GOVERNMENT OF CANADA

THE CONSUMER PRICE INDEX

January 1949 — August 1952

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PREFACE

This document introduces the Consumer Price Index which has been constructed to replace the Cost-of-Living Index. A general description of the methods of construction of the new index is contained in this publication, and also a record of the total index and its main components from January 1949 to August 1952. Present publication plans include later release of a more technical reference paper as well as other explanations of the index.

During the progress of construction of the Consumer Price Index the Bureau consulted a large number of interested organizations representing major economic groups in the country, as well as economists and statisticians in Canada and other countries. Suggestions made in the course of these discussions were extremely helpful.

I wish to make special acknowledgement of the work of staff members of the Bureau's Prices Section who were responsible for the production of the Consumer Price Index.

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OTTAWA,
October, 1952.

TABLE OF CONTENTS

Part I

EXPLANATORY STATEMENT

INTRODUCTION

The Consumer Price Index marks the fifth in a series of Canadian index numbers of retail prices. The need to revise any retail price index arises periodically. As family expenditure habits change these indexes gradually become less realistic and it has accordingly been world-wide statistical practice to revise them every decade or so. In Canada such revisions have been undertaken four times since retail price records were first published in 1910. Each revision, including the current one, has incorporated a change in the items included in the index and their weights, as well as a change of base period. Thus, retail price index records in this country have been related to the base periods 1900, 1913, 1926, 1935-1939, and now 1949. While each of the last three revised indexes has been linked to its predecessor to provide a continuous record of retail price change back to 1913, each has, in effect, marked the construction of an entirely new index. The latest revision conforms to this historical pattern. But while the Consumer Price Index does not break with the tradition of periodic revision, it does mark the most comprehensive and thorough construction of a new retail price index ever undertaken in Canada, and has required more than two years to complete.

The first step towards the latest index was taken when the Dominion Bureau of Statistics secured authorization to conduct a family expenditure survey in 1948 and 1949. From this survey the Bureau obtained factual information on the post-war purchasing habits of Canadian families, required to construct the new index. In fact, the principal purpose of the revision project has been to provide an index up-to-date in terms of the goods and services Canadian families normally purchase, and at the same time to incorporate new statistical methods which have been developed during the past decade.

Starting with detailed records of consumer expenditure obtained from the 1948-1949 survey, which form the basis of the items and weights of the new index, every aspect of the index has been examined in detail. As tabulations of survey data became available, work was commenced on the fundamentals of index design and concept, and carried through to family coverage, item content, weights, and price collection and calculation procedures. The list of items included in the index has been considerably expanded, while at the same time the relative importance of item expenditures has been revised according to post-war experience. In addition, a number of technical improvements such as allowance for seasonal differences in food consumption, and incorporation of a separate measurement of home-ownership, have been made.

Index Title and Definition

The previous title, "Cost-of-Living Index", is being replaced by the title, "Consumer Price Index". The former implies that the index is a measure of all changes in living costs, whereas indexes of this type measure only changes in living costs which result from price changes. The Cost-of-Living Index is a price index, and always has been officially described as such, but it has been criticized by those who did not appreciate the nature of the index for not moving in line with total family living expenditure. However, its purpose is to measure only changes in retail prices, as they affect family living costs. Neither the Cost-of-Living Index nor the Consumer Price Index measures changes in living costs which result from more or less income, larger or smaller families, or any other factor which contributes to a higher or lower standard of living. Since the index is a price index applicable to the ultimate consumer of goods and services, a title which incorporates both ideas, The Consumer Price Index, has been selected.

For complete understanding a more precise definition is required. Specifically the Consumer Price Index measures the percentage change through time in the cost of purchasing a constant "basket" of goods and services representing the consumption of a particular population group during a given period of time. The implications of this definition are extremely important in the actual construction of the index. The "basket" is an unchanging or equivalent quantity and quality of goods and services, and the prices used in the index must be identified with such quantities. Therefore, it must be possible to determine the price of an item before that item can properly be included in the index. If an expenditure for an item has no corresponding price, where price is defined as the market cost of one specified unit, then obviously that item cannot be included in an index which measures price change. The effect of this principle in deciding whether or not an expenditure should be included is discussed below in some detail.

The above definition is equally important in determining proper use of the Consumer Price Index and in forming a correct understanding of its behaviour. It should be remembered that the Consumer Price Index measures price change, and that it applies to a broad but specific group of families within the total population. It is an urban index and should not be related to farm families for whom a separate and distinct measurement is published by the Bureau. Nor should it be expected to approximate changes in national income, family income, or family expenditure. Finally, since the goods and services included in the index, and their weights, were obtained from the expenditure records of many families, the index is not likely to coincide with the experience of any one particular family.

Family Coverage

In the following discussion, the word "family" is defined as a spending unit whose members meet expenses from a common income pool. While marital or blood relationship of the members was usual it was not universal.

The things that people reported buying and the relative amounts of money that they spent on them, determined the index content and weights. Since families spend their money in different ways depending on their circumstances, it was first necessary to decide what families should be represented by the index. The primary objective in selecting the families to be covered by the index was to secure the widest possible representation of families, consistent with reasonable similarity of family spending habits.

Over 3,600 records of family expenditure representing the total Canadian non-farm population, were available for the year ending August 31, 1948. In determining an appropriate cross-section of families from the total record, three factors were observed as being crucial determinants of how people spend their money. These were: family income, size, and geographical location. It would have been possible to use additional criteria such as source of income, racial background, and age of head of the household; but on the basis of detailed examination of expenditure records, and analyses available from previous surveys in this country and elsewhere, only the above mentioned three were considered decisive.

In deciding what limits of income range, family size, and geographical location should be used, similarity in expenditure pattern was the determining factor, and those family types whose expenditure patterns were significantly different from the average were excluded. If family types with exceptional expenditure patterns had been included their influence on the average might well have been such as to make the index unrepresentative of the large majority of families. It was decided that the central core of family types whose expenditure patterns were similar enough for their changes in living costs resulting from price change to be adequately represented by one index could be defined as those families:

(a) living in 27 Canadian cities with over 30,000 population
(b) ranging in size from two adults to two adults with four children
(c) with annual incomes during the survey year ranging from $1,650 to $4,050.

Detailed information on expenditures was submitted by 1,517 families with these attributes. The target group, as it may be referred to, covers the full range of urban industry and occupation and is not restricted to those whose principal source of income is wages or salaries. Families with incomes from such sources constitute over ninety per cent of the families included, and tests showed that expenditure patterns of non wage and salary earners were almost identical with those of wage and salary earners.

Both single persons and larger families were found to have expenditure patterns sufficiently different from those families ranging in size from two to six persons to warrant their exclusion. Single persons normally spend an appreciably larger percentage of their total expenditure on shelter and less on home operating costs, while larger families spend more on clothing. The latter group was, in any case, largely excluded by the top of the income range. Families of the size selected include 66 per cent of urban families of all sizes. The average size of the families included is 3.0 members.

Families with incomes of less than $1,650 reported spending a larger proportion of their total outlay on food, and fuel and light; while those with incomes of over $4,050 devoted a smaller percentage to food and a larger proportion to miscellaneous goods and services, than did those with incomes between these limits. The income cut-offs of $1,650 and $4,050, exclude approximately 9 per cent of medium-size urban families at the lower income level and 14 per cent at the higher income level. Thus, over 75 per cent of all income levels of urban families of medium size are represented. Incomes were concentrated heavily between $2,000 and $3,000 with over 45 per cent of the families included reporting incomes within this range.

It is a practical certainty that the target group selected is the broadest one within which spending habits are sufficiently homogeneous to provide almost identical indexes in the event that separate index series were calculated for any important component of the target group.

Base Period

In the construction of any index measuring change through time, some period must be selected as the reference level equalling 100, since by definition an index is a measure of percentage change. It is clearly impossible to select a base which will be satisfactory for all purposes, but the necessity of selecting some one period for general use remains. However, an index can readily be converted to any base period desired.

Pre-war levels of prices are now unsatisfactory as a base period reference level just as pre-war purchasing habits are unrepresentative of today's consumption patterns. Most price index users are concerned with quite recent periods, and in many countries consumer expenditure surveys of recent date have been taken. Thus there has been a world-wide movement towards the selection of post-war base periods for most economic indicators. For example, in the United States price and other indexes are being converted to a base of the average of the years 1947, 1948 and 1949. The United Kingdom has selected January 15, 1952 as equal to 100 for its interim index of retail prices. United Nation organizations are using the year 1948 as a standard period of reference while the retail price index of New Zealand refers to the period January-March 1949. Norway is using 1949, and Ireland August 1947. In Canada, the calendar year 1949 has been selected as the reference base for the Consumer Price Index for a number of reasons.

The possible range of dates for the selection of a post-war base was from the end of the war in August 1945 to some time in 1952. A period of time shorter than a year was not desirable in view of the

importance of comparisons between the Consumer Price Index and other time series requiring a calendar year base. The years 1945 and 1946 were ruled out of consideration because of the existence of price control, rationing, and consumer subsidies. It is undesirable to use a controlled period as a reference level when the measurement is largely concerned with a period not under control. Through 1947 and most of 1948 there was a rapid rise in retail price levels, and economic dislocations associated with reconstruction following the war. For these reasons both 1947 and 1948 were considered unsatisfactory. June of 1950 saw the outbreak of war in Korea and a resurgence of inflationary forces which continued through most of 1951. Thus these two years were also unsuitable.

However, 1949 was a year of relatively stable price levels in Canada. In addition, and of considerable importance, was the fact that 1949 constitutes a satisfactory reference level for index number measurements related to industrial production, agriculture, national income, imports and exports, salaries and wages, as well as prices.

With the change to the 1949 base, the Consumer Price Index will be a measure of the percentage change in retail prices between 1949 and, for example, January 1952, rather than between January 1952 and 1935-1939, as is the case with the Cost-of-Living Index. Since prices were substantially higher in 1949 than in 1935-1939, indexes which take this higher price level as their reference base will be considerably lower in absolute numbers. Obviously differences in index numbers which arise because they are related to different base periods, do not mean that prices have moved any differently. In fact, the same line on a chart may be used to show price movements related to two different base periods. (See Chart I). Calculations of percentage change in price between any two points in time will yield exactly the same result, regardless of the base period that is used.

This phenomenon of different absolute levels of index numbers which yield exactly the same measure of percentage change over any given period can be illustrated very simply. Suppose that the same basket of goods bought at three different times cost $8, then $10, and finally $12. These three cost figures can be expressed in three sets of index numbers, depending on the time selected to equal 100.

