



PRICE MOVEMENTS

JANUARY 1961

THE CONSUMER PRICE INDEX:

(1949=100)

The Consumer Price Index declined 0.3 per cent from 129.6 to 129.2 between December 1960 and January 1961. A year ago the index was 127.5.

The current decrease was largely the result of a 0.7 per cent drop in the Food index, combined with declines in the Clothing index and the Household Operation index of 0.9 and 0.2 per cent respectively. The Other Commodities and Services index was unchanged and the Shelter index rose a fractional 0.1 per cent.

The Food index moved from 125.3 to 124.4 as egg and fresh tomato prices were substantially lower and price declines were also reported for citrus fruits, bananas and canned tomatoes. Prices were higher for most other fresh fruits and vegetables, and meats.

The slight rise in the Shelter index, from 144.6 to 144.7, reflected similar movements in both the rent and home-ownership components.

The drop in the Clothing index, from 112.6 to 111.6, reflected widespread January sales affecting in particular, men's overcoats, women's fur and cloth coats, boys' parkas, and girls' winter coats and cotton dresses.

The Household Operation index declined from 123.5 to 123.3 as household appliance prices continued to move downward. Sale prices were still a factor in prices of furniture and textiles, but prices of floor coverings and household supplies and services were at higher levels.

The Other Commodities and Services index was unchanged at 138.3 as slightly lower prices for new passenger cars balanced minor increases for some personal care and recreation items.

Consumer Price Indexes (1949=100)

	Total Index	Food	Shelter	Clothing	Household Operation	Other Commodities and Services
January 1961	129.2	124.4	144.7	111.6	123.3	138.3
December 1960	129.6	125.3	144.6	112.6	123.5	138.3
January 1960	127.5	121.6	142.8	110.2	123.3	136.9

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Prepared in Prices Division

WHOLESALE PRICE INDEXES (WEEKLY)¹
(1935-1939 = 100)

The index of 30 industrial materials edged up 0.1 per cent in the three-week period December 30th to January 20th. Commodity price changes included substantial increases for linseed oil and hogs and more modest advances for steers, beef hides and raw sugar. Showing lower were raw wool, raw rubber, domestic copper, rosin and white lead. Compared to the same week a year ago, significant price changes include declines for beef hides, raw rubber, fir timber, steel scrap, raw wool, and increases for hogs and rosin. The index declined 3.5 per cent over the year from 244.7.

In the same three-week period, the index of Canadian Farm Products at terminal markets moved up 1.1 per cent. The Animal Products index advanced 1.5 per cent, as prices were higher for hogs on both Eastern and Western markets, poultry and steers in the East, and lambs in the West. Sharp declines occurred for eggs, both East and West, and small decreases were recorded for calves in the East and steers and wool in the West. The index for Field Products moved up 0.4 per cent. Prices were higher for flax and rye in the West, and for oats, wheat and corn in the East, while prices declined for peas in the East and potatoes on both markets.

Wholesale Price Indexes (1935-1939 = 100)

	1961 Week Ended				Monthly Average			
	Dec. 30th	Jan. 6th	Jan. 13th	Jan. 20th	Jan. 27th	Jan. 1960	Dec. 1960	Jan. (P) 1961
Industrial Materials	235.9	237.2	236.5	236.2	NOT AVAILABLE	243.2	235.2	236.6
Canadian Farm Products	219.3	220.6	220.6	221.7		214.7	219.6	221.0
Field	163.1	163.3	163.5	163.7		171.7	162.7	163.5
Animal	275.5	278.0	277.6	279.7		257.7	276.5	278.4
Regional Indexes:								
Eastern Canada	240.3	242.8	243.0	244.4		237.4	240.8	243.4
Western Canada	198.3	198.5	198.1	199.0	191.9	198.4	198.5	

(1) - All 1960 indexes are subject to revision. Canadian Farm Products subsequent to July 1959 are subject to further major revisions as and when interim and/or final participation payments are announced for Western wheat, oats and barley.

(P) - Preliminary, average of three weeks.

