

#### 4.—Index Numbers of Wholesale Prices in Canada and other Countries, 1949 and December 1951 and 1952

(Base: 1948 = 100, except for France where 1949=100. SOURCE: *Monthly Bulletin of Statistics of the United Nations.*)

Country	1949	Month of December—		Country	1949	Month of December—	
		1951	1952			1951	1952
Australia.....	112	173	187	New Zealand.....	99	135	142
<b>Canada.....</b>	<b>103</b>	<b>123</b>	<b>114</b>	Norway.....	102	149	155
Chile.....	114	192	232	Peru (Lima).....	140	203	198
Denmark.....	102	151	139	Portugal (Lisbon).....	102	117	122
Finland.....	101	177	162	Sweden.....	101	149	143
France.....	100	152	140	Switzerland.....	95	105	100
India.....	104	118	102	Union of South Africa.....	106	142	151
Mexico (Mexico City).....	110	154	151	United Kingdom.....	105	151	149
The Netherlands.....	104	145	139	United States.....	95	109	105

### Section 2.—The Consumer Price Index

The Consumer Price Index is Canada's official measure of retail price change. It replaces the Cost-of-Living Index and is the fifth in a series of Canadian index numbers of retail prices dating back to 1900. This new measure was introduced by the Dominion Bureau of Statistics in October 1952 in a publication entitled, *The Consumer Price Index, January 1949—August 1952*. Detailed information on the main aspects of the Index are contained in that publication.

The purpose of the Consumer Price Index is to measure changes in retail prices of goods and services bought by a representative cross-section of the Canadian urban population. The families covered by the Index lived in 27 Canadian cities of 30,000 population or over, ranged in size from two adults to two adults with four children and had annual incomes ranging from \$1,650 to \$4,050 during the survey year ended Aug. 31, 1948.

The budget of the Consumer Price Index represents the post-war level of consumption of those families. A list of 224 of the principal goods and services they purchased in the survey year forms the pricing sample of the Index, while the relative amounts they spent on those and similar categories of items determine the relative importance, or weight, given to each item in the Index.

The monthly index number is calculated from a sample of more than 50,000 retail price quotations. Prices are collected by field representatives in the 16 largest cities in Canada, while they are obtained by mail in 17 other cities having a population of 30,000 or over.

Changes observed in those prices are applied to the cost of the Index budget. The budget is often described as a market basket of goods and services. The physical content of this basket is kept constant from month to month and only changes in retail prices are allowed to influence its cost over time. A comparison between the current cost and the base-period cost of the same constant basket yields the Index, that is, a measure of the average percentage change in all retail