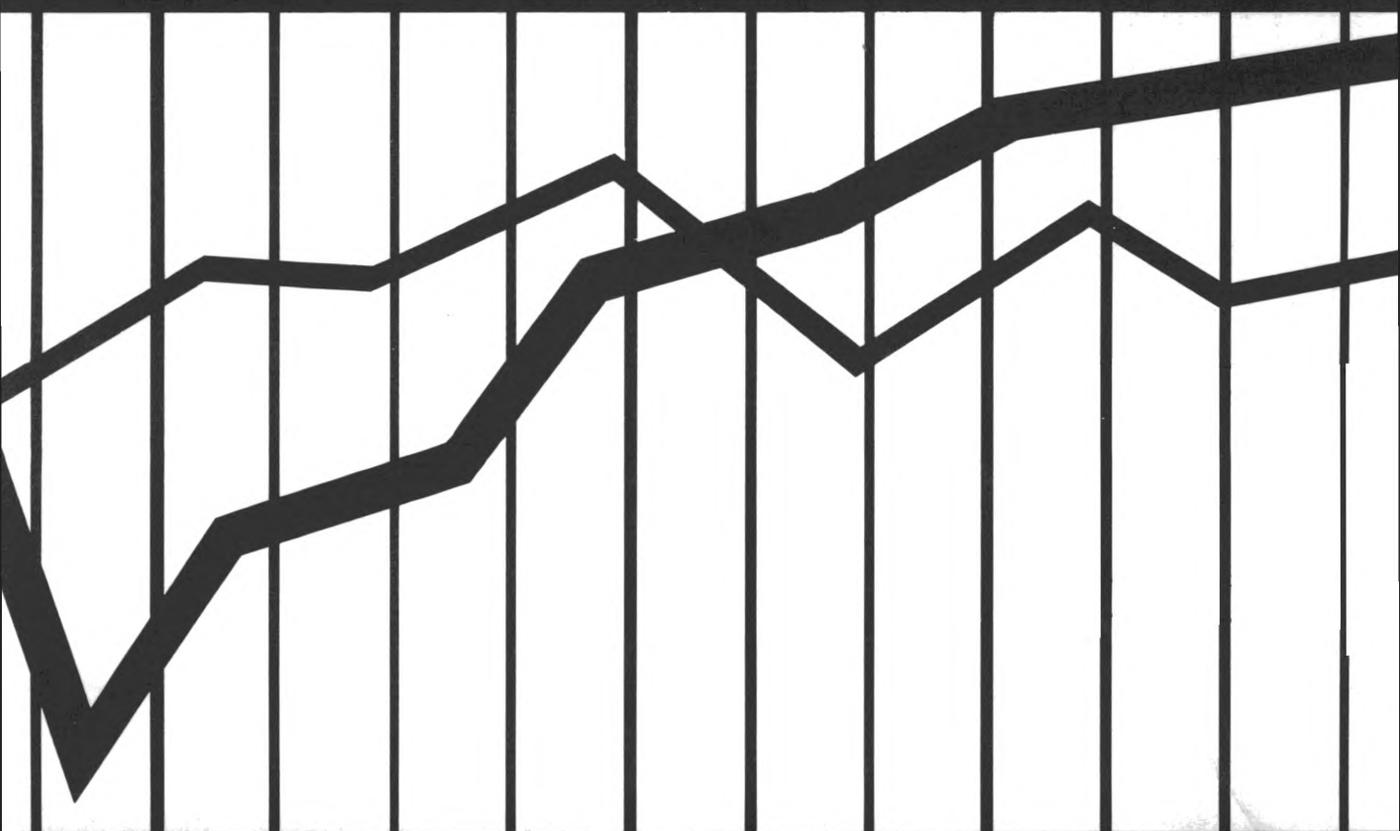


PRICES: A CHARTBOOK

1953—62

Bulletin No. 1351



UNITED STATES DEPARTMENT OF LABOR

W. WILLARD WIRTZ, *SECRETARY*

BUREAU OF LABOR STATISTICS

EWAN CLAGUE, *COMMISSIONER*

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The price indexes of the Bureau of Labor Statistics play an important part in the Nation's economic life and in the evaluation and formulation of Government economic policy. The Consumer Price Index serves as an estimate of purchasing power and is often a significant factor in both labor and management decisions which directly affect the level of living of all Americans. It was estimated at the beginning of 1963 that wages of about 2 million employees were subject to periodic adjustments according to changes in the CPI. In addition, many other types of contracts--long-term rentals, royalties, welfare payments, and alimony--provide for automatic adjustments based on the index. The Wholesale Price Index, a major economic barometer widely used in general economic analysis and forecasting, is specified as the basis for price adjustments in many long-term leases or purchase contracts valued in billions of dollars.

In Prices: A Chartbook the Bureau of Labor Statistics presents a comprehensive graphic analysis of significant price trends. Historical and current statistics are organized in such a way as to show meaningful relationships among price index series and between prices and pertinent economic indicators. A review of price developments during the past decade in the light of significant economic influences precedes the charts.

Although based primarily on the consumer and wholesale price indexes regularly published by the Bureau of Labor Statistics, the **Chartbook** includes a variety of other pertinent economic statistics. Most of the charts cover a 10-year period beginning with 1953 and present monthly data ending with September 1962, the last date for which the figures were available. Others focus on current price developments and price movements during recent business cycles, or supply historical perspective. A few charts show the seasonal trends of selected wholesale and consumer prices. Information which will assist the reader in interpreting the charts is given in the Explanatory Notes and in the footnotes to the appendix tables which present the statistics for each of the series used in the charts.

This bulletin was prepared in the Division of Prices and Cost of Living of the Bureau of Labor Statistics. The work was carried out under the direction of Pearl C. Ravner and with the assistance of Toshiko Nakayama as well as other members of the staff. The **Chartbook** was made possible through the cooperation of many persons in government and nongovernment organizations to whom the Bureau of Labor Statistics wishes to express its deep appreciation.

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General price trends during the past 10 years reflect relative price stability except for a 3-year period when both consumer and wholesale prices advanced rapidly. Over the decade, consumer prices rose a total of 13 percent and wholesale prices 8 percent. For both, most of the price advance took place between mid-1955 and mid-1958. (See charts A and B.)

The 1953-55 stability in the general level of wholesale prices was primarily the result of a sharp drop in farm and food prices balancing a moderate, but growing, upturn in prices of industrial commodities during this period. At retail, prices for food also declined and those for other consumer nondurables held steady. However, the stability of consumer prices was due in large part to a slide in prices of durable appliances which helped offset the persistent advance of service prices.

Between 1955 and 1958, both consumer and wholesale prices rose almost 8 percent. The upward impact of the 1955-57 investment boom on the prices of industrial commodities, especially producer durables, was reinforced by rising farm and food prices as the coinciding low points of the hog and cattle production cycles sent livestock and meat prices soaring. These price advances, in turn, permeated all sectors of the economy.

Since mid-1958, overall wholesale prices have been virtually motionless. A rise in durable prices in 1958 and 1959 brought wholesale prices of industrial commodities to a new high in January 1960; subsequently, they have drifted downward. Consumer prices--nudged primarily by services--have continued their advance, but at a slower pace than in the 3 years preceding mid-1958.

Prices and the Business Cycle

As the Nation's economy three times in these 10 years swung down to economic trough and up to recovery, overall retail and wholesale prices reacted neither strongly nor promptly. Some of this stability resulted from the primary influence of factors other than business

conditions on important segments of wholesale and retail prices--farm products, foods, and services. Farm products and foods, primarily responding to the stage that the meat production cycles had reached at that time, remained stable or rose during the recessions and fell throughout the three business recoveries. Consumer prices for services, as part of a long-run trend, pushed retail prices upward in recession as well as recovery.

Built-in economic stabilizers and Government antirecession measures helped sustain individual income and the level of consumption in the downturns, despite the decline in the gross national product. Although production fell and unemployment rose, total personal income remained stable. As a result, demand did not fall sharply and there was no strong pressure to reduce prices. At the same time, costs of production remained heavy and fixed. Long-term union wage contracts as well as organized labor's position offered powerful resistance to wage reductions. Thus, both demand and costs exerted pressures to sustain the price level. In each recession, consumer prices held firmer or rose more than wholesale prices. However, the only major segment of wholesale prices which showed a consistent tendency to decline in each recession was crude materials.¹

Wholesale prices of crude materials were also the only ones which responded quickly to the economic upturns. Prices of the more highly processed goods, inflexible in recession, remained stable or crept up slowly in the early months of the 1954 and 1958 upswings, but tended down in 1961. In fact, the major difference between the price response in the most recent business upswing and the two previous recoveries was the decrease in wholesale industrial prices after February 1961. (See chart 3.) Overall consumer and wholesale prices showed virtually no response in any of the three most recent recovery periods.

¹For a discussion of prices as related to business cycles see "Price Trends and the Business Cycle in Postwar Years," *Monthly Labor Review*, March 1962, pp. 241-248.

Government monetary and fiscal policies have also contributed heavily to the price stability since mid-1958 by inhibiting the development of excessive demand pressures. In addition, more vigorous competition--both foreign and domestic--in several sectors of the economy; pressure for restraint in wage and price policies; and continued unemployment have played a part. Although the last recession was the mildest of any since World War II, unemployment proved a serious problem which persisted into the recovery period. The total civilian labor force without jobs--which had reached a seasonally adjusted high of 7 percent shortly after the February 1961 economic trough--was still 5.8 percent at the end of 1962.

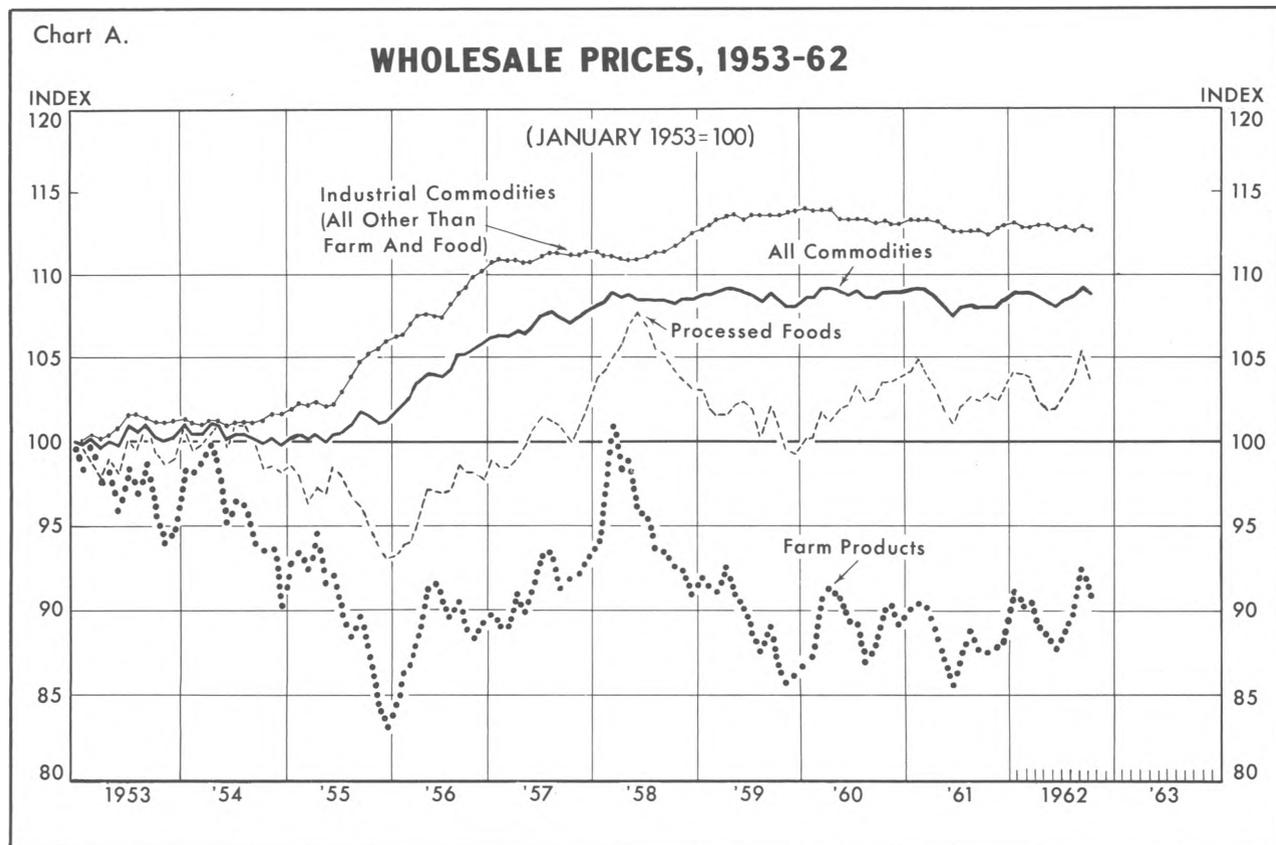
Farm and Food Prices

Wholesale prices of farm products continued to decline from their World War II and Korean peaks during the past 10 years. In contrast, wholesale prices of processed foods and retail prices for food at home rose slightly as higher processing and marketing costs more

than offset lowered farm prices. Restaurant meal prices--which have a large service component--advanced by almost one-fourth, at approximately the same rate as all consumer services. (See chart 50.) Despite lowered farm prices and the relatively slow growth in food prices, their current position in the economy is stronger than immediately before World War II, as farm and food prices rose much more than prices of other commodities and consumer services during World War II and the Korean emergency. (See charts A, B, 38 and 85.)

The phenomenal growth of agricultural productivity has been the major influence in lowering farm prices and in slowing the increase of food prices. Between 1953 and 1961, output per man-hour in agriculture rose about 50 percent,² at an average rate of more than 5 percent a year. (See chart 9.) In addition, world supplies of agricultural commodities

²Output Per Man-Hour in the Private Economy in 1947-61 (Bureau of Labor Statistics, press release, November 1962).



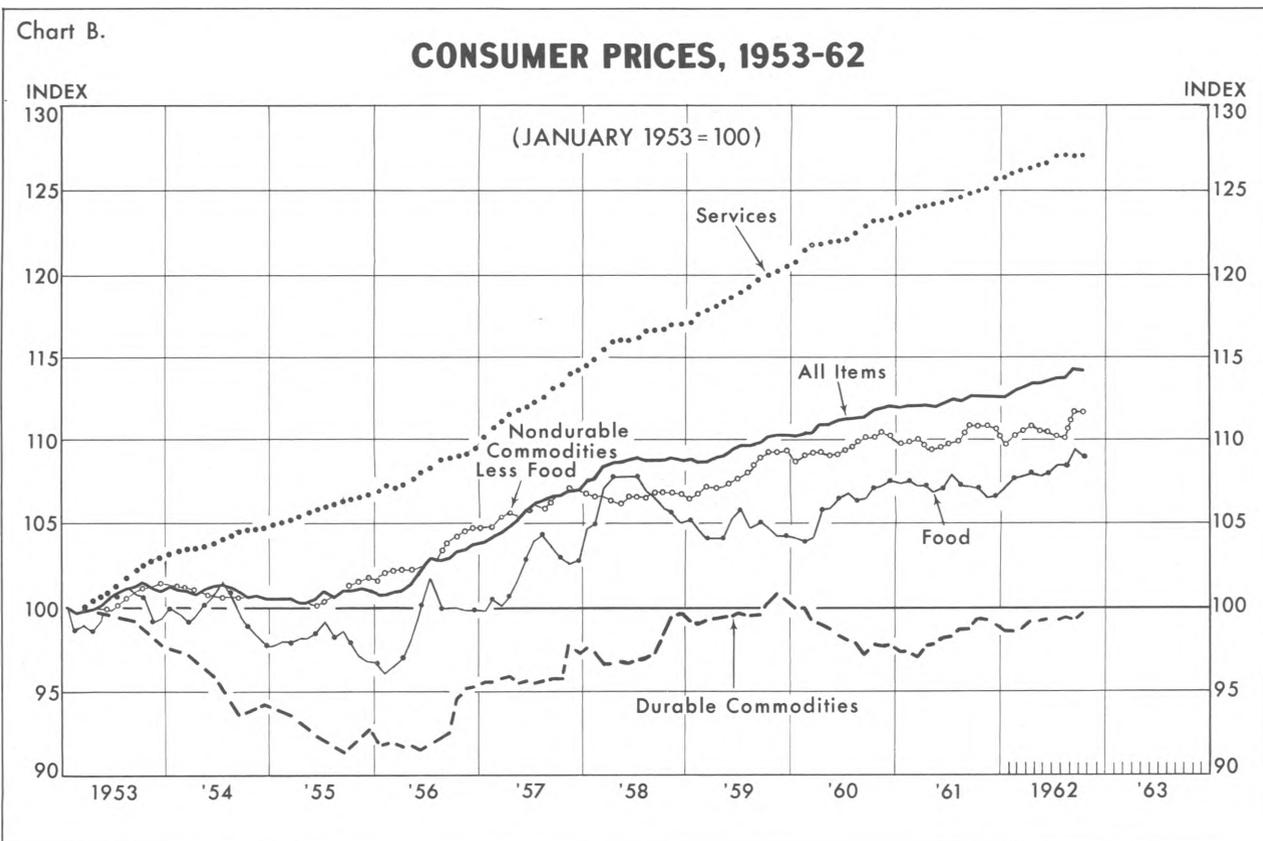
rose as farm production and agricultural productivity in other countries also improved.

On the other hand, demand for farm products advanced slowly, primarily reflecting the 17 percent growth in population between 1953 and 1962. In recent years, there has been only a very small per capita rise in overall food use--despite substantial increases in meat consumption per capita--as income increased. (See charts 14 and 16.) Furthermore, per capita consumption of nonfood farm products declined substantially, owing largely to competition from such products as synthetic fibers, detergents, and water-base paints. Consequently, farm production has constantly exceeded consumption.

Farm products. Wholesale prices of farm products have been the most sensitive to expanding agricultural productivity and have averaged substantially below their January 1953 level for most of the past 10 years. After responding to the Korean emergency by a sharp upturn, prices trended generally downward and reached a low at the end of 1955, owing pri-

marily to a drastic fall in livestock prices. (See chart 94.) The subsequent rise of farm product prices to a peak in March 1958 also resulted from the influence of livestock production cycles, when the low points of hog and cattle cycles coincided and fewer animals were slaughtered. (See charts 13 and 15.) Since then, farm product prices have moved steadily down again. The first half of 1961 witnessed a fall in cattle prices and a precipitous decline in poultry prices which brought the annual average of farm products prices to the lowest level since the end of World War II. Despite acreage reductions under the 1961 Feed Grain Program and unfavorable weather conditions in parts of the country, total farm output in 1961 exceeded the record high of the previous year.

In 1962, farm prices averaged somewhat higher than the previous year. Livestock prices remained steady and crop prices generally advanced despite the fact that total farm output equalled the 1961 record high. Although livestock supplies expanded slightly--there were 4 percent more cattle on feed in



mid-1962 than a year earlier--livestock prices were relatively stable, as per capita meat consumption continued upward.

Crops planted in 1962 represented the lowest planted acreage since records began in 1929. Reduced wheat allotments and diversion of acreage under the Wheat and Feed Grains Programs took 10 million additional acres out of cultivation.³ Although increased yield per acre partly offset acreage reductions, grain prices rose over the year, reflecting higher price supports and the prospect of smaller 1962 crops. (See charts 99 and 100.) Total crop production for 1962, however, equaled that for 1961 as heavy increases in other crops compensated for the sharp drop in food grain production.

Heavy export demand for agricultural products also helped to sustain the 1962 price level for farm products. In the fiscal year that ended June 30, 1962, American farmers sold more abroad than ever before; about 15 percent of cash receipts from farm marketings were from export sale.⁴ High levels of economic activity in Western Europe and Japan, substantial gold and dollar holdings in many importing countries, and the accelerated Food for Peace Program were contributing factors.

Food. Although the over-all advance in wholesale prices of processed foods and consumer food prices during the past 10 years contrasted with the decline in farm prices, the downward price pull of increased agricultural productivity was also reflected in food prices. The 4-percent increase between 1953 and 1962 in wholesale prices of processed food was well below the 12-percent rise in prices of all commodities other than farm products and foods. Similarly, the 8-percent advance in consumer food prices was lower than the 15-percent rise in prices for all other types of consumer purchases as a group.

In 1962, processed food prices for the year averaged higher than in any year except

³*Agricultural Situation* (U.S. Department of Agriculture, Statistical Reporting Service, August 1962), p. 1.

⁴*Ibid.*, September 1962, p. 10.

during the 1951 Korean-induced peak and the 1958 high resulting from the coinciding lows of both pork and beef production cycles. Prices of consumer foods reached an all time high in 1962. (See charts 83 and 36.)

The spread between prices of processed and unprocessed foods has widened over the past decade. Currently, wholesale prices of crude foodstuffs and feedstuffs are 9 percent below the 1953 level while processed food are 4 percent higher, and consumer prices for food are up by twice that amount. Rising costs of processing, marketing, advertising, and distribution have increased sufficiently to more than offset falling farm product prices. Labor costs, which account for about half of marketing charges, have risen substantially; prices of containers and most other items bought by food processing and marketing firms have gone up sharply; and freight rates, rents, and many other costs have also increased. According to the U.S. Department of Agriculture, profits of marketing firms have been rising gradually and, along with cost increases, have been reflected in rising unit marketing charges to the consumer. In addition, the many more marketing services now provided, such as more convenient packaging, further processing to more nearly final use forms, and more effective storage, have added to the proportion of the food dollar that goes for marketing charges.⁵

City variations. The Consumer Price Index for food is based upon prices collected regularly in 46 cities, selected to represent all urban United States. A comparison of price trends for food over the last 10 years in the 12 largest cities shows considerable variation. Between 1953 and 1962, consumer food prices increased more than 10 percent in Los Angeles, San Francisco, New York, and Boston; within a few points of the national average of 8 percent in Chicago, Philadelphia, Pittsburgh, St. Louis, Washington, and Baltimore; and 5 percent or less in Cleveland and Detroit. (See chart 80.)

