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## PRICE MOVEMENTS

JULY 1970

### THE CONSUMER PRICE INDEX: (1961=100)

The Consumer Price Index for Canada rose by 0.5 per cent to 130.5 in July from 129.9 in June. The latest increase was marginally lower than the average June to July rise recorded in the past five years and left the index 3.2 per cent above its level of twelve months previous. This slower rate of increase compared to twelve-month periods ending in the earlier part of the year is largely attributable to a deceleration in the advance of the Food and Clothing indexes, although other major components also registered slower rates of increase in recent months. Between June and July the major contributor to the rise was the Housing and Food components which rose by 0.6 and 0.5 per cent respectively. The less important Recreation and Reading index advanced by 1.6 per cent largely as a result of higher newspaper prices. The Transportation index edged up by 0.1 per cent, while the remaining major components were unchanged from the preceding month.

Consumer Price Index and Main Components (1961=100)

	Component Weight (1)	Index			Per Cent Change	
		1970		1969	July 1970 From	
		July	June	July	June 1970	July 1969
ALL-ITEMS	100	130.5	129.9	126.4	+ 0.5	+ 3.2
Food	27	131.6	130.9	128.8	+ 0.5	+ 2.2
Housing (2)	32	131.5	130.7	125.2	+ 0.6	+ 5.0
Clothing	11	126.9	126.9	124.8	-	+ 1.7
Transportation	12	125.2	125.1	120.7	+ 0.1	+ 3.7
Health and Personal Care	7	139.8	139.8	134.2	-	+ 4.2
Recreation and Reading	5	132.4	130.3	127.4	+ 1.6	+ 3.9
Tobacco and Alcohol	6	126.5	126.5	126.3	-	+ 0.2

ALL-ITEMS Consumer Price Index Converted to 1949=100 ..... 168.6

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

The Food index rose by 0.5 per cent to 131.6 in July from 130.9 in June. The movement in the latest month marked the fifth consecutive month in which the level of food prices registered smaller increases than in the corresponding month a year earlier. Between January and July 1970 the Food index moved up by only 1.2 per cent, whereas in the same six-month period last year it advanced by 3.0 per cent. Since July 1969, the Food index increased 2.2 per cent, which compares with an average rise of 3.8 per cent in the previous five July-to-July periods. In the last

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Prices Division

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WHOLESALE PRICE INDEXES (WEEKLY)<sup>1</sup>  
(1935-1939=100)

The price index of Thirty Industrial Materials, calculated as an unweighted geometric average, declined 0.2 per cent to 272.3 from 272.8 in the four-week period June 26th to July 24th. Prices were lower for eleven commodities, higher for six and unchanged for thirteen. Principal changes included decreases for raw rubber, steel scrap, beef hides, tin, domestic lead and sisal while increases occurred for unbleached sulphite pulp, bleached sulphite pulp, steers, linseed oil, raw wool and hogs.

In the same four-week period, the price index of Canadian Farm Products at terminal markets advanced 1.4 per cent to 277.2 from 273.4. The Field Products index moved 4.0 per cent higher to 204.0 from 196.2 reflecting price increases for potatoes on both Eastern and Western markets, and for barley and hay in the East. Lower prices were shown for oats and wheat on the Eastern market and for flax in the West. The Animal Products index declined 0.1 per cent to 350.4 from 350.7 on lower prices for raw wool and poultry in the East, for calves on both Eastern and Western markets and for lambs, hogs and steers in the West. Higher prices were shown for eggs on both Eastern and Western markets, for lambs, steers and hogs in the East and for raw wool in the West.

Wholesale Price Indexes (1935-1939=100)

	1970 Week Ended					Monthly Indexes		
	July 24th	July 17th	July 10th	July 3rd	June 26th	July (P) 1970	June 1970	July 1969
Industrial Materials .....	272.3	272.3	272.0	272.2	272.8	272.3	271.5	269.0
Canadian Farm Products .....	277.2	275.1	275.9	274.0	273.4	275.1	274.4	278.8
Field .....	204.0	201.3	201.8	198.3	196.2	201.3	196.1	186.0
Animal .....	350.4	349.0	350.0	349.6	350.7	349.0	352.6	371.6
Regional Indexes:								
Eastern Canada .....	308.0	303.2	304.0	300.1	296.3	303.2	300.1	300.2
Western Canada .....	246.5	247.1	247.7	247.8	248.6	247.1	246.6	257.4