	Basket Cost — $	Index A — Time 1 = 100	Index B — Time 2 = 100	Index C — Time 3 = 100
Time 1	8	100.0	80.0	66.7
Time 2	10	125.0	100.0	83.3
Time 3	12	150.0	120.0	100.0

The index numbers "B" are all lower than the index numbers "A", and indexes "C" are, in turn, lower than indexes "B". But for all three indexes, the increase between Time 1 and Time 2 is 25 per cent, and between Time 2 and Time 3, 20 per cent.

Item Content of the Index

Decisions as to the items included in the budget or "basket" of goods and services, whose price change is measured by the index, are fairly clearly implied in the section related to index definition. From the definition given there it follows that the budget should include those items which have a price, and for which it is possible to determine price change. Conversely, it should exclude those items which have no price or cannot be priced. Thus, a price tag becomes the symbol of the index, and in establishing the boundary lines between those items which are properly included in the Consumer Price Index and those which are not, two criteria are decisive. First, does it have a price? Second, can the price be identified with a specific quantity of a commodity or service? The first is axiomatic in reference to a price index. If the second criterion cannot be met, price cannot be distinguished from cost and the item should not be included. It is fairly easy to identify price with constant quantities of most commodities and many services. Changes in the cost of a given number of quarts of milk and theatre admissions may be cited as examples which obviously can be covered by the index. On the other hand, savings have no price and it is impossible to establish any relationship between current savings and the specific quantities of goods or services they will eventually buy. Purchases of bonds, annuities and other forms of savings, clearly have no place in an index concerned with consumer prices. Between these extremes, health insurance premiums may be referred to as representing the limit of expenditures which have been included. Pre-paid health care rates are the price corresponding to such insurance premiums, and they may be associated with stipulated quantities of medical service.

Decisions on the inclusion of items were based only on factual considerations. No attempt has been made to differentiate between "luxuries" and "necessities", nor to assess the desirability of any particular type of expenditure from a moral or social point of view. Aside from the considerations which have already been mentioned, the primary question related to the inclusion of an item was whether or not the target group reported buying it. If it was reported as being purchased it was included. It should not be concluded that the index measures the price change of only those items specifically listed in Tables III and IV. These items have been selected and the index constructed so that it measures the price change of all goods of the same general type as those specifically included. The method of accomplishing this result is explained in the following section on index weights.

Differences between the item content of the Cost-of-Living Index and the Consumer Price Index largely reflect the changes in consumption habits of Canadian families between the two expenditure surveys of 1938 and 1948, on which the index budgets are respectively based. They also arise from the wider price sampling which has been possible in the Consumer Price Index because of the increased

resources and experience of the Bureau's pricing organization as compared with ten years ago. A complete list of items contained in the Consumer Price Index and not in the Cost-of-Living Index, and vice versa, is provided in Table V of this publication. Examples of inclusions which result from technological and production changes during the last decade are: margarine, canned baby foods, fuel oil, and plastic yard goods. Examples of items which are no longer of sufficient importance to warrant their inclusion, are women's rayon and wool mixture hosiery, coke, and oilcloth. Broader sampling in the new index is indicated by the inclusion of 11 items of children's wear, a larger number of fresh fruits and vegetables, and 13 items of transportation, as against a previous 7.

Purpose of expenditure, e.g., for clothing, shelter, etc., was the main basis of classification used to group the items in the index. This is the classification used in the Cost-of-Living Index, although several changes have been made. The main difference is the combining of fuel and light with household furnishings and services to produce a household operation group. The comprehensive household operation group index is considered more useful than the index of household furnishings and services. Within the five main components of the new index similarity of price movement was also an important basis of classifying individual items. Decisions as to similarities in price movement were based on studies of price behaviour related to material content and degree of manufacture.

The Index Weights

The weight of an item in an index is a measurement of the influence that the price change of the item has on the movements of the index. If one item has ten times the weight of another, then the same price change in both items will affect the movement of the total index in the ratio ten to one. The weights assigned to the goods and services included in the index were determined from the amount of money reported spent on each item, or group of items. For example, families reported that for every dollar spent on shelter, over twice as much was spent on food, and the weights of 15 for shelter and 32 for food, are a reflection of this fact. The importance of weights may be appreciated by reference to the fact that a given rise in the food index will increase the total index over twice as much as will the same increase in the shelter index.

Since the index measures the influence of price change upon the cost of a given "basket" of goods and services, it follows that where a small price change has a large influence on the total cost of the "basket", the item should have a large weight, and where a large price change has only a small influence on total cost the item should have a small weight. The following hypothetical example will illustrate this point:

Item	Annual Cost	Price Increase	Added Cost
	$	%	$
Gasoline	130.00	50	65.00
Tires	10.00	100	10.00
	140.00		**75.00**

In the above illustration price increases of 50 per cent and 100 per cent have added $75.00 to an original cost of $140.00, increasing total cost by 53.6 per cent. A simple average of the price increases of 50 per cent and 100 per cent is 75 per cent. The correct price index of 153.6 is determined by weighting the percentage increases in the ratio of 130 to 10, in accordance with original expenditure; an incorrect index of 175 would result from an unweighted average of price changes.

Table III provides a detailed statement of the weights in the Consumer Price Index and may be interpreted by reference to the following example based upon the clothing section of the table. Of each dollar spent during the base year for the consumption of goods and services included in the index, 11 cents was spent on clothing, and of each clothing dollar 29 cents was devoted to men's wear. Of each dollar spent on men's wear, 33 cents was spent on suits, 8 cents on overcoats, approximately 7 cents on topcoats, and so on.

The relative importance of expenditures at the item level is not precise for all items because of a process known as imputation, which involves the addition of expenditures on those items which are not specifically listed in the budget, to the expenditure of those related items which are. For example, the weight allocated to topcoats includes expenditure on raincoats, and the weight for business shirts allows for the expenditure on sport shirts. Similarly, the percentages shown as being devoted to men's clothing include not only expenditure on suits, shirts, hats, and the other items listed, but also the outlay on sportswear, bathrobes, gloves, as well as other items purchased. This imputation process is carried throughout the whole index and should be borne in mind in interpreting index weights.

The process of imputation is not new to the Consumer Price Index. The same procedure was used in the Cost-of-Living Index and is used in the construction of similar price indexes in other countries. The need for this procedure arises from the fact that it is impossible to price every consumer good or service. It is possible to use imputation since many items are unimportant elements of consumer expenditure, and have a price behaviour similar to that of like items which are specifically included in the index. Thus, price changes of the six specific cuts of beef listed in the index budget, as chosen and weighted, measure accurately the price change of all cuts of beef.

The consumer buying pattern as discussed above under the headings "Item Content of the Index" and

"Index Weights", relates to the year ending August 31, 1948, except for food items which relate to the year ending September 1949. Since the index budget should reflect current conditions, it is the Bureau's intention to conduct continuous family expenditure surveys, from which it will be possible to modify the index should significant changes occur in the way people spend their money. While the 1948 survey showed that expenditure patterns had changed much less since 1938 than might have been anticipated, and future expenditure patterns may well remain relatively unchanged for some time, procedures are nevertheless being established whereby it will be possible to keep continuous check on such changes and incorporate them in the Consumer Price Index. This program is not expected to affect the index content or weights for at least a year.

Formula

The purpose of the index as defined requires that the formula shall express the cost differential of the same goods and services in two different price situations. This is achieved by the formula:

$$I_n = \frac{\Sigma P_n Q_o}{\Sigma P_o Q_o} \times 100$$

where I_n = index for month n as a percentage of the 1949 price level

Q_o = survey period quantity of an item

P_o = 1949 price of the item

P_n = price at month n of the item

Σ = summation over items.

The weights given in Table III are percentage distributions of survey expenditures. Using these weights the above formula must be written in its equivalent form:

$$I_n = \frac{\Sigma\left(P_o Q_o \left(\frac{P_n}{P_o}\right)\right)}{\Sigma P_o Q_o}$$

where: $P_o Q_o$ = item weight as determined from survey expenditure*

$\frac{P_n}{P_o}$ = item price relative at month n (1949 = 100)

Σ = summation over items.

Prices

Prices entering into index calculations may be defined as the money cost to the final purchaser of a specified unit of sale. In other words, they are retail prices inclusive of all sales and excise taxes.

Prices are collected from retail outlets at intervals ranging from every month to once a year depending upon price sensitivity. For items such as food and clothing whose price movements may be frequent and extensive, prices are collected every month; for items such as automobile licenses, whose prices remain constant for fairly long periods of time, prices are collected annually. The frequency of price collection in 1952 for all index items is given in Table VI of this report. Price changes which take place between periods of price collection, and are reported by field agents, are incorporated at the time they occur.

Price coverage as between cities is largely determined by the method of price collection which will yield accurate prices. Where it is possible to collect accurate prices by mail, coverage extends to 33 cities. Where it is difficult to collect accurate prices by mail because of the necessity of taking account of quality changes, as is the case with many items of clothing and homefurnishings, collection is restricted to 8 cities where full-time trained pricing agents are located. In these cities, prices for the full range of goods and services are collected personally by field agents who have received training in price collection methods, and who are responsible for the accuracy of all prices submitted. Part-time agents are responsible for the collection of prices covering most of the index budget in seven additional cities.

Within each city prices for each item are collected from a representative sample of retail outlets. For foods, prices are collected from major chain stores operating in each city, as well as a sample of independent stores located throughout the city. For those food items which are sold widely on a delivered basis, such as bread and milk, prices are also collected on a delivery basis. Prices of clothing and homefurnishings are collected from both department stores and specialty stores. Shoe prices, for example, are obtained from both department stores and shoe specialty stores. Volume of sales is used as the principal determinant in deciding the stores from which prices are obtained.

Prices used in calculating the index relate to specified descriptions of each commodity and service. These descriptions are comparatively simple for items such as foods, but complex for others such as clothing and homefurnishings. Bakers and grocers are asked to provide prices for a wrapped, sliced loaf of white bread of specified weight. Agents must price a man's business shirt which conforms to detailed specifications of fabric content and shirt construction. This procedure of pricing by specifications has been adopted to facilitate distinction between price change and quality change, for the Bureau considers a change in quality as equivalent to a change in price. Thus, if a measurable quality change occurs without an actual price change, a comparable price change is computed. The measurement of quality changes is extremely difficult in the case of highly processed manufactured goods, but it is made whenever possible.

* Price dispersion between the survey year ending September 1948, and the base year 1949, was not sufficient to warrant adjustment of expenditure values for price change between these dates.