⁵*Food Costs* (U.S. Department of Agriculture, Agricultural Marketing Service, Miscellaneous Publication 856, April 1961), p. 7; and *Agricultural Situation*, op. cit., October 1962, p. 3.

In the two West Coast cities--Los Angeles and San Francisco--which had the largest increase (about 13 percent), food prices continued to advance with only a very slight pause after the mid-1958 high. In the two Midwest cities with the smallest food price rise--Cleveland (5 percent) and Detroit (4 percent)--prices continued to drop from their 1958 peak for about 2 years and, in the fall of 1962, had not again reached their 1958 level.

Prices of Industrial Commodities

Between 1953 and 1962, wholesale prices for all commodities other than farm and food rose 12 percent, while consumer prices for non-food commodities advanced by only half that amount, held back by retail durable prices. Wholesale industrial prices--after retreating from their Korean peaks--were stable in 1953 and 1954. The next 3 years, however, saw a steady and marked upswing, particularly in the producer durable goods industries, with the

expansion in plant and equipment investment between 1955 and 1957. This increase was partially reflected in moderate retail price advances for nonfood commodities. (See charts A and B.)

Since 1958, there has been unusual price stability in the industrial sector of the economy. Wholesale industrial prices have been virtually at a standstill, with some downward drift after early 1960. Consumer nonfood commodity prices--pushed by small increases for nondurables--have inched upward.

A major deterrent to rapid price advances for industrial commodities over the last 10 years has been the considerable gains in industrial productivity and plant capacity. However, the downward impact of productivity increases have been less important for industry than for agriculture. First, the production gains of agriculture were much higher in this period. Second, in addition to expanding

Year-to-Year Changes in Wholesale and Consumer Prices, 1953-62
(Percent change in annual averages)

Year	Wholesale Price Index						Consumer Price Index					
	All commodities	Farm products	Processed foods	All other commodities	Durability		All items	Services	Commodities			
					Durable goods	Nondurable goods			All	Durable	Nondurable	
											Food	Less food
1953-54	+0.2	-1.4	+0.6	+0.3	+0.9	-0.2	+0.4	+2.6	-1.0	-3.8	-0.2	-0.4
1954-55	+0.3	-6.2	-3.4	+2.2	+4.1	-2.0	-0.3	+1.8	-1.0	-2.9	-1.5	0
1955-56	+3.2	-1.3	0	+4.4	+6.6	+0.8	+1.5	+2.2	+1.0	0	+0.7	+2.2
1956-57	+2.9	+2.7	+3.8	+2.8	+3.4	+2.6	+3.5	+3.9	+3.3	+3.5	+3.3	+2.7
1957-58	+1.4	+4.4	+5.1	+0.3	+1.0	+1.6	+2.8	+3.4	+2.3	+1.5	+4.2	+0.7
1958-59	+0.2	-6.2	-3.6	+1.8	+2.2	-1.4	+0.8	+2.4	+0.3	+2.3	-1.6	+1.2
1959-60	+0.1	-0.3	+0.7	0	-0.1	+0.3	+1.6	+2.8	+0.7	-1.3	+1.1	+1.6
1960-61	-0.4	-0.9	+0.7	-0.5	-0.4	-0.3	+1.1	+1.9	+0.7	-0.2	+1.2	+0.6
1961-62 ¹	+0.2	+1.6	+0.5	0	-0.2	+0.5	+1.0	+1.7	+0.6	+0.8	+0.9	+0.3
Average annual change, 1953-62 ¹	+0.9	-0.8	+0.5	+1.3	+1.9	+0.2	+1.4	+2.5	+0.8	0	+0.9	+1.1
Percent change, 1953-62 ¹	+8.4	-7.9	+4.3	+11.9	+18.7	+1.8	+12.9	+25.0	+6.8	-0.3	+8.3	+10.1

¹ First 9 months of 1962.

demand caused by population increases, per capita demand for industrial products--unlike that for farm products--has grown significantly with higher incomes.

Nonetheless, these ten years have witnessed impressive and widespread advances in industrial technology, particularly in the goods-producing industries. There has also been a substantial growth in the amount of fixed capital available per worker, and these increases in capital stock have been a major influence in the achievement of greater productivity. Between 1953 and 1961, output per man-hour rose 2.5 percent annually for manufacturing industries and 2.2 percent for non-manufacturing industries. Productive capacity increased 39 percent for all manufacturing between 1953 and 1962.

The impact of the 1955-57 investment boom. Almost all the increase in the last 10 years in prices of commodities other than food, both at wholesale and at retail, came as an aftermath of the 1955-57 investment boom. In these 3 years, the economy--particularly durable manufactures--operated at a high level. Demand strained productive capacity in the machinery and equipment industries; iron and steel operated above 90 percent of capacity for much of this period; and automobile production set an all-time record in 1955.⁶ (See charts 23 and 26.)

High levels of demand, employment, and business profits made large wage increases possible. Rising demand also enabled manufacturers to recapture increased wage and other costs by raising prices. Industries important in the export trade played a leading part in the price rise. In the 4 years between 1954 and 1958, the wholesale prices of steel mill products rose 29 percent, machinery and equipment 22 percent, and all durable goods 16 percent. (See charts 116, 106, and 88.) These increases were passed on to other sectors of the economy, and prices generally advanced.

The investment boom of 1955-57 also

⁶For a discussion of the 1955-58 inflation see *Economic Report of the President*, January 1962, pp. 170-172. U.S. Government Printing Office, Washington, 1962.

brought a considerable increase in the productive capacity of many industries. (See chart 22.) In particular, this happened in industries such as steel, aluminum, automobiles, and machinery, which had experienced some difficulty in meeting peak demands of consumers. The expansion helped eliminate many bottlenecks and shortages and contributed to restraining any advances in wholesale industrial prices. Since 1959, wholesale prices for steel mill products and durable goods have dropped fractionally each year, while machinery and equipment prices have increased less than 1 percent over the 3-year period.

Metals and Machinery. The stability in the prices of metals after 1958 and of machinery since mid-1959 has been a major element in the cessation of inflationary pressure. During the early 1950's, production of primary metals was high in relation to capacity--except for interruptions occasioned by strikes and brief recessions. (See chart 23.) Consequently, when demand for final products expanded, shortages of metals and metal components often proved to be bottlenecks. Under these conditions, users attempting to build large inventories from time to time caused a pyramiding of orders for steel and other metals. As metal prices increased in response to such demand pressure, prices of machinery and other metal products also rose.

Since early 1957, increased capacity and a relatively slow rate of growth in demand have produced declining rates of utilization in these industries. Competition among metals and between metals and other materials has been intensified. At the same time, a trend developed toward using a smaller volume of metal in relation to output of finished product. In addition, metal users found smaller inventories sufficient as domestic supplies eased and prices leveled off.

Foreign competition in the last few years has imposed another powerful restraint on prices. Not only has competition from foreign imports increased at home but this country is meeting growing competition abroad in our traditional export markets. For example, throughout

the postwar period, steel capacity and productive efficiency abroad have increased, particularly in Europe and Japan. In the last four years, prices of foreign steel declined sharply from a level approximately equal to United States prices to one considerably lower. This country which traditionally exported more steel than it imported, reversed its position and, since 1958, its steel imports have exceeded its exports. (See chart 28.) In addition, foreign steel producers have made serious inroads in our traditional export markets; U.S. steel exports shrank from 16 percent of total world steel trade in 1957 to 7 percent in 1960.⁷ Steel exports to nonindustrialized countries, in particular, fell not only as a result of our high prices but also because these countries as a group are facing increasing difficulties in paying for steel, as well as other imports, owing to falling world prices of the raw materials which they produce.

Raw materials and the world market. A restraining factor on prices in recent years has been the weakness of industrial raw materials prices in the world market as shortage changed to abundance. By mid-1953, primary commodity prices were once more at their pre-Korean levels and have continued to drift downward since, although fluctuating considerably. Stockpiling of strategic raw materials by the United States and Great Britain has dropped sharply and, within the last few years, this country has made large sales of crude rubber, copper, and nickel from its strategic stockpile. Moreover, improvements in technology, substitutions of synthetics, and other changes in the pattern of industrial activity have tended to reduce the use of some raw materials by the industrial countries. At the same time, world supplies of many basic materials continued to rise with improvements in agricultural production and mining technology as well as the emergence of new areas of production. As a result, many industrial raw materials such as crude rubber, copper, and nickel have declined in price in world markets in recent years.

Wholesale prices for natural rubber fell sharply in the last half of 1960 and have continued to drift sporadically down, showing no response to the 1961 recovery. (See chart 123.) New York spot market prices of crude rubber declined from an average of about 37 cents a pound in both 1959 and 1960 to 28 cents in recent months. Improvements in the quality of synthetic rubbers were chiefly responsible for depressing natural rubber prices. Synthetic rubber now accounts for over 70 percent of all new rubber consumption in this country, compared with 42 percent shortly after World War II. In addition, gains in production of natural rubber, and sales from the strategic stockpiles in the United States and Great Britain contributed to the price decrease.

Consumer durables. Although durable commodities constitute only one-eighth of the Consumer Price Index, retail prices of durable commodities played a large part in restraining the rate of advance of overall consumer prices during these 10 years. (See chart 42.) The important durable commodities are household appliances (including radio and TV sets), new and used automobiles, and furniture and bedding. A sharp downtrend of prices for appliances, which began in 1952, was chiefly responsible for the low level of retail prices of consumer durables throughout this period. Temporarily halted between early 1957 and 1960, the decline in consumer prices for appliances continued after the first few months of 1960, but at a slower rate. (See chart 43.) Radical changes in merchandising methods, the rapid development of discount houses, and the elimination in some States of "fair trade" pricing practices were largely responsible for the long-term downtrend.

The year 1955, which was the peak year of automobile production--7.9 million new cars were produced--brought the annual average of new car prices to the lowest point of this 10-year period. In the next 2 years, production of automobiles fluctuated widely, but well below the high 1955 level. New car prices trended sharply upward until 1959 as passenger car assemblies and sales drifted down. Retail prices

⁷For a detailed analysis of the U.S. balance of trade in steel see "Trade in U.S. Steel Products: From Plus to Minus," *Monthly Business Review*, Federal Reserve Board of Cleveland, July 1962, pp. 2-8.

in 1960 were somewhat lower than in 1959. The 1961 recovery brought no price advance and, in 1961 and 1962, prices were strikingly similar to the 1960 level. (See charts 25 and 26.)

Used cars were a major exception to the relative price stability of consumer durables, responding to both the recessions and recoveries and reaching a record high in 1962. (See chart 64.) Easing of credit as well as increasing numbers of families with more than one car are primarily responsible for the 1962 strength of used car prices.

Consumer Services

A major source of upward pressure on the general price level has been the 25 percent increase in the prices that consumers pay for services. (See chart 40.) The service component is made up of costs for rent, transportation, medical care, household operation (including gas and electricity), and other service charges such as hair cuts, movie admissions, and mortgage interest. Many of these prices are rates subject to public regulation or legislation and accompany the granting of an exclusive operating franchise, such as utilities or urban transit. Other service costs represent professional fees or items with a high proportion of labor charges; many consumer services contain a substantial wage element in the final price.

Consumer prices for services have increased each year, without exception, throughout the postwar period. As pent-up consumer needs for commodities were met in the postwar period, demand shifted toward services, which are growing in both number and importance. (See chart 35.) This shift and the country's expanding population resulted in a persistent rise in outlays for services, particularly medical care, personal care, and recreation. (See charts 32 and 34.) The continued price advance reflects, in addition, scarcities in some of the services such as hospital care and low-cost housing; the effect of declining demand on unit costs in railroad and public transit systems; and the fact that many service industries are not readily susceptible to improvements in labor productivity. Because services now constitute well over one-third of the Con-

sumer Price Index, the impact of their continued postwar price rise has been considerable. Advances in service prices were responsible for more than half the rise in overall consumer prices between 1953 and 1962.

In relation to the prewar price structure, however, consumer services have not yet quite caught up with general consumer price increases. The cost of services rose much less than commodity prices during World War II--13 percent compared with 55 percent from 1939 to 1946. (See chart 38.)

Between 1953 and 1962, prices of consumer services rose, on the average, 2.5 percent a year. Since 1960, however, the advance has slowed and averaged less than 2 percent a year. (See chart 46.) The greatest price advance in the last 10 years--over 40 percent--has been in the cost of medical care services, as hospitalization insurance costs rose almost 90 percent and hospital rates almost 75 percent. Professional fees also increased substantially, but to a much lesser degree than the other medical care services. The next highest advance has been in the prices of movie admissions which rose almost 50 percent between 1953 and 1962. Transportation services (railway and public transit fares, and auto repairs and insurance) rose more than 30 percent over the ten years.

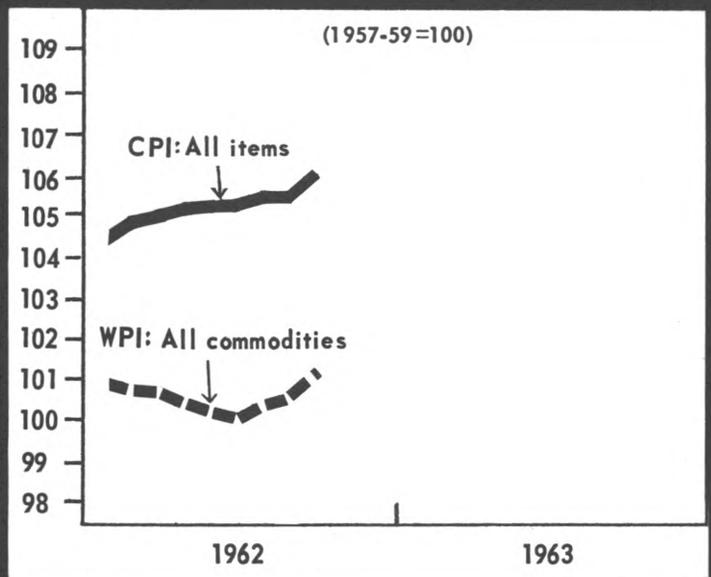
The Current Situation

Unless the international situation drastically worsens, price stability can be anticipated for the near future. Excess demand pressures appear to be absent. In addition, monetary and fiscal policies that have been followed in recent years have given rise to expectations of price stability. Consequently, producers and consumers no longer have an incentive for advance purchasing.

Increasing productive capacity and efficiency and improving technology, as well as competition from foreign imports, will probably temper any upward price impetus. On the other hand, built-in price rigidities and a continued high level of demand will probably counter any significant downward pressures on prices. For, once established, the higher levels of prices tend to be maintained.

SECTION I

PRICES AND RELATED ECONOMIC TRENDS



GENERAL PRICE TRENDS

1. Retail and wholesale prices and the GNP implicit price deflator, since 1939
2. Comparison of recent retail and wholesale price movements with their seasonal trends

BUSINESS CYCLE

3. Industrial prices, production, and employment, and total gross national product, since the February 1961 economic trough
4. New orders, inventories, and hours in manufacturing, and prices of raw industrial commodities, since the February 1961 economic trough
5. Wholesale prices of durable manufactures from trough to peak of three business cycles
6. Consumer prices, personal consumption expenditures, disposable income, and installment credit extended since the February 1961 economic trough
7. Consumer prices for food and non-food commodities, retail sales, and production of consumer goods, since the February 1961 economic trough
8. Consumer prices of durable commodities from trough to peak of three business cycles

FARM AND FOOD PRICES

9. Agricultural man-hours and output per man-hour, and wholesale prices of farm products, since 1953
10. Comparison of recent prices with their seasonal trends: Farm products, processed foods, and food at home
11. Food: Consumer prices, personal consumption expenditures for food, and farmer's share of the consumer's food dollar, since 1953
12. Comparison of recent prices with their seasonal trends: WPI: steers, hogs, and eggs; CPI: beef, pork, and fresh fruits and vegetables
13. Wholesale prices of steers, consumer prices of beef, and cattle marketings, since 1953
14. Annual supply, per capita consumption, and consumer prices of beef and milk
15. Wholesale prices of hogs, consumer prices of pork, and hog marketings, since 1953
16. Annual supply, per capita consumption, and consumer prices of pork, since 1953

INDUSTRIAL COMMODITIES, SINCE 1953

17. Wholesale and consumer prices of industrial commodities, and industrial production of consumer goods
18. Nondurable commodities (except food): Wholesale and consumer prices and personal consumption expenditures
19. Durable commodities: Personal consumption expenditures, consumer prices, and wholesale prices of raw durables
20. Manufacturing: Wholesale prices, average hourly earnings of production workers, and man-hours and output per man-hour of all persons in manufacturing
21. Durable manufactures: Industrial production, new orders, and wholesale prices
22. New plant and equipment expenditures for durable and nondurable manufacturing, and wholesale prices of machinery and equipment

DURABLES, SINCE 1953

23. Iron and steel: Production, new orders, and wholesale prices
24. Average hourly earnings of production workers in basic steel, and wholesale prices of iron ore and steel scrap
25. Automobiles: Consumer prices of new cars and wholesale prices of finished steel products
26. New cars: Dealers' inventories, assemblies, and wholesale prices
27. Automobiles: Consumer prices of used cars and factory sales of new cars
28. Average monthly exports, imports, and prices: Steel mill products, iron and steel scrap, passenger cars, and machinery

CONSTRUCTION AND HOUSING, SINCE 1953

29. Wholesale prices and output of construction materials, and expenditures for new construction put in place
30. Mortgage interest rates, and private nonfarm dwelling units started
31. Rent and dwelling units started in 2-or-more family structures

CONSUMER SERVICES

32. Prices and personal consumption expenditures for services, and year-to-year changes, since 1953
33. Selected price trends: Rent, household operation, medical care services, transportation services, since 1939
34. Personal consumption expenditures in current dollars and prices for selected services: Rent, medical care services, auto repairs, gas, movie admissions, and public transportation, since 1953
35. Percent of total personal consumption expenditures spent on services, and per capita disposable income, in constant dollars, since 1929

CHART 1: RETAIL AND WHOLESALE PRICES AND GNP IMPLICIT PRICE DEFLATOR, SINCE 1939.

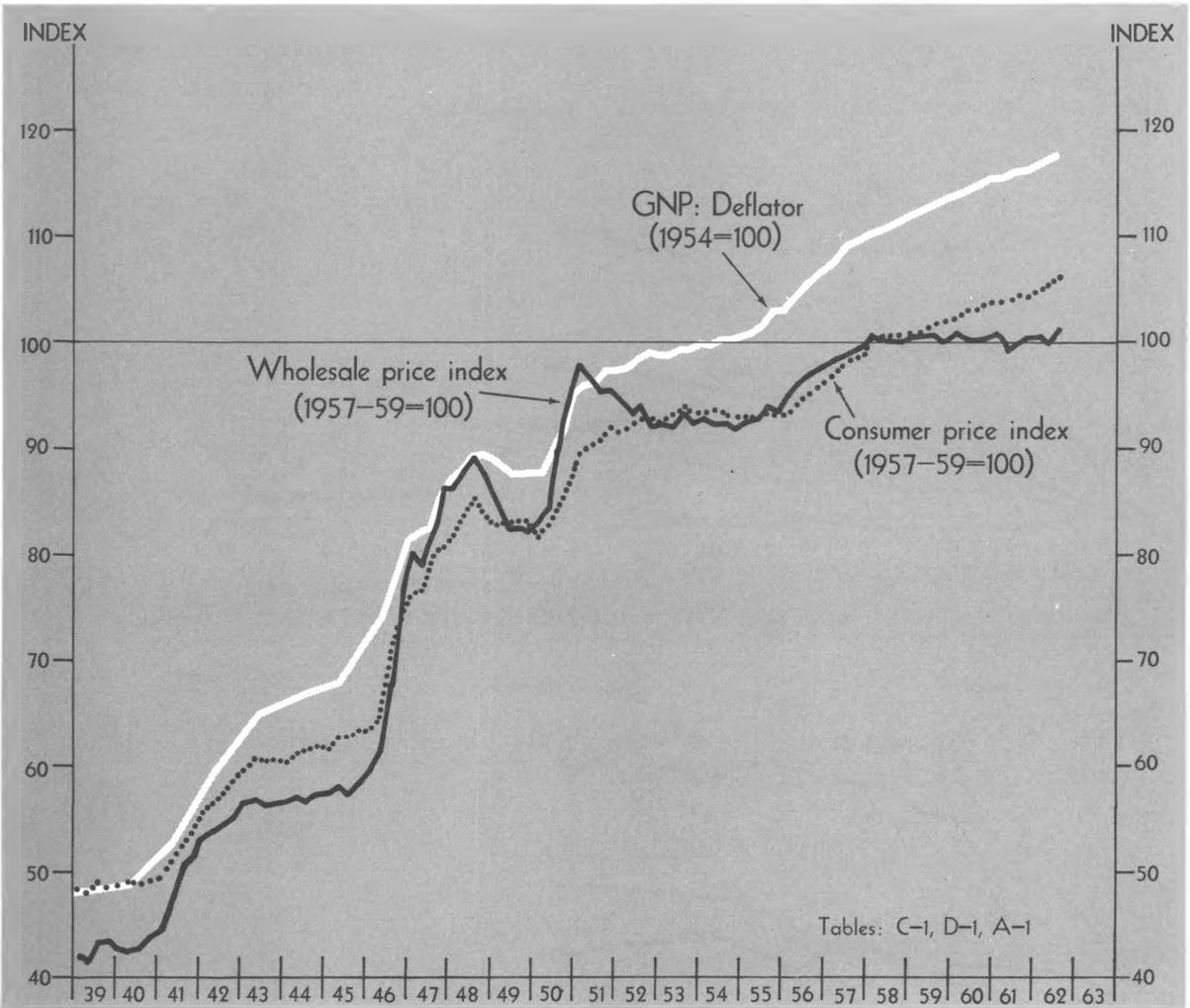
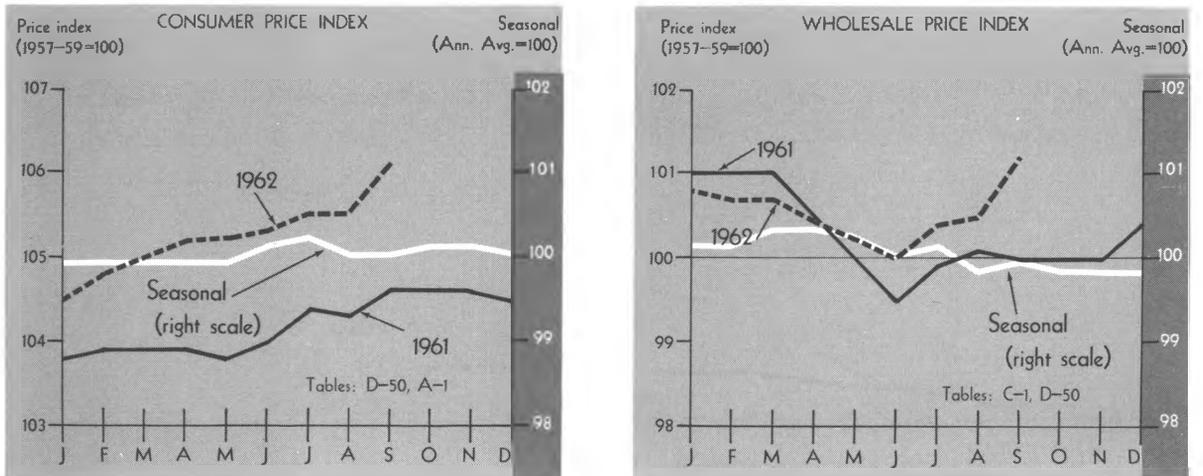


CHART 2: COMPARISON OF RECENT RETAIL AND WHOLESALE PRICE MOVEMENTS WITH THEIR SEASONAL TRENDS*



*The seasonal trends relate to the year 1960 and are based on a five-year weighted average which, for the CPI, includes data through November 1961 and for the WPI, includes data through June 1961. (See Explanatory Notes).