1 - All 1970 indexes are subject to revision. For Canadian Farm Products, indexes subsequent to July 1969 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 rose 3.0 per cent to 169.8 in the four-week period July 2nd to July 30th. Indexes for the three major groups increased, with Industrials, Utilities and Finance up 2.5, 5.8 and 1.9 per cent respectively. Within Industrials, indexes for ten sub-groups increased and three decreased. Most sub-groups ended the month higher than they began, with Textiles and Clothing up 12.9 per cent and Petroleum up 11.2 per cent registering the largest increases. Beverages rose 4.7 per cent, followed by Non-metallic Minerals up 4.4 per cent and by Pulp and Paper up 4.3 per cent. Retail Trade, Printing and Publishing, and Industrial Mines showed decreases of 2.2, 0.5 and 0.1 per cent respectively. In Utilities, indexes for the five sub-groups increased with Gas Distribution registering the largest increase at 9.4 per cent, followed by Pipelines up 9.3 per cent. Electric Power showed the smallest increase at 2.7 per cent. In Finance, Banks and Investment and Loan rose 2.6 per cent and 0.1 per cent respectively.

In the same period of time, the index of Mining stock prices eased 0.8 per cent to 99.7 as Golds dropped 3.7 per cent to 103.7.

Of the two supplementary price indexes, Uraniums rose 9.7 per cent to 119.9 and Primary Oils and Gas advanced 35.1 per cent to 190.4.

Weekly Security Price Indexes (1956=100)

Index and numbers of stocks priced	Week ended					% change from July 2nd	Monthly average		
	July 30th	July 23rd	July 16th	July 9th	July 2nd		July 1970	June 1970	July 1969
Investors Price Index ....114	169.8	168.8	165.2	163.3	164.8	+ 3.0	166.4	167.4	189.5
Industrials ..... 80	173.5	172.8	169.7	167.4	169.2	+ 2.5	170.5	171.7	194.8
Industrial mines ..... 4	193.9	195.5	193.3	192.1	194.0	- 0.1	193.8	195.6	194.4
Foods ..... 10	238.0	237.4	232.6	228.9	233.6	+ 1.9	234.1	235.5	232.7
Beverages ..... 7	286.5	285.8	277.8	277.4	273.6	+ 4.7	280.2	278.4	304.2
Textiles and clothing ..... 5	111.4	102.6	103.8	102.9	98.7	+ 12.9	103.9	95.1	148.1
Pulp and paper ..... 7	115.1	109.0	107.8	108.8	110.4	+ 4.3	110.2	112.3	140.5
Printing and pub. .... 4	652.1	663.8	654.7	643.0	655.1	- 0.5	653.7	663.6	742.1
Primary metals ..... 8	83.6	83.6	84.1	83.8	83.5	+ 0.1	83.7	84.1	99.0
Metal fabricating .... 9	106.1	106.5	102.7	102.2	104.3	+ 1.7	104.4	105.6	140.1
Non-metallic minerals ..... 4	108.4	107.2	108.7	106.0	103.8	+ 4.4	106.8	104.1	124.5
Petroleum ..... 7	156.4	151.6	145.0	137.0	140.6	+ 11.2	146.1	144.7	177.2
Chemicals ..... 4	65.1	64.8	65.8	63.7	63.0	+ 3.3	64.5	66.6	111.6
Construction ..... 4	48.9	49.7	46.9	47.4	48.0	+ 1.9	48.2	48.3	97.9
Retail trade ..... 7	187.7	189.8	187.5	186.1	192.0	- 2.2	188.6	197.0	255.8
Utilities ..... 20	153.8	149.6	146.0	145.1	145.3	+ 5.8	148.0	145.7	177.3
Pipelines ..... 5	184.6	178.4	169.4	167.3	168.9	+ 9.3	173.7	164.1	182.3
Transportation ..... 4	171.6	168.0	165.1	165.9	165.1	+ 3.9	167.1	175.0	242.4
Telephone ..... 3	102.3	102.6	99.9	98.8	99.2	+ 3.1	100.6	100.2	111.4
Electric power ..... 3	116.2	111.3	112.1	112.5	113.1	+ 2.7	113.0	113.0	137.7
Gas distribution ..... 5	347.6	330.7	324.7	321.2	317.8	+ 9.4	328.4	315.2	419.1
Finance ..... 14	172.4	174.1	168.5	167.4	169.2	+ 1.9	170.3	175.0	179.6
Banks ..... 6	187.9	189.6	182.5	181.3	183.1	+ 2.6	184.9	190.2	186.1
Investment and loan .. 8	142.0	143.5	140.8	139.9	141.9	+ 0.1	141.6	145.1	166.4
Mining Stock Price Index . 24	99.7	99.4	97.3	97.9	100.5	- 0.8	99.0	99.0	110.1
Golds ..... 6	103.7	106.6	101.8	102.3	107.7	- 3.7	104.4	102.2	139.0
Base metals ..... 18	97.5	95.5	94.9	95.5	96.6	+ 0.9	96.0	97.2	94.2
Uraniums Price Index ..... 4	119.9	119.7	115.6	111.3	109.3	+ 9.7	115.2	114.1	151.5
Primary Oils and Gas ..... 6	190.4	168.6	157.5	146.3	140.9	+ 35.1	160.7	156.9	252.2



