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PRICE MOVEMENTS

DECEMBER 1968

THE CONSUMER PRICE INDEX:
(1949=100)

The Consumer Price Index for Canada increased by 0.3 per cent to 158.0 in December from 157.5 in November. The December 1968 index was 4.1 per cent above the December 1967 level of 151.8. Over four-fifths of the latest monthly increase was attributable to a 0.9 per cent increase in food prices, or somewhat more than the average rise expected at this time of year. The only other component contributing to the rise in the All-Items index was that for housing, which edged up by 0.1 per cent. The remaining five major components were all unchanged from the previous month, as the price movements of minor items tended to counter-balance each other.

Consumer Price Indexes (1949=100)

	Component Weights (1)	Index			Per Cent Change	
		1968		1967	Dec. 1968 From	
		Dec.	Nov.	Dec.	Nov. 1968	Dec. 1967
ALL-ITEMS	100	158.0	157.5	151.8	+ 0.3	+ 4.1
Food	27	154.4	153.0	148.6	+ 0.9	+ 3.9
Housing (2)	32	161.2	161.0	153.8	+ 0.1	+ 4.8
Clothing	11	138.8	138.8	134.7	-	+ 3.0
Transportation	12	162.7	162.7	159.6	-	+ 1.9
Health and Personal Care	7	201.0	201.0	193.8	-	+ 3.7
Recreation and Reading	5	180.1	180.1	169.7	-	+ 6.1
Tobacco and Alcohol	6	141.1	141.1	133.0	-	+ 6.1

(1) Component weights indicate the relative importance of item groups.

(2) This index is composed of shelter and household operation.

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Prices Division

8201-503

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

The price index of Thirty Industrial Materials, calculated as an unweighted geometric average, was unchanged at 260.3 in the four-week period November 29th to December 27th. Prices were lower for six commodities, higher for three and unchanged for twenty-one. Principal changes included price decreases for raw wool, raw rubber, hogs and raw cotton, while increases were shown for raw sugar, oats and tin.

In the same four-week period, the price index of Canadian Farm Products at terminal markets declined 0.4 per cent to 261.8 from 262.8. The Animal Products index moved down 0.8 per cent to 339.7 from 342.4 on price decreases for hogs on both Eastern and Western markets, for calves in the East and for raw wool, lambs and steers in the West. Higher prices were shown for lambs, eggs and poultry in the East and for calves in the West. The Field Products index rose 0.4 per cent to 183.9 from 183.2 on higher prices for oats, corn and wheat in the East, and for hay and flax in the West. Lower prices were shown for potatoes in the East.

Wholesale Price Indexes (1935-1939 = 100)

	1968 Week Ended					Monthly Indexes		
	Dec. 27th	Dec. 20th	Dec. 13th	Dec. 6th	Nov. 29th	Dec. (P) 1968	Nov. 1968	Dec. 1967
Industrial Materials	260.3	260.4	260.8	260.9	260.3	260.8	257.1	254.3
Canadian Farm Products	261.8	262.2	264.4	263.7	262.8	264.4	260.7	256.3
Field	183.9	183.7	183.8	183.0	183.2	183.8	182.3	186.2
Animal	339.7	340.8	345.0	344.4	342.4	345.0	339.2	326.4
Regional Indexes:								
Eastern Canada	282.2	283.3	284.8	283.5	282.6	284.8	278.1	274.2
Western Canada	241.4	241.2	244.0	243.9	243.0	244.0	243.4	238.4

1 - All 1968 indexes are subject to revision. For Canadian Farm Products, indexes subsequent to July 1967 are subject to revision as and when participation payments are announced for Western grains.

(P) - Preliminary.

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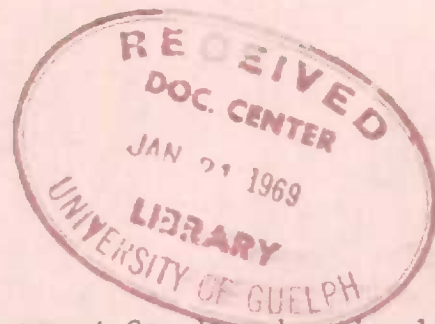
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NOTICE



Commencing next month, the January 1969 and subsequent Canada and regional city Consumer Price Indexes will be calculated and published on a time reference base of 1961 equals 100, instead of the present 1949 base. This arithmetic conversion will not alter the movements of consumer prices as reflected in the existing indexes, and no changes in weighting diagrams reflecting the content and relative importance of items in these indexes are being introduced at this time.