CHART 3: INDUSTRIAL PRICES, PRODUCTION, AND EMPLOYMENT, AND TOTAL GROSS NATIONAL PRODUCT, SINCE THE FEBRUARY 1961 ECONOMIC TROUGH

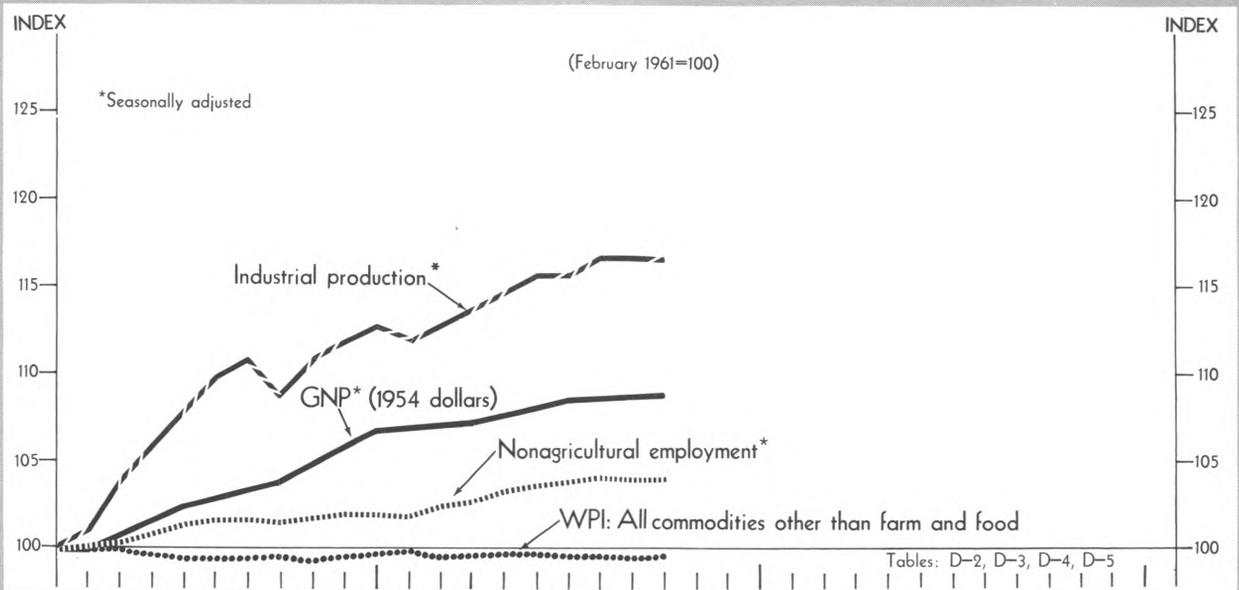


CHART 4: NEW ORDERS, INVENTORIES, AND HOURS IN MANUFACTURING, AND PRICES OF RAW INDUSTRIAL COMMODITIES, SINCE THE FEBRUARY 1961 ECONOMIC TROUGH

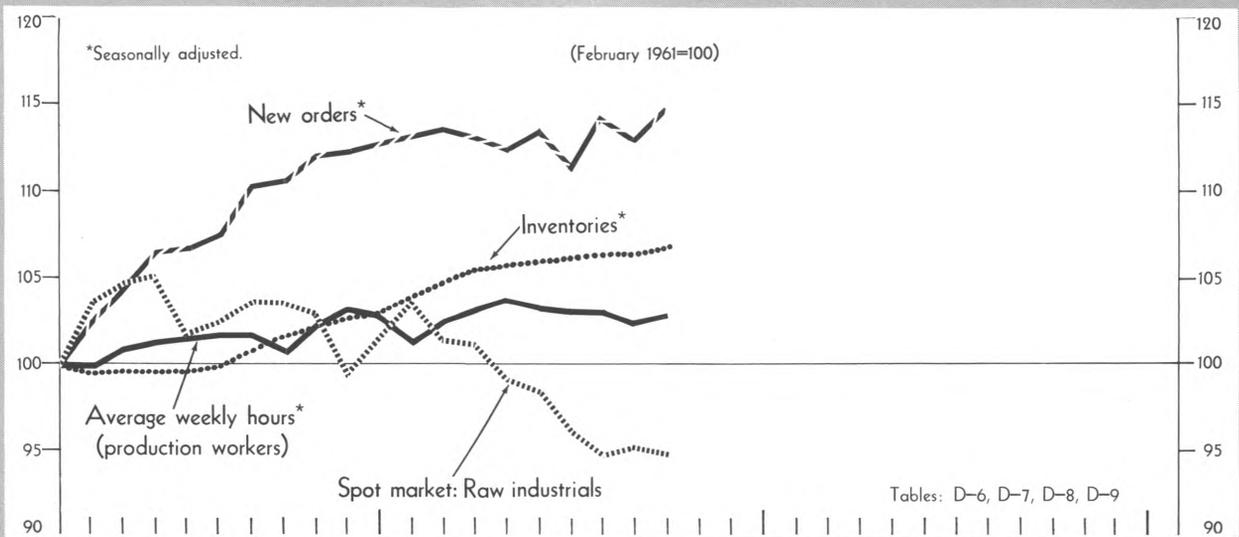


CHART 5: WHOLESALE PRICES OF DURABLE MANUFACTURES FROM TROUGH TO PEAK OF THREE BUSINESS CYCLES

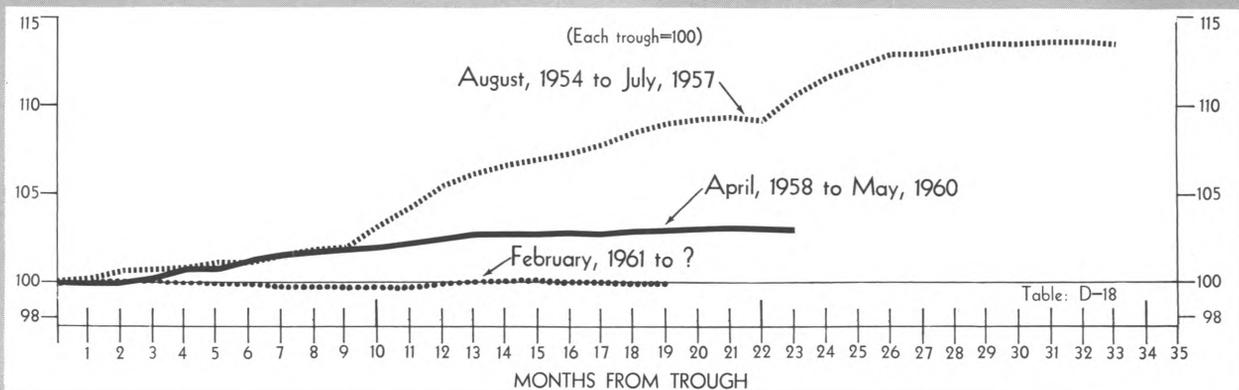


CHART 6: CONSUMER PRICES, PERSONAL CONSUMPTION EXPENDITURES, DISPOSABLE INCOME, AND INSTALLMENT CREDIT EXTENDED, SINCE THE FEBRUARY 1961 ECONOMIC TROUGH

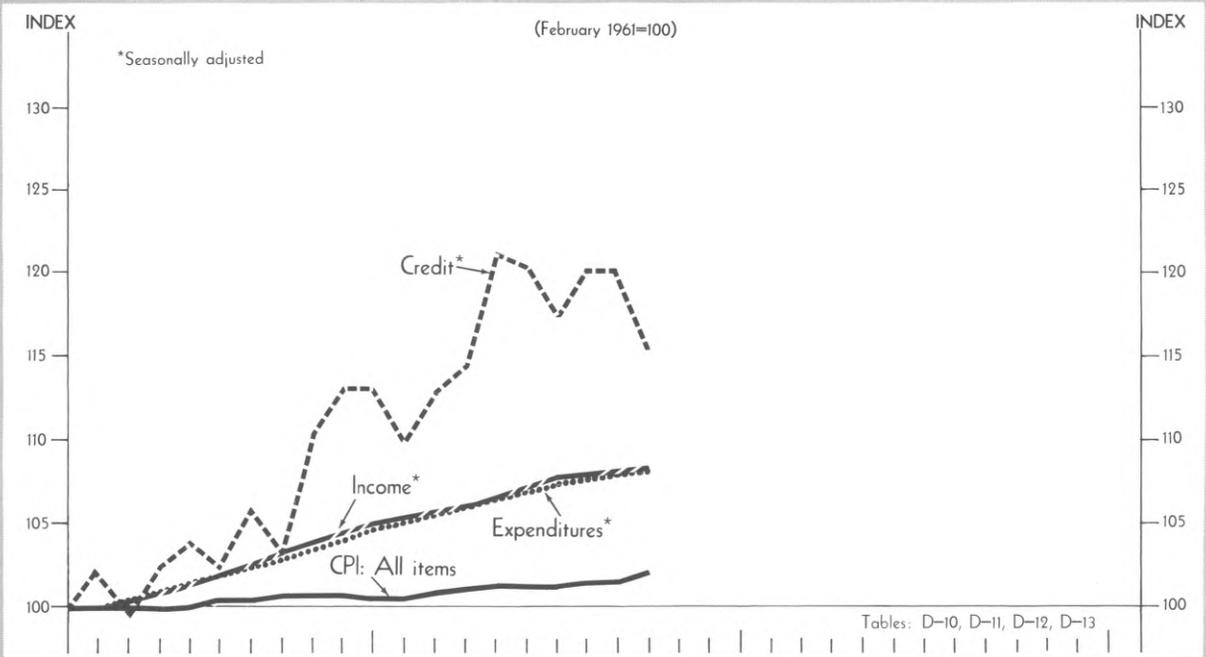


CHART 7: CONSUMER PRICES OF FOOD AND NONFOOD COMMODITIES, RETAIL SALES, AND PRODUCTION OF CONSUMER GOODS, SINCE THE FEBRUARY 1961 ECONOMIC TROUGH

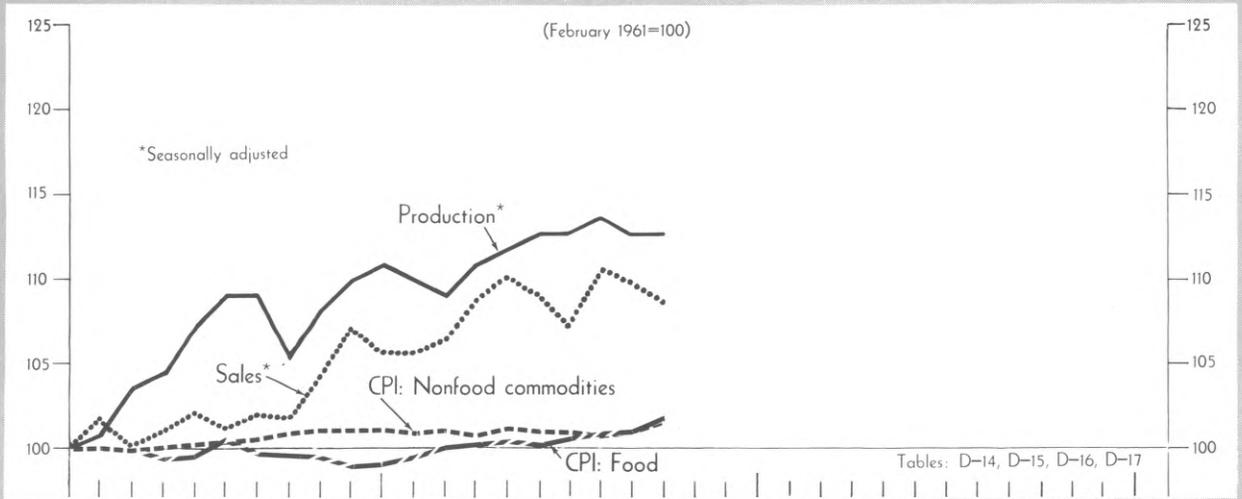


CHART 8: CONSUMER PRICES OF DURABLE COMMODITIES FROM TROUGH TO PEAK OF THREE BUSINESS CYCLES

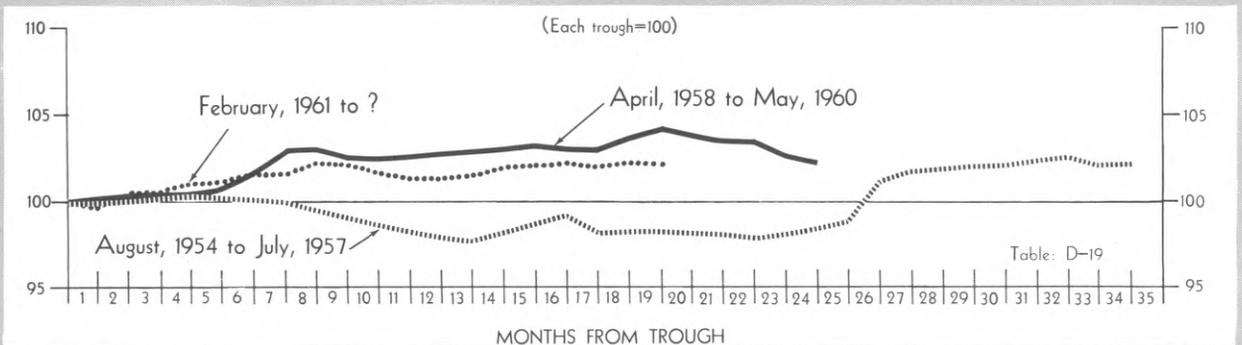


CHART 9: AGRICULTURAL MAN-HOURS AND OUTPUT, AND WHOLESALE PRICES OF FARM PRODUCTS

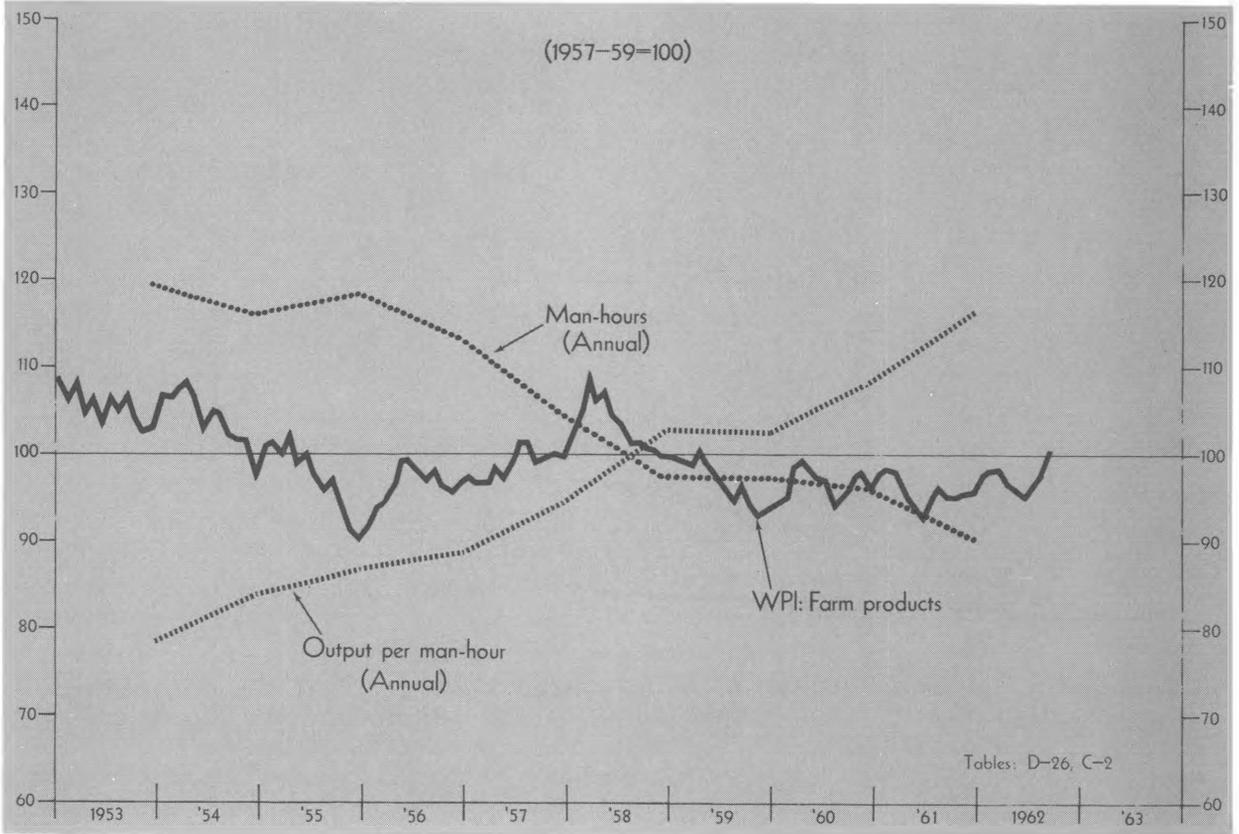
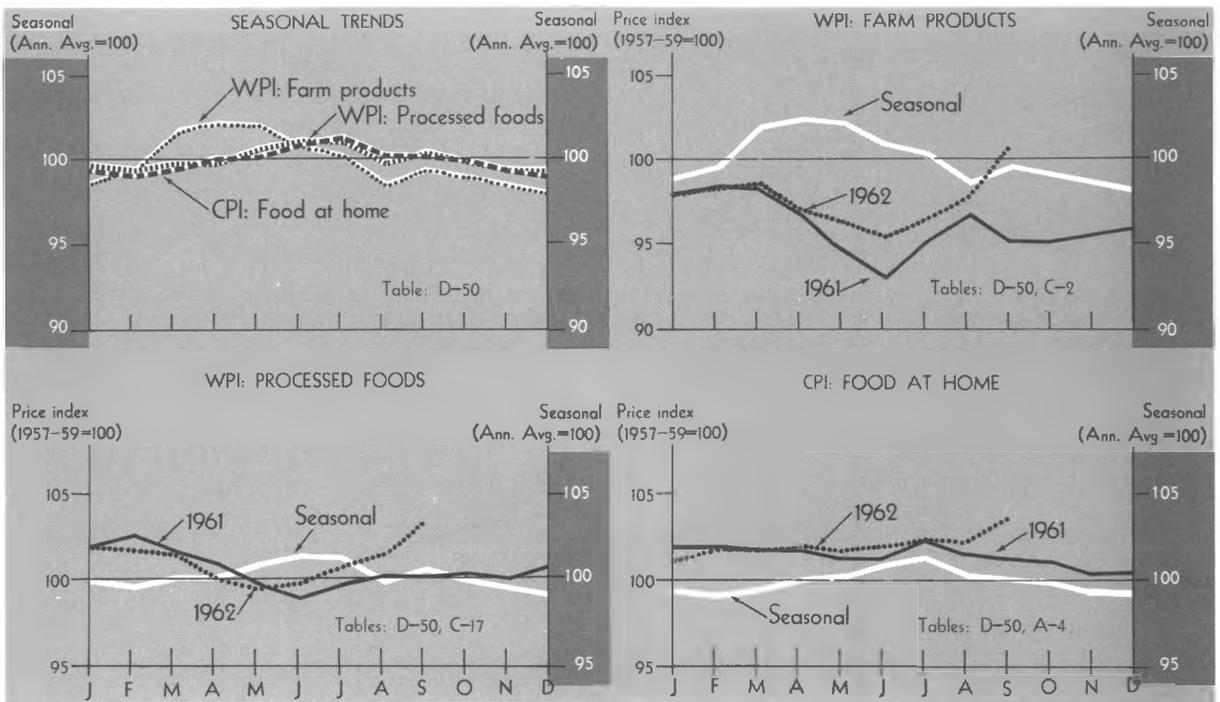


