

OPERATIONS MEMORANDUM

TO: Amembassy RIO DE JANEIRO

DATE: July 7, 1967

FROM: Amconsul PORTO ALEGRE

SUBJECT: Cost of Living Statistics for Porto Alegre for the Month of June, 1967

REF: ConOM of June 8, 1967

1. The Institute of Economic Research of the Faculty of Economic Sciences of the Federal University of the State of Rio Grande do Sul published recently the following cost of living statistics which reveal that consumer prices in June increased 2.26 percent in comparison with those of May, 1967. The statistics are based on the consumption habits of industrial workers in the município (county) of Porto Alegre utilizing the base year of 1960 and a consumption base of 1965. The period of January-June 1967 shows an overall increase of 15 percent.

Items	Monthly Percentage 5/31/67	Variation of Index 6/30/67
Food	- 2.23	3.22
Housing	0.64	- 0.36
Clothing	2.16	2.02
Health	0.05	- 0.28
Tobacco & beverages	0.39	0.28
Power and fuel	0.09	11.32
Social Security	14.76	-
Transport	-	-
Education & recreation	-	1.40
General Index	- 0.51	2.26

Items	Index 6/3/66	Perc.Variation	Index 6/30/67	Perc.Variation
Food	1468	0.41	1858	3.22
Housing	1755	6.04	2190	= 0.36
Clothing	1492	7.88	2267	2.02
Health	1638	0.37	2133	0.28
Tobacco & beverages	2424	- 0.08	2822	11.32
Power and fuel	1818	0.39	2399	- 0.28
Social Security	134	-	171	-
Transport	1752	-	2504	-
Education & recreation	2316	6.97	3334	1.40
General Index	1534	1.93	1993	2.26

For June the major variations in the consumer prices are further broken down as follows:

Food: Corn flour 8.8%; black beans 20.5%; plain spaghetti 20.5%; spaghetti with egg 12.9%; maizena 1.9%; dressed chicken 14.6%; butter 3.3%; cheese 2.2%; lettuce 69.2%; bananas 4.8%; sweet potatoes 17.6%; carrots 61.1%; apples 20%; white cabbage 20%; tomatoes 29.4%; garlic 25.8%; onions 65.2%; salt 7.1%; spice 66.7%; vinegar 16%; Irish potatoes 50%; eggs 14.2%.

Housing: The following decreases occurred: soap 5.6%; broom 9.9%; detergent 5.3%.

Clothing: Blouses 1.8%; combination 11%; women's work shoes 6.9%; girls' white clothes 40%; girls' dresses 5.2%.

Health: The following decreases occurred: shaving cream 16.3%; talcum 21.3%.

Tobacco and beverages: Beer 5.6%; "Clarete" red wine 8%

Power and fuel: Power rate 17.3%; alcohol 15.2%

Education and recreation: Movie theater admission 14.3%

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