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PRICE MOVEMENTS

MAY 1970

THE CONSUMER PRICE INDEX:
(1961=100)

The Consumer Price Index for Canada declined by 0.1 per cent to 129.6 in May from 129.7 in April. The May 1970 index was 3.8 per cent higher than in May 1969 when it stood at 124.9. This is the first decline recorded in May since 1962. The fall in the index in the latest month was accounted for by a decline of 0.9 per cent in the Food index, after a rise of 0.8 per cent a month earlier. The Housing component, led by increased prices for shelter, rose 0.5 per cent to partially offset some of the change in food prices. The Health and Personal Care, and the Recreation and Reading indexes each rose by 0.4 per cent. The Transportation index moved up by 0.2 per cent reflecting increased prices for automobile operation and inter-city travel. The indexes for Clothing and for Tobacco and Alcohol were unchanged from the previous month.

Consumer Price Index and Main Components (1961=100)

	Component Weight (1)	Index			Per Cent Change	
		1970		1969	May 1970 From	
		May	April	May	April 1970	May 1969
ALL-ITEMS	100	129.6	129.7	124.9	- 0.1	+ 3.8
Food	27	130.3	131.5	125.1	- 0.9	+ 4.2
Housing (2)	32	130.4	129.8	124.2	+ 0.5	+ 5.0
Clothing	11	126.8	126.8	123.8	-	+ 2.4
Transportation	12	124.8	124.6	120.4	+ 0.2	+ 3.7
Health and Personal Care	7	139.8	139.3	134.2	+ 0.4	+ 4.2
Recreation and Reading	5	130.1	129.6	127.4	+ 0.4	+ 2.1
Tobacco and Alcohol	6	126.5	126.5	125.8	-	+ 0.6

ALL-ITEMS Consumer Price Index Converted to 1949=100 167.4

- (1) Component weights indicate the relative importance of item groups.
- (2) This index is composed of shelter and household operation.

The Food index fell 0.9 per cent to 130.3 in May from 131.5 in April. Decreases in the price levels of meat, poultry and fresh vegetables accounted for most of the decline. The meat, fish and poultry component dropped 1.7 per cent in May with decreases of nearly five per cent in the prices of pork and poultry being partially offset by slight increases in the prices of some beef cuts. Vegetable prices declined 1.7 per cent but were still 8.8 per cent higher than in May of last year. Fresh vegetables experienced the greatest changes between April and May: prices

(Continued on Page 4)

Prices Division

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

The price index of Thirty Industrial Materials, calculated as an unweighted geometric average, declined 0.7 per cent to 274.8 from 276.7 in the three-week period May 1st to May 22nd. Prices were lower for five commodities, higher for four and unchanged for twenty-one. Principal changes included decreases for raw sugar, hogs, raw wool, tin and beef hides while increases occurred for raw rubber, raw cotton, steers and oats.

In the same three-week period, the price index of Canadian Farm Products at terminal markets advanced 1.3 per cent to 279.2 from 275.6. The Field Products index moved 1.7 per cent higher to 195.3 from 192.0 reflecting price increases for potatoes on both Eastern and Western markets, for corn in the East, and hay and flax in the West. Lower prices were shown for rye and wheat in the East. The Animal Products index moved up 1.1 per cent to 363.1 from 359.2 on higher prices for calves on both markets, and for lambs, eggs, cheesemilk and steers in the East. Lower prices were shown for hogs on both Eastern and Western markets, and for lambs and raw wool in the West.

Wholesale Price Indexes (1935-1939=100)

	1970 Week Ended					Monthly Indexes		
	May 29th	May 22nd	May 15th	May 8th	May 1st	May (P) 1970	Apr. 1970	May 1969
Industrial Materials	N O T	274.8	275.4	277.0	276.7	275.4	274.4	270.8
Canadian Farm Products		279.2	278.1	276.4	275.6	278.1	274.5	277.6
Field	A V A I L A B L E	195.3	193.3	192.3	192.0	193.3	188.6	183.5
Animal		363.1	362.8	360.4	359.2	362.8	360.3	371.7
Regional Indexes:								
Eastern Canada		305.0	300.5	299.2	297.7	300.5	297.2	297.2
Western Canada		253.4	255.6	253.5	253.5	255.6	251.8	258.0

1 - All 1970 indexes are subject to revision. For Canadian Farm Products, indexes subsequent to July 1968 are subject to revision as and when participation payments are announced for Western grains.

