

3. The Recent Course of Prices

Price increases from the beginning of the war have been uneven. A sharp upward movement at the beginning of the war (mainly an abrupt rise in manufacturing materials) culminated in the early weeks of 1940. Prices then receded, but resumed a steady upward movement from June, 1940, which accelerated from April, 1941.

The early increases resulted in substantial measure from exchange depreciation, shipping charges, and commodity taxes. The increases of the past summer have been effected particularly by the increase in agricultural prices both in Canada and the U.S. and by the permeation of other increases through the whole price structure.

Recent rapid increases in the cost of living have, in the main, been dominated by increased food prices.

Retail Prices

	<u>Percent Increases</u> <u>Aug. 1939 - Sept. 1941</u>	<u>Percent Increases</u> <u>May-Sept. 1941</u>
Food	24.2	12.4
Fuel and Light	12.0	1.6
Rent	5.7	0.0
Clothing	17.3	2.5
Home Furnishings and Services	14.8	3.6
Miscellaneous	5.0	1.2
TOTAL INDEX	13.8	4.8

The comparative steadiness of the price of wheat and tobacco and the necessity of aid to apple growers should not obscure the fact of the following percentage increases in the wholesale prices of Canadian farm products from the low levels ruling at the outbreak of the war.

	<u>Percentage Increase</u> <u>Aug. 1939 - Sept. 1941</u>
Oats	80.5
Barley	66.6
Butter	57.3
Eggs	48.5
Cheese (including bonuses)	50.0 (approx.)
Whole Milk	14.4
Cattle	58.6
Hogs	40.0
Sheep	53.4
Wool	77.1