Index Calculation

The calculation of the Consumer Price Index from the mass of price data collected each month is accomplished by an averaging process in which the influence of individual prices is regulated by a system of weights. The weights shown in Table III are used in the latter part of the calculation process where base period price indexes for individual items are combined into the total index. Several prior levels of weighting not shown on this table are used to obtain price indexes at the item level. For many items the average price is based on individual price quotations for several specifications obtained from different stores in varying numbers of cities. This multiplicity of prices requires the calculation of weighted averages of prices and price changes as between different specifications for an item, such as two qualities of men's shirts and several specific services of the same type such as the laundering of sheets, shirts, and flat work. Weights are likewise required in averaging prices from different types of stores, such as independent and chain food stores, and department and specialty clothing stores. Similarly, a Dominion average price is obtained by weighting city average prices. The general method of calculating the index can be illustrated by a description of the steps followed in the calculation of the clothing index.

The clothing group is divided into five main sub-groups: men's wear, women's wear, children's wear, footwear, and piece goods. Each of these sub-groups is composed of items selected to measure the price movements of the total sub-group. Within men's wear prices of one or more qualities of each item shown in Table III are collected each month from a sample of department and other stores in each of the eight cities where full-time price representatives are located. Individual store quotations for each quality of each item are first weighted by store sales of men's clothing. The resultant city average prices are, in turn, weighted by the relative importance of men's clothing sales in each city, to arrive at an average urban price for each quality. The current month's average price is then compared to the previous month's average and the relative change calculated. This relative change is then linked to a 1949 base index, and indexes for the different qualities of an item are combined to arrive at a single index for each item. In this manner a separate index is produced to represent the change in prices from the base period to date for each item of the men's wear group. These indexes are then combined on the basis of their respective weights to arrive at an index of men's wear which is finally weighted and combined with similarly computed indexes of women's and children's wear, footwear, and piece goods, to produce the clothing index.

The Consumer Price Index for the period from January 1949 onward has been calculated using the items and weights as shown in Tables III and IV. Prior to January 1949 it has been obtained by "linking" the Cost-of-Living Index (inclusive of all excise taxes on tobacco products) to the January 1949 Consumer Price Index. In linking the two series together the indexes for the earlier period were reduced in the ratio of the Consumer Price Index for January 1949 to the Cost-of-Living Index for January 1949, i.e., in the ratio of 99.8 to 160.3.

Seasonality

The problem in the Consumer Price Index which arises from the seasonal nature of food consumption and expenditure, and the solution adopted, can be illustrated by reference to tomatoes. In following this illustration it should be kept in mind that the index measures the impact of price change on the cost of a constant level of living. If tomatoes were treated as most other items in the index, they would have a constant weight which did not vary from month to month. This would imply that monthly percentage changes in the price of tomatoes would result in equal monthly changes in the expenditure on tomatoes. That is, a low price of tomatoes during the summer and fall would be associated with a low expenditure on tomatoes, and consequently a low index, as compared to a high outlay on tomatoes and a high index during the winter and spring. Such a constant weight and its resultant index would not be a reasonable representation of experience in this country where seasonally low prices of tomatoes are associated with seasonally high consumption, and vice versa. In this situation the impact of seasonal price change upon the cost of tomatoes is determined not only by the price change, but also by the quantity variation normally associated with such price change. Thus, the weight for tomatoes in the Consumer Price Index is not fixed but changes within the year in accord with consumer buying practice. Similarly, monthly weights have been used in the food index wherever seasonal variations in expenditure are such that an annual average would not be representative of monthly expenditure.

The food weights are based on four surveys of food expenditure taken in October 1948, March, June and September, 1949. From these surveys, estimates were made on the basis of price and supply data, of expenditure in the intervening months, and corrections were made for unusual conditions prevailing in the survey year. It was observed that over twelve months, total monthly expenditures on a group composed of fresh and canned fruits and vegetables, fats, eggs, and meat, were a relatively constant percentage of total food expenditure, although within this group item expenditures varied significantly from month to month. For another group composed of dairy products, cereals and other groceries, percentage expenditures over twelve months were relatively constant at both the total and item levels. Constant weights are therefore used to combine these two groups, and varying monthly item weights within the first. The result is an index which measures the influence of price change from month to month in the cost of buying the quantities of food normally purchased in each month.

The formula used in calculating the seasonal food index may be written:

$$I_{ml} = \frac{\Sigma P_{m1} Q_{mo}}{\frac{1}{12} S \Sigma P_{mo} Q_{mo}} \times 100$$

where: I_{ml} = seasonal food index for the m^{th} month of year 1

Q_{mo} = quantity of a commodity in the m^{th} month of the base year

P_{mo} = price of a commodity in the m^{th} month of the base year

P_{m1} = price of a commodity in the m^{th} month of year 1

Σ = summation over commodities and S = summation over months.

In the case of clothing, there is also a problem arising from seasonal changes in the items purchased, since very little winter clothing is sold during summer months, and vice versa. The Bureau's current practice is to carry forward the price recorded for the final month of normal seasonal purchases until the month in which normal seasonal buying is resumed, when the full price change over the "off-season" is recorded.

The Shelter Index

The rent component of the shelter index is a measure of the change in rents actually being paid for a constant standard of accommodation, and is not a measure of the market price for vacant accommodation. It is constructed from a matched sample of tenant households, where each tenant is asked to report the rent paid for the last several months, for the same dwelling unit. Changes in rents of new rental units are recorded from the time such units are introduced into the sample, but the difference in the absolute level of rents between the old and new units is not taken into account in constructing the rent index. This procedure of introducing rents for new units so that they do not affect the movements of the index, has been used because higher rents for new units are not comparable to rents of older dwellings. However, because of the existence of rent control, part of this differential may properly be considered a price increase, and the procedure for incorporating it into the Consumer Price Index is outlined below.

The higher level of rents for new units arises from two factors. First, the mere fact that they are new, and second, the fact that they have been subject to different forms of rent control than have older units, or have been freed from control. Only this second factor is the equivalent of a price increase. It is not accounted for by higher quality, whereas the difference arising from the first factor is a reflection of the generally higher quality of new units. It has not been possible until now to take the second factor into consideration, because of the lack of adequate information on the difference between rents of new and older units, arising from rent control. To obtain the required information a special survey was conducted in June 1952.

During the latter period of federal rent control, units were freed from control as they became vacant. Consequently, within the same apartment block, dwelling units having the same number of rooms and facilities, were commanding different rents depending upon whether or not they were controlled. A survey of such apartments showed that in June 1952, decontrolled apartments were renting for an average of twenty per cent more than identical but controlled apartments. This figure was accepted as a measure of that portion of the difference between rents of new and other rental units attributable to rent control and not to differences in quality, and has been applied to new urban rental accommodations built since the base year 1949. The influence of this factor on the rent index is shown in Table VII. By August 1952 it had added 1.1 points or 0.9 per cent to the unadjusted rent index. Further adjustments will be made as the situation changes.

In contrast to the Cost-of-Living Index budget in which changes in shelter costs are measured by changes in rents, the Consumer Price Index incorporates a separate and direct measurement of the changing price element of home-ownership. This procedure has been adopted because movements in rents may not adequately reflect changes in home-ownership costs. While under most conditions rents and home-ownership costs probably move together, influences restricted to either tenants or home-owners, notably rent control in the case of tenants, are such that the indexes may show divergent movements. In constructing a separate price index of home-ownership, five principal expenditures have been included. These are property taxes, mortgage interest, repairs, replacement, and insurance. Indexes for the home-ownership component of the shelter index are given in Table VIII.

Taxes

Decisions as to which taxes should be permitted to affect movements of the index were also based on the fundamental considerations outlined under index definition. The index is one which measures changes in the market price of a constant quantity of goods and services bought by specified Canadian families. Thus only those taxes which are incorporated into the market price of goods and services are included in the index. Taxes which do not form an intrinsic part of a commodity price have been excluded.

Sales and excise taxes are an inherent part of the market price the consumer must pay for goods and services subject to such taxes. Prices used in calculating the index are therefore inclusive of all commodity taxes whether imposed at the federal, provincial or municipal level. In theory there should be adjustments to take account of changes in the quantity of goods and services provided in exchange for sales and excise taxes. However, no such adjustments can be made in practice because of the

impossibility of breaking down changes in government expenditures to show separately the effect of changes in the average quantity and quality of the goods and services being provided, as distinct from changes in their average price.

Property taxes form part of the price of home-ownership and as such have been included in the shelter component of the index. While there are variations in the services received for property taxes, in the form of fire protection, schools, roads and similar services, changes in such taxes, exclusive of local improvement taxes, may be taken as a fair indication of changes in the price of a relatively constant basket of goods and services.

Automobile and radio licenses have been considered as purchase prices and are also included in the index.

Income taxes are not associated with specific goods and services in terms of either payments made or services received, and are not included in the index.

Insurance.

Families represented by the index reported expenditures on the following types of insurance:

1. Life
2. Health
   (a) Prepaid medical care
   (b) Sickness and accident
3. Property
   (a) Houses
   (b) Household effects
   (c) Automobile
4. Unemployment

Decisions as to which of these types of insurance should be included were based on the form of benefits received. Where claims are paid to meet specified expenditures the insurance was included; where payment is made without regard to specifiable quantities of goods and services the insurance was excluded. Thus, premiums paid on life insurance, unemployment insurance and insurance for the maintenance of income in the event of sickness or accident, are excluded from the index. The face value of such insurance policies represents future purchasing power which cannot be identified with a constant quantity of goods and services.

The index does take account of expenditures on property insurance and prepaid medical care. These types of insurance represent a "replacement" guarrantee. Property insurance premiums are considered as the price of a guarantee that goods will be restored or replaced up to specified limits, in cases such as accident, fire, and theft. Similarly prepaid health care rates are the price of stipulated maximum quantities of medical service.

