

4.—Index Numbers of Wholesale Prices in Canada and Other Countries, 1956-58

(BASE: 1953=100. SOURCE: *United Nations Monthly Bulletin of Statistics*, November 1957 and 1958)

Country	1956	1957	1958	Country	1956	1957	1958
Belgium.....	104	106	102	Iran.....	123	123	119
Brazil.....	176	197	221	Israel.....	131	150	153
Canada.....	102	103	103	Korea, South.....	132	153	143
Chile.....	454	646	810	Netherlands.....	104	107	105
Denmark.....	106	106	105	New Zealand.....	104	105	108
Dominican Republic.....	94	103	103	Norway.....	109	113	111
Egypt.....	110	119	118	Sweden.....	108	110	107
France.....	102	108	121	Switzerland.....	103	105	102
Germany (Western).....	103	105	106	Turkey.....	139	164	189
Greece.....	129	130	127	United Kingdom.....	107 ^r	107 ^r	101
India.....	99	104	107	United States.....	104	107	108

Section 2.—Consumer Price Index

The consumer price index is Canada's official measure of retail price change, the fifth in a series of Canadian index numbers of retail prices dating back to 1913. The current index was introduced by the Dominion Bureau of Statistics in October 1952 in a publication entitled *Consumer Price Index, January 1949-August 1952*, (Catalogue No. 62-502). That publication contains detailed information on such aspects of the index as purpose, family coverage, base period, items included and their relative importance; it also shows 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.

Consumer Price Index Movements.—The 15 years of almost continuous economic growth following the end of the Second World War have experienced several distinct periods of retail price behaviour, the latest of which was in evidence throughout 1959.

The gradual relaxation of price controls in 1946 combined with consumer demands far in excess of supply brought on a period of rapidly advancing prices, so that between 1946 and 1948 the consumer price index advanced more than 25 p.c. A significant exception to these general price increases was the behaviour of rents which, continuing under some degree of control, increased only 7 p.c. in the same period.

Toward the end of 1948, production appeared to be matching consumer demands and, during the slight recession of 1949, consumer prices levelled off. Between the latter months of 1948 and May 1950, retail prices increased only slightly more than 1 p.c. However, with the outbreak of war in Korea in June 1950 came a resurgence of pressure on prices and in the course of the next 18 months further major upward movements took place. The consumer price index rose from 102.7 in July 1950 to 118.1 by December 1951, an increase of 15 p.c. Food advanced sharply from 102.6 to 122.5 or by 20 p.c. The shelter index, based on both home-ownership and rents—the latter freed from most of the war-time controls—moved from 107.4 to 118.2, or by about 10 p.c. Clothing experienced a