

CONSUMER PRICE INDEX

Canada's consumer price index (1949=100) increased by 0.5 per cent, to 152.6, at the beginning of January, from 151.8 at the beginning of December. The January 1968 index was 4.5 percent above the January 1967 level of 146.0. Major contributions to the advance since the preceding month were an increase of 1.2 per cent in the food index and 0.6 per cent in the housing index. The tobacco-and-alcohol component advanced a further 2.5 per cent, partially reflecting increased excise taxes on these products. The transportation and the recreation-and-reading indexes each rose by 0.3 per cent, while the health-and-personal-care component decreased marginally by 0.1 per cent. A more marked decline of 1.0 per cent occurred in the clothing component, reflecting the large number of sales that occur at the beginning of the year.

FOOD

The food index rose 1.2 per cent, to 150.4 from 148.6 in December, as a result of marked advances in some seasonal items. Among the staple items, bread, flour and margarine underwent price increases, while prices for sugar and eggs declined and quotations for fresh milk and butter remained unchanged. A significant increase was recorded in the price of chocolate bars on a one-ounce basis. Among the produce items, substantial advances in the prices of cabbage, carrots, celery, lettuce and oranges counterweighed price declines for grapefruit and bananas. Prices for canned fruits, vegetables and juices were generally higher. The movements of meat prices were varied: higher quotations were recorded for fresh pork, chicken, and some packaged meats, while lower prices prevailed for turkey and smoked ham. The food index in January 1968 was 3.8 percent above the level shown 12 months earlier.

HOUSING

The housing index rose 0.6 per cent to 154.7 in January from 153.8 a month earlier, owing to generally higher shelter costs. Home-ownership costs rose by 1.7 per cent in response to higher levels of mortgage interest and real property taxes. Rents edged up in most cities and domestic electricity and gas costs also increased. Most home-furnishings

declined fractionally in price, reflecting the many January sales for these items. The January 1968 housing index was 4.8 percent above that of January 1967.

CLOTHING

The clothing index declined by 1.0 per cent to 133.4 in January from 134.7 in December, as a result of sales in a wide range of items. The men's, women's and children's clothing sub-groups all registered declines, with the most marked price decreases occurring in winter outerwear. In the clothing group; only footwear showed a slight upward movement. The January 1968 clothing index was 3.7 percent above the level recorded in January 1967.

OTHER INDEXES

The transportation index rose by 0.3 per cent to 160.0 in January from 159.6 in December. There was a slight decrease in the price of new automobiles, but this decrease was outweighed by a rise in train fares and higher gasoline prices in some cities. The transportation index in January was 4.6 percent above its level 12 months ago.

The health-and-personal-care index declined by 0.1 per cent to 193.6 in January from 193.8 in December. Slight decreases in the prices of razor blades and some toiletries more than offset a price rise in cleansing tissues. The January 1968 level of this main component index was 4.7 percent above the figure shown in January last year.

The recreation-and-reading index rose by 0.3 per cent to 170.2 in January from 169.7 a month earlier. Decreases in the price of radio and television sets were outweighed by increases in the price of phonograph records in some cities, coupled with higher subscription rates for some Toronto and Montreal daily newspapers. The recreation-and-reading component in January 1968 was 5.1 percent over its 1967 level.

The tobacco-and-alcohol component advanced by 2.5 per cent to 136.3 in January from 133.0 in December. The imposition of higher excise taxes on alcoholic beverages was chiefly responsible for the general price rise. This latest movement brought the January 1968 tobacco-and-alcohol index to a level 7.7 percent higher than that of January 1967.