Part II

CHARTS AND TABLES

CHART 1

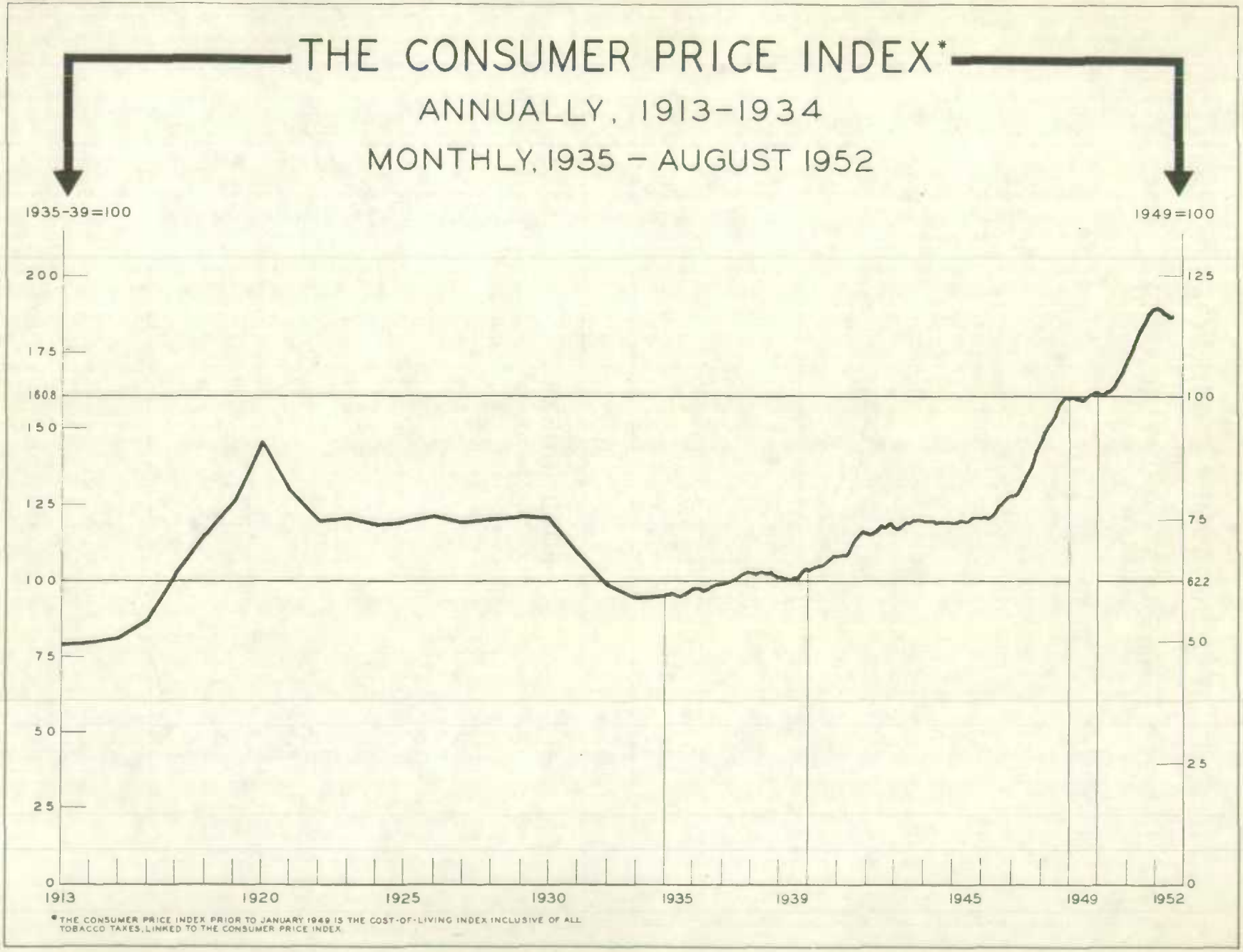
THE CONSUMER PRICE INDEX*
ANNUALLY, 1913–1934
MONTHLY, 1935 – AUGUST 1952
1935-39=100
1949=100
200
175
1608
150
125
100
75
50
25
0
125
100
75
622
50
25
0
1913
1920
1925
1930
1935
1939
1945
1949
1952
*THE CONSUMER PRICE INDEX PRIOR TO JANUARY 1949 IS THE COST-OF-LIVING INDEX INCLUSIVE OF ALL TOBACCO TAXES, LINKED TO THE CONSUMER PRICE INDEX.