(P) - Preliminary.

SECURITY PRICE INDEXES:
(1956=100)

The Investors Index of common stock prices fell 11.6 per cent to 164.0 from 185.6 in the four-week period April 30th to May 28th, with the Toronto and Montreal markets experiencing their second largest drops of the year. Indexes for the three major groups and all their respective sub-groups decreased steadily throughout the month until the final week, when many experienced a partial recovery as a result of the record rise in price levels on May 28th. Nevertheless the May 28th index for Industrials was down 12.8 per cent, Utilities down 6.7 per cent, and Finance down 11.1 per cent compared with April 30th levels. Within Industrials, losses ranged from 19.1 per cent for Petroleum to 4.0 per cent for Non-metallic Minerals. Retail Trade dropped 9.9 per cent to 185.6, its lowest since 1963, while Beverages, at 270.2, reached its lowest point for two years. In Utilities, Pipelines registered the largest decrease, dropping 9.8 per cent to 155.0, followed by Gas Distribution down 9.4 per cent to 294.9. The components of the Finance index, although up in the final week, showed considerable losses; Banks fell 9.6 per cent and Investment and Loan 14.9 per cent.

In the same period, the index of Mining stock prices fell 12.3 per cent to 96.3, its lowest weekly point since 1966, as a result of losses in Golds and Base Metals of 9.7 per cent and 13.7 per cent respectively.

Both supplementary price indexes decreased, Uraniums by 15.2 per cent to 110.8 and Primary Oils and Gas by 19.0 per cent to 145.0.

Weekly Security Price Indexes (1956=100)

Index and numbers of stocks priced	Week ended					% change from April 30th	Monthly average		
	May 28th	May 21st	May 14th	May 7th	April 30th		May 1970	April 1970	May 1969
Investors Price Index114	164.0	163.6	171.3	182.0	185.6	- 11.6	170.2	193.9	211.8
Industrials80	170.5	170.2	179.4	191.2	195.5	- 12.8	177.8	205.6	218.7
Industrial mines 4	198.2	185.2	208.6	220.2	222.1	- 10.8	203.0	235.0	221.4
Foods10	225.6	220.1	226.1	243.0	249.4	- 9.5	228.7	260.2	233.0
Beverages 7	270.2	271.2	287.1	306.7	307.9	- 12.2	283.8	323.7	330.4
Textiles and clothing . 5	101.7	101.0	102.8	111.7	114.0	- 10.8	104.3	117.1	175.3
Pulp and paper 7	124.2	128.2	131.8	140.5	144.6	- 14.1	131.2	151.4	170.5
Printing and pub. 4	671.8	677.9	690.0	746.9	792.5	- 15.2	696.6	816.8	810.0
Primary metals 8	83.7	82.0	85.9	91.6	93.0	- 10.0	85.8	97.9	116.1
Metal fabricating 9	106.4	110.9	113.8	118.2	120.3	- 11.6	112.3	124.8	156.7
Non-metallic minerals . 4	105.0	104.9	105.9	107.2	109.4	- 4.0	105.8	115.3	140.5
Petroleum 7	132.2	145.0	145.9	158.8	163.4	- 19.1	145.5	173.9	195.9
Chemicals 4	71.6	71.2	73.5	77.0	79.5	- 9.9	73.3	81.5	133.4
Construction 4	48.1	45.4	47.7	49.8	54.2	- 11.3	47.8	56.7	127.1
Retail trade 7	185.6	189.1	191.4	201.2	205.9	- 9.9	191.8	220.2	284.7
Utilities20	140.2	141.5	144.1	149.4	150.2	- 6.7	143.8	156.0	193.3
Pipelines 5	155.0	161.4	163.5	173.5	171.9	- 9.8	163.4	177.5	199.4
Transportation 4	174.9	173.2	176.4	186.6	188.9	- 7.4	177.8	198.7	276.5
Telephone 3	96.7	94.3	98.6	101.0	100.9	- 4.2	97.6	102.9	119.7
Electric power 3	110.7	114.1	114.4	110.1	112.2	- 1.3	112.3	118.3	145.6
Gas distribution 5	294.9	298.0	299.6	321.1	325.4	- 9.4	303.4	340.5	455.9
Finance14	163.5	160.1	167.7	180.3	184.0	- 11.1	167.9	186.8	201.8
Banks 6	178.5	173.8	180.5	195.1	197.5	- 9.6	182.0	199.4	205.9
Investment and loan ... 8	133.9	133.0	142.5	151.1	157.4	- 14.9	140.1	161.8	193.4
Mining Stock Price Index ..24	96.3	98.9	104.3	110.5	109.8	- 12.3	102.5	114.8	127.6
Golds 6	97.3	106.6	107.1	109.9	107.8	- 9.7	105.2	115.1	170.9
Base metals18	95.7	94.7	102.7	110.9	110.9	- 13.7	101.0	114.7	103.8
Uraniums Price Index 4	110.8	110.7	121.6	125.1	130.6	- 15.2	117.0	141.7	196.5
Primary Oils and Gas 6	145.0	137.0	150.9	175.7	179.1	- 19.0	152.2	207.5	320.3



