|----------------|----------------|-------|-------|----------------|------------|---------------------------------|-----------------|
| August 1, 1950 | 168.5 | 216.7 | 134.9 | 138.4 | 180.9 | 168.9 | 132.5 |
| July 3, 1950 | 167.5 | 214.3 | 134.9 | 137.7 | 180.7 | 166.9 | 132.5 |
| August 1, 1949 | 162.8 | 209.2 | 123.4 | 129.5 | 183.2 | 167.4 | 128.9 |

WHOLESALE PRICES (WEEKLY)
(1926 = 100)

The composite index for 30 Industrial Materials continued upward during August to reach 176.8 for the week of August 25th. This compared with 172.5 for July 28th. Accounting for the increase were price advances for raw sugar, raw rubber, raw wool, lead, tin and hogs. These outweighed declines for wheat, oats and steers. A sharp decline occurred in Canadian Farm Products prices at wholesale in August. The composite index dropped from 154.3 for the week of July 28th to 142.7 for August 4th, while the final index for the month was 142.4. The drop in the index mainly reflected a change in the initial wheat price to producers on August 1, from \$1.75 to \$1.40 per bushel for Manitoba No. 1 Northern Fort William - Port Arthur basis. Field products declined from 126.2 for July 28th to 106.5 for August 25th. Potatoes and onions registered a sharp seasonal decline in this section in addition to grains. A rise in animal product prices from 201.2 to 202.6 in the same interval was due to increases in hides and skins, raw wool, eggs and fowl. Livestock averaged slightly lower.

Weekly Wholesale Price Indexes (1926 = 100)

| | Week Ended | | | | | Monthly Average | | |
|------------------------|------------|----------|-----------|-----------|-----------|-----------------|-----------|-----------|
| | July 28th | Aug. 4th | Aug. 11th | Aug. 18th | Aug. 25th | Aug. 1950 | July 1950 | Aug. 1949 |
| Industrial Materials | 172.5 | 172.5 | 172.4 | 174.9 | 176.8 | 174.2 | 168.8 | 146.8 |
| Canadian Farm Products | 154.3 | 142.7 | 142.1 | 142.1 | 142.4 | 142.3 | 154.3 | 146.0 |

SECURITIES:

The post Korean rally in common stocks which commenced in the latter half of July continued through August. Between the weeks of July 27th and August 24th, the Investors' Index rose 8.5 points to 137.7. Industrial stocks registered the sharpest advance, an index for 82 issues moving up 10.1 points to 135.4. A similar index for 16 utilities gained 4.2 to 134.3 in the same interval while 8 banks increased 0.9 to 145.6. Mining stocks recorded considerable strength also; the composite index for 30 representative issues advancing 6.2 points to 88.5. Base metal stocks continued upward to reach 139.8 for a net gain of 7.5 points. During the same period the index for 25 golds increased from 57.5 to 63.1, thereby reversing the downturn of the previous month.

Weekly Security Price Indexes, 1935-39 = 100

| | Week Ended 1950 | | | | | Monthly Average | | |
|---|--------------------|-------------|--------------|--------------|--------------|--------------------|--------------|----------------|
| | July 27th | Aug. 3rd | Aug. 10th | Aug. 17th | Aug. 24th | August (a) 1950 | July 1950 | August 1949 |
| <u>INVESTORS' PRICE INDEX</u> | | | | | | | | |
| (106 Common Stocks)..... | 129.2 | 130.8 | 133.7 | 136.5 | 137.7 | 134.7 | 124.3 | 108.2 |
| 82 Industrials..... | 125.3 | 127.2 | 130.5 | 133.5 | 135.4 | 131.7 | 119.5 | 101.3 |
| 16 Utilities..... | 130.1 | 131.2 | 132.6 | 134.9 | 134.3 | 133.3 | 127.4 | 119.5 |
| 8 Banks..... | 144.7 | 144.6 | 146.2 | 146.3 | 145.6 | 145.7 | 145.3 | 133.3 |
| <u>MINING STOCK PRICE INDEX</u> | | | | | | | | |
| (30 Stocks)..... | 82.3 | 84.9 | 86.7 | 86.0 | 88.5 | 86.5 | 80.9 | 89.6 |
| 25 Golds..... | 57.5 | 61.0 | 61.3 | 60.2 | 63.1 | 61.4 | 58.5 | 75.3 |
| 5 Base Metals..... | 132.3 | 133.2 | 138.2 | 138.3 | 139.8 | 137.4 | 126.1 | 116.8 |
| <u>GOVERNMENT OF CANADA LONG-TERM BONDS - YIELD INDEX</u> | | | | | | | | |
| | 90.9 | 90.9 | 90.9 | 90.2 | 90.2 | 90.6 | 91.0 | 92.7 |

* Indexes published in this bulletin do not yet include data covering Newfoundland

(a) 4 weeks

N.B. Inquiries concerning indexes in this release should be directed to the Prices Section, Labour and Prices Division

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