CHART-2

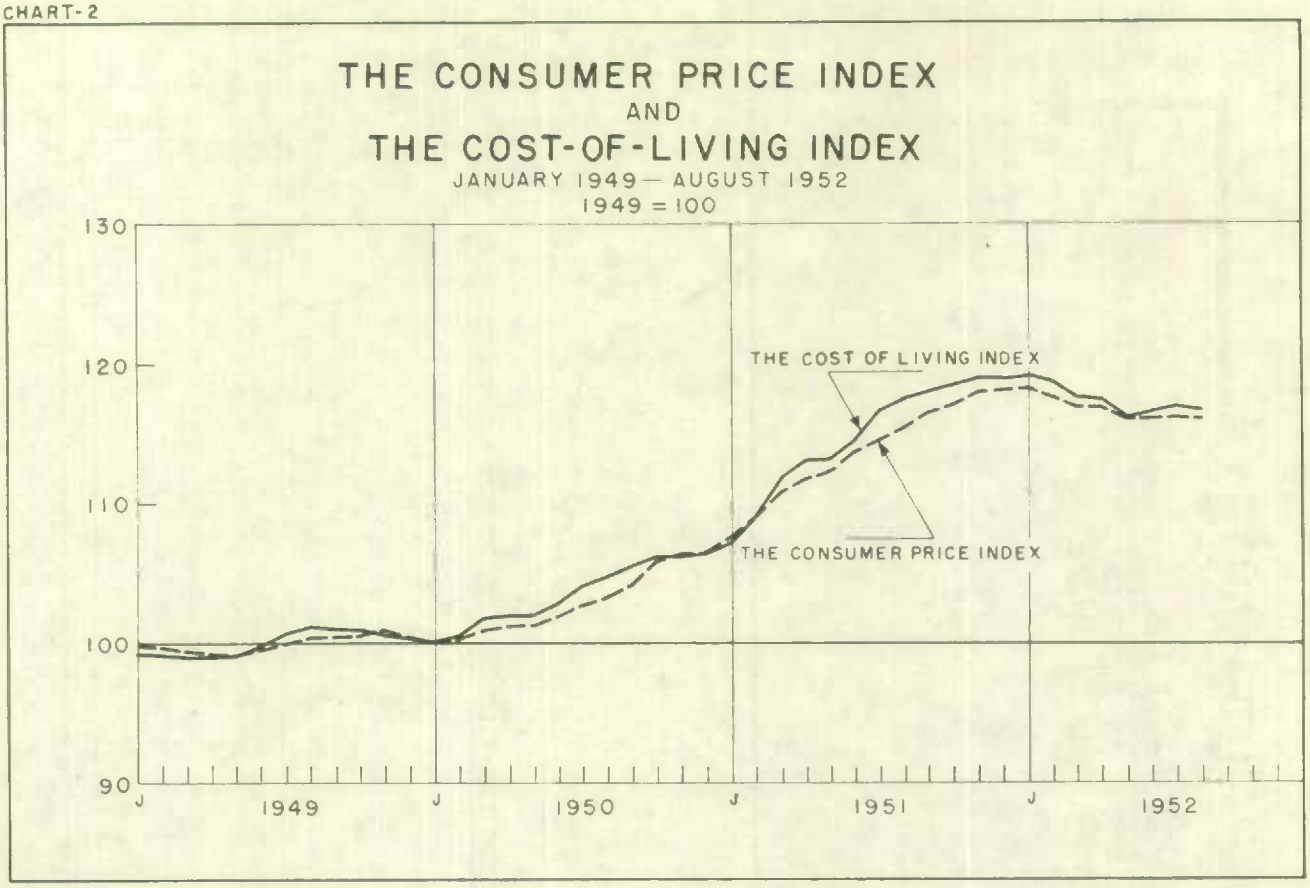

CHART-3

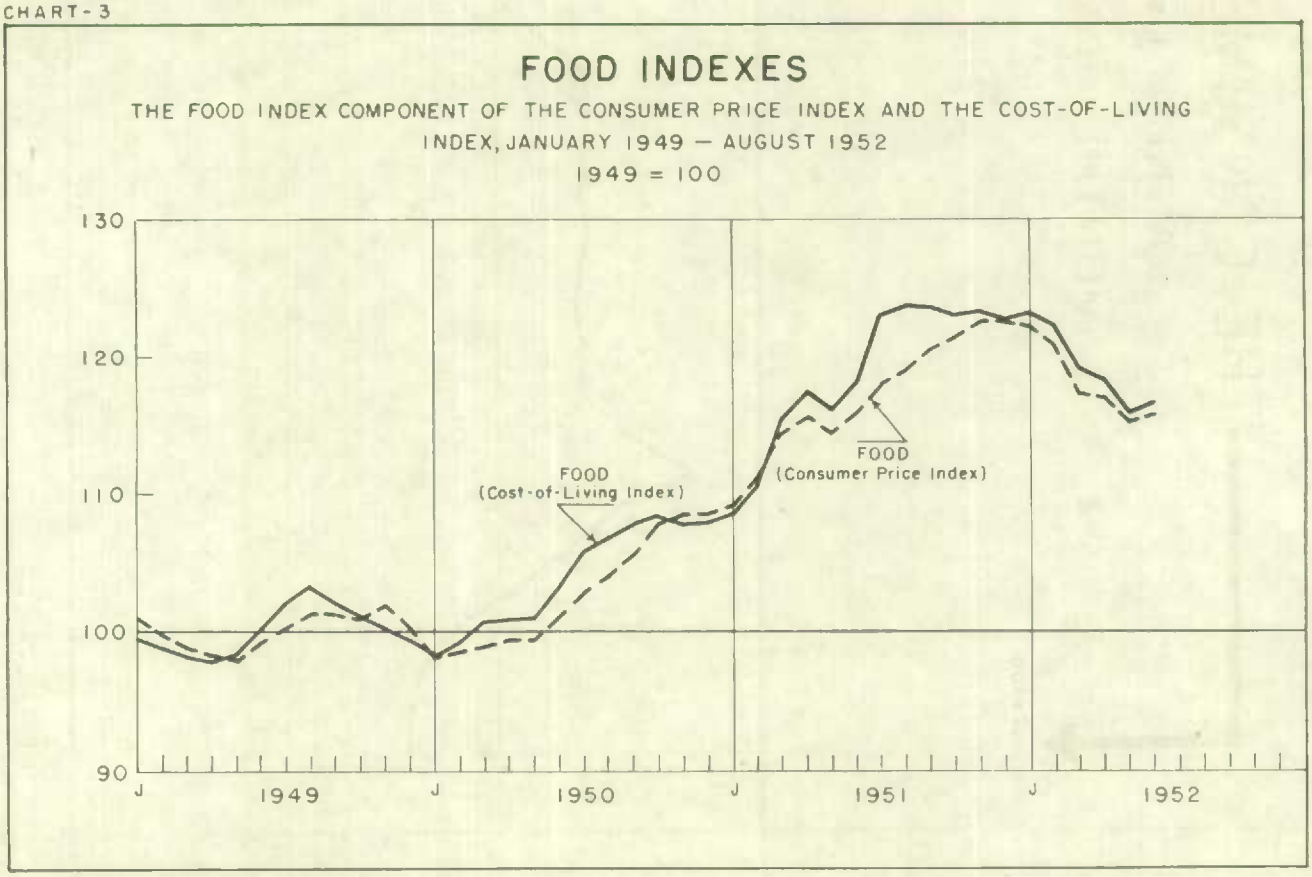

CHART - 4

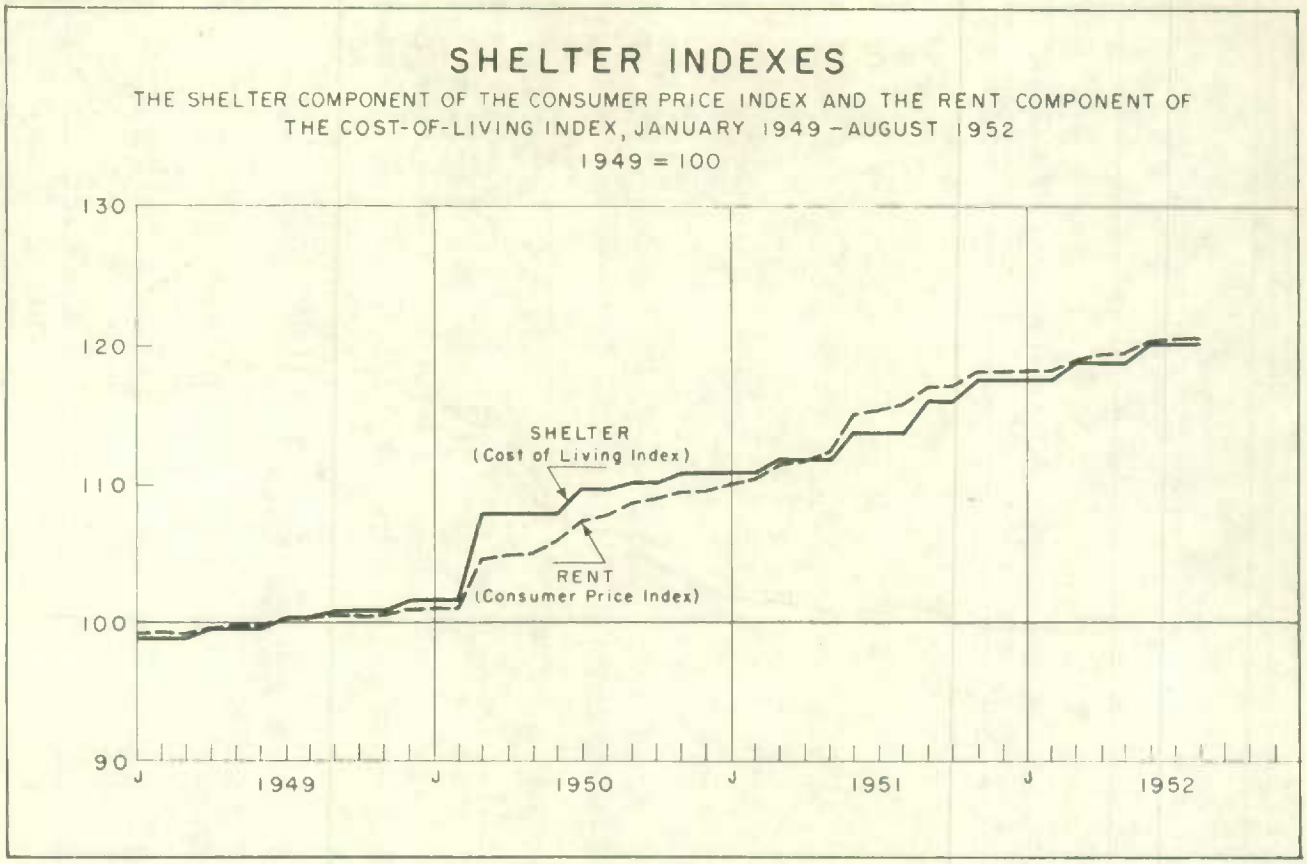

CHART - 5

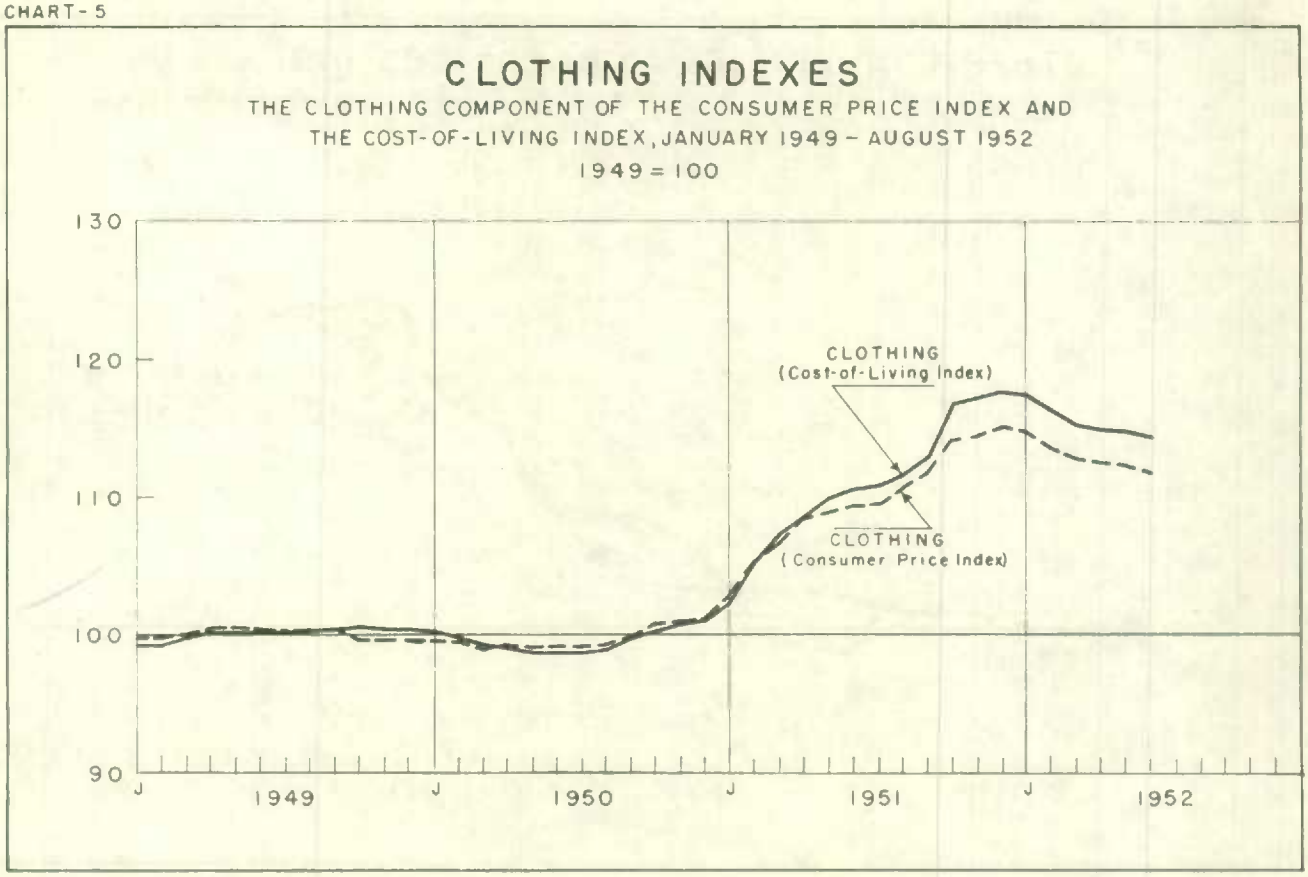

CHART - 6

HOUSEHOLD OPERATION INDEXES

THE HOUSEHOLD OPERATION COMPONENT OF THE CONSUMER PRICE INDEX AND THE FUEL AND LIGHTING, HOMEFURNISHINGS AND SERVICES COMPONENT OF THE COST-OF-LIVING INDEX, JANUARY 1949 – AUGUST 1952

1949 = 100

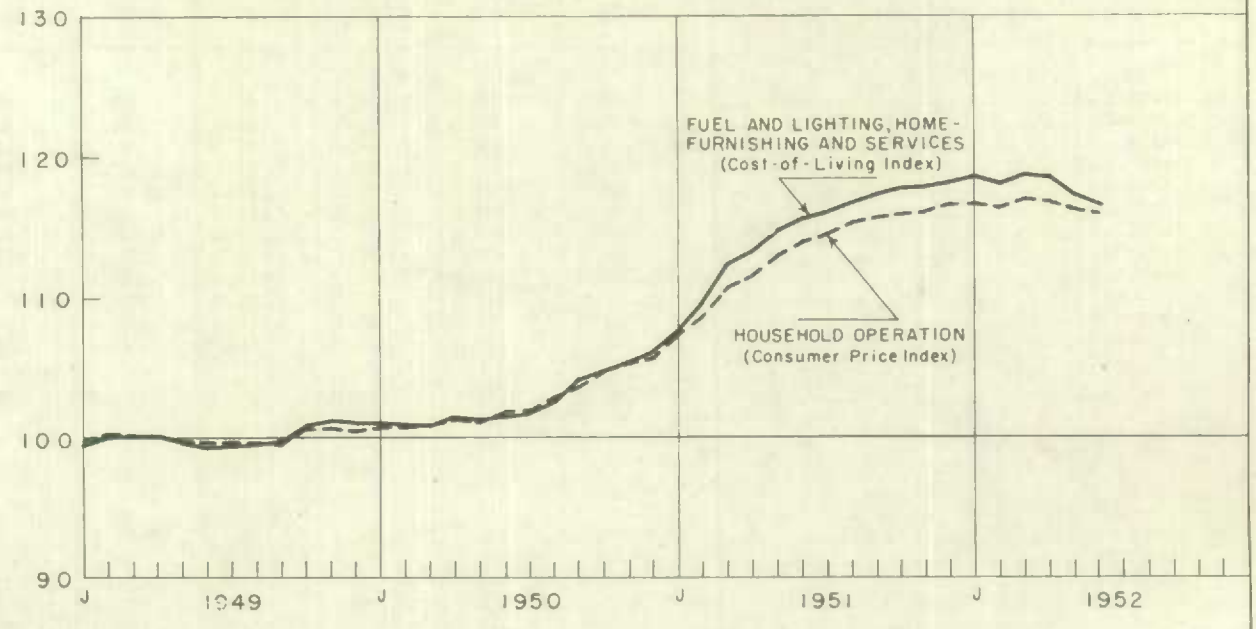

CHART - 7

OTHER COMMODITIES AND SERVICES INDEXES

THE OTHER COMMODITIES AND SERVICES COMPONENT OF THE CONSUMER PRICE INDEX AND THE MISCELLANEOUS COMPONENT OF THE COST-OF-LIVING INDEX, JANUARY 1949 — AUGUST 1952

