

Consumer price movements viewed in terms of goods and services offer another perspective of the incidence of price change (see Table 21.16). Between December 1974 and December 1975, the price of goods rose by 10.9% compared to a 4.9% increase between December 1975 and December 1976. On the other hand, the price of services advanced 10.7% in the former period and rose by 12.1% in the latter. Increases in the price of goods accounted for well over one half of the total change between December 1974 and December 1975 while contributing to only one third of the all-items rise between December 1975 and December 1976. The contribution of durable and semi-durable goods to the all-items rise doubled in the more recent period, from 8% to 16%, while the contribution of non-durable goods, including food, decreased from 48% in the former period to 15% in the period December 1975–December 1976. In contrast, price advances for services accounted for approximately 44% of the total CPI change between December 1974 and December 1975 while contributing to over two thirds of the advance in the latest year.

For detail on movements in the CPI, see *Consumer price index*, Statistics Canada Catalogue No. 62-001, monthly or *Consumer prices and price indexes*, Statistics Canada Catalogue No. 62-010, quarterly. 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.

Regional city consumer price indexes are presented in Table 21.17 for 14 selected cities. These indexes measure percentage changes in retail prices over time within the specified cities and should not be used to make comparisons in price levels between cities. Price increases in the period 1975-76 ranged from 6.7% in Ottawa to 9.7% in Vancouver; 12 cities exhibited price changes in the 6% to 10% range in that year. For more detailed information on the movements of consumer price indexes for regional cities, see *Consumer price indexes for regional cities*, Statistics Canada, Catalogue No. 62-009, monthly.

Table 21.18 provides a comparison of Canada's CPI experience with those of a selected group of countries. Consumer prices in Canada advanced faster than those of the United States in 1974-75 but somewhat less than a number of industrialized countries in Europe. Price movements in Canada for the year 1974-75 may be compared with price movements in other countries for the same period in Table 21.18. For this comparison, countries are listed alphabetically by region.

**Intercity consumer price indexes.** Table 21.37 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 October 1975 and June 1976 for six components of the consumer price index. The selected components in the table make up more than 60% 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. The exception is the "food at home" component which is derived from data collected in a special survey undertaken in October 1975 and October 1976. Comparability between cities is ensured as far as possible by matching quotations for goods and services characterized by similar qualities and types of retail outlets. Since comparisons relate to prices that include sales and excise taxes, variations in the proportion of sales tax applied between provinces on a wide range of largely non-food commodities may account for a large part of intercity price differentials.

### 21.3.2 Industry and 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