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THE CONSUMER PRICE INDEX: (Concluded from Page 1)
(1961=100)

of tomatoes and lettuce declined more than twenty per cent and those for potatoes and celery increased by over ten per cent. Egg prices fell 7.5 per cent since the preceding month bringing this index, after five consecutive months of declining prices, to a level 13.2 per cent lower than in May of last year. Among staple goods, increases were registered for sugar and coffee, while butter declined by 0.7 per cent. Quotations for fruit items rose 3.0 per cent in May with increases in grapefruit and apples more than offsetting a decline in the price of oranges and of canned and frozen orange juice. The May Food index was 4.2 per cent higher than in May of last year.

The Housing index rose 0.5 per cent to 130.4 in May from 129.8 in April. Rental costs increased by 0.3 per cent while higher prices for new houses and repairs advanced the home-ownership component by 0.8 per cent. Among household operation items the price of homefurnishings rose 0.3 per cent, mainly as a result of a 0.9 per cent increase in furniture prices. The Housing index was 5.0 per cent higher than in May last year.

The May Clothing index was unchanged from its April level of 126.8. A decrease of 0.1 per cent for men's wear offset increases of 0.3 per cent for children's wear and 0.4 per cent for footwear. The price level for women's wear was unchanged from the preceding month. The May Clothing index was 2.4 per cent above its level of twelve months previous.

The Transportation index rose 0.2 per cent to 124.8 in May from 124.6 in April. Higher automobile insurance rates in British Columbia and in New Brunswick, together with increased prices for lubrication jobs in Nova Scotia, contributed to an increase of 0.2 per cent in the automobile operation index. The travel index moved up by 2.8 per cent because of seasonal increases in train fares. The Transportation index was 3.7 per cent higher in May than in the same month last year.

The Health and Personal Care index rose 0.4 per cent to 139.8 in May from 139.3 in April. The price of health care was generally the same as in April but personal care rose 0.8 per cent largely as a result of higher prices for toiletries, ladies' hairdressing, and men's haircuts. The Health and Personal Care index rose 4.2 per cent since May of last year.

The Recreation and Reading index increased by 0.4 per cent to 130.1 in May from 129.6 in April. The prices of toys and games rose 0.9 per cent and increases in Halifax, Winnipeg and Saskatoon contributed to an overall increase of 0.6 per cent in movie theatre admissions. Some increases in the price of Toronto newspapers advanced the reading index by 1.2 per cent. The Recreation and Reading index was 2.1 per cent higher than in May of last year.

The Tobacco and Alcohol index was unchanged from its April level of 126.5 and stood 0.6 per cent higher than in May 1969.

NOTE

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

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