CHART 10: COMPARISON OF RECENT PRICES WITH THEIR SEASONAL TRENDS*



*See footnote Chart 2

CHART 11: FOOD: CONSUMER PRICES, PERSONAL CONSUMPTION EXPENDITURES FOR FOOD, AND FARMER'S SHARE OF THE CONSUMER'S FOOD DOLLAR

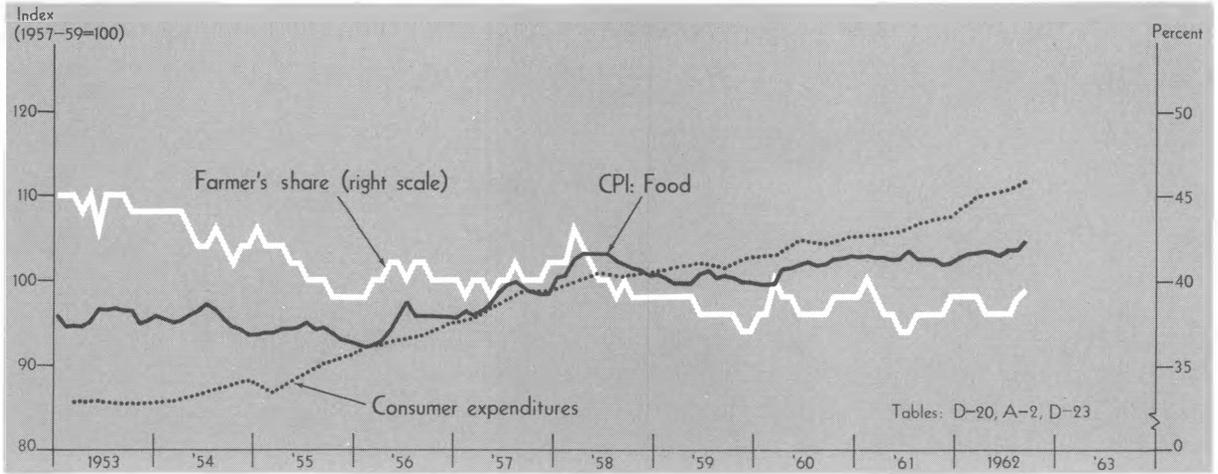
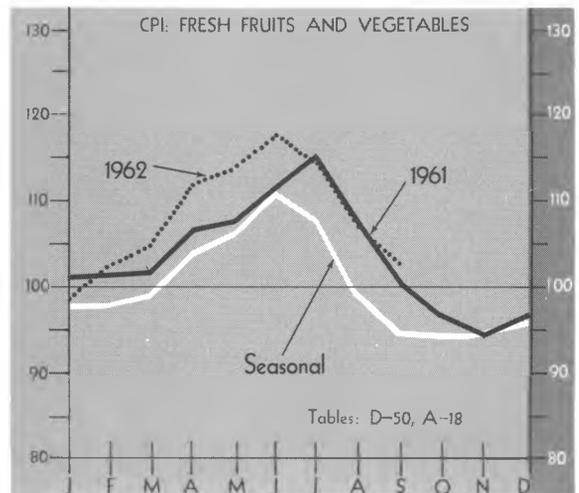
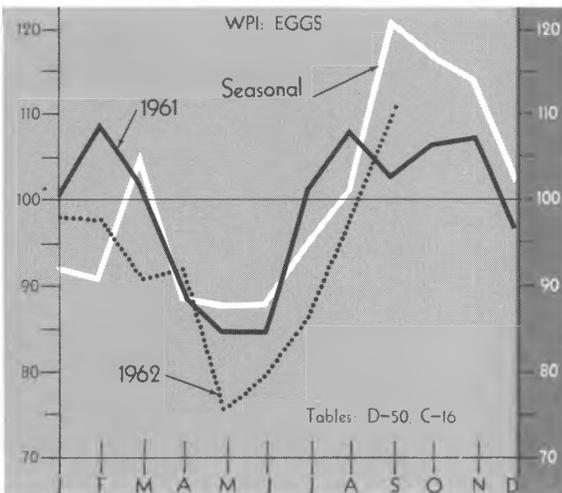
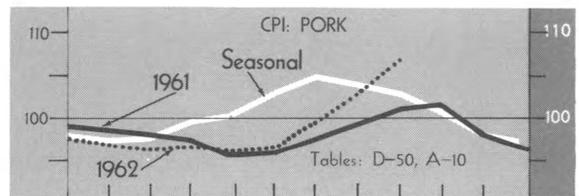
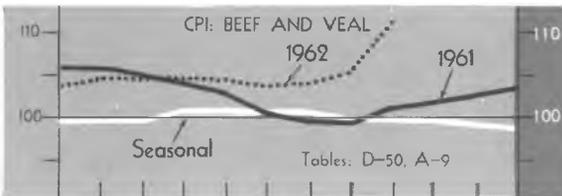
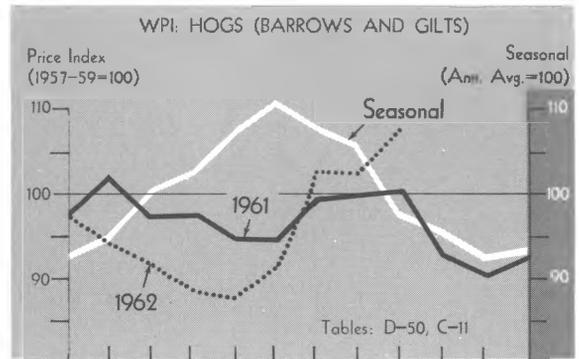
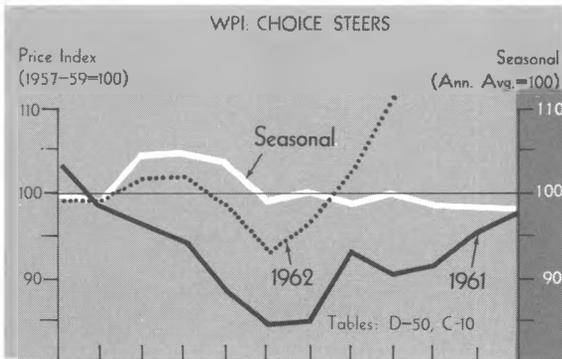


