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PRICE MOVEMENTS

JUNE 1956

THE CONSUMER PRICE INDEX: (1949 = 100) The Consumer Price Index advanced 1.0 per cent from 116.6 to 117.8 between May and June 1956. This was the largest monthly increase in the index in several years and compares with an index of 115.9 a year ago. Although four of the five component groups moved higher in the current period, the increase in the total index was almost entirely due to a sharp advance in the food series. Foods rose 2.9 per cent from 109.3 to 112.5 on the strength of an exceptionally strong seasonal increase in potatoes, combined with increases in coffee, fresh fruits and vegetables, and all meat items. The Shelter index moved up 0.4 per cent from 132.1 to 132.6 as a result of increases in both the rent and home-ownership components. The advance in the rent index reflected changes associated with the traditional May first moving date. The Household Operation index increased fractionally from 116.5 to 116.7 under the influence of higher prices for laundry and dry cleaning, floor coverings, utensils and equipment, and shoe repairs. Further seasonal declines in coal prices were reported. The Other Commodities and Services index moved from 120.5 to 120.6 as further price increases for men's haircuts, as well as higher quotations for personal care items and bus fares, proved more important than minor decreases for camera film and gasoline. Clothing decreased from 108.8 to 108.6 as lower prices for women's and children's wear groups were only partially offset by increases for men's shoes.

Consumer Price Indexes (1949=100)

	Total Index	Food	Shelter	Clothing	Household Operation	Other Commodities and Services
June 1956	117.8	112.5	132.6	108.6	116.7	120.6
May 1956	116.6	109.3	132.1	108.8	116.5	120.5
June 1955	115.9	111.0	129.2	107.8	116.1	117.8

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

Industrial material prices decreased 0.1 per cent from 249.1 to 248.9 in the four-week period

May 25th to June 22nd. Reflected in the change were declines of 10.9 per cent for steel scrap and 7.3 per cent for linseed oil, followed by lesser decreases for sisal, oats, steers, copper, tin, iron ore, bleached sulphite pulp and raw sugar. The prices of some items reflected the improvement of the Canadian dollar on the foreign exchange market. Offsetting these decreases was a rise of 13.4 per cent in hog prices, followed by lesser increases for raw cotton, raw wool, beef hides and raw rubber.

The index of Canadian Farm Products on Terminal markets rose 2.3 per cent in the period under review from 212.7 to 217.5. Gains were concentrated largely in the Animal Products sector where the index rose 3.6 per cent, from 244.0 to 252.9. In addition to spring lambs which came on the Western market at sharply higher prices, major gains were noted for hogs, eggs, and Western steers, while Eastern cheesemilk moved up slightly. Partially offsetting were lower prices for Western calves, and in the East, for poultry, lambs, calves, steers and butterfat. The index for Field Products rose fractionally from 181.4 to 182.0 reflecting further sharp increases for Western potatoes in addition to moderate increases for Eastern wheat, potatoes, hay and rye. Declines in this group were registered by Western flax, hay and rye and Eastern barley, tobacco and corn.

Wholesale Price Indexes (1935-1939=100)

	1956 Week Ended					Monthly Average		
	May 25	June 1st	June 8th	June 15th	June 22nd	June 1955	May 1956	June ^p 1956
Industrial Materials	249.1	248.8	250.0	248.2	248.9	236.2	247.8	249.0
Canadian Farm Products	212.7	215.6	217.0	216.7	217.5	219.7	207.7	216.7
Field	181.4	180.2	181.8	182.4	182.0	189.4	177.5	181.6
Animal	244.0	251.0	252.2	251.1	252.9	250.0	238.0	251.8

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SECURITY PRICE INDEXES.
(1935-1939 = 100)

The Investors' Index of 96 common stocks presented an unsteady advance over the four-week period May 24th to June 21st as the series changed from 260.6 to 267.9, for an increase of 2.8 per cent. Among the three major groups, Industrials registered the only increase as this index moved up 3.8 per cent from 273.7 to 284.2. Following a seven-week decline, seven Banks rallied slightly in the last two weeks, but closed the four-week period 2.4 per cent lower. The drop from 267.7 to 261.3 brought this group index to a level 11.2 per cent below the April 5th high of 294.2. Weakness was also evident in Utilities which declined 0.4 per cent in the period under review from 200.4 to 199.5. The Utilities index is currently 5.8 per cent below the 1956 peak of 211.7 touched the week of March 29th, and 6.8 per cent under the all time high of 214.1 reached July 28th, 1955. Increases in seven sub-group indexes were led by Oils (9.0 per cent), Machinery and Equipment (3.7), and Power and Traction (3.7), while declines occurred in five sub-groups, headed by Milling (3.4 per cent), Telephone (3.3), and Pulp and Paper (1.8). Mining stocks increased 3.8 per cent in the period under review, from 133.3 to 138.4, due mainly to strength in five Base Metals which advanced 6.1 per cent from 263.4 to 279.4. The index for 21 Gold stocks rose fractionally from 76.5 to 76.8 in the same interval.

Weekly Security Price Indexes (1935-1939 = 100)

	1956 Week Ended					Monthly Average		
	May 24th	May 31st	June 7th	June 14th	June 21st	June 1955	June 1956	June ⁽¹⁾ 1956
Investors' Price Index 96 Common Stocks	260.6	263.6	265.3	264.6	267.9	237.1	268.5	265.9
76 Industrials.....	273.7	277.6	281.0	279.9	284.2	244.4	282.9	281.7
13 Utilities.....	200.4	201.9	200.1	199.9	199.5	202.9	204.2	199.8
7 Banks.....	267.7	265.0	258.4	259.9	261.3	243.3	271.7	259.9
Mining Stock Price Index 26 Stocks.....	133.3	134.0	134.5	135.9	138.4	121.5	136.5	136.3
21 Golds	76.5	77.1	77.3	76.7	76.8	75.9	78.8	76.9
5 Base Metals.....	263.4	264.2	265.5	271.5	279.4	226.0	268.5	272.1
Government of Canada Long-Term Bonds - Yield Index	With this issue the publication of yield series has been discontinued.							

1. Average of three weeks.

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