

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 housing component, comprised of shelter and household operation groups, rose from 104.3 to 117.2. The shelter index, based on both home ownership and rents—the latter freed from most of the wartime controls—moved from 107.4 to 118.2, or by about 10 p.c. Household operation, covering such items as furniture, appliances and fuel, rose about the same degree, from 101.6 to 116.4. Clothing experienced a more substantial rise of 16 p.c. from 99.1 to 115.2. The wide variety of goods and services covered in the other groups followed a somewhat similar pattern.

The peak in consumer price levels was reached in January 1952 when the index stood at 118.2, dropping off gradually in the first half of 1952 to reach 115.9 in May, mainly as a result of a drop of about 5 p.c. in the food index. From this point a plateau in retail prices was established which lasted for four years. Over this period, the consumer price index displayed noteworthy stability, ranging narrowly from a low of 114.4 to a high of 116.9. Although the general level of prices remained almost unchanged during this lengthy period, significant variations were taking place around a stable average. Foods recorded mostly seasonal movements during 1953, 1954, 1955 and the first half of 1956. Non-food commodities experienced a decline of about 3 p.c. in a steady gradually downward movement, much of it accounted for by appliances which moved down 17 p.c. On the other hand, rents advanced steadily to stand 13 p.c. higher in May 1956 than in May 1952. The entire group of service items also experienced continuous increases throughout this period.

From May 1956 a distinct change occurred in price patterns. A trend toward higher prices continued through the remainder of 1956 and the first ten months of 1957 and the total index moved up steadily from 116.6 to a new postwar peak of 123.4 in October 1957. Food, which was the component responsible for most of the upward movement at the total index level, rose from 109.3 in May 1956 to 121.9 by September 1957. Housing continued to advance steadily, although at a slightly moderating rate, as did other groups, particularly the service elements. In contrast, clothing prices remained practically unchanged and household operation, continuing to reflect the easy price situation of major household appliances, rose only 2.8 p.c.

The most recent period of upward movement in the consumer price index, which began in mid-1956 and continued throughout 1957, persisted in 1958 but with some evidence of moderating. Over the latter year, consumer prices averaged 2.6 p.c. above 1957, while 1957 prices were 3.2 p.c. above 1956. In the fourth quarter of 1958 consumer prices averaged 2.4 p.c. higher than in the same period a year earlier, while in the fourth quarter of 1957 prices were 2.6 p.c. above the fourth quarter of 1956.

During 1959, the upward movement in the consumer price index was far less marked than in the preceding years. For the year as a whole, the average level of consumer prices increased by 1.1 p.c. as compared with increases of 2.6 p.c. and 3.2 p.c. in 1958 and 1957, respectively. As in the case of the total index, all major groups, with the exception of the food component, averaged slightly higher in 1959 than in 1958. The increases, however, were mostly smaller than in the previous years. The largest increase in 1959, as in earlier years, occurred in the groups other than food, housing and clothing, particularly health and personal care and recreation and reading. Clothing prices were fractionally higher while the housing index increased almost 2 p.c.

The most significant change in the pattern of price movement occurred in food prices which were fractionally lower on average in 1959. This was in marked contrast to increases of 3.0 p.c. in 1958 and 4.6 p.c. in 1957. From 1953 to 1956, the downward movement in food prices had offset increases in other components and provided stability in the total index, a condition that reappeared in 1959.