

8.6% and were responsible for slightly less than one-third of the overall increase. Transportation charges, up 5.7%, contributed 9% to the total change while clothing prices, which increased by 7.5%, added a further 7%. The three remaining major components were responsible for adding an average of 4% each to the total change in the CPI. This 9.5% increase in the CPI was markedly higher than the moderate 5.8% increase registered between December 1975 and December 1976; the difference was primarily due to the 15.4% increase in food prices in 1977; in 1976 food prices declined 0.7%.

Another perspective of consumer price movements becomes available when the CPI is analyzed in terms of goods and services. Based on percentage changes in successive 12-month periods, the goods index, which had been declining at a faster rate relative to the services index for most of 1976, largely due to declining food prices, changed direction toward the end of that year and continued to move upward through 1977. The services index, on the other hand, continued a downward trend first observed in mid-1976. In the 12-month period December 1976 to December 1977, the goods index advanced 10.7% relative to a 7.5% increase registered by the service index. In the corresponding period December 1975 to December 1976, goods rose only 2.8% while services increased 11.1%.

For detail on movements in the CPI, see *Consumer price index*, Statistics Canada Catalogue 62-001, monthly or *Consumer prices and price indexes*, Statistics Canada Catalogue 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 62-539.

Consumer price indexes for 14 selected regional cities are shown in Table 21.17. These indexes measure percentage changes in retail prices over time within the specified cities and should not be used to make comparisons of price levels between cities. On the basis of annual average index levels, consumer price increases between 1976 and 1977 ranged from 7.2% in Vancouver to 9.8% in Regina. Six of the 14 cities registered annual increases of less than 8% while six other cities showed increases of less than 9%. Between 1975 and 1976, annual average index level increases ranged from 6.7% in Montreal and Quebec City to 9.7% in Vancouver. For more detailed information on the movements of consumer price indexes for regional cities, see *Consumer price indexes for regional cities*, Statistics Canada Catalogue 62-009, monthly.

Table 21.18 provides data on the percentage changes in consumer price indexes based on annual averages for the period 1975 and 1976 for a selected group of countries. The data indicate that the CPI in Canada advanced faster than that of the United States in this period, but moved noticeably slower when compared with movements recorded for a number of industrialized European countries.

Intercity consumer price indexes. Table 21.37 provides indexes that compare levels of prices among 11 major Canadian cities. They 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 June 1976 and September 1977 for six components of the CPI. 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), clothing 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 CPI. The exception is the component for food at home which is derived from data collected in a special survey undertaken in October 1975 and April 1977. 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 largely non-food commodities may account for a large part of intercity price differentials.

Industry and commodity price indexes

21.3.2

Industry selling price indexes: manufacturing. Indexes of the selling prices of some 120 individual industries classified to manufacturing in the *Standard industrial classification*