The revision in reference year is in keeping with the D.B.S. policy of periodically up-dating indexes to more current periods and the selection of 1961 as the base will bring Consumer Price Indexes into conformity with other important indexes already published on this time base. In view of the discontinuation of 1949 as a time reference period it is recommended that users employ the 1961-based indexes in future contractual arrangements and other uses.

For the convenience of users requiring the Consumer Price Index for Canada on the present 1949 base, the All-Items index only will be published monthly on both the 1961 and the 1949 base, for an interim period. The index on a 1949 base will be derived by arithmetic conversion of the 1961-based index. Users requiring the index on a 1949 time reference base should advise the Prices Division, Dominion Bureau of Statistics, Ottawa, on the length of period for which the 1949-based index will be needed.

Although other Consumer Price Indexes and components will in future be published on a 1961 base only, they will be made available on a 1949 base on request.

SECURITY PRICE INDEXES:
(1956 = 100)

Despite a gradual decline through the second half of the month, the Investors Index of common stock prices edged up 0.4 per cent in the four-week period November 28th to December 24th. Among the three major groups, Industrials and Finance reached record highs of 206.4 and 211.1 respectively, while Utilities dropped 2.0 per cent from the previous month. Within Industrials, indexes for five sub-groups increased and eight decreased. Increases ranged from 0.6 per cent for Beverages to 5.1 per cent for Printing and Publishing, these two reaching all-time highs along with Metal Fabricating. Pulp and Paper, Non-metallic Minerals, and Construction were at their highest for the year. In Finance, Banks reached an all-time high of 233.1, while Investment and Loan edged up 0.1 per cent over last month. In Utilities, indexes for all sub-groups decreased with the exception of Transportation, which reached a record high of 253.9.

In the same period, the index of Mining stock prices rose to its highest point in two years. Golds reached an all-time high of 173.2, while Base Metals reached a high for the year of 96.0.

Of the two supplementary price indexes, Primary Oils and Gas advanced 8.5 per cent to its highest ever of 280.6, while Uraniums eased 1.9 per cent over last month.

Weekly Security Price Indexes (1956 = 100)

Index and numbers of stocks priced	Week ended					% change from Nov. 28th	Monthly average			
	Dec. (1) 26th	Dec. 19th	Dec. 12th	Dec. 5th	Nov. 28th		Dec. 1968	Nov. 1968	Dec. 1967	
Investors Price Index	114	200.5	201.1	203.6	200.9	199.8	+ 0.4	201.5	196.0	173.6
Industrials	80	204.4	205.2	206.4	204.6	203.7	+ 0.3	205.2	199.2	184.5
Industrial mines	4	204.3	206.7	203.1	200.8	200.5	+ 1.9	203.7	196.3	219.2
Foods	11	239.0	240.3	242.5	251.3	245.6	- 2.7	243.3	250.4	199.7
Beverages	7	310.5	313.0	313.3	306.3	308.7	+ 0.6	310.8	298.2	235.7
Textiles and clothing	5	169.9	168.2	164.1	173.8	171.1	- 0.7	169.0	173.4	173.4
Pulp and paper	7	130.4	132.9	135.1	133.7	131.5	- 0.8	133.0	123.9	107.5
Printing and pub.	4	755.0	743.2	748.7	743.4	718.7	+ 5.1	747.6	689.4	673.4
Primary metals	8	108.7	108.3	110.4	108.7	113.5	- 4.2	109.0	112.0	95.7
Metal fabricating	9	158.0	158.3	158.8	155.8	155.2	+ 1.8	157.7	151.6	103.4
Non-metallic minerals	4	129.0	132.0	132.4	132.2	132.1	- 2.3	131.4	129.4	89.8
Petroleum	7	190.4	191.8	196.5	196.2	192.6	- 1.1	193.7	189.0	176.7
Chemicals	4	121.5	121.1	121.1	121.3	122.5	- 0.8	121.2	126.0	98.3
Construction	4	109.1	107.6	110.7	109.5	105.2	+ 3.7	109.2	103.5	58.2
Retail trade	6	287.0	286.1	294.1	291.9	291.3	- 1.5	289.8	294.2	266.3
Utilities	20	182.5	183.8	187.0	186.2	186.2	- 2.0	184.9	185.5	161.8
Pipelines	5	194.0	191.0	192.5	193.1	197.4	- 1.7	192.6	198.0	186.8
Transportation	4	247.3	250.1	253.9	249.5	238.6	+ 3.6	250.2	234.4	185.7
Telephone	3	111.2	113.0	117.1	114.5	112.5	- 1.2	114.0	111.3	104.1
Electric power	3	139.3	142.6	147.5	147.2	147.9	- 5.8	144.2	146.4	128.6
Gas distribution	5	439.8	441.9	441.1	448.0	460.7	- 4.5	442.7	465.7	374.2
Finance	14	204.6	203.3	211.1	201.8	198.3	+ 3.2	205.2	193.5	135.4
Banks	6	223.9	222.2	233.1	219.1	214.4	+ 4.4	224.6	206.8	139.1
Investment and loan	8	166.6	166.2	168.0	167.6	166.5	+ 0.1	167.1	167.2	127.8
Mining Stock Price Index	24	123.3	121.8	120.3	119.1	116.8	+ 5.6	121.1	116.8	107.0
Golds	13	173.2	171.0	168.6	169.6	164.4	+ 5.4	170.6	162.5	152.1
Base metals	11	96.0	94.8	93.9	91.4	90.7	+ 5.8	94.0	91.8	82.3
Uraniums Price Index	4	250.2	249.2	251.8	255.6	255.0	- 1.9	251.7	261.4	268.6
Primary Oils and Gas	6	280.6	275.2	272.6	261.4	258.5	+ 8.5	272.4	256.7	220.4

