

for the United Kingdom and France. There are methodological differences among various countries in the construction of the price indexes and these differences could, by themselves, account for some of the differences.

Intercity consumer price indexes. Table 23.41 provides a basis for price level comparisons across 11 cities. They express prices in each city as a percentage of the combined cities average of 100, showing comparisons of September 1978 and September 1979. The selected six components of the CPI constitute over 60% of the average consumer's budget. For technical reasons, prices associated with shelter (for both owned and rented facilities), clothing and restaurant meals are not included.

The retail prices used in the construction of indexes on intercity price level comparisons are largely those routinely collected in each city for the production of the CPI. The exception is the food for home consumption component which is computed from prices collected from a special survey carried out in October and April of each year. Comparability between cities is assured, as far as possible, by matching quotations for goods and services characterized by similar qualities and sold in similar types of retail outlets. Since retail prices, by definition, include sales and excise taxes, variations in the proportion of sales tax applied between provinces, largely on non-food commodities, may account for a substantial part of intercity price differentials.

For further details on CPI movements for Canada and for 15 cities see *The consumer price index*, Statistics Canada Catalogue 62-001, monthly. Longer CPI time series and other related price information are available from *Consumer prices and price indexes*, Statistics Canada Catalogue 62-010, quarterly. For additional information on the structure of the CPI see *The consumer price index. Revision based on 1974 expenditures. Concepts and procedures*, Statistics Canada Catalogue 62-546, occasional.

Industry selling price indexes (manufacturing)

23.3.2

Commodity and industry indexes (1971 = 100) are provided for some 120 manufacturing industries as classified by the 1970 Standard Industrial Classification. Commodity weights were derived from surveys of the 1971 Census of Manufactures. Sub-commodity and establishment weights are derived either from 1971 or subsequent surveys. Indexes are published monthly in *Industry price indexes*, Statistics Canada Catalogue 62-011. New order prices reported by manufacturers exclude outbound transportation and sales taxes and are net of discounts. The indexes are gross weighted which means that price movement for less highly manufactured goods is in effect counted both directly as it first appears in production and indirectly as its price movement has an impact on the selling prices of industries purchasing the goods. For example, flour has its own weight as an output of the flour mills industry and also has an implicit impact on output price movement of the bakery industries.

Other industrial selling price indexes

23.3.3

Selected energy price indexes. Industrial and consumer prices indexes (1971 = 100) have been selected to facilitate comparison of rates of price change of different types of energy. The industrial prices indexes are derived from refinery company selling prices (excluding taxes), purchase prices of thermal coal reported mainly by electric utilities (including exchange rates and some transportation) and electric utility selling prices of electricity to large volume purchasers such as municipal distribution utilities.

Retail price indexes are derived from surveys of retail distributors of gas, gasoline, fuel oil and electricity, and are affected by changes in provincial retail sales taxes.

Purchase price indexes for secondary materials. Ferrous and non-ferrous secondary or scrap materials indexes (1971 = 100) are compiled from a series of input prices, inclusive of transportation and brokerage fees, submitted by a wide variety of purchasers from selected industries. Some commodity detail is also provided and the series are published in *Industry price indexes*, Statistics Canada Catalogue 62-011.

Farm input price indexes. Changes in prices of commodities and services used as inputs into the agriculture industry are measured to give quarterly and annual statistics. The weights for the indexes are based on 1971 estimates of farm expenditures.