

The behaviour of the consumer price index during the years of almost continuous economic growth following the end of the Second World War up to 1959 is discussed in the 1962 Year Book at pp. 928-929. During 1959, the upward movement in the 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. 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.

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, 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 the 3-p.c. sales tax in Ontario in September, which was taken into account, and (2) the change in the exchange rate of the Canadian dollar. Although the latter was considered likely to result in higher prices on imported goods and ultimately in higher consumer prices, no evidence of this was available up to December 1961 as the index stood at just about the same level as in December 1960.

Relative price stability continued throughout 1962 for the fourth consecutive year. The annual average of 130.7 was 1.2 p.c. higher than the 1961 figure of 129.2. Increases of 1.8 p.c. and 1.9 p.c. in the food, and health and personal care groups were the largest of the year. Lesser upward movements occurred in the other components with the exception of transportation, in which a slight decline was noted.

7.—Consumer Price Index Numbers, 1953-62

(1949=100)

Year	Food	Housing	Clothing	Transportation	Health and Personal Care	Recreation and Reading	Tobacco and Alcohol	Composite Index
GROUP WEIGHT AS A PERCENTAGE OF TOTAL.....	27	32	11	12	7	5	6	100
1953.....	112.6	120.0	110.1	119.2	120.1	116.7	108.0	115.5
1954.....	112.2	121.6	109.4	120.0	124.5	119.5	107.3	116.2
1955.....	112.1	122.4	108.0	118.5	126.7	122.6	107.4	116.4
1956.....	113.4	124.2	108.6	123.3	130.0	125.3	107.7	118.1
1957.....	118.6	126.7	108.5	129.9	138.2	129.8	109.4	121.9
1958.....	122.1	129.0	109.7	133.8	145.4	138.4	110.6	125.1
1959.....	121.1	131.4	109.9	138.4	150.2	141.7	114.0	126.5
1960.....	122.2	132.7	110.9	140.3	154.5	144.3	115.8	128.0
1961.....	124.0	133.2	112.5	140.6	155.3	146.1	116.3	129.2
1962.....	126.2	134.8	113.5	140.4	158.3	147.3	117.8	130.7