(1) Quotations used this week were closing prices on Tuesday, December 24th, 1968.



THE CONSUMER PRICE INDEX: (Continued from Page 1)
(1949=100)

The Food index advanced 0.9 per cent to 154.4 in December from 153.0 in the preceding month. Among produce items, markedly higher quotations for tomatoes, cabbage, apples, and bananas more than offset lower prices for most citrus fruits. Meats, on average, also rose in price, with higher quotations for beef, fresh pork, and ham, outweighing decreased prices for bacon, sausages, and chicken. Although bread prices declined fractionally, other staple items, including milk, eggs, and margarine increased since the preceding month. The price of sugar, after reaching an interim low in October, advanced by over seven per cent to reach its highest level since July 1967. Other food items which registered noticeable increases were jams, cake mixes, soft drinks, and lard. The December 1968 Food index stood 3.9 per cent above its level of December 1967.

The Housing index edged up by 0.1 per cent to 161.2 in December from 161.0 in November. This latest monthly increase was the smallest since August 1968 when a similar increase was registered. Rents rose by about 0.2 per cent, on average, across the country, with somewhat higher increases recorded in St. John's, Newfoundland. Household operation costs also were higher, largely as a result of increased prices for furniture, floor coverings, household textiles, and cleaning supplies. The Housing index was 4.8 per cent above its level of twelve months previous.

The Clothing index remained unchanged at its November level of 138.8. Lower prices for women's wear, piece goods, and dry cleaning offset increased quotations for men's and children's wear. Sale prices on a number of items, including men's overcoats and sport shirts, and women's coats and hosiery, kept the overall price level down at a time when the majority of clothing items were rising. The December 1968 Clothing index was 3.0 per cent above its level of a year earlier.

The Transportation component in December 1968 was unchanged from its November level of 162.7, and stood 1.9 per cent higher than in December 1967. In the latest month, the price level for gasoline remained unaltered, while higher lubrication charges offset lower prices for motor oil in a number of cities.

The remaining components of the Consumer Price Index were also unchanged. At a level of 201.0, the Health and Personal Care index was 3.7 per cent above its corresponding level twelve months earlier, while the Recreation and Reading index at 180.1 and the Tobacco and Alcohol index at 141.1 were both 6.1 per cent above their December 1967 levels. In the Recreation and Reading component higher prices for toys were offset by seasonally lower magazine subscription rates.

NOTE

For comprehensive detail on these and other price statistics, see Prices and Price Indexes (Monthly), Catalogue No. 62-002.

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