

PRICE INDEX FOR SEPTEMBER

The consumer price index for Canada (1961=100) declined by 0.2 per cent to 130.2 in September from 130.5 in August. The index remained 2.8 percent above its corresponding level in September 1969, and from March to September it increased at an annual rate of only 2.0 per cent.

The decline in the September all-items index was the same as that recorded in three of the past five years, and resulted from a 1.4 percent seasonal decline in the food component. Offsetting this decline to some extent were increases of 0.6 per cent for clothing, 0.2 per cent for housing and 0.4 per cent for recreation and reading. The health-and-personal-care index decreased by 0.1 per cent, while the transportation and the tobacco-and-alcohol indexes were unchanged.

FOOD

The food index decreased to 130.2 in September from 130.5 in August. The 1.4 percent decline equalled the average September movement recorded in recent years and was caused mainly by seasonal declines for fresh vegetables and fruits, and by lower prices for beef, pork and poultry. Among fresh vegetables, prices decreased 20 per cent or more for potatoes, onions, turnips, cabbage and tomatoes; the average price for each of these items was lower than in September 1969. Most fresh fruits except apples also declined in price. Quotations for citrus fruits, as well as for frozen and canned orange juice, were likewise lower. Meat, fish and poultry prices declined on average by 1.3 per cent, registering their largest August-to-September decrease since 1961. All beef cuts were lower in price, averaging a 1.9 percent decline and reflecting reduced prices in wholesale markets. Pork prices moved down 1.5 percent below their level in August and 7.6 percent below that of September 1969. A seasonal decline in chicken and turkey prices brought the poultry index down by 2.1 per cent to a level more than 10 percent below that of September 1969. Egg quotations edged downwards by 0.3 per cent during September, a month in which prices for this item normally tend to rise. Among staple foods, bread prices decreased by 0.6 per cent as a result of specials in Montreal and Toronto. The price of butter declined marginally, but margarine advanced 3.7 per cent as higher prices were recorded in most major cities. Baby food moved down in price by over 2 per cent, reflecting specials in a number of Ontario centres. The index for food consumed at home decreased by 1.8 per cent to a level only marginally higher than that of a year earlier.

HOUSING

The housing index rose by 0.2 per cent to 131.8 in September from 131.5 in August as a result of a 0.4 percent rise in the shelter component. Among the items that advanced in price were new houses, repairs, property taxes and rents. Rents, which rose by

0.2 per cent in September, have advanced by only 0.5 per cent in the third quarter of 1970, which is about half as large as the increases experienced during the corresponding quarters of 1968 and 1969. The price level for the household-operation component as a whole declined marginally in September, with lower prices for appliances, broodloom and some household-equipment items outweighing higher prices for furniture and household textiles. Since September 1969, the housing index had advanced by 4.9 per cent, with increases in shelter prices accounting for over two-thirds of the rise.

CLOTHING

The clothing index rose by 0.6 per cent to 127.0 in September from 126.2 in August, reflecting increases in all components except piece goods, which declined marginally. Price advances for men's wear (1.8 per cent) caused most of the increase in the clothing index. Among specific items which experienced above-average increases were men's underwear, windbreakers and hats. Women's wear prices rose only marginally, with mixed movements at the item level. The level of children's wear prices in September was also only slightly higher than in August. In the 12 months since September 1969, the clothing index had risen by 1.4 per cent; since the beginning of 1970 it had advanced at less than half the rate for the corresponding period of 1969.

TRANSPORTATION

The transportation index was unchanged in September from its August level of 125.3. Tire prices were lower and the price of gasoline edged down by 0.2 per cent. Offsetting these declines, however, higher prices were registered for automotive repair jobs, largely owing to increased labour costs. Among the components for local transportation and travel, municipal bus fares rose in some medium-sized Ontario cities, while a slight seasonal variation caused inter-city train fares to decline marginally. Between September 1969 and September 1970 the transportation index rose by 3.6 per cent.

HEALTH

The health-and-personal-care index decreased by 0.1 per cent to 140.1 in September from 140.2 in August as a result of lower prices for some toiletry items such as toothpaste, cleansing tissues, razor blades and shaving cream. Partially offsetting these decreases was a rise in the price of toilet soap. The health-and-personal-care index stood 3.8 percent above its level in September last year.

OTHERS

The recreation-and-reading index rose by 0.4 per cent to 133.0 in September from 132.5 in August. The tobacco-and-alcohol index was unchanged in September from its level of 126.4 in both August and September 1969.