

persons, with annual incomes of \$4,000 to \$12,000, living in urban centres with metropolitan populations exceeding 30,000.

The movement of the consumer price index (CPI) during the period 1961-73 is described in previous editions of the *Canada Year Book*. Between 1973 and 1974 the rate of change in the CPI, as measured by calculating the difference between annual average indexes, accelerated to 10.9% compared to an average year-to-year change in the previous five years of 4.6%. On the basis of this movement in consumer prices, the purchasing power of the consumer dollar declined from 66 cents in 1973 to 60 cents in 1974 relative to \$1.00 in 1961.

All major index components experienced increases from 1973 to 1974 with the most pronounced being for food, followed by transportation and clothing. Food prices, which rose by 16.3%, accounted for approximately two fifths of the rise in the CPI between these two years; this constituted the largest year-to-year food price increase since 1948. Food eaten away from home, fresh milk, bread, beef and sugar were the items most responsible for this increase. Table 21.15 provides a summary of the major component and all-items indexes for the period 1965 to 1974. In this summary, the index items are grouped according to broad categories of consumption.

Consumer price movements categorized by type of goods and services offer another perspective of the incidence of price change (see Table 21.16). From 1973 to 1974, the price index of goods increased 12.6% compared to an average yearly increase of 4.1% for the five preceding years. This rise was mainly attributable to food although the indexes for non-durable and semi-durable goods also recorded very significant advances with increases of 14.5% and 9.5%, respectively. The services price index increased 7.9% between these two years compared to a yearly average increase of 5.7% in the five previous year-to-year periods.

For detail on movements in the CPI, see *Consumer price index* (Statistics Canada Catalogue No. 62-001) or *Prices and price indexes* (Statistics Canada Catalogue No. 62-002).

For additional information on methodology and weighting patterns, see *The consumer price index for Canada (1961=100) (revision based on 1967 expenditures)* (Statistics Canada Catalogue No. 62-539).

Table 21.17 presents regional consumer prices for 12 cities or city combinations. These indexes measure percentage changes in retail prices over time, in each city or city combination, of a fixed basket of goods and services representing the level of consumption of a particular group of families. In order to place movements in Canadian retail prices in perspective they may be compared with price changes occurring elsewhere in the world. This is done in Table 21.18 which indicates the percentage changes over the previous year in the consumer price index for each country specified. For purposes of this comparison, countries are listed alphabetically, by region.

Intercity consumer price indexes. Table 21.19 provides indexes that compare levels of prices among 11 major Canadian cities. These indexes express prices in each city as a percentage of the combined cities average which equals 100. The comparisons shown are those in effect as of December 1973 for four commodity groupings and May 1971 for the remaining three categories. The selected commodity groupings in the Table make up about three quarters of the average urban consumer's budget. For technical reasons, shelter costs (for both rented and owned facilities) and restaurant meals, are not included in the comparisons.

The retail prices used for the intercity comparisons are largely those routinely collected in each city for the production of the consumer price index with the exception of the food for home consumption component which contains data from a special survey undertaken in May 1971. Comparability between cities was achieved, as far as possible, by matching quotations for similar qualities of goods and services and types of retail outlets. Since comparisons relate to prices that include sales and excise taxes, variations between provinces in the scale of such taxes imposed on a wide range of non-food commodities can be of significance in explaining intercity price differentials.

21.3.2 Industrial commodity price indexes

These relate to sales and purchases, at levels other than retail, of raw materials, semi-processed goods and manufactured products. They are constructed in two ways: on an industry basis, in which the indexes are prepared for individual industries and aggregated for groups of industries; and on a commodity basis, in which indexes are prepared for individual