1949 = 100

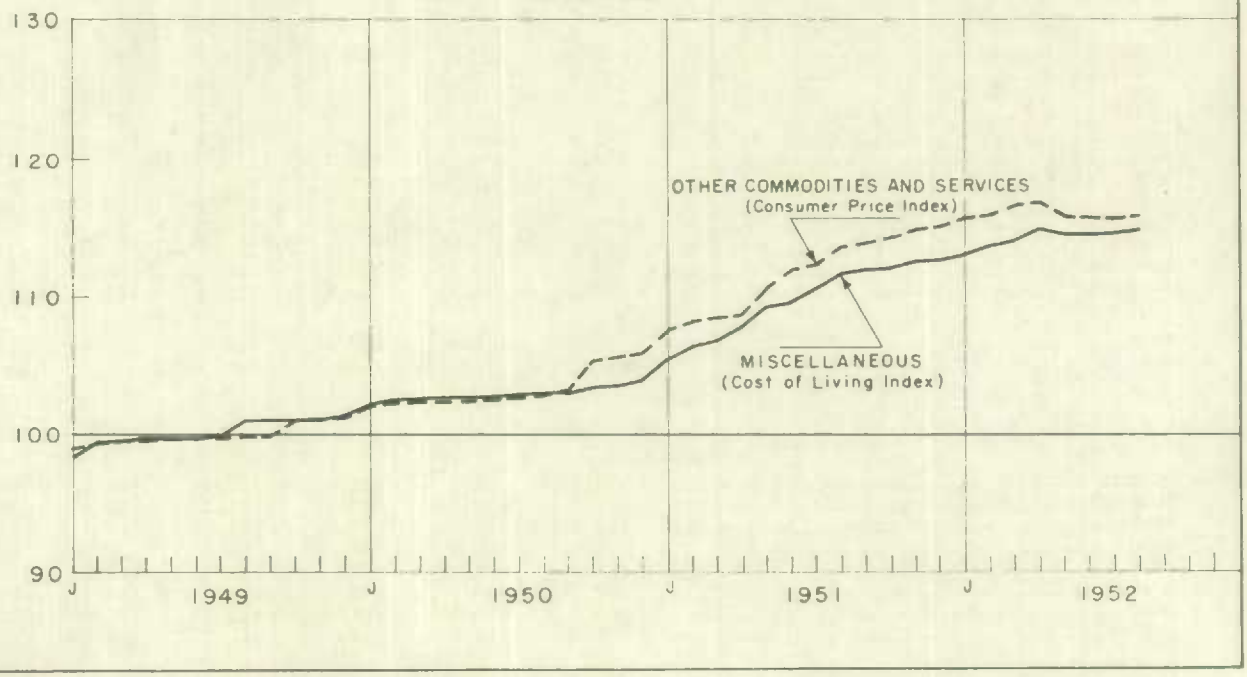

TABLE 1. Total and Main Components of the Consumer Price Index and the Cost-of-Living Index from January 1949 to August 1952

(1949 = 100.0)*

	Total Index		Food		Shelter	Rent
	C.P.I.	C. of L.	C.P.I.	C. of L.	C.P.I.	C. of L.
1949, January	99.8	99.3	100.8	99.6	99.2	98.9
February	99.7	99.2	99.7	98.7	99.3	98.9
March	99.4	99.0	98.7	98.1	99.2	98.9
April	99.3	99.1	98.1	97.8	99.6	99.5
May	99.2	99.2	97.9	98.3	99.7	99.5
June	99.6	99.8	99.2	100.0	99.7	99.5
July	100.0	100.8	100.2	102.1	100.3	100.3
August	100.4	101.2	101.3	103.1	100.2	100.3
September	100.4	100.9	101.2	102.0	100.5	100.7
October	100.6	100.9	100.8	101.0	100.5	100.7
November	101.0	100.6	101.9	100.1	100.5	100.7
December	100.5	100.4	100.3	99.5	101.0	101.6
Year	100.0	100.0	100.0	100.0	100.0	100.0
1950, January	100.1	100.1	98.1	98.2	101.1	101.6
February	100.2	100.5	98.4	99.2	101.1	101.6
March	100.9	101.8	98.8	100.5	104.7	107.9
April	101.2	102.0	99.3	100.7	104.9	107.9
May	101.2	102.0	99.3	100.8	105.1	107.9
June	101.9	102.9	100.9	103.0	105.9	107.9
July	102.7	104.2	102.6	105.6	107.4	109.7
August	103.3	104.8	103.8	106.7	107.8	109.7
September	104.3	105.6	105.4	107.8	108.7	110.2
October	105.9	106.2	107.6	108.4	109.0	110.2
November	106.4	106.2	108.4	107.7	109.5	110.9
December	106.6	106.4	108.4	107.8	109.6	110.9
Year	102.9	103.6	102.6	103.9	106.2	108.0
1951 January	107.7	107.3	109.0	108.5	110.0	110.9
February	109.1	109.0	111.0	110.5	110.4	110.9
March	110.8	111.8	114.1	115.2	111.5	111.9
April	111.7	113.1	115.5	117.4	111.8	111.9
May	112.2	113.2	114.3	116.0	112.4	111.9
June	113.7	114.5	115.8	118.1	115.2	113.7
July	114.6	116.7	117.9	123.0	115.5	113.7
August	115.5	117.5	119.0	123.8	115.8	113.7
September	116.5	118.0	120.5	123.7	117.2	116.0
October	117.1	118.4	121.3	123.0	117.2	116.0
November	117.9	118.9	122.5	123.3	118.2	117.7
December	118.1	118.8	122.5	122.8	118.2	117.7
Year	113.7	114.8	117.0	118.8	114.4	113.8
1952, January	118.2	119.1	122.4	123.2	118.3	117.7
February	117.6	118.7	120.8	122.2	118.3	117.7
March	116.9	117.6	117.6	119.1	119.1	118.9
April	116.8	117.4	117.2	118.3	119.4	118.9
May	115.9	116.1	115.5	115.9	119.6	118.9
June	116.0	116.5	115.7	116.7	120.4	120.2
July	116.1	116.9	116.0	118.0	120.6	120.2
August	116.0	116.7	115.7	117.2	120.6	120.2

* Cost-of-Living Indexes arithmetically converted to the base 1949 = 100.0.

TABLE 1. Total and Main Components of the Consumer Price Index and the Cost-of-Living Index from January 1949 to August 1952 – Concluded

(1949 = 100.0)

	Clothing		Household Operation	Fuel and Lighting Homefurnishings and Services	Other Commodities and Services	Miscellaneous
	C.P.I.	C. of L.	C.P.I.	C. of L.	C.P.I.	C. of L.
1949, January	99.7	99.3	99.9	99.5	98.9	98.3
February	99.7	99.3	100.2	100.0	99.4	99.5
March	100.0	99.8	100.1	100.1	99.5	99.5
April	100.2	100.1	100.1	100.1	99.5	99.7
May	100.3	100.1	99.8	99.7	99.8	99.7
June	100.3	100.1	99.7	99.4	99.8	99.7
July	100.3	100.1	99.7	99.4	99.8	99.8
August	100.1	100.1	99.6	99.5	99.9	100.1
September	100.2	100.2	99.6	99.7	99.9	100.1
October	99.8	100.5	100.6	100.7	100.9	101.1
November	99.7	100.3	100.5	101.0	101.0	101.1
December	99.7	100.3	100.4	100.8	101.1	101.3
Year	100.0	100.0	100.0	100.0	100.0	100.0
1950, January	99.6	100.1	100.6	100.9	102.0	102.2
February	99.5	99.9	100.6	100.8	102.2	102.6
March	98.9	99.1	100.8	100.8	102.2	102.6
April	99.2	99.0	101.2	101.3	102.2	102.7
May	99.1	98.7	101.1	101.2	102.2	102.7
June	99.1	98.7	101.5	101.3	102.3	102.8
July	99.1	98.7	101.6	101.4	102.4	102.9
August	99.3	98.8	102.6	102.4	102.5	102.9
September	99.9	99.6	103.4	103.9	103.0	103.1
October	100.6	100.2	104.6	104.6	105.2	103.5
November	101.0	100.8	105.1	105.3	105.4	103.6
December	101.3	101.0	105.5	105.9	105.7	104.1
Year	99.7	99.6	102.4	102.5	103.1	103.0
1951, January	102.6	102.2	107.1	107.5	107.4	105.4
February	105.1	105.1	108.6	109.6	108.0	106.4
March	106.7	107.2	110.5	112.3	108.3	107.0
April	108.5	108.6	111.4	113.1	108.6	107.8
May	109.0	110.0	112.7	114.6	110.4	109.2
June	109.5	110.6	113.8	115.5	111.8	109.5
July	109.7	110.8	114.3	115.9	112.2	110.4
August	110.7	111.7	115.1	116.8	113.4	111.6
September	111.9	113.0	115.5	117.2	113.6	111.8
October	114.1	116.8	115.8	117.7	114.1	112.0
November	114.5	117.2	115.9	117.8	114.8	112.5
December	115.2	117.7	116.4	118.1	115.0	112.5
Year	109.8	110.9	113.1	114.7	111.5	109.7
1952, January	114.9	117.6	116.4	118.4	115.5	113.1
February	113.5	116.3	116.3	118.0	115.8	113.7
March	112.9	115.3	116.9	118.6	116.4	114.1
April	112.5	114.9	116.8	118.5	116.6	114.8
May	112.3	114.7	116.2	117.1	115.6	114.4
June	111.8	114.3	115.9	116.5	115.7	114.4
July	111.7	114.2	115.9	116.3	115.6	114.4
August	111.6	113.9	115.8	116.1	115.8	114.8