CHART 12: COMPARISON OF RECENT PRICES WITH THEIR SEASONAL TRENDS*



*See footnote Chart 2

CHART 13: WHOLESALE PRICES OF STEERS, CONSUMER PRICES OF BEEF, AND CATTLE MARKETINGS

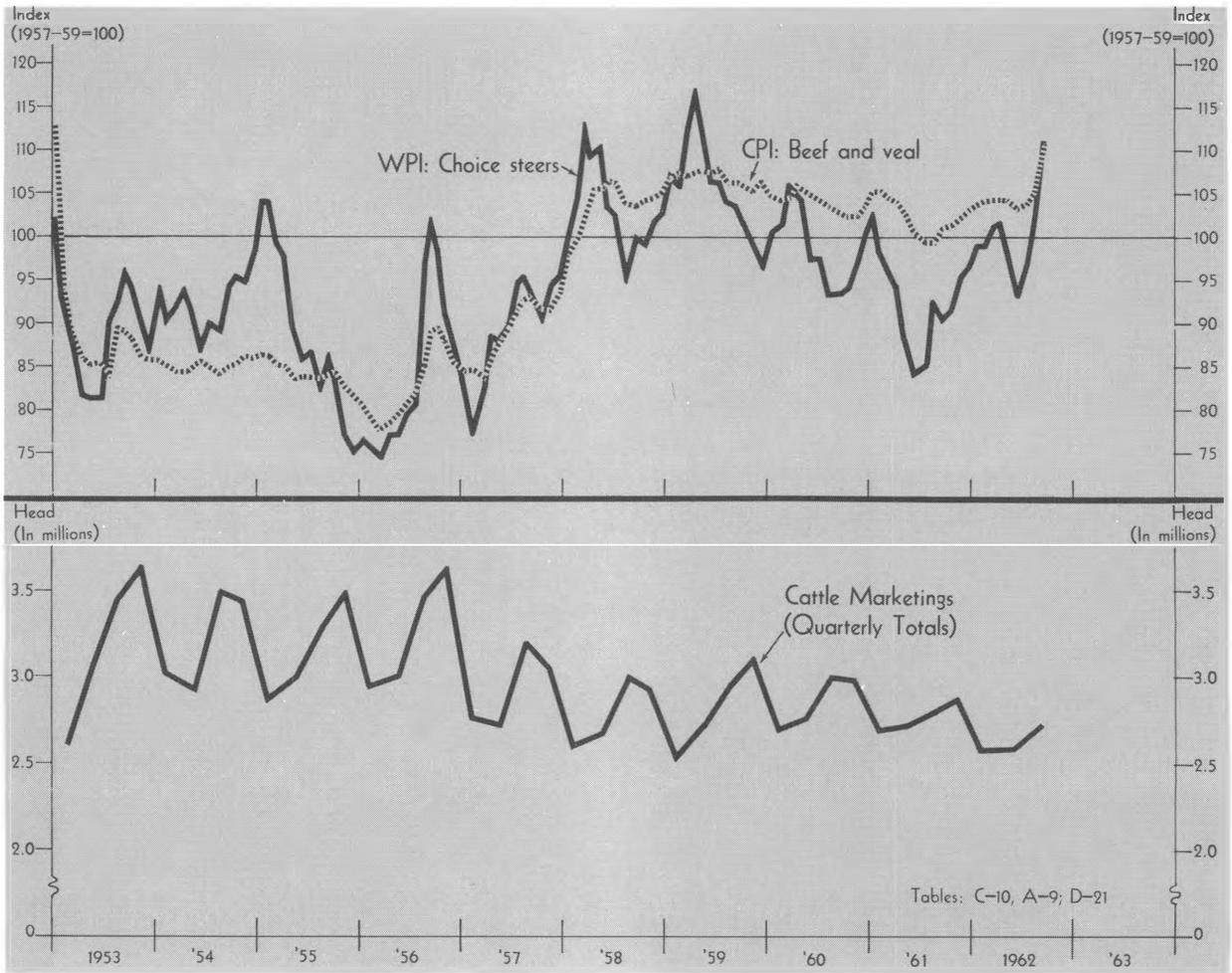


CHART 14: ANNUAL SUPPLY, PER CAPITA CONSUMPTION, AND CONSUMER PRICES OF BEEF AND MILK

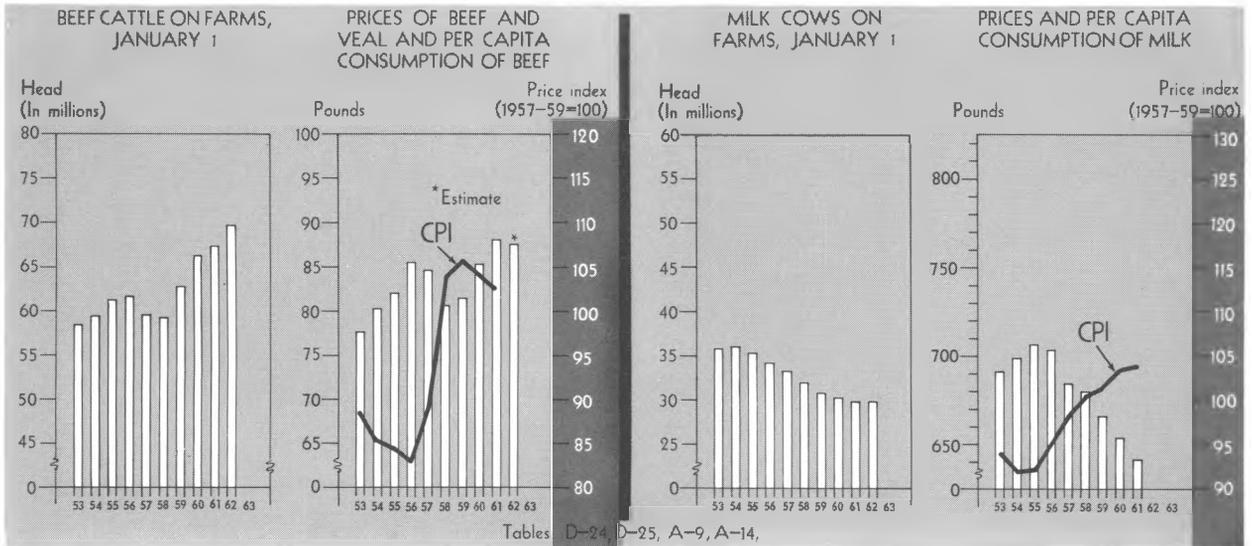


CHART 15: WHOLESALE PRICES OF HOGS, CONSUMER PRICES OF PORK, AND HOG MARKETINGS

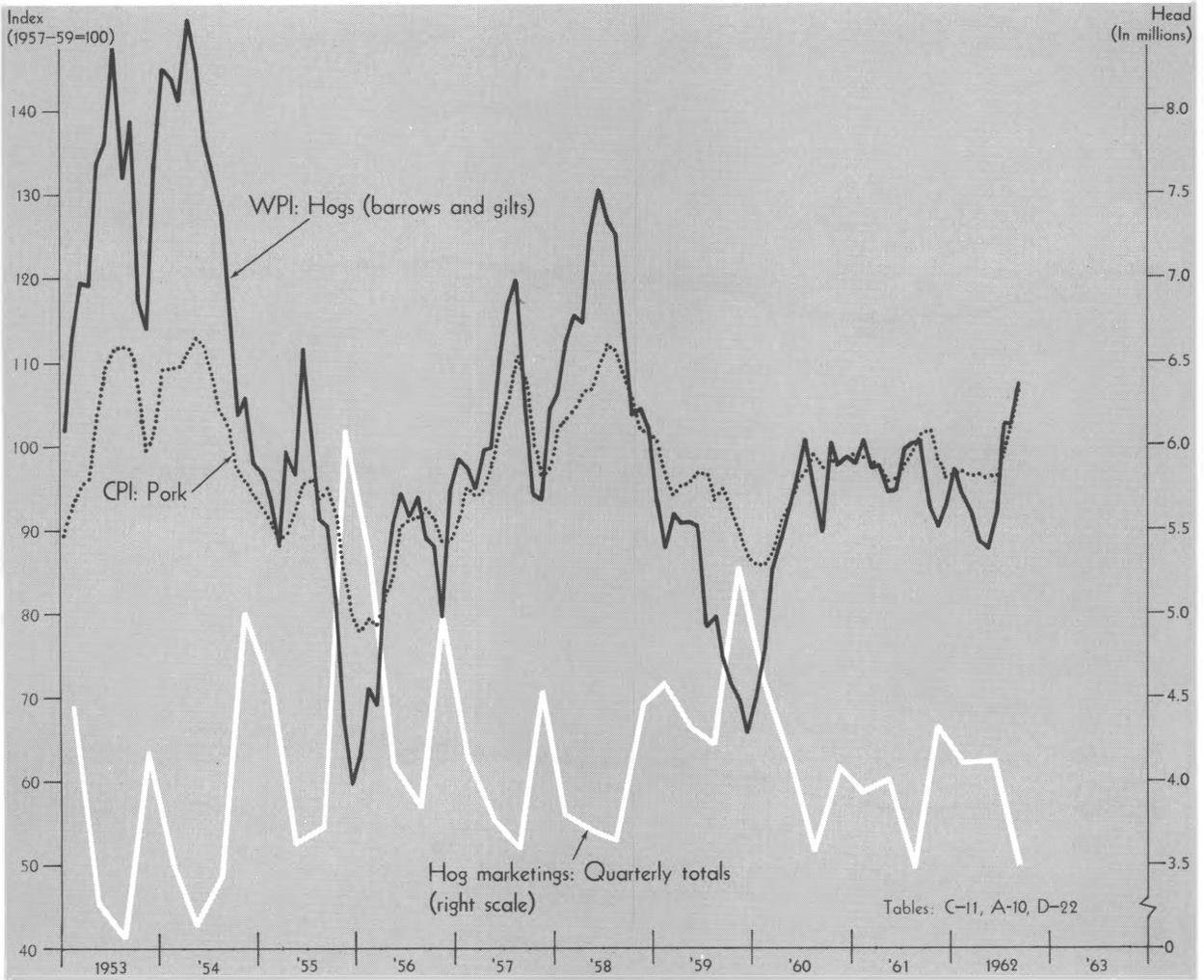


CHART 16: ANNUAL SUPPLY, PER CAPITA CONSUMPTION, AND CONSUMER PRICES FOR PORK

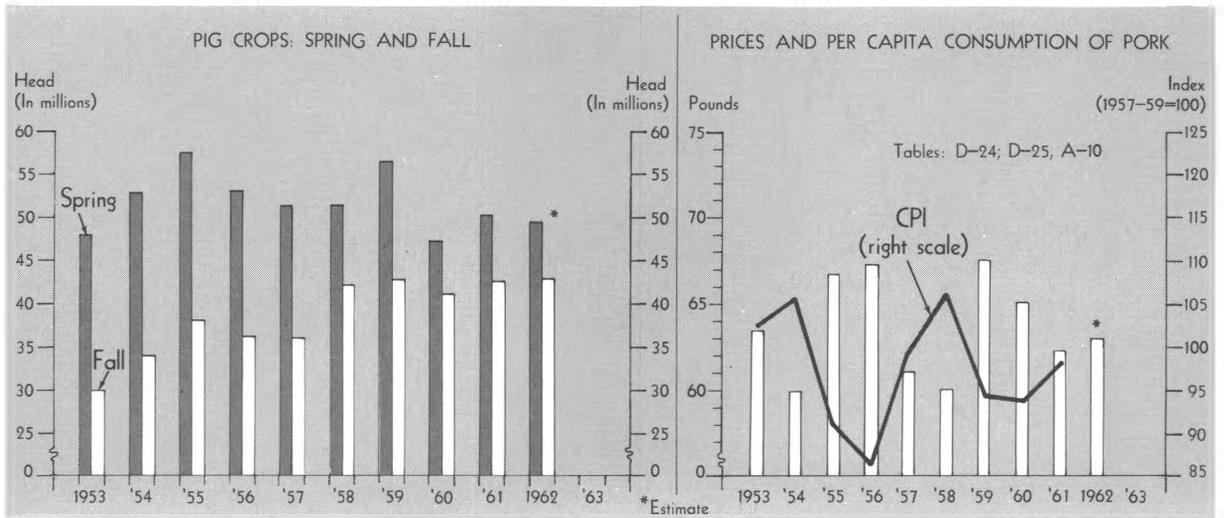


CHART 17: WHOLESALE AND CONSUMER PRICES OF INDUSTRIAL COMMODITIES, AND INDUSTRIAL PRODUCTION OF CONSUMER GOODS

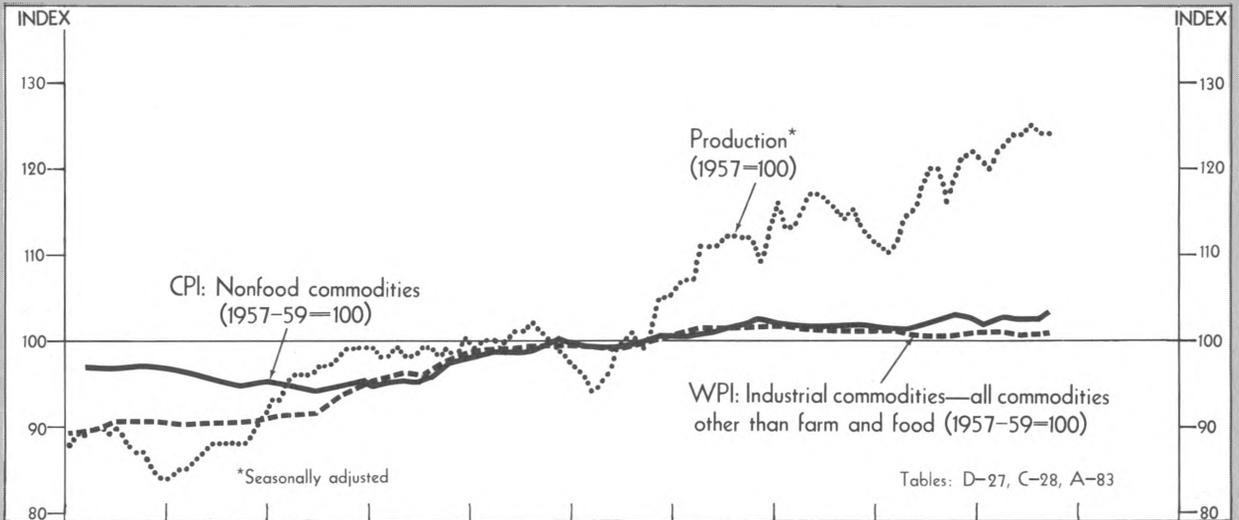


CHART 18: NONDURABLE COMMODITIES (EXCEPT FOOD): WHOLESALE AND CONSUMER PRICES AND PERSONAL CONSUMPTION EXPENDITURES

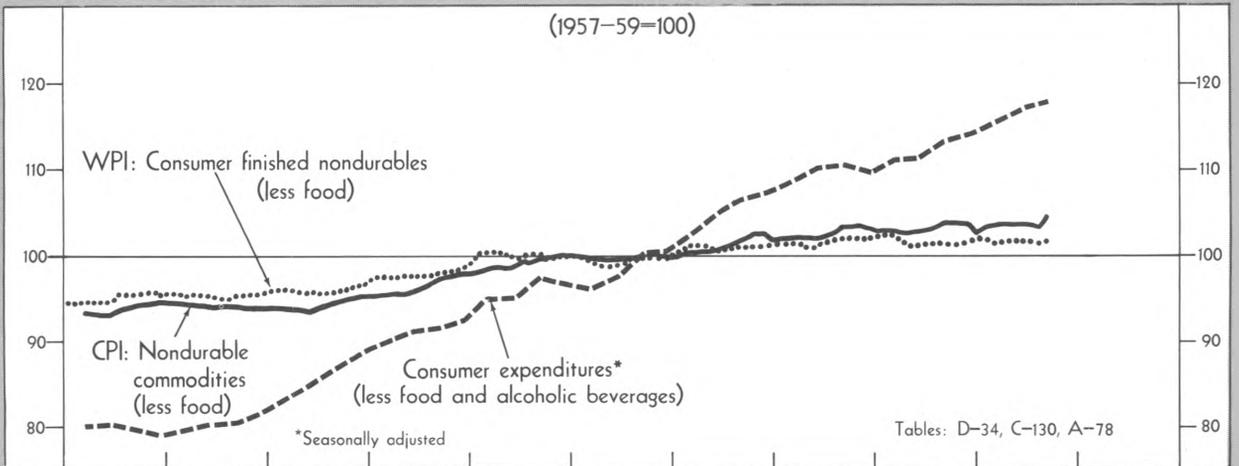


CHART 19: DURABLE COMMODITIES: PERSONAL CONSUMPTION EXPENDITURES, CONSUMER PRICES, AND WHOLESALE PRICES OF RAW DURABLES

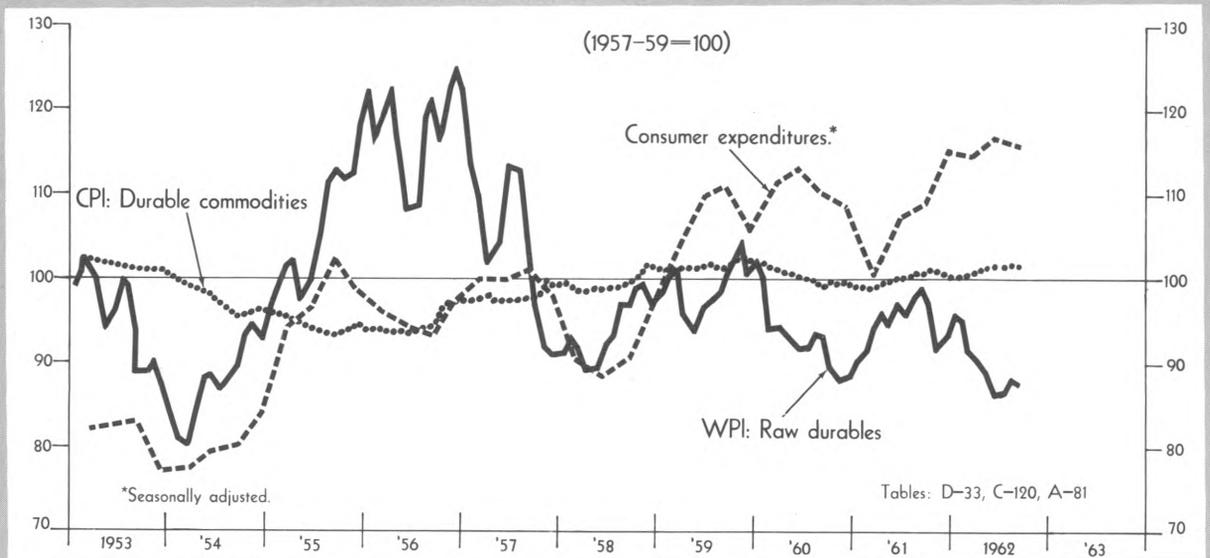


CHART 20: MANUFACTURING: WHOLESALE PRICES, AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS, AND MAN-HOURS AND OUTPUT OF ALL IN MANUFACTURING

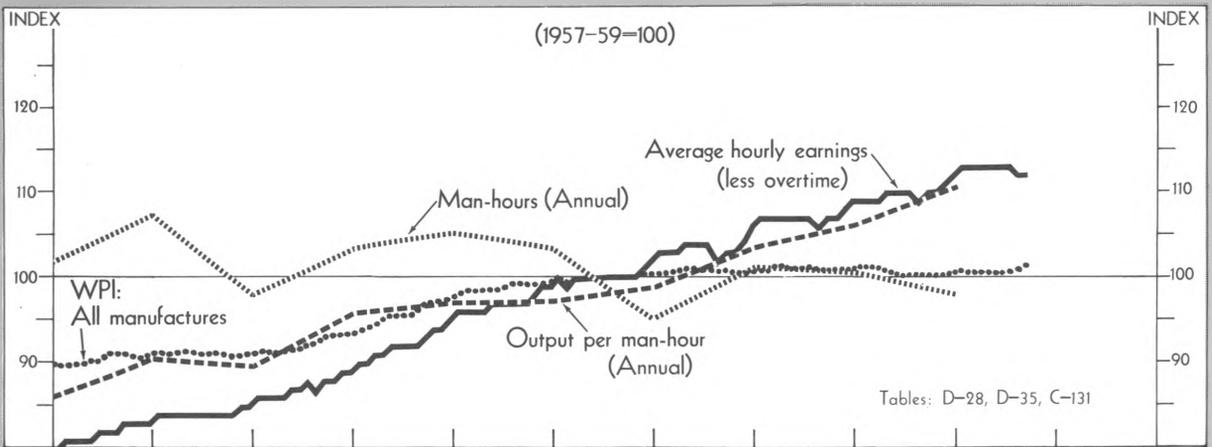


CHART 21: DURABLE MANUFACTURES: INDUSTRIAL PRODUCTION, NEW ORDERS, AND WHOLESALE PRICES

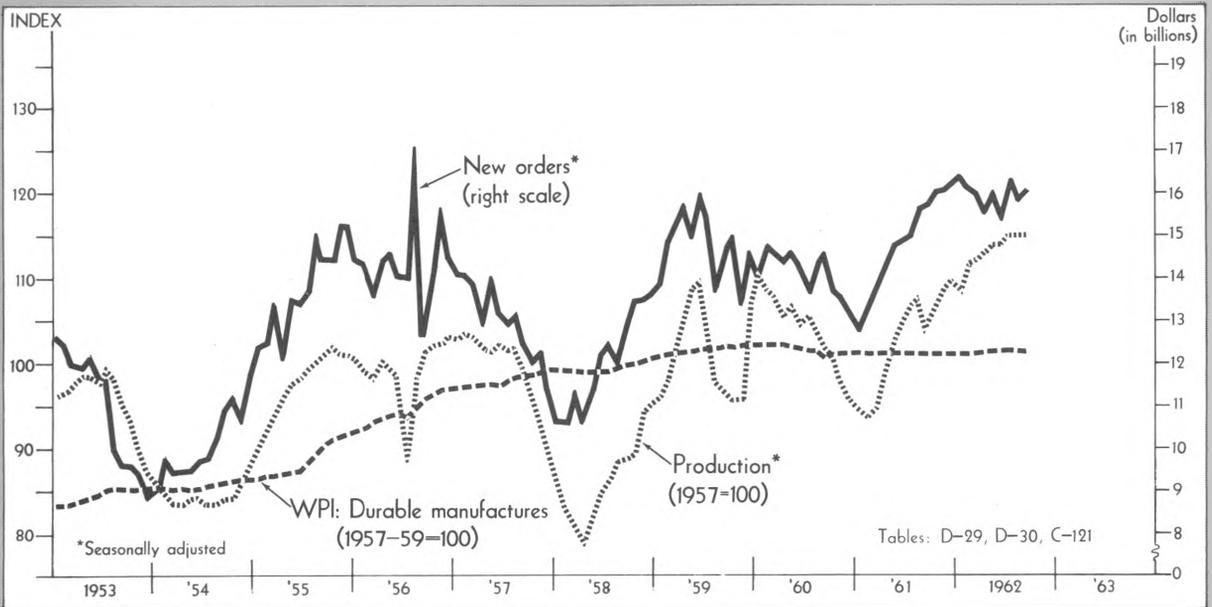


CHART 22: NEW PLANT AND EQUIPMENT EXPENDITURES FOR DURABLE AND NONDURABLE MANUFACTURING, AND WHOLESALE PRICES OF MACHINERY AND EQUIPMENT

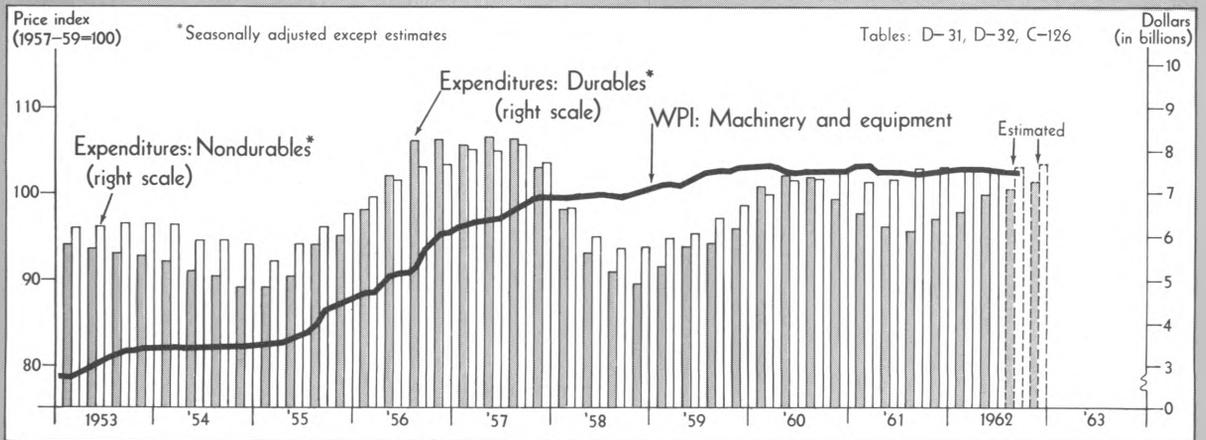


CHART 23: IRON AND STEEL: PRODUCTION, NEW ORDERS, AND WHOLESALE PRICES

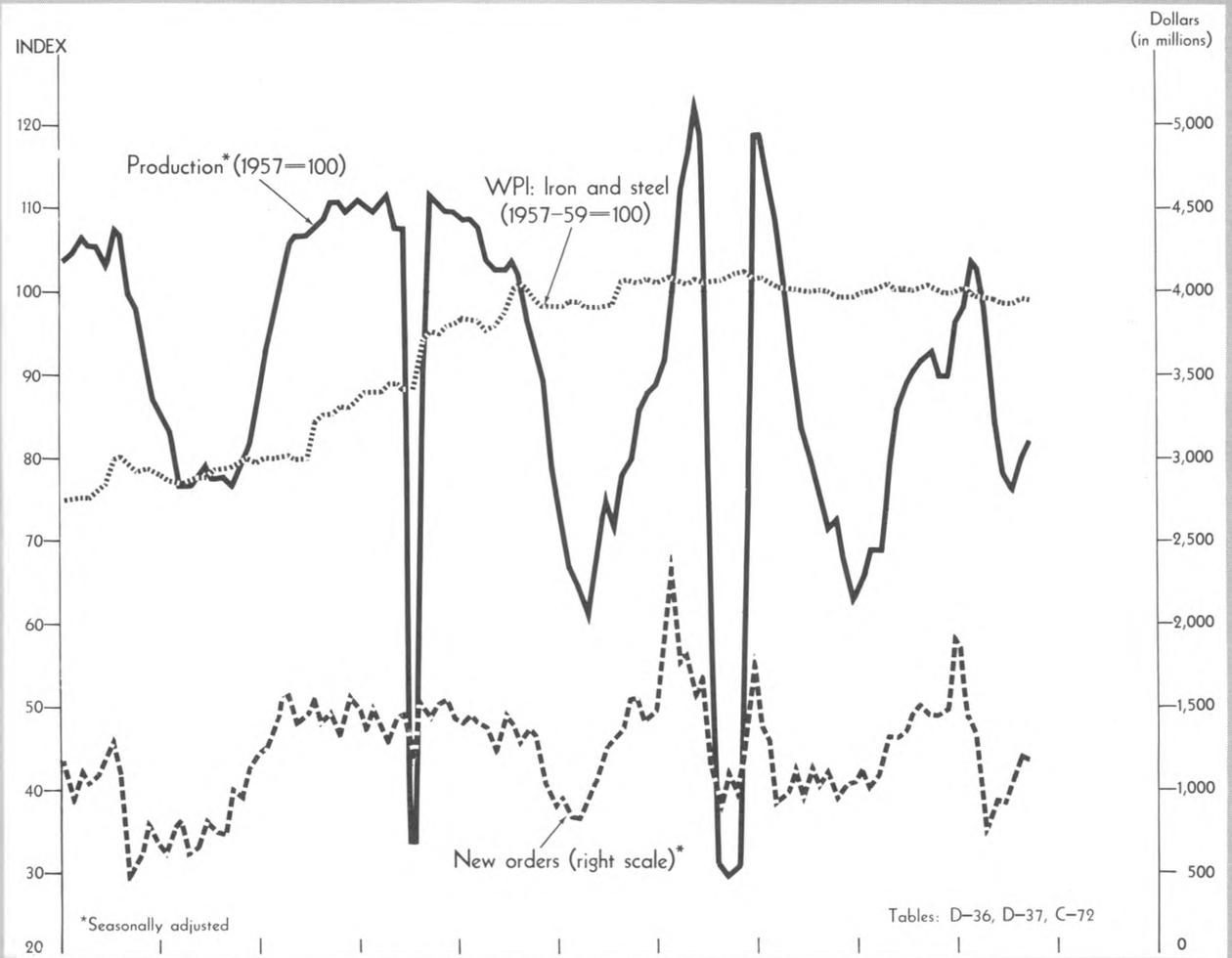


CHART 24: AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS IN BASIC STEEL, AND WHOLESALE PRICES OF IRON ORE AND STEEL SCRAP

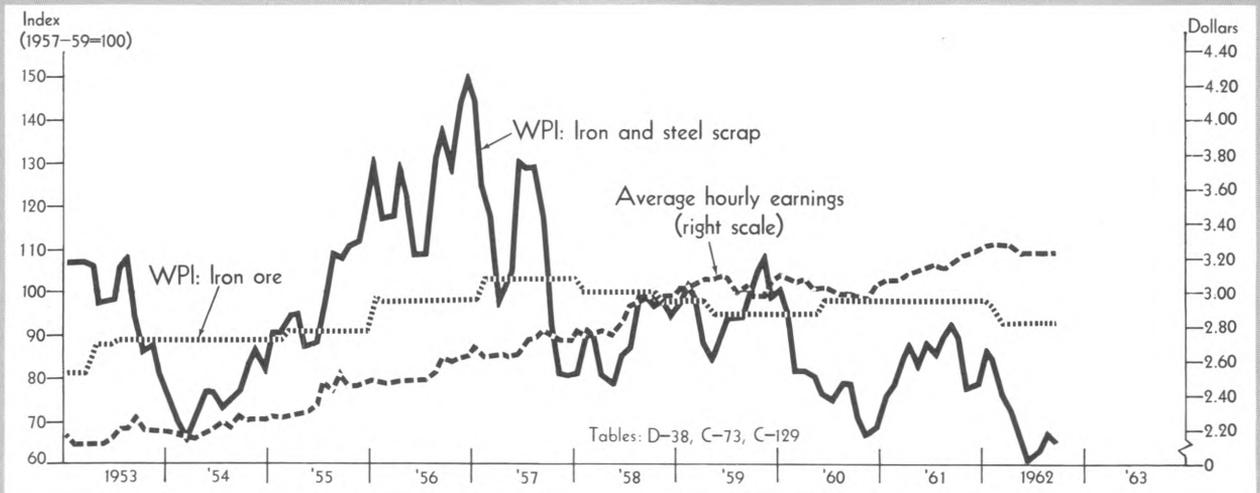


CHART 25: CONSUMER PRICES OF NEW CARS AND WHOLESALE PRICES OF FINISHED STEEL PRODUCTS

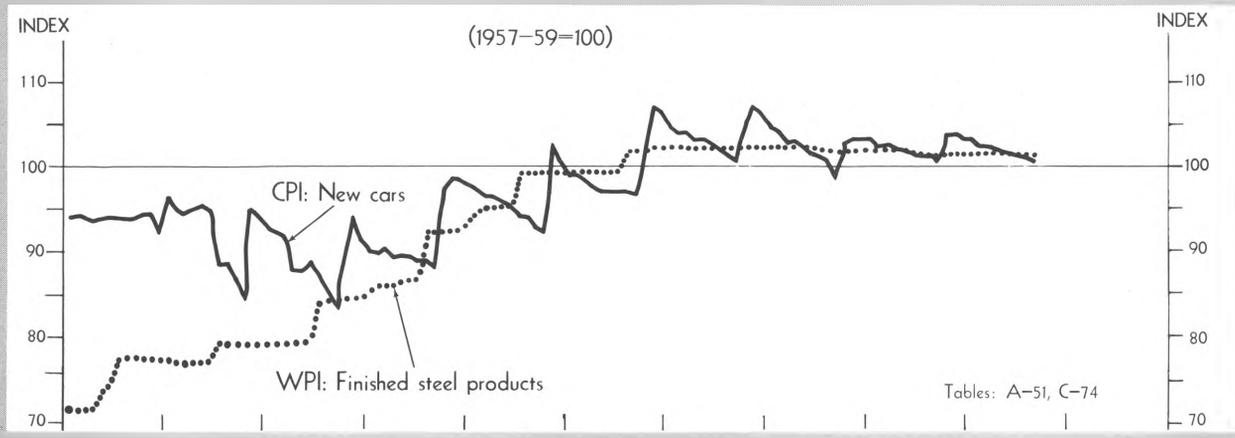


CHART 26: NEW CARS, DEALERS' INVENTORIES, ASSEMBLIES, AND WHOLESALE PRICES

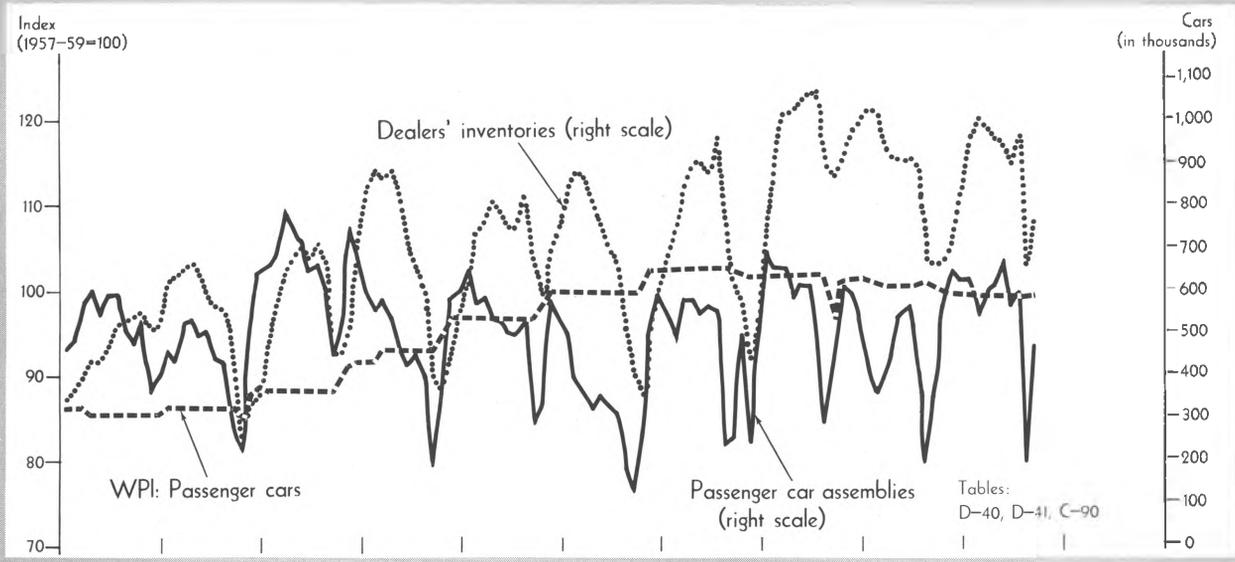


CHART 27: CONSUMER PRICES OF USED CARS AND FACTORY SALES OF NEW CARS

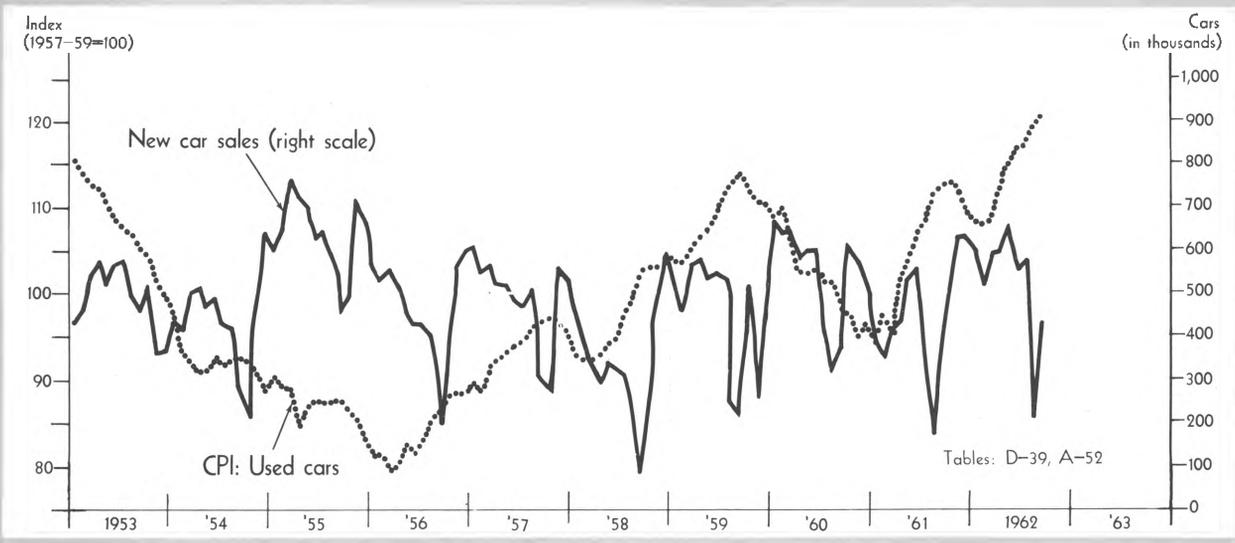


CHART 28: AVERAGE MONTHLY EXPORTS, IMPORTS, AND PRICES: STEEL MILL PRODUCTS, IRON AND STEEL SCRAP, PASSENGER CARS, AND MACHINERY

