

4.—Index Numbers of Wholesale Prices in Canada and Other Countries, 1957-59

(BASE: 1953=100. SOURCE: *United Nations Monthly Bulletin of Statistics*, November 1957, 1958 and 1959.)

Country	1957	1958	1959	Country	1957	1958	1959
Belgium.....	106	102	101	Iran.....	123	119	123
Brazil.....	197	221	305	Israel.....	150	153	153
Canada.....	103	103	104	Korea, South.....	153	143	147
Chile.....	646	811 ^r	1,053	Netherlands.....	107	105	106
Denmark.....	106	105	105	New Zealand.....	105	108	109
Dominican Republic.....	103	103	97	Norway.....	113	111	111
Egypt.....	119	118	..	Sweden.....	110	107	108
France.....	108	121	126	Switzerland.....	105	102	100
Germany (Western).....	105	106	105	Turkey.....	164	189	227
Greece.....	131 ^r	129 ^r	130	United Kingdom.....	107	101	102
India.....	104	107	111	United States.....	107	108	108

Section 2.—Consumer Price Index

The consumer price index is Canada's official measure of retail price change and is defined as measuring the percentage change through time in the cost of purchasing a constant "basket" of goods and services representing the purchases made by a particular population group in a specified time period. This index was recently revised for the fifth time since the inception of series of retail prices in Canada in 1910 and the revised index was introduced in April 1961 in a publication entitled *The Consumer Price Index for Canada (1949=100), Revision Based on 1957 Expenditures* (Catalogue No. 62-518). The primary purpose of the revision was to place the item content and weights on a more current basis. At the same time a review of concepts and methods was carried out and a modification was made in the use of changing seasonal baskets of food in the index budget. The publication referred to 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 formulas used in calculating the index, outlines methods of price collection and discusses the conceptual treatment of items such as durables in a consumer price index.

Consumer Price Index Movements.—During the 15 years of almost continuous economic growth following the end of the Second World War there have been several distinct periods of retail price behaviour, the latest of which was in evidence throughout 1959 and 1960. 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