TABLE II. Consumer Price Index
1913 to 1934 Annually
January 1935 to August 1952 Monthly and Annually
(1949 = 100.0)*

Year	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923
Index	49.2	49.6	50.3	54.2	63.7	72.0	78.8	90.5	80.9	74.9	75.2
Year	**1924**	**1925**	**1926**	**1927**	**1928**	**1929**	**1930**	**1931**	**1932**	**1933**	**1934**
Index	74.0	74.6	75.9	74.6	75.0	75.8	75.3	67.9	61.7	58.8	59.6

Year	1935	1936	1937	1938	1939	1940	1941	1942	1943
January	59.5	60.9	61.9	63.8	62.9	64.6	67.4	71.8	73.2
February	59.8	60.8	61.9	63.7	62.7	64.6	67.4	72.0	73.0
March	59.8	60.8	61.9	64.0	62.6	65.1	67.4	72.2	73.2
April	59.6	60.3	62.1	64.0	62.6	65.1	67.6	72.2	73.8
May	59.5	60.5	62.6	63.8	62.6	65.3	68.1	72.3	74.1
June	59.4	60.5	62.8	63.8	62.6	65.3	68.8	72.7	74.3
July	59.6	61.1	63.2	63.9	62.8	65.7	69.7	73.7	74.5
August	59.8	61.3	63.6	64.2	62.8	65.9	70.8	73.5	74.8
September	60.1	61.4	63.7	63.6	62.8	66.4	71.4	73.3	74.9
October	60.5	61.6	64.1	63.3	64.4	66.6	71.9	73.5	74.9
November	60.8	61.7	64.1	63.2	64.6	67.1	72.4	74.0	74.9
December	60.9	61.8	63.9	62.9	64.6	67.2	72.1	74.1	74.9
Year	59.9	61.1	63.0	63.7	63.2	65.7	69.6	72.9	74.2

Year	1944	1945	1946	1947	1948	1949	1950	1951	1952
January	74.7	74.4	75.2	79.6	92.8	99.8	100.1	107.7	118.2
February	74.6	74.5	75.2	80.1	93.9	99.7	100.2	109.1	117.6
March	74.6	74.5	75.4	80.7	94.4	99.4	100.9	110.8	116.9
April	74.7	74.5	75.8	81.8	94.8	99.3	101.2	111.7	116.8
May	74.8	74.7	76.5	83.3	95.9	99.2	101.2	112.2	115.9
June	74.6	75.0	77.4	84.5	96.6	99.6	101.9	113.7	116.0
July	74.7	75.5	78.4	85.1	98.1	100.0	102.7	114.6	116.1
August	74.6	75.6	78.8	85.5	98.5	100.4	103.3	115.5	116.0
September	74.5	75.2	78.7	87.3	99.4	100.4	104.3	116.5	
October	74.5	75.1	79.5	89.0	99.9	100.6	105.9	117.1	
November	74.6	75.3	79.7	89.9	99.8	101.0	106.4	117.9	
December	74.3	75.3	79.7	91.4	99.4	100.5	106.6	118.1	
Year	74.6	75.0	77.5	84.8	97.0	100.0	102.9	113.7	

* The Consumer Price Index prior to January 1949 is the Cost-of-Living Index inclusive of all tobacco taxes, linked to the Consumer Price Index 1949 = 100.

TABLE III. The Weighting Diagram of the Consumer Price Index

	Item Weight	Sub-Group Section Weight	Sub-Group Weight	Group Weight
TOTAL INDEX BUDGET				**100**
FOOD			**100**	**32**
Items with Constant Weights		**100**	**38**	
Dairy Products	**100**	**34**		
Whole milk	83			
Cheese	11			
Evaporated milk	6			
Cereal Products	**100**	**31**		
Bread	47			
Flour	8			
Cookies	17			
Cake	11			
Cake mix	5			
Corn flakes	6			
Macaroni	6			
Other Groceries	**100**	**35**		
Sugar	18			
Jam	7			
Peanut butter	3			
Pickles	5			
Baby food, canned	4			
Tea	15			
Coffee	11			
Soft drink	19			
Chocolate bar	18			
Items with Seasonal Weights			**62**	
(Fats, Eggs, Fruit, Vegetables, Meats — See Table IV for detailed weighting diagram.)				
SHELTER			**100**	**15**
Rent			**57**	
Home-Ownership	**100**		**43**	
Property taxes	23			
Mortgage interest	14			
Repairs	22			
Replacement	37			
Insurance	4			
CLOTHING			**100**	**11**
Men's Wear	**100**		**29**	
Suit	33			
Overcoat	8			
Topcoat	7			
Business shirt	8			
Work shirt	4			
Slacks	6			
Work trousers	4			
Hosiery	5			
Work socks	1			
Undershirt	2			
Undershorts	2			
Winter underwear	3			
Windbreaker	4			
Hat	4			
Overalls	4			
Pyjamas	3			
Sweater	2			

TABLE III. The Weighting Diagram of the Consumer Price Index – Continued

	Item Weight	Sub-Group Section Weight	Sub-Group Weight	Group Weight
CLOTHING – Concluded				
Women's Wear	**100**		**43**	
Fur coat	18			
Winter coat	9			
Spring coat	10			
Street dress	18			
House dress	5			
Suit	9			
Slip	7			
Panties	3			
Girdle	6			
Nightgown	3			
Pyjamas	1			
Hosiery	11			
Children's Wear	**100**		**10**	
Boy's slacks	8			
Boy's parka	6			
Boy's trousers	10			
Boy's sweater	8			
Boy's shirt	10			
Girl's coat	11			
Girl's dress	9			
Girl's hosiery	9			
Girl's snow suit	13			
Diapers	6			
Infant's overalls	10			
Footwear	**100**		**14**	
Men's oxfords	30			
Men's work boots	4			
Women's street shoes	36			
Children's shoes	15			
Women's overshoes	15			
Piece Goods	**100**		**4**	
Cotton dress print	15			
Wool dress material	19			
Rayon dress material	31			
Knitting yarn	35			
HOUSEHOLD OPERATION			**100**	**17**
Fuel and Lighting	**100**		**28**	
Coal	46			
Fuel oil	16			
Gas	13			
Electricity	25			
Homefurnishings		**100**	**42**	
Furniture	**100**	**31**		
Living room suite	37			
Bedroom suite	32			
Dinette suite	10			
Kitchen table	6			
Kitchen chair	6			
Mattress	9			
Appliances	**100**	**27**		
Refrigerator	25			
Electric stove	23			
Gas stove	13			
Washing machine	19			
Vacuum cleaner	11			
Iron	9			

TABLE III. The Weighting Diagram of the Consumer Price Index – Continued

	Item Weight	Sub-Group Section Weight	Sub-Group Weight	Group Weight
HOUSEHOLD OPERATION – Concluded				
Homefurnishings – Concluded				
Floor Coverings	**100**	**8**		
Carpet	67			
Linoleum	33			
Textiles	**100**	**13**		
Cotton sheets	33			
Wool blanket	14			
Towel	12			
Curtain	19			
Drapery material	11			
Plastic material	11			
Utensils and Equipment	**100**	**21**		
Dishes	14			
Glassware	9			
Glass ovenware	5			
Enamel saucepan	6			
Aluminum saucepan	14			
Broom	9			
Garbage can	12			
Alarm clock	12			
Light bulb	7			
Lawnmower	12			
Supplies and Services		**100**	**30**	
Supplies	**100**	**41**		
Ice	23			
Laundry soap	8			
Packaged soap	27			
Bleach	9			
Scouring powder	5			
Floor polish	12			
Toilet paper	12			
Waxed paper	4			
Services	**100**	**59**		
Telephone	33			
Laundry	15			
Dry cleaning	18			
Postage	10			
Household help	9			
Household effects insurance	7			
Shoe repairs	8			
OTHER COMMODITIES AND SERVICES			**100**	**25**
Transportation		**100**	**28**	
Automobile Operation	**100**	**61**		
Replacement	35			
Gasoline	34			
Tires	6			
License	4			
Insurance	6			
Repairs	9			
Lubrication	3			
Battery	3			
Local Transportation	**100**	**26**		
Street-car and bus	87			
Taxi	13			
Travel	**100**	**13**		
Train	76			
Bus	24			

TABLE III. The Weighting Diagram of the Consumer Price Index – Concluded

	Item Weight	Sub-Group Section Weight	Sub-Group Weight	Group Weight
OTHER COMMODITIES AND SERVICES – Concluded				
Recreation	**100**		**17**	
Theatres	38			
Newspapers	19			
Magazines	7			
Radio	14			
Radio license	3			
Camera film	6			
Phonograph record	3			
Bicycle	10			
Health Care		**100**	**18**	
Hospital	**100**	**18**		
Semi-private room	40			
Public ward bed	60			
Doctor	**100**	**31**		
Office call	40			
Home call	18			
Confinement	16			
Appendectomy	26			
Dentist	**100**	**14**		
Filling	44			
Dentures	33			
Extraction	18			
Prophylaxis	5			
Eyeglasses		**5**		
Prepaid Care		**14**		
Drugs	**100**	**18**		
Laxative	13			
Antiseptic	5			
Headache tablets	7			
Vitamins	20			
Ointment	4			
Cough medicine	8			
Bandages	13			
Prescriptions	30			
Tobacco and Alcoholic Beverages		**100**	**29**	
Tobacco	**100**	**40**		
Cigarettes	79			
Cigarette tobacco	21			
Alcoholic Beverages	**100**	**60**		
Beer	69			
Liquor	31			
Personal Care		**100**	**8**	
Supplies	**100**	**60**		
Toilet soap	28			
Shaving cream	12			
Toothpaste	19			
Toothbrush	4			
Face cream	5			
Face powder	5			
Razor blades	11			
Cleansing tissues	6			
Sanitary napkins	10			
Services	**100**	**40**		
Men's haircut	62			
Women's hairdressing	38			

