



PRICE MOVEMENTS

AUGUST 1959

THE CONSUMER PRICE INDEX: The Consumer Price Index rose 0.4 per cent from 125.9 to 126.4 between July and August 1959 to stand a fractional 0.1 per cent above the previous peak of 126.3 in November 1958. A seasonal rise of 1.1 per cent in the Food index, combined with slight increases in the Shelter and Other Commodities and Services indexes, accounted for the current month's movement. The Clothing index was unchanged while the Household Operation index declined fractionally.

The Food index increased seasonally from 119.2 to 120.5. Higher prices were reported for eggs, oranges, lettuce, beef, and pork, while price decreases were recorded for most fresh vegetables, particularly potatoes and tomatoes.

The Shelter index increased 0.1 per cent from 141.7 to 141.9 with both the rent and home-ownership components contributing.

A rise of 0.3 per cent in the Other Commodities and Services index, from 134.9 to 135.3, reflected small price increases on a fairly wide range of items: gasoline, taxi fares, hospital rates, pharmaceuticals, alcoholic beverages, and personal care items.

The Clothing index was unchanged at 109.7 as mid-summer sale prices for women's wear, particularly cotton street dresses, were offset by price increases for shoes, some men's furnishings, and cotton piece goods. The Household Operation index declined 0.1 per cent from 122.7 to 122.6 as slightly lower prices resulting from August furniture and floor covering sales more than balanced somewhat higher prices for household utensils and equipment, household supplies and services, and coal.

Consumer Price Indexes (1949=100)

	Total Index	Food	Shelter	Clothing	Household Operation	Other Commodities and Services
August 1959	126.4	120.5	141.9	109.7	122.6	135.3
July 1959	125.9	119.2	141.7	109.7	122.7	134.9
August 1958	125.2	122.6	139.1	109.6	120.5	130.6

(1)

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

The index of 30 industrial raw material prices edged up slightly to 243.9 in the four-week period

July 31st to August 28th. Indexes at comparable dates of recent years are:

August 29, 1958 - 228.9
August 30, 1957 - 238.8
August 31, 1956 - 249.7

In the current four-week comparison, raw wool, raw sugar, rosin and zinc led increases for 11 items. Sisal dropped back almost to its level of last March, and six commodities showed minor losses.

In the period under review, the index of Canadian primary farm products at terminal markets declined 2.1 per cent. In Field Products a drop of 5.7 per cent reflected sharply lower prices for potatoes, chiefly on Eastern markets. Western rye and hay and Eastern wheat, oats and hay were also lower, while higher prices were reported for Western flax and other Eastern grains. The Animal Products index remained almost unchanged reflecting offsetting price changes: gains were led by calves and raw wool in the West, while poultry and raw wool showed lower in the East. Regional index changes were as follows: Eastern from 247.7 to 237.8 (down 4.0 per cent) and Western almost unchanged, from 199.7 to 200.0.

Wholesale Price Indexes (1935-1939 = 100)

	1959 Week Ended					Monthly Average		
	July 31st	Aug. 7th	Aug. 14th	Aug. 21st	Aug. 28th	Aug. 1958	July 1959	Aug. (P) 1959
Industrial Materials.....	242.2	243.5	242.7	243.5	243.9	229.1	240.3	243.4
Canadian Farm Products	223.7	223.1	223.6	221.4	218.9	215.9	222.7	221.8
Field	173.8	172.9	171.6	167.3	163.9	156.5	172.6	168.9
Animal.....	273.7	273.4	275.5	275.5	273.9	275.2	272.8	274.6

(P) - Preliminary, average of weeks.

(1) All 1959 indexes subject to revision. Canadian Farm Products subsequent to July 1958 are subject to further major revisions as and when interim and/or final participation payments are announced for Western wheat, oats and barley. For further details see "Prices and Price Indexes, Monthly".

SECURITY PRICE INDEXES: All gains made since June in the Investors' Index of 92 common (1935-1939 = 100)

stock prices were cancelled in the four-week period July 30th to August 27th. This index drop of 5.1 per cent represented the largest single decline since late 1957. The three major groups shared the losses with decreases as follows: 7 Banks, 7.3 per cent, 72 Industrials, 5.0 per cent and 13 Utilities, 4.0 per cent. All sub-groups were lower, with declines ranging from 0.6 to 7.1 per cent. Heading the list were Building Materials down 7.1 per cent from 590.5 to 548.5; Machinery and Equipment down 6.3 per cent from 826.8 to 774.8; and Transportation which fell 6.1 per cent from 341.0 to 320.1.

The index of 27 Mining stock issues in the same period moved down 2.9 per cent reflecting losses of 3.3 and 2.5 per cent respectively for 6 Base Metals and 21 Gold stocks.

Weekly Security Price Indexes (1935-1939 = 100)

	1959 Week Ended					Monthly Average		
	July 30th	Aug. 6th	Aug. 13th	Aug. 20th	Aug. 27th	Aug. 1958	July 1959	Aug. 1959
Investors' Price Index								
92 Common Stocks	282.9	283.1	278.2	268.6	268.4	251.6	279.3	274.6
72 Industrials.....	290.1	291.0	285.5	276.1	275.5	261.8	286.2	282.0
13 Utilities.....	203.4	203.7	203.0	197.2	195.3	194.4	203.0	199.8
7 Banks.....	395.4	388.8	380.3	358.9	366.7	280.4	387.5	373.7
Mining Stock Price Index								
27 Stocks.....	121.1	122.2	121.6	117.7	117.6	106.2	120.6	119.8
21 Golds	87.2	87.5	87.2	84.7	85.0	74.3	87.3	86.1
6 Base Metals.....	198.7	201.6	200.5	193.4	192.2	179.3	196.9	196.9



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