

OPERATIONS MEMORANDUM

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TO: Amembassy RIO DE JANEIRO DATE: August 11, 1967

FROM: Amconsul PORTO ALEGRE

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

REF: ConOM of July 7, 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 July increased 0.60 percent in comparison with those of June, 1967. The statistics are based on the consumption habits of industrial workers in the municipio (county) of Porto Alegre utilizing the base year of 1960 and a consumption base of 1965. The period of January-July 1967 shows an overall increase of 16 percent.

<u>Items</u>	Monthly Percentage Variation of Index	
	6/30/67	7/31/67
Food	3.22	0.43
Housing	- 0.36	0.78
Clothing	2.02	1.32
Health	- 0.28	0.98
Tobacco&beverages	0.28	0.42
Power and fuel	11.32	0.21
Social Security	-	-
Transport	-	-
Education&recreation	1.40	0.21
General Index	2.26	0.60

<u>Items</u>	Index		Perc.Variation	
	7/31/66	7/31/67	7/31/66	7/31/67
Food	1596	1866	8.72	0.43
Housing	1758	2207	0.17	0.78
Clothing	1535	2297	2.88	1.32
Health	1658	2154	1.22	0.98
Tobacco&beverages	2428	2834	0.17	0.42
Power and fuel	1854	2404	1.98	0.21
Social security	134	171	-	-
Transport	1752	2504	-	-
Educ.&recreation	2347	3341	1.34	0.21
General Index	1604	2005	4.50	0.60

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

Food: Black beans 2.1%; eggless spaghetti 2%; beef 11.3%; sausage 3.3%; salami 1.5%; fish 33.3%; eatable oils 4.9%; margarine 6.9%; oranges 23.9%; apples 27.8%; garlic 13.9%; onions 21.1%; yeast 5.5%; tomato paste 5.9%; sugar 2.2%.

Housing: bombail (steel sponge) 8.3%; cooking stove 11.8%; refrigerator 34.1%; insecticide 2.7%; electric mixer 4.9%; earthenware 18.7%; silverware 21.8%; powdered soap 3.7%; detergent 5.5%.

Clothing: socks 16.7%; shoes 3.1%; winter suit 6.8%; sports shirt 4.8%; raincoat 4.7%; work shoes 13.3%; handkerchief 4.0%.

Health: Toothpaste 5.7%; shaving cream 18.2%; talcum 48.6%.

Tobacco and Beverages: Yerba mate 1.5%; "Clarete" red wine 16.7%.

Power and fuel: Electric residential rate 0.8%; matches 3.7%.

Education & recreation: Copybook 9.7%.

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