

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. Food 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.

During 1960, consumer prices continued to reflect the relative stability of the previous year with an over-all price rise of 1.2 p.c. compared with an increase of 1.1 p.c. in 1959 over the year 1958. Changes in six of the seven component groups were quite similar; each of the six was at a higher level compared with 1959 with the increases ranging from 0.9 p.c. for food to 1.8 p.c. for recreation and reading. The health and personal care component, which in the past has risen faster than any of the other components, again experienced the largest gain in 1960, rising 2.9 p.c. above the 1959 level.

In 1961, the index ranged narrowly from a low of 128.9 in February to a high of 129.7 in November. Two factors in price movement during the year were (1) the introduction of