A Revised Consumer Price Index (1949 = 100)

The Dominion Bureau of Statistics announces that a revision of the Consumer Price Index is now nearing completion. The primary purpose of the revision is to bring the items included in the index and their relative importance in line with more current family purchases as reported in a family expenditure survey of 1957. The time base will not be changed and the revised index will continue on the base 1949 = 100. Thus, month to month movements will reflect 1957 rather than 1948 family buying habits, but the index will continue to measure percentage change in prices from 1949. In view of the fact that the 1949 base is being retained, the revision will not affect wage contracts in which escalation is based on the index.

It is expected that the revised Consumer Price Index will be introduced early in April with publication of the March index. With the appearance of the revised index the old series will be discontinued, but the new index will be published for the 4-year period 1957-1960 so that the two series can be compared. A detailed description of the revised index will be published during the latter part of March.

The weights in the revised series will reflect changes in purchases of Canadian families which took place between the years 1948 and 1957. The most significant change which occurred was a decline in the relative importance of food which now takes a smaller portion of the consumer dollar spent for goods and services. On the other hand, there has been an increase in the relative importance of a variety of other commodities and services, particularly the purchase and operation of passenger cars. There has also been a marked shift in the relative positions of coal and fuel oil in family purchases. In addition, some thirty-eight items are being added to the sample of commodities and services priced, while only five items will be dropped. Additions will include such items as frozen foods, restaurant meals, electric frying pans and television sets.

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SECURITY PRICE INDEXES: The Investors Index of 93 common stock prices, on the base 1935-1939 = 100, advanced 3.9 per cent in the four-week period December 29th to January 26th. Increases for major groups were: 72 Industrials, 4.2 per cent; 14 Utilities, 2.9 per cent; and 7 Banks, 2.8 per cent.

All nine sub-groups within Industrials showed gains over the four-week period with seven sub-groups reaching their monthly high in the third week at which time the Industrials group touched its highest level since July 1957. Gains were led by Machinery and Equipment, up 6.0 per cent from 696.2 to 737.7; Building Materials, up 5.9 per cent from 433.4 to 458.9; Beverages, up 5.1 per cent from 702.3 to 738.0. All sub-groups within the Utilities group were higher over the four weeks.

The index of 27 Mining stocks rose 4.7 per cent in the period under review, reflecting increases of 5.2 per cent for 21 Golds, and 4.2 per cent for 6 Base Metals.

Four supplementary indexes on the base 1956 = 100 showed gains in the same period, as follows: 7 Uraniums, 13.8 per cent; 9 Primary Oils and Gas, 12.6 per cent; 5 Investment and Loan, 3.8 per cent; and 5 Pipelines, 3.7 per cent.

Weekly Security Price Indexes

	1961 Week Ended					Monthly Average		
	Dec. 29th	Jan. 5th	Jan. 12th	Jan. 19th	Jan. 26th	Jan. 1960	Dec. 1960	Jan. 1961
(1935 - 1939 = 100)								
Investors Price Index								
93 Common Stocks	267.6	271.7	275.4	281.5	278.0	259.2	260.2	276.6
Industrials (72)	275.9	280.6	284.5	291.6	287.5	267.6	268.0	286.0
Utilities (14)	196.4	198.1	200.8	201.9	202.1	191.0	193.0	200.7
Banks (7)	349.4	353.3	357.1	365.3	359.2	332.8	338.1	358.7
Mining Stock Price Index								
27 Stocks	110.4	111.6	118.9	116.0	115.6	114.4	108.5	115.5
Golds (21)	79.2	79.2	89.2	83.9	83.3	82.4	78.1	83.9
Base Metals (6)	181.7	185.8	187.0	189.6	189.4	187.8	178.2	188.0
(1956 = 100)								
5 Pipelines	111.3	115.9	116.9	117.4	115.4	118.0	109.7	116.4
5 Investment and loan	133.0	135.7	135.5	137.7	138.0	118.5	129.9	136.7
7 Uraniums	58.9	60.8	64.5	68.3	67.0	68.2	59.8	65.2
9 Primary Oil and Gas	41.4	43.4	48.4	47.2	46.6	60.7	40.8	46.4

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