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PRICE MOVEMENTS

AUGUST 1955

THE CONSUMER PRICE INDEX: (1949 = 100)

The Consumer Price Index advanced 0.3 per cent from 116.0 to 116.4 between July 2 and August 1, 1955.

The change was mainly attributable to the Food Index which increased from 111.5 to 112.4. In August 1954 the Consumer Price Index stood at 117.0 and the food component at 114.4. Among food items, increases were registered by butter, eggs, grapefruit and most cuts of beef and lamb, while decreases occurred in margarine, apples and fresh vegetables, notably tomatoes and potatoes. The Shelter series advanced slightly as the home-ownership component moved up fractionally and rents were unchanged. Prices for most clothing items were unchanged in August; a few slight changes balanced each other to leave the Clothing Index at 107.8. The Household Operation Index also remained unchanged between July 2nd and August 1st, a fractional increase in coal being insufficient to change the group index from its July level of 115.8. Other Commodities and Services advanced 0.3 per cent from 117.7 to 118.0, as increased street car and taxi fares and higher hospital rates more than outweighed a slight decrease in the price of gasoline.

Consumer Price Indexes (1949 = 100)

	Total Index	Food	Shelter	Clothing	Household Operation	Other Commodities and Services
August 1, 1955	116.4	112.4	129.8	107.8	115.8	118.0
July 2, 1955	116.0	111.5	129.6	107.8	115.8	117.7
August 2, 1954	117.0	114.4	127.0	109.6	117.2	117.7

Prepared in Prices Section, Labour and Prices Division

WHOLESALE PRICE INDEXES (WEEKLY)
(1935-1939 = 100)

The weekly composite index for thirty industrial material prices at wholesale advanced 1.4 per cent during August, from 237.2 for July 29th to 240.6 for August 26th. Leadership in the advance was provided by steel scrap and copper, followed by lesser changes for beef hides, hogs, steel bars, raw rubber, sisal, steel sheets, iron ore and bleached sulphite pulp. Raw wool, cottonseed oil, tin, oats and raw cotton weakened over the period under review.

Canadian farm product prices at terminal markets dropped 1.7 per cent during August as the composite index moved from 208.0 at July 29th to 204.5 at August 26th. Field Products were responsible for the decline as the group index receded 8.3 per cent from 170.1 to 156.0, due mainly to lower quotations for potatoes. Western flax, rye and hay, and Eastern corn were also lower, while declines in Western barley and oats reflected the change from the interim payment for the 1954-55 crop year to the initial payment for the 1955-56 crop year. Eastern rye, wheat and barley were higher in August, partially reflecting extreme drought conditions of the past summer. The Animal Products group showed strength as the index moved up 2.8 per cent, from 246.0 at July 29th to 253.0 at August 26th. Principal price increases in this group were hogs, eggs and calves, although Western steers and lambs, and Eastern cheese milk were somewhat firmer. Decreases occurred in Eastern lambs and poultry and raw wool.

Wholesale Price Indexes (1935-1939 = 100)

	1955 Week Ended					Monthly Average		
	July 29th	Aug. 5th	Aug. 12th	Aug. 19th	Aug. 26th	Aug. 1954	July 1955	Aug. ^P 1955
Industrial Materials	237.2	238.2	238.1	241.0	240.6	222.5	237.1	239.5
Canadian Farm Products	208.0	206.0	206.4	204.9	204.5	208.4	209.8	205.4
Field.....	170.1	164.2	161.4	157.3	156.0	168.7	170.0	159.7
Animal.....	246.0	247.8	251.4	252.5	253.0	248.2	249.5	251.2

p - Preliminary.

SECURITY PRICE INDEXES:
(1935-1939 = 100)

General weakness in common stock prices in the first half of August was followed by a period of mixed strength. The composite Investors' Index for 99 issues, after declining from 250.8 in the final week of July to 241.2 for the week of August 11th, subsequently recovered to 249.1 by the 25th, for a net loss of only 0.7 per cent. Among the major groups, Utilities and Banks were weaker while Industrials were fractionally firmer. In the four-week period 14 Utilities fell from 214.1 to 207.6 and 7 Banks from 273.4 to 262.6 while 78 Industrial issues rose from 257.0 to 257.3. Among sub-groups Food and Allied Products remained relatively firm while Industrial Mines rose sharply in the final week. After advancing in the first week, Milling stocks again eased off to July levels while Beverages, Building Materials and Pulp and Paper, following earlier losses, recovered to previous peak levels. Greatest declines over the period July 28-August 25 occurred for Textiles and Clothing and Oils, although the three Utility sub-groups and Machinery and Equipment moved down moderately.

The composite index for 27 Mining issues advanced 3.3 per cent in the period under review, from 127.6 to 131.8. Strength was concentrated in the 5 Base Metals which moved from 246.3 to 259.7, while 22 Gold Stocks registered a fractional gain from 75.7 to 75.9.

Weekly Security Price Indexes (1935-1939 = 100)

	1955 Week Ended					Monthly Average		
	July- 28th	Aug. 4th	Aug. 11th	Aug. 18th	Aug. 25th	Aug. 1954	July 1955	Aug. 1955
Investors' Price Index								
99 Common Stocks	250.8	246.9	241.2	243.9	249.1	187.0	246.5	245.3
78 Industrials.....	257.0	253.1	247.8	251.1	257.3	187.9	252.8	252.3
14 Utilities.....	214.1	210.3	204.6	205.3	207.6	170.2	208.9	207.0
7 Banks	273.4	269.0	260.0	261.2	262.6	217.3	270.6	263.2
Mining Stock Price Index								
27 Stocks.....	127.6	128.9	127.2	128.5	131.8	95.6	125.7	129.1
22 Golds	75.7	77.4	76.3	75.5	75.9	67.8	75.0	76.3
5 Base Metals.....	246.3	246.9	243.6	249.8	259.7	159.2	241.8	250.0
Government of Canada Long-Term Bonds - Yield Index¹	97.3	100.3	101.6	101.6	102.2	97.3	96.6	101.4 ²

1. Yield Indexes based on rates as of Wednesday of each week.

2. Four-week average

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

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