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

twelve months the price level of food for home consumption moved up by 1.7 per cent, while restaurant meal prices, reflecting a higher service content, advanced by 5.7 per cent. Between June and July, about two-fifths of the rise in the Food index was attributable to a 1.4 per cent advance in the price of restaurant meals. Food at home, by contrast, recorded an average price increase of 0.4 per cent with mixed movements of component items. Among staples which registered price increases, bread rose 1.4 per cent mainly reflecting higher prices in Toronto, while butter and margarine increased 0.3 and 0.7 per cent, respectively. Fresh milk prices were unchanged, while sugar prices declined by 0.6 per cent to register the first decrease in several months. Ground coffee prices continued to increase, advancing 2.9 per cent in the latest month and 18.7 per cent since a year earlier. Instant coffee also advanced in price by 2.2 per cent since June to stand 6.4 per cent above its level of twelve months previous. Among meat items, beef and pork prices registered declines of 0.2 and 1.7 per cent, respectively, in the latest month to levels somewhat below those of a year earlier. Poultry prices declined by 1.7 per cent since June and stood 2.7 per cent below their level of twelve months previous. Egg prices also declined, for the seventh consecutive month, to a level thirty per cent below their peak of December 1969. Among produce items, fresh fruit prices were generally higher, while fresh vegetables registered a mixture of advances and declines. Oranges, apples and grapefruits increased in price in the latest month, while bananas registered an eleven per cent decline in response to numerous specials. Grapefruit prices have risen markedly in the last five months and in July were over forty per cent higher than a year earlier. Fresh vegetable prices were mixed with lettuce, potatoes and tomatoes registering increases while celery, cabbage, onions and turnips were lower.

The Housing index rose 0.6 per cent to 131.5 in July from 130.7 in June, exceeding somewhat the rate of increase in this component between these two months in recent years. Higher mortgage interest rates were the major cause of a 0.7 per cent rise in the shelter index, with rents and the cost of new houses increasing fractionally. Among household operation items, a rise in electricity rates in a number of Ontario cities advanced this component by 1.3 per cent from the preceding month to a level over eleven per cent higher than a year earlier. Some increases were also recorded in the prices of household textiles, dishes, lightbulbs and a number of cleaning supplies since the preceding month. On the other hand, price declines occurred for floor coverings, garbage cans and lawnmowers. Higher wage rates for household help in Regina and Ottawa were partially offset by lower ones in Saint John, New Brunswick. Since July 1969 the price level for shelter and for household operation rose by 6.3 per cent and 2.6 per cent, respectively, to advance the total Housing index by 5.0 per cent over the twelve-month period.

The Clothing index at 126.9 in July was unchanged from its June level. While prices of women's wear and footwear rose fractionally since the preceding month these advances were offset by a decline in men's wear prices, particularly for men's shirts, slacks and windbreakers, as well as for children's wear, and for piece goods. The latest Clothing index was 1.7 per cent above its July 1969 level.

The Transportation index went up by 0.1 per cent to 125.2 in July from a level of 125.1 a month earlier, largely as a result of a seasonal increase in train fares. Marginally lower new car prices in most cities reduced the automobile operation component by 0.1 per cent although there was evidence of scattered increases in the price of motor oil. Gasoline prices, on average, were unchanged for the fourth consecutive month. Over the year since July 1969 the Transportation index increased by 3.7 per cent which was the average such rise in the past five years.

The Health and Personal Care index was unchanged in July from its level of 139.8 in June, which was 4.2 per cent higher than in July of last year.

The Recreation and Reading index rose 1.6 per cent to 132.4 in July from 130.3 in June largely as a result of higher newspaper subscription rates which, advancing for the third consecutive month, pushed the reading component up to a level more than ten per cent above that of twelve months earlier. The Recreation and Reading index as a whole increased by 3.9 per cent over the past twelve months.

The Tobacco and Alcohol component did not change in July from its level of 126.5 in June. Its advance of only 0.2 per cent from July 1969 is the lowest for any previous consecutive twelve-month period since October 1963.