

4.—Index Numbers of Wholesale Prices in Canada and Other Countries 1955 and 1956

(BASE: 1953=100. SOURCE: *United Nations Monthly Bulletin of Statistics, November 1957.*)

Country	1955	1956	Country	1955	1956
Belgium.....	101	104	Iran.....	115	123
Brazil.....	147	176	Israel.....	124	131
Canada.....	99	102	Korea, South.....	225	303
Chile.....	277	454	Netherlands.....	102	104
Denmark.....	103	107	New Zealand.....	100	104
Dominican Republic.....	95	94	Norway.....	104	109
Egypt.....	99	110	Sweden.....	104	109
France.....	98	102	Switzerland.....	101	103
Germany (Western).....	101	103	Turkey.....	119	142
Greece.....	120	129	United Kingdom.....	105	107
India.....	87	97	United States.....	101	104

Section 2.—Consumer Price Index

The Consumer Price Index was constructed to replace the Cost-of-Living Index and was first published in October 1952. The purpose of the new index was the same as that of the old—to measure the average percentage change in retail prices of goods and services bought by a large and representative group of Canadian urban families. DBS report *The Consumer Price Index, January 1949-August 1952* contains detailed information on such aspects of the new index as purpose, family coverage, base period, and details of items included as well as their relative importance. It also gives the formula used in calculating the index, outlines methods of price collection and explains special features, such as methods of incorporating seasonal variations in food consumption, and changes in the price element of home-ownership costs.

Since the base year, 1949, the consumer price index has experienced several distinct periods of varying price movement which are summarized below.

Years 1950-51.—This was a period of first moderate and then accelerating price increases during which the index rose from 100.1 in January 1950 to 106.6 in December 1950 and to 118.1 by December 1951. Much of this price movement resulted from the impact of the Korean war.

Years 1952-53.—After continuing to rise to 118.2 in January 1952, a sequence of generally downward adjustments occurred bringing the index to 114.4 in May 1953, the lowest point since June 1951, 3.2 p.c. below the January 1952 peak. Minor increases brought the index back to 115.8 by December 1953.

Years 1954-55.—This two-year period proved to be the most stable since the end of World War II as the index moved narrowly around the 116 level, averaging 116.2 in 1954 and 116.4 in 1955. Monthly movements throughout these two years were mainly seasonal and reflected no clearcut upward or downward trends.

Years 1956-57.—After a continuance of the stability of 1954-55 in the early months of 1956, with the May index at 116.6, a moderate but continuing upward trend developed. The previous postwar peak was passed when the index reached 118.5 in July and the trend continued upward to 120.4 by December and to 123.4 by the following October, dropping slightly to 123.1 in December of 1957.