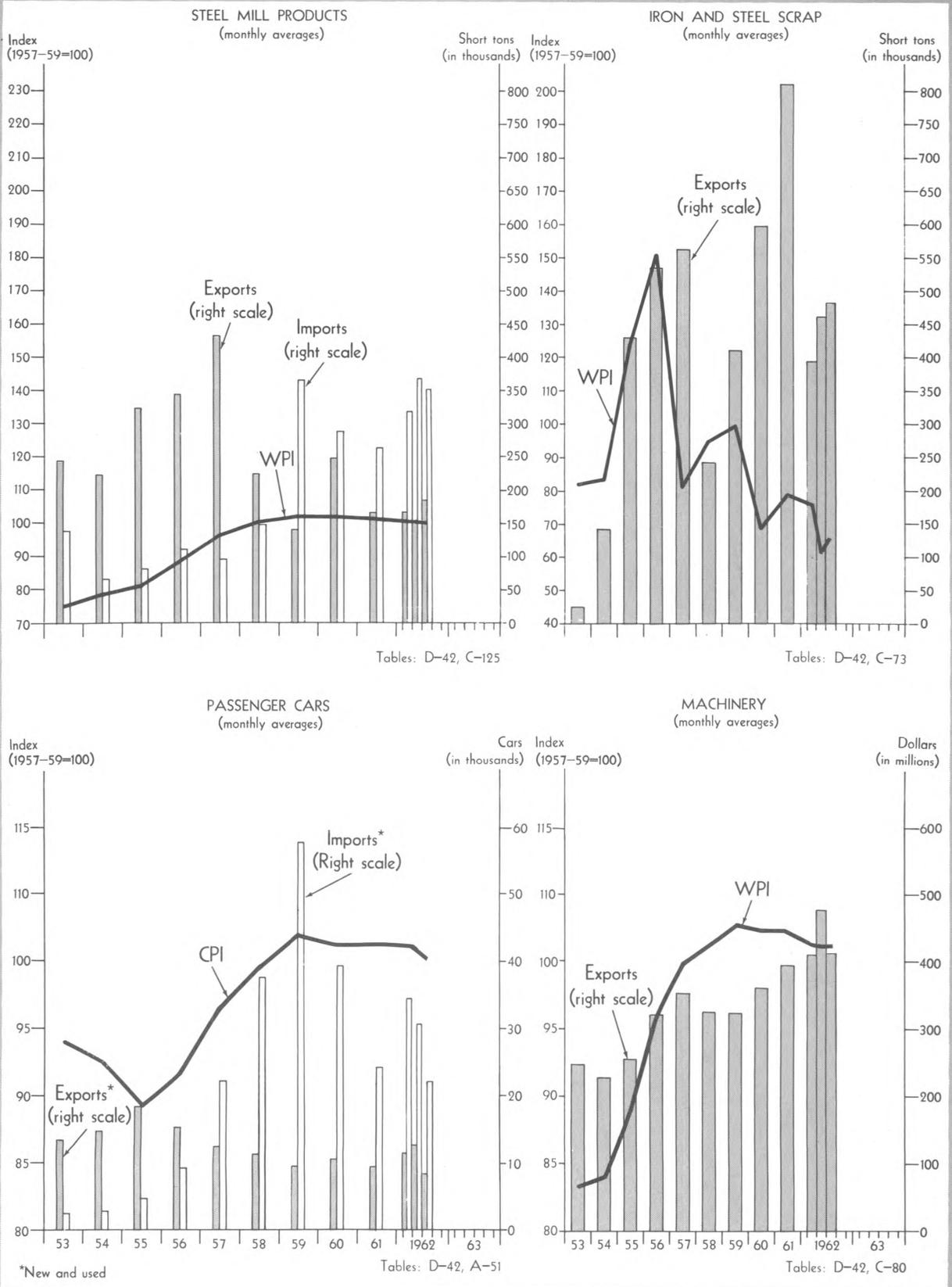


CHART 29: WHOLESALE PRICES AND OUTPUT OF CONSTRUCTION MATERIALS, AND EXPENDITURES FOR NEW CONSTRUCTION PUT IN PLACE

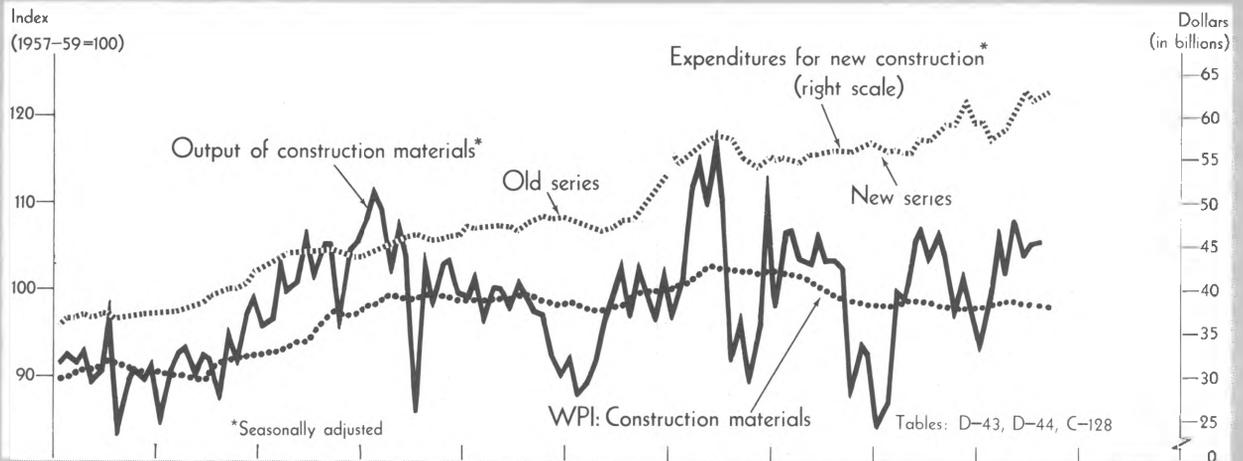


CHART 30: MORTGAGE INTEREST RATES, AND PRIVATE NONFARM DWELLING UNITS STARTED

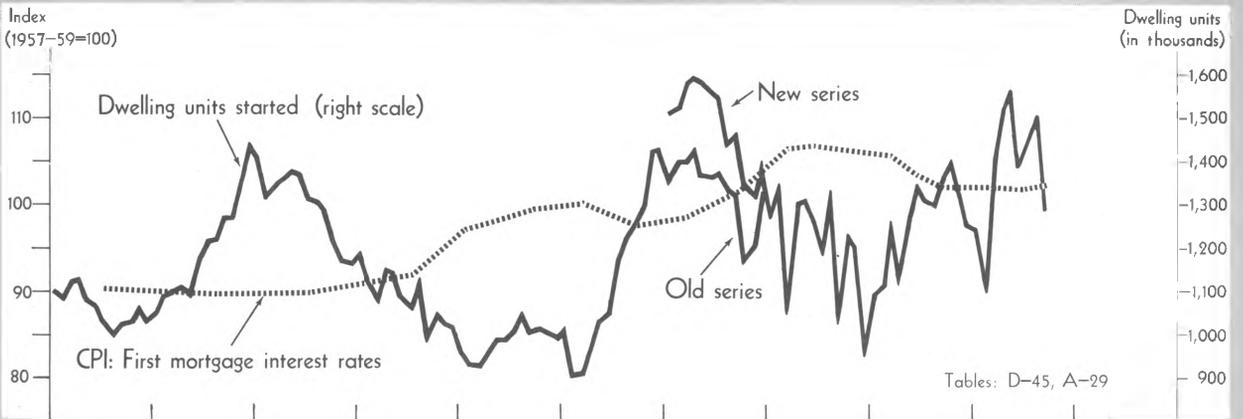


CHART 31: RENT, AND DWELLING UNITS STARTED IN 2-OR-MORE FAMILY STRUCTURES

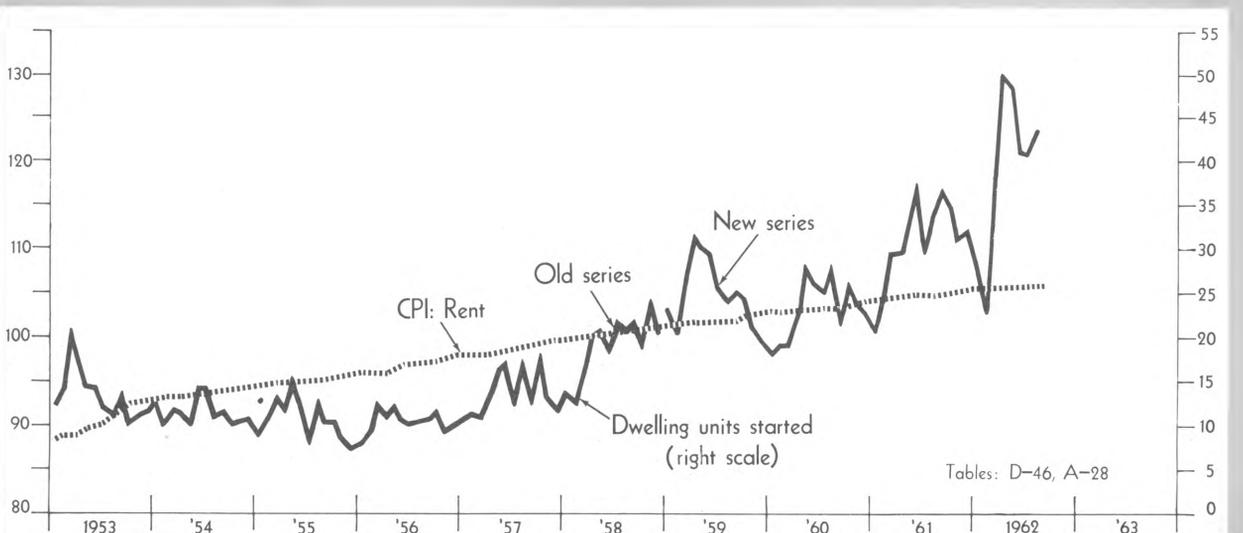


CHART 32: PRICES AND PERSONAL CONSUMPTION EXPENDITURES FOR SERVICES AND YEAR-TO-YEAR CHANGES

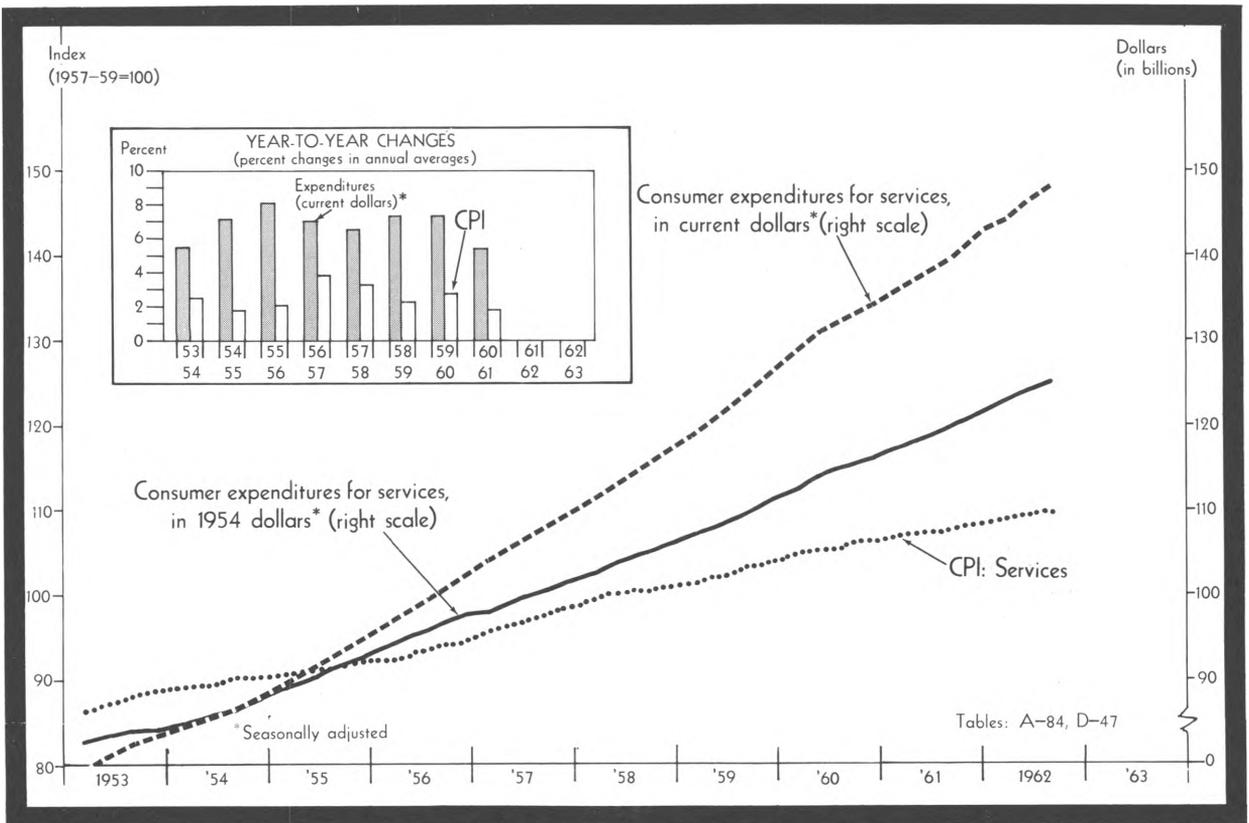


CHART 33: SELECTED PRICE TRENDS, SINCE 1939

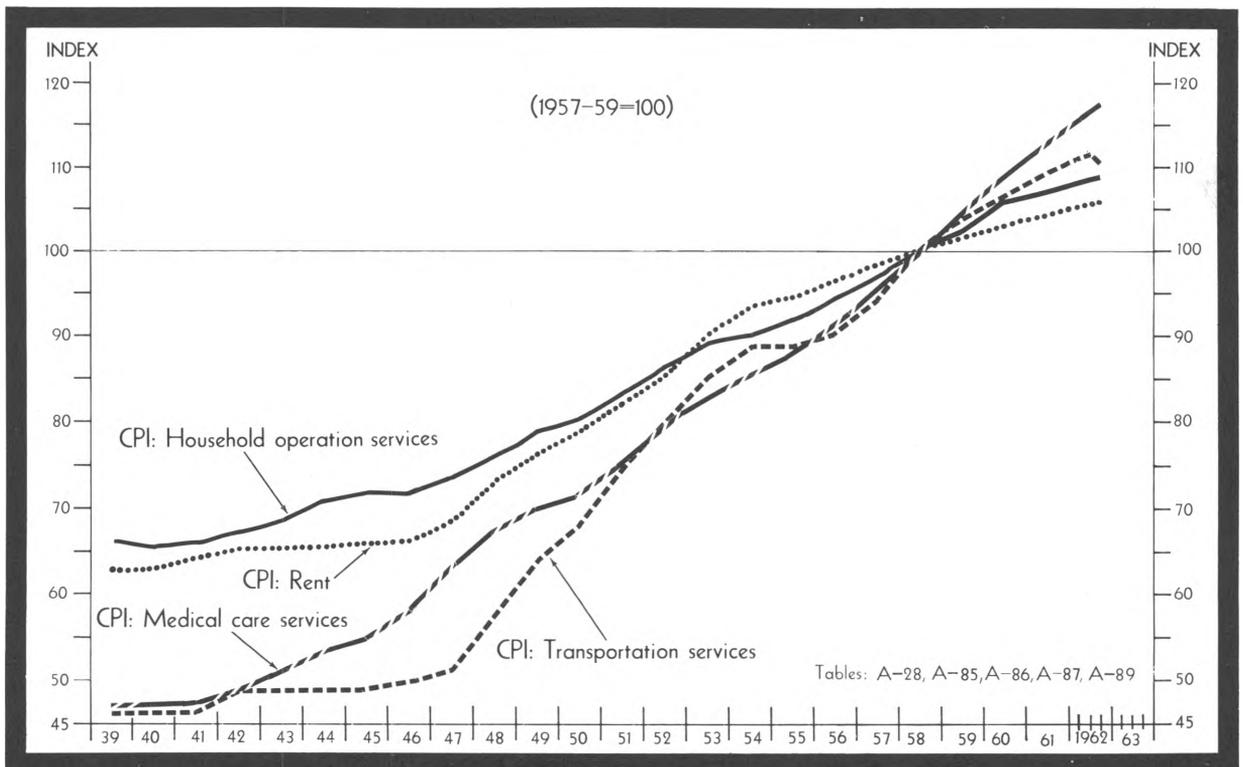


CHART 34: PRICES AND PERSONAL CONSUMPTION EXPENDITURES IN CURRENT DOLLARS, FOR SELECTED SERVICES

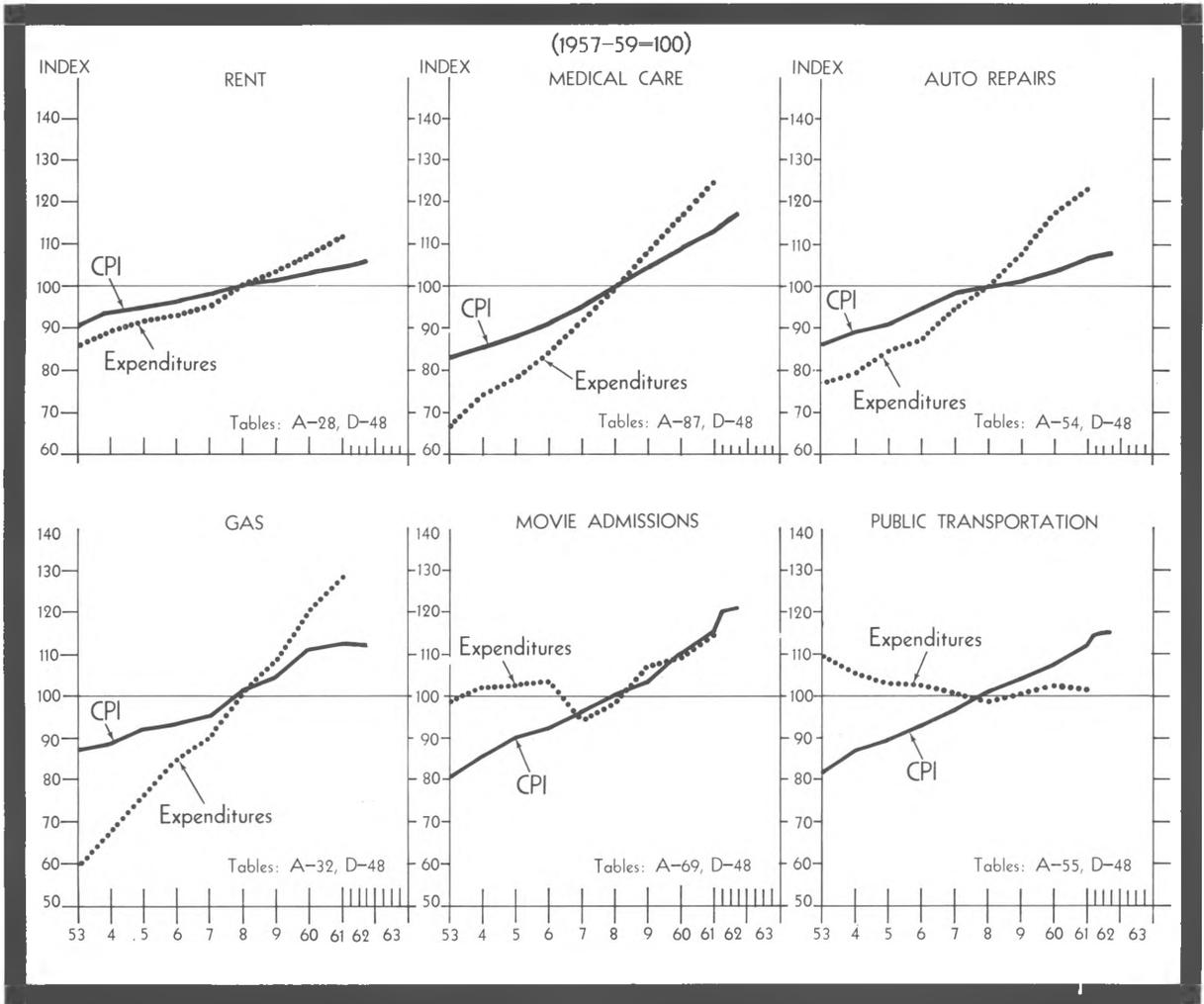
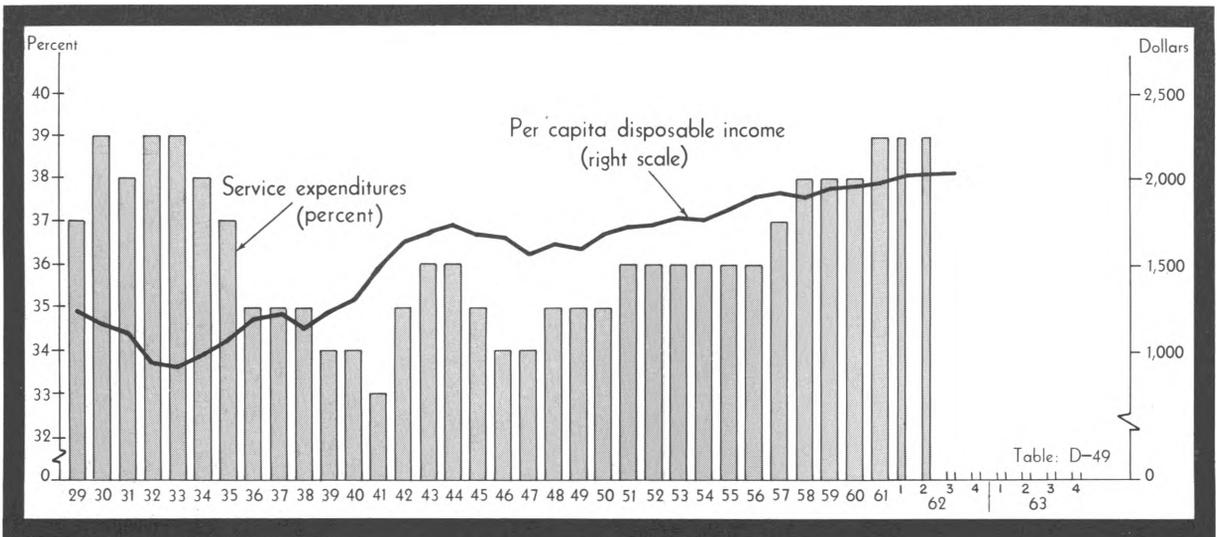
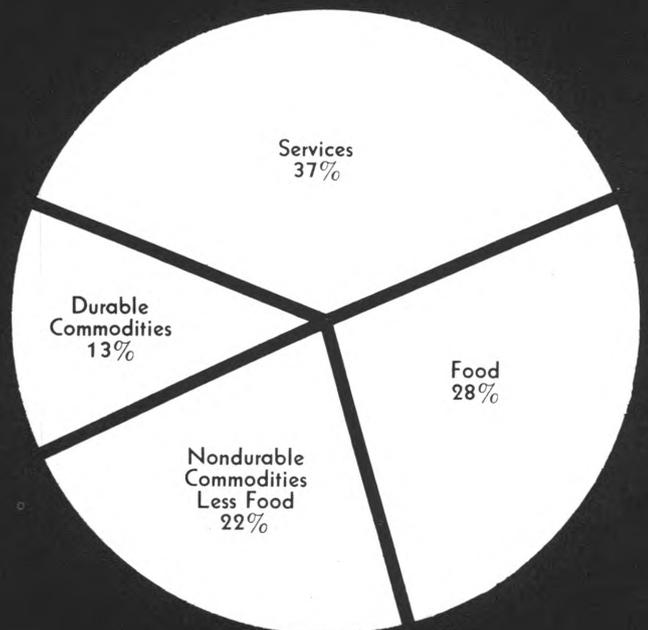


CHART 35: PERCENT OF TOTAL PERSONAL CONSUMPTION EXPENDITURES SPENT ON SERVICES, AND PER CAPITA DISPOSABLE INCOME, IN CONSTANT DOLLARS, SINCE 1929



SECTION II

CONSUMER PRICE INDEX UNITED STATES



RELATIVE IMPORTANCE OF CPI COMPONENTS, DECEMBER 1961

Services, food, durable commodities, and nondurables commodities less food
Major groups

PRICE TRENDS SINCE 1939: THREE BASE PERIODS

36. Services, food, and all commodities other than food, 1957-59=100
37. Services, food, and all commodities other than food, 1947-49=100
38. Services, food, and all commodities other than food, 1939=100

SERVICES AND COMMODITIES, SINCE 1953

39. All-items CPI
40. All services and commodities
41. Food and nondurable commodities less food
42. Nondurables less food, durables, and durables less cars
43. Durables: New cars, appliances, and furniture and bedding
44. Apparel, and all nondurables less food and apparel
45. Nondurables: Gasoline, toilet goods, tobacco products, alcoholic beverages
46. Services: Transportation, medical care, household operation, and rent; and year-to-year changes

MAJOR GROUPS, SINCE 1953

47. Year-to-year changes for all items and each major group
48. Food, housing, and transportation
49. Apparel, medical care, reading and recreation, and personal care

FOOD, SINCE 1953

50. Food at home, and food away from home
51. Meats, poultry, and fish
52. Beef and veal, and pork
53. All fruits and vegetables, and all dairy products
54. Fruits and vegetables--fresh and canned
55. All cereal and bakery products, and bread
56. Margarine, and selected dairy products: Milk, cheese, and butter
57. Eggs and coffee

HOUSING, SINCE 1953

58. All housing, household operation, and housefurnishings
59. Selected home-owner costs: First mortgage interest rates, property insurance rates, and home maintenance and repairs
60. Rent, gas, and electricity
61. Household operation: Telephone rates, and dry cleaning and pressing service

TRANSPORTATION, SINCE 1953

- 62. All transportation, and public transportation
- 63. All private transportation, and gasoline
- 64. Private transportation: New cars, used cars, auto repairs, and auto insurance

APPAREL, SINCE 1953

- 65. All apparel, and footwear
- 66. Men's and boys' apparel, and women's and girls' apparel
- 67. Apparel, by type of fabric: Cotton, manmade fibers, and wool

READING AND RECREATION, SINCE 1953

- 68. All reading and recreation, TV sets, radios, motion pictures, newspapers, and sporting goods

MEDICAL CARE, SINCE 1953

- 69. All medical care, and prescriptions and drugs
- 70. Prescriptions, aspirins, and vitamins
- 71. Medical care services: Hospitalization, hospital rates, physicians' and dentists' fees; and year-to-year changes

1962 PRICE TRENDS

- 72. Major Groups
- 73. All items, services, food, and all commodities less food
- 74. Services
- 75. Food at home, food away from home, nondurables less food, and durables
- 76. Food at home
- 77. Durable commodities
- 78. Nondurable commodities: Apparel
- 79. Nondurable commodities other than food and apparel

THREE BASE PERIODS

CHART 36: SERVICES, FOOD, AND ALL COMMODITIES OTHER THAN FOOD

(1957-59=100)

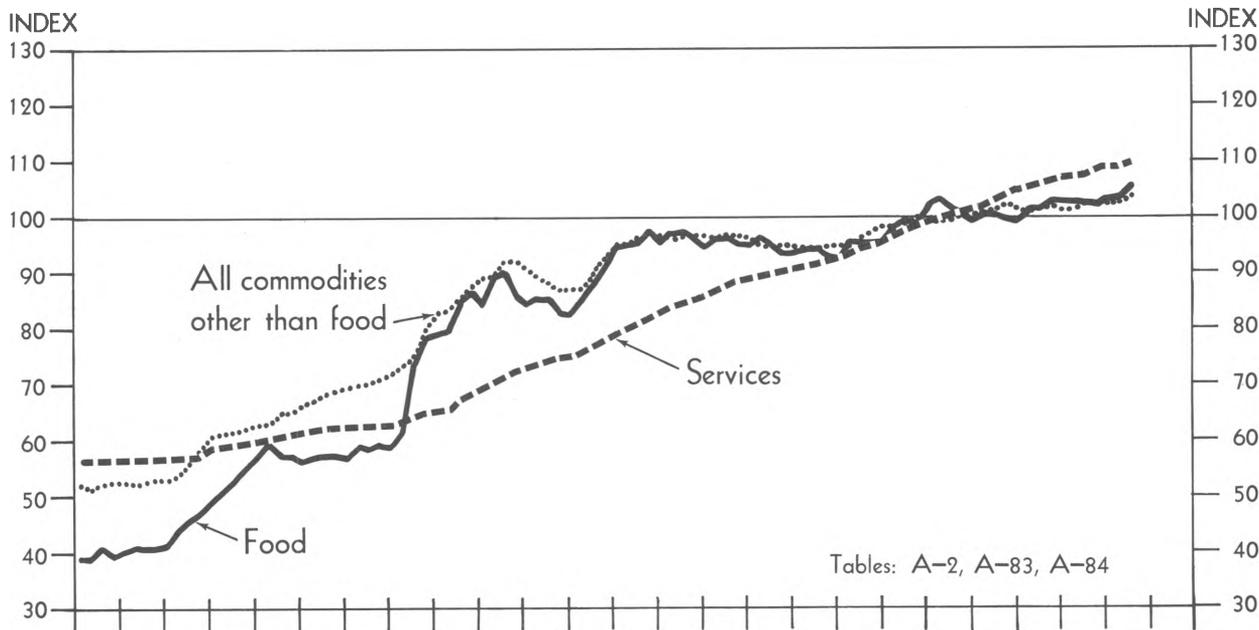
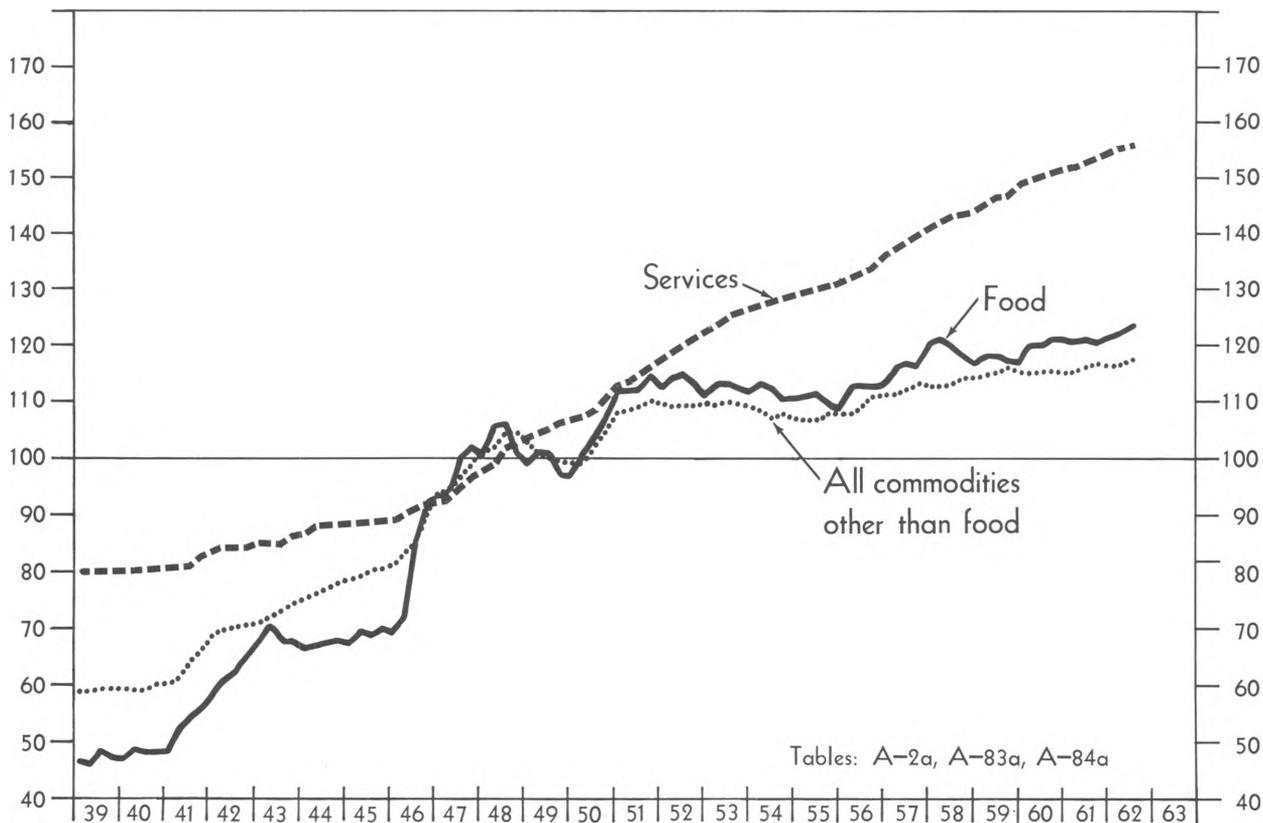


CHART 37: SERVICES, FOOD, AND ALL COMMODITIES OTHER THAN FOOD

(1947-49=100)



THREE BASE PERIODS

CHART 38 : SERVICES, FOOD, AND ALL COMMODITIES OTHER THAN FOOD
(1939=100)



Tables: A-2b, A-83b, A-84b

(1957-59=100)

CHART 39: ALL ITEMS CPI

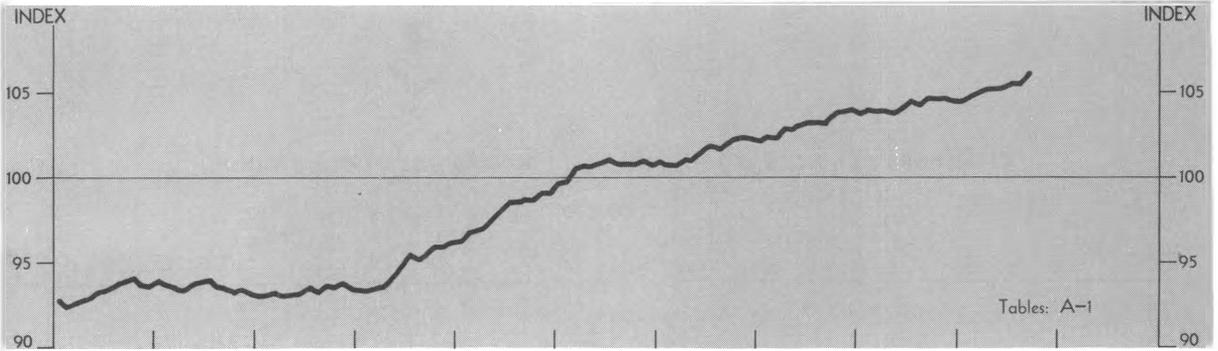


CHART 40: ALL SERVICES AND COMMODITIES

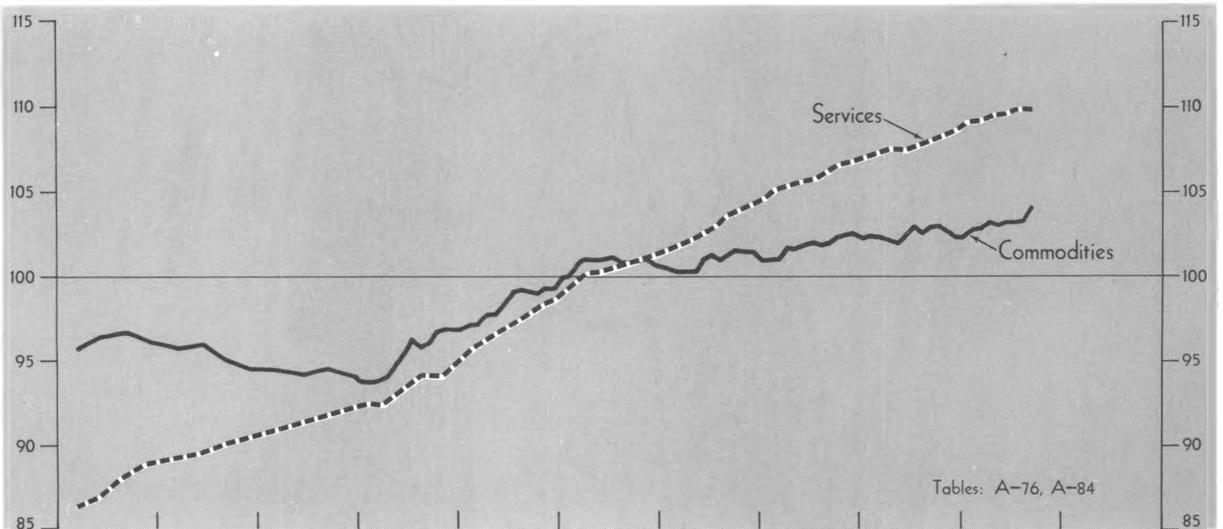
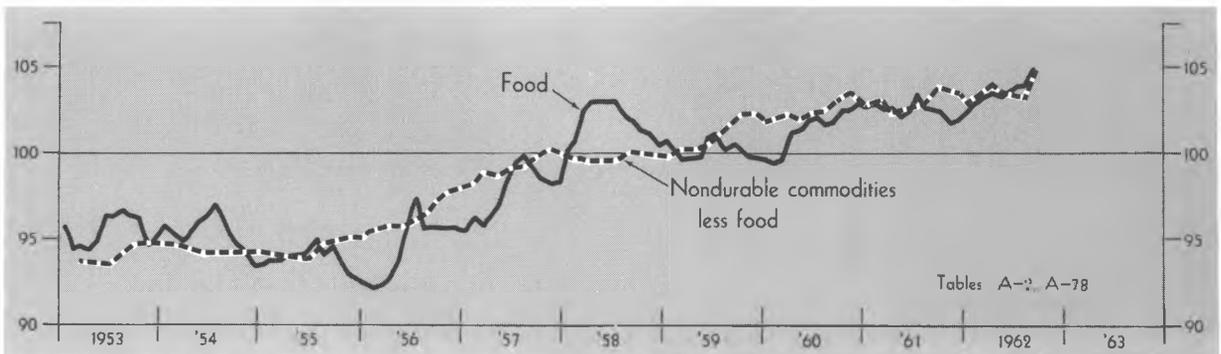


CHART 41: FOOD AND NONDURABLE COMMODITIES LESS FOOD



(1957-59=100)

CHART 42 : NONDURABLES LESS FOOD, DURABLES, AND DURABLES LESS CARS

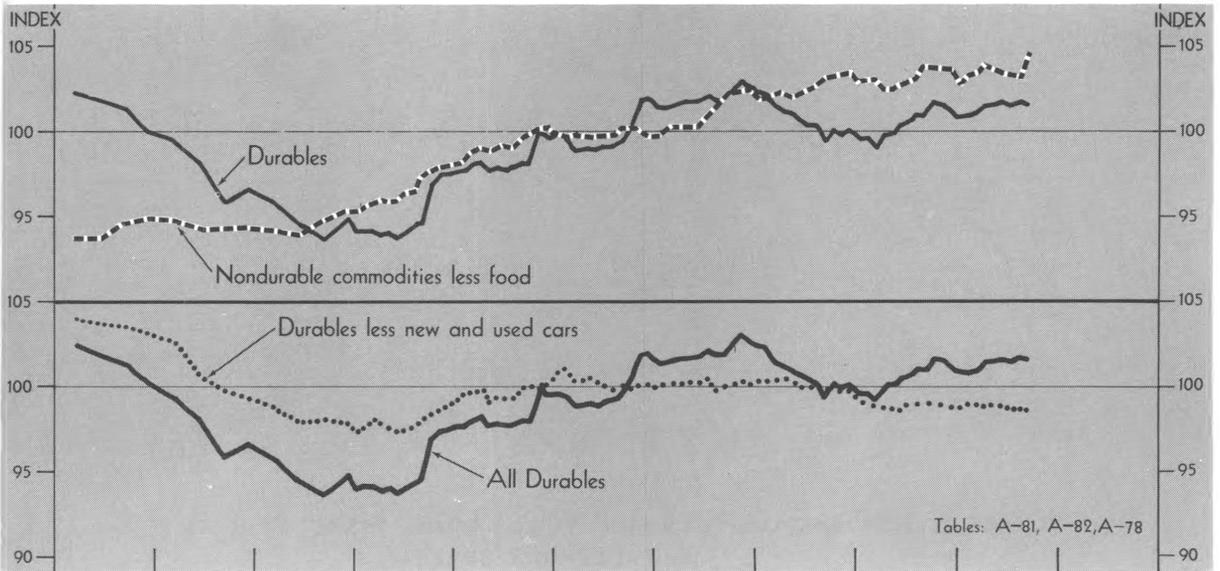
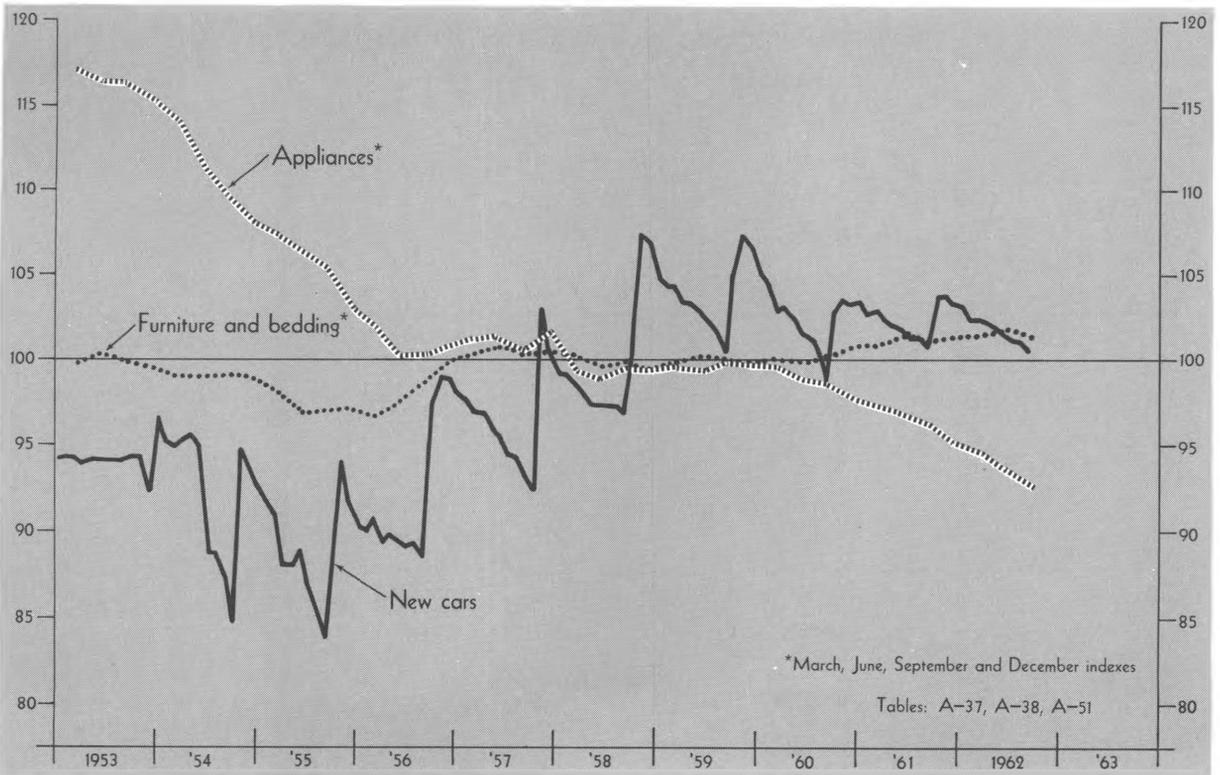


CHART 43 : DURABLES: NEW CARS, APPLIANCES, AND FURNITURE AND BEDDING



(1957-59=100)

CHART 44 : APPAREL, AND ALL NONDURABLES LESS FOOD AND APPAREL

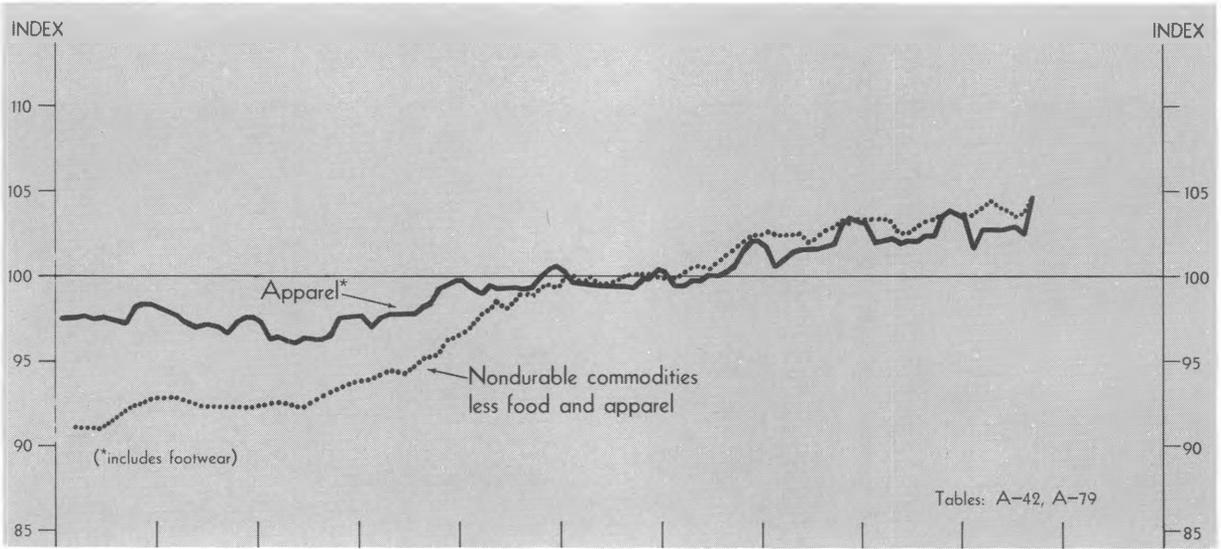
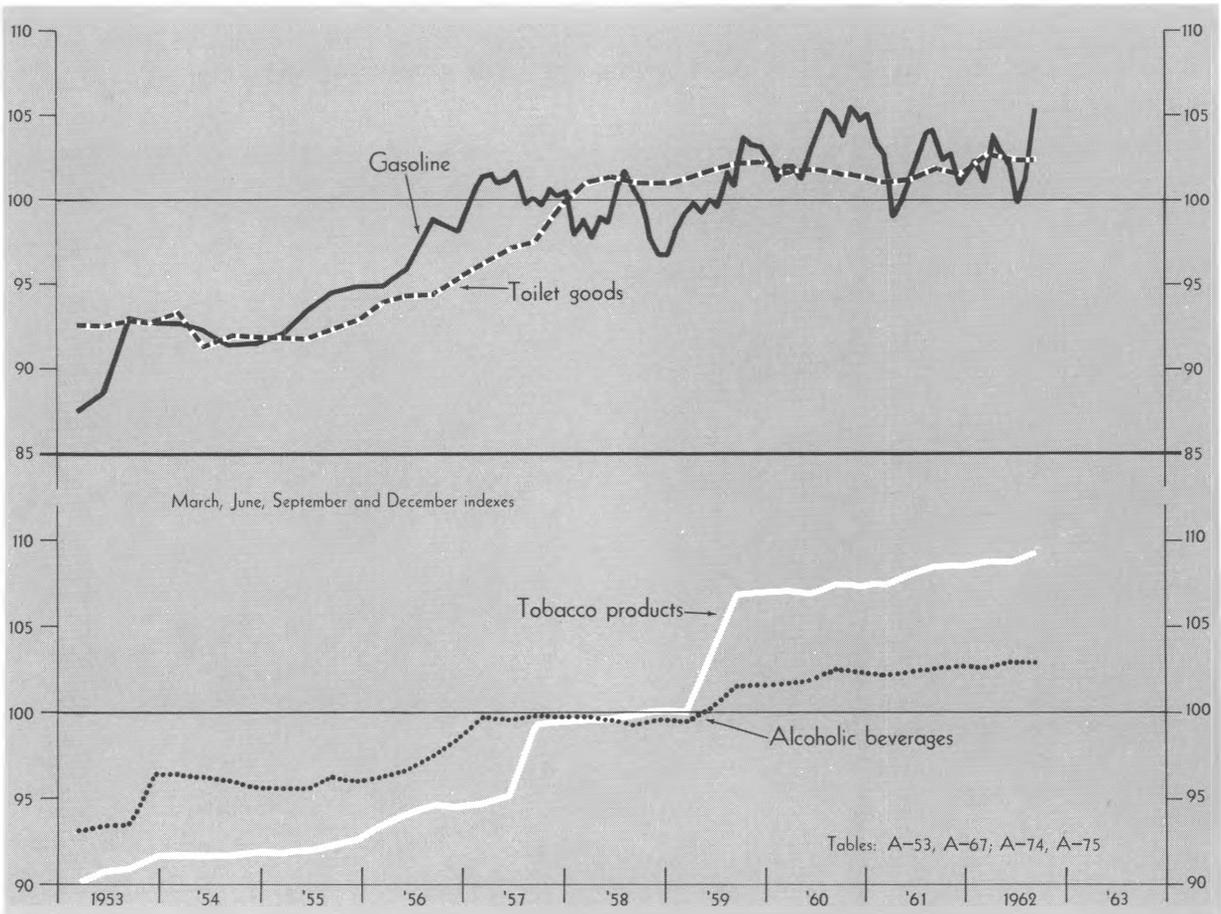
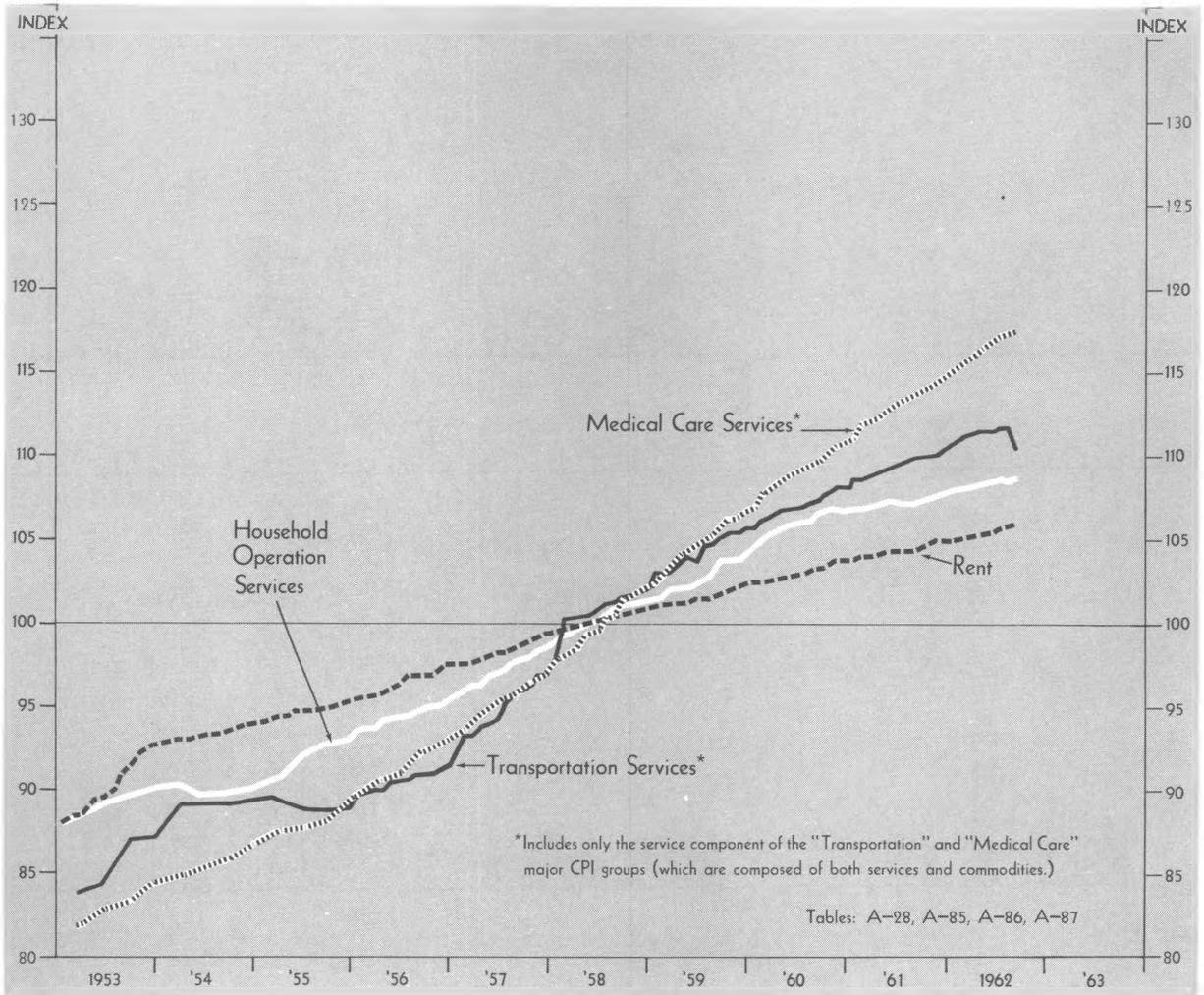


CHART 45 : NONDURABLES: GASOLINE, TOILET GOODS, TOBACCO PRODUCTS AND ALCOHOLIC BEVERAGES



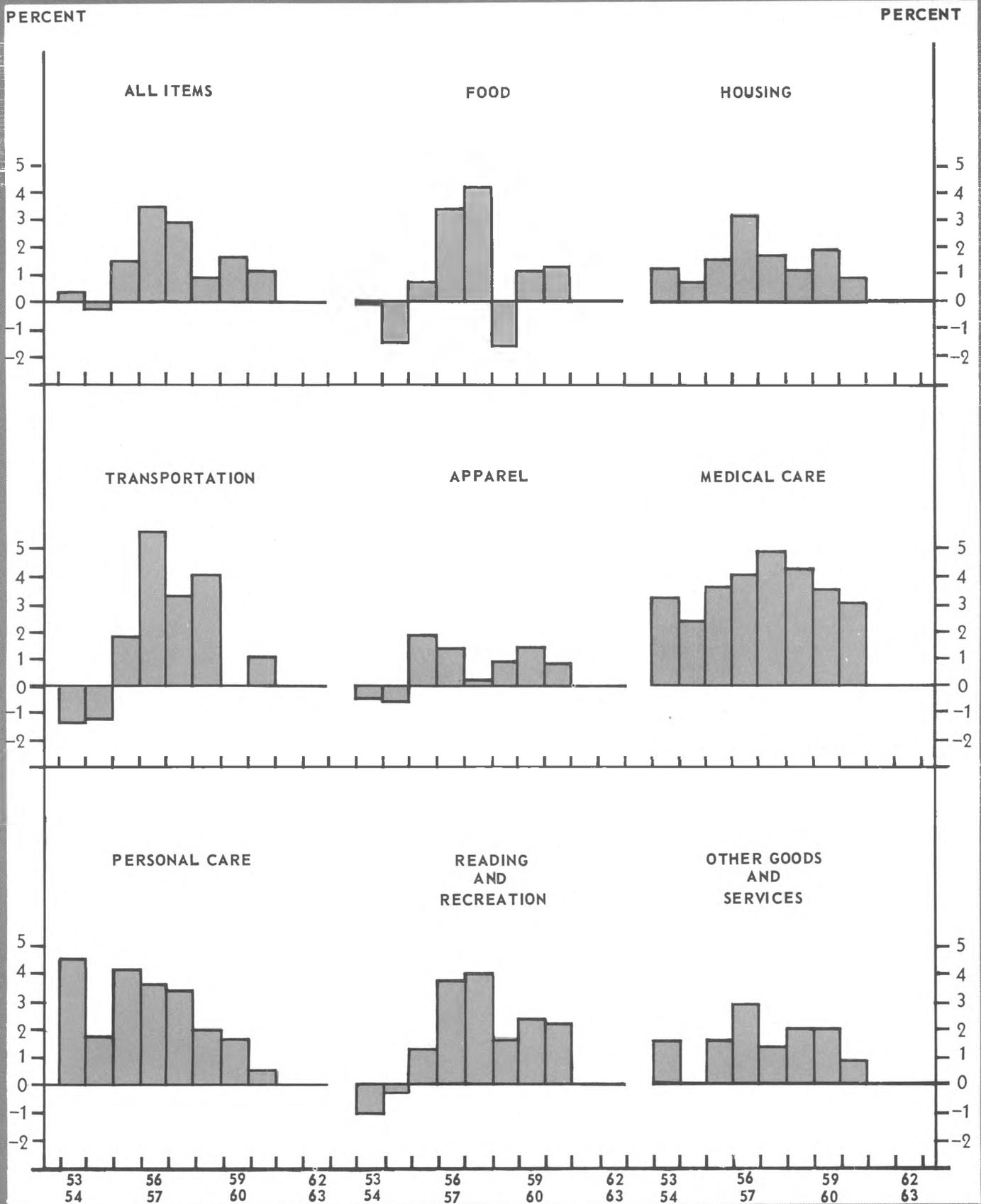
(1957-59=100)
CHART 46 : SERVICES: TRANSPORTATION, MEDICAL CARE, HOUSEHOLD OPERATION, AND RENT



YEAR-TO-YEAR CHANGES, SINCE 1953
 (Percent changes in annual averages)



YEAR-TO-YEAR CHANGES FOR ALL ITEMS AND FOR EACH MAJOR GROUP
(Percent changes in annual averages)



(1957-59=100)

CHART 48: FOOD, HOUSING AND TRANSPORTATION

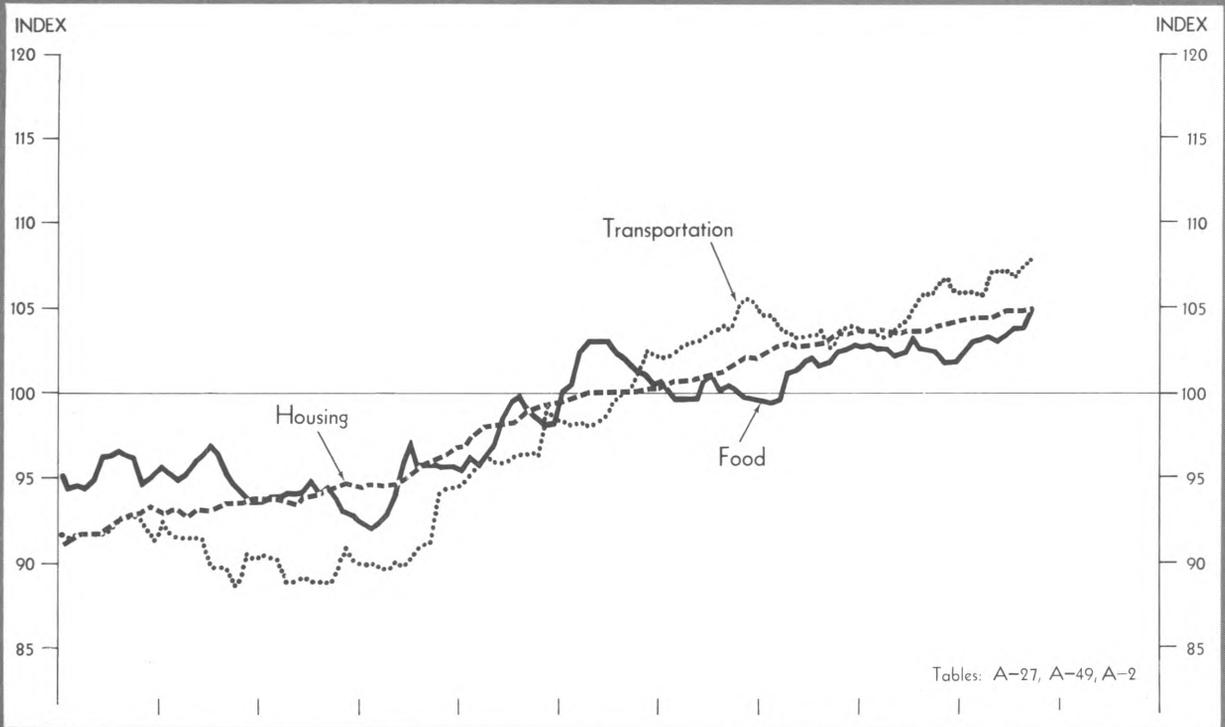
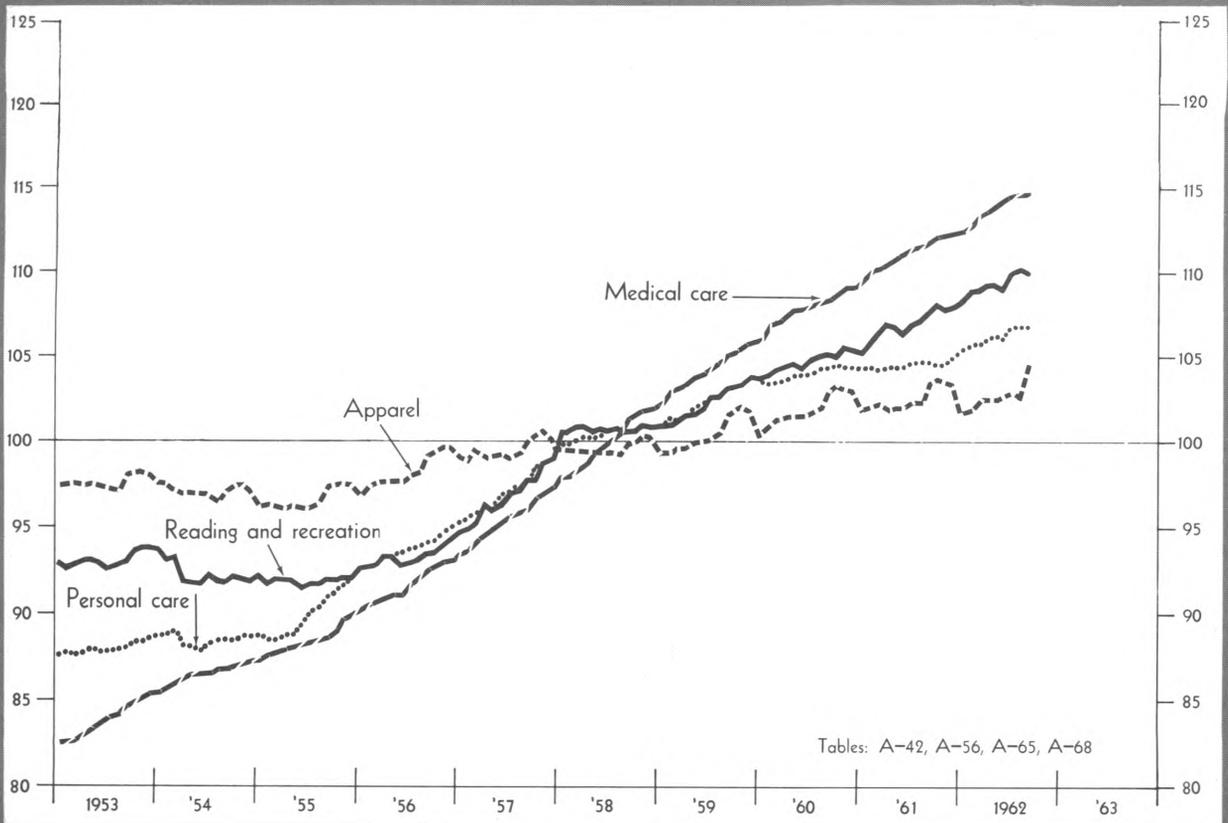