TABLE IV. Weighting Diagram of Food Items with Seasonal Weights

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Fats												
Butter	8.4	8.5	9.3	8.7	8.9	8.8	8.6	8.7	8.6	8.7	8.4	8.2
Margarine	1.9	1.9	2.1	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.7	1.7
Vegetable Shortening	1.2	1.1	.9	.8	.8	.8	.8	.7	.8	.6	.7	.9
Lard	.8	.7	.5	.4	.5	.5	.5	.4	.4	.3	.5	.5
Eggs	8.4	7.4	7.4	7.5	7.3	7.0	7.9	8.9	8.8	8.7	8.5	8.0
Fruits and Vegetables												
Raisins	1.1	1.2	1.2	.9	.9	.9	.9	.9	.9	1.1	1.1	1.2
Orange Juice	.6	.6	.6	.8	.8	.8	.8	1.1	1.1	1.2	1.1	.8
Apple Juice	.6	.6	.6	.7	.8	.8	.8	.8	.8	.7	.6	.6
Canned Peaches	1.8	1.8	1.8	2.2	2.3	2.2	1.8	1.7	1.7	1.7	1.7	1.7
Canned Pears	.7	.9	.9	.9	.9	.9	.7	.7	.7	.6	.6	.7
Canned Strawberries	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3
Bananas	3.5	3.2	3.2	3.3	4.0	4.5	5.2	5.6	5.5	4.7	4.3	3.9
Oranges	2.7	3.0	3.0	2.9	3.0	3.3	3.1	3.0	2.5	2.4	2.8	3.0
Apples	2.7	2.3	2.2	2.0	1.6	1.2	1.5	2.0	2.6	1.9	2.8	2.5
Grapefruit	.6	.6	.8	.9	.7	.8	.8	.7	.7	1.2	1.1	1.1
Soup	2.5	2.6	2.4	2.1	2.1	2.1	2.0	2.0	2.2	2.5	2.5	2.6
Canned Tomatoes	2.2	2.2	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.9	1.8	1.9
Canned Peas	1.9	1.9	1.8	1.8	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.9
Canned Baked Beans	1.2	1.2	1.2	1.1	1.0	1.0	.9	.9	1.0	1.1	1.1	1.2
Canned Corn	1.2	1.2	1.1	1.1	1.0	.8	.8	.8	.9	1.1	1.1	1.1
Potatoes	3.6	3.7	3.8	3.9	4.0	4.2	4.5	4.1	3.7	3.7	3.8	3.9
Tomatoes	1.2	1.6	1.6	1.7	1.8	3.3	3.3	3.2	2.4	2.5	2.2	1.4
Lettuce	.5	.7	.9	1.3	1.4	1.3	1.5	.8	1.1	.8	.7	.6
Carrots	.8	.7	.7	.7	.8	.8	.9	.9	1.0	.9	1.0	1.1
Celery	1.0	1.1	1.0	.8	.7	.7	.6	.5	.5	.5	.5	.6
Cabbage	.6	.7	.8	1.2	.7	.6	.5	.6	1.0	.8	.7	.7
Onions	.6	.5	.5	.5	.5	.6	.6	.5	.6	.8	.8	.8
Turnips	.3	.3	.3	.2	.2	.1	.1	.1	.1	.4	.4	.4
Meats, Fish, Poultry												
Blade Roast	5.3	5.4	5.1	5.0	4.8	4.5	4.2	4.1	4.0	4.3	4.6	5.0
Rib Roast	2.3	2.3	1.9	2.0	2.0	2.0	2.0	1.6	1.6	1.9	2.2	2.3
Round Steak	3.9	3.9	3.9	4.0	4.1	3.8	3.4	3.3	3.6	3.6	3.8	3.9
Sirloin Steak	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.4	2.4	2.3	2.4
Hamburger	2.0	2.0	2.0	1.9	2.0	1.9	1.9	1.8	1.9	1.9	1.9	1.9
Stewing Beef	1.1	1.2	1.2	1.2	1.0	1.0	.9	.9	.9	1.1	1.1	1.1
Pork, Shoulder Roast	3.5	3.5	3.8	3.9	3.9	3.7	3.7	3.5	3.5	3.6	3.4	3.4
Pork, Loin Chops	2.0	2.0	2.1	2.4	2.4	2.4	2.2	2.2	2.2	2.2	2.1	2.1
Bacon	4.6	4.7	4.7	4.7	4.7	4.7	4.7	4.6	4.6	4.6	4.6	4.7
Smoked Ham	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.7
Picnic Shoulder	1.3	1.2	1.3	1.4	1.4	1.5	1.4	1.4	1.3	1.2	1.1	1.1
Sausage	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.2
Veal, Shoulder Roast	2.3	2.1	2.2	2.2	2.4	2.6	2.6	2.6	2.5	2.5	2.5	2.6
Lamb, Leg Roast	2.0	2.1	1.8	1.4	1.5	.7	.8	1.5	2.0	2.0	2.3	2.7
Bologna	1.7	1.8	1.8	2.3	2.3	2.7	2.9	2.8	2.2	2.2	1.8	1.5
Canned Salmon	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.2
Fish	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.2
Chicken	4.5	4.6	4.4	4.4	4.2	4.1	4.1	3.8	3.9	3.7	3.6	3.7

Each column totals 100.0; monthly indexes for this sub-group have a weight of 62, as compared with 38 for the sub-group of foods with constant monthly weights (See Table III).

TABLE V. Principal Differences Between the Budget Content of the Consumer Price Index and the Cost-of-Living Index

List of items specifically included in the Cost-of-Living Index Budget and not so included in the Consumer Price Index Budget:

Rice
Rolled oats
Yellow sugar
Cocoa
Salt
Dried beans
Prunes
Marmalade
Corn syrup
Lemons
Men's Wear:
  Balbriggan combinations
  Rubbers
Women's Wear:
  Rayon hosiery
  Woollen hosiery
  Woollen panties
  Cotton nightgown
Flannel
Flannelette
Coke
Bed springs
Oilcloth
Frying pan
Kitchen pail
Powdered ammonia
Drugs and personal supplies, six items
Shave
Cigars
Life insurance

List of items specifically included in the Consumer Price Index Budget and not so included in the Cost-of-Living Index Budget:

Cheese, bulk
Margarine
Evaporated milk
Cookies
Cake
Cake mix
Macaroni
Peanut butter
Pickles
Canned baby food
Hamburger
Smoked ham
Picnic shoulder
Sausage
Bologna
Canned salmon
Fresh chicken
Orange juice
Apple juice
Canned pears
Canned strawberries
Apples
Grapefruit
Soup
Baked beans
Tomatoes
Lettuce
Celery
Chocolate bar
Soft drink
Men's Wear:
  Slacks
  Windbreaker
  Hat
Women's Wear:
  Fur coat
  Street dress
  Suit
  Girdle
  Pyjamas
  Overshoes
Children's wear, twelve items
Knitting yarn
Stoves, electric and gas
Vacuum cleaner
Electric iron
Curtains
Plastic material
Glass ovenware
Alarm clock
Light bulb
Ice
Bleach
Toilet paper
Wax paper
Floor polish
Lawnmower
Dry cleaning
Household help
Postage
Insurance on household effects
Shoe repairs
Automobile:
  Battery
  Lubrication
  Insurance
Taxi
Bus
Camera film
Phonograph record
Bicycle
Prepaid health care
Eyeglasses
Drugs and personal supplies, ten items
Beer
Liquor
Women's hairdressing
Home-Ownership:
  Replacement
  Property taxes
  Repairs and maintenance
  Mortgage interest
  Insurance

TABLE VI. Consumer Price Index Pricing Frequency, 1952

Frequency	Description	Month
Monthly	Foods	Each month
	Clothing	
	Homefurnishings	
	Household supplies	
	Fuel oil	
	Coal	
	Electricity	
	Gasoline	
	Home-ownership replacement	
	House repairs	
Quarterly	Drugs	January, April, July, October
	Personal supplies	
	Tobacco	February, May, August, November
	Beer and liquor	
	Shoe repairs	March, June, September, December
	Laundry	
	Dry cleaning	
	Rent	March, June, August, November
Semi-Annually	Domestic gas	January and July
	Household help	
	Newspapers	
	Taxis	February and August
	Hospitals	
	Doctors	
	Dentists	
	Eyeglasses	
	Automobile repairs	March and September
	Automobile batteries	
	Automobiles	
	Automobile tires	
	Street car and bus	
	Ice	May and October
	Telephone	
	Men's hair cuts	May and November
	Women's hairdressing	
	Theatres	
	Train and bus	June and October
Annually	Automobile license	January or first month of fiscal year
	Postage	January
	Insurance	
	Magazines	September
	Prepaid health care	November
	Mortgage interest	January
	Property taxes	August

TABLE VII. Rent Indexes

(1949 = 100.0)

Date	Rent Index, Cost-of-Living	Rent Index, Consumer Price Index	Difference	Date	Rent Index, Cost-of-Living	Rent Index, Consumer Price Index	Difference
1949				**1951**			
January	98.9	98.9	—	January	110.9	111.3	+ .4
February	98.9	98.9	—	February	110.9	111.3	+ .4
March	98.9	98.9	—	March	111.9	112.4	+ .5
April	99.5	99.5	—	April	111.9	112.4	+ .5
May	99.5	99.5	—	May	111.9	112.4	+ .5
June	99.5	99.5	—	June	113.7	114.4	+ .7
July	100.3	100.3	—	July	113.7	114.4	+ .7
August	100.3	100.3	—	August	113.7	114.4	+ .7
September	100.7	100.7	—	September	116.0	116.8	+ .8
October	100.7	100.7	—	October	116.0	116.8	+ .8
November	100.7	100.7	—	November	117.7	118.6	+ .9
December	101.6	101.6	—	December	117.7	118.6	+ .9
1950				**1952**			
January	101.6	101.6	—	January	117.7	118.6	+ .9
February	101.6	101.6	—	February	117.7	118.6	+ .9
March	107.9	108.0	+.1	March	118.9	119.9	+1.0
April	107.9	108.0	+.1	April	118.9	119.9	+1.0
May	107.9	108.0	+.1	May	118.9	119.9	+1.0
June	107.9	108.0	+.1	June	120.2	121.3	+1.1
July	109.7	109.9	+.2	July	120.2	121.3	+1.1
August	109.7	109.9	+.2	August	120.2	121.3	+1.1
September	110.2	110.5	+.3				
October	110.2	110.5	+.3				
November	110.9	111.3	+.4				
December	110.9	111.3	+.4				

TABLE VIII. Home-Ownership

Sub-Group Index Component of the Consumer Price Index

(1949 = 100.0)

	1949	1950	1951	1952
January	99.7	100.4	108.2	117.8
February	99.8	100.4	109.1	118.0
March	99.7	100.4	110.4	118.0
April	99.8	100.8	111.1	118.8
May	99.9	101.3	112.4	119.2
June	99.9	103.1	116.2	119.2
July	100.3	104.0	116.9	119.6
August	100.1	104.9	117.6	119.7
September	100.2	106.4	117.7	
October	100.3	106.9	117.7	
November	100.2	107.2	117.7	
December	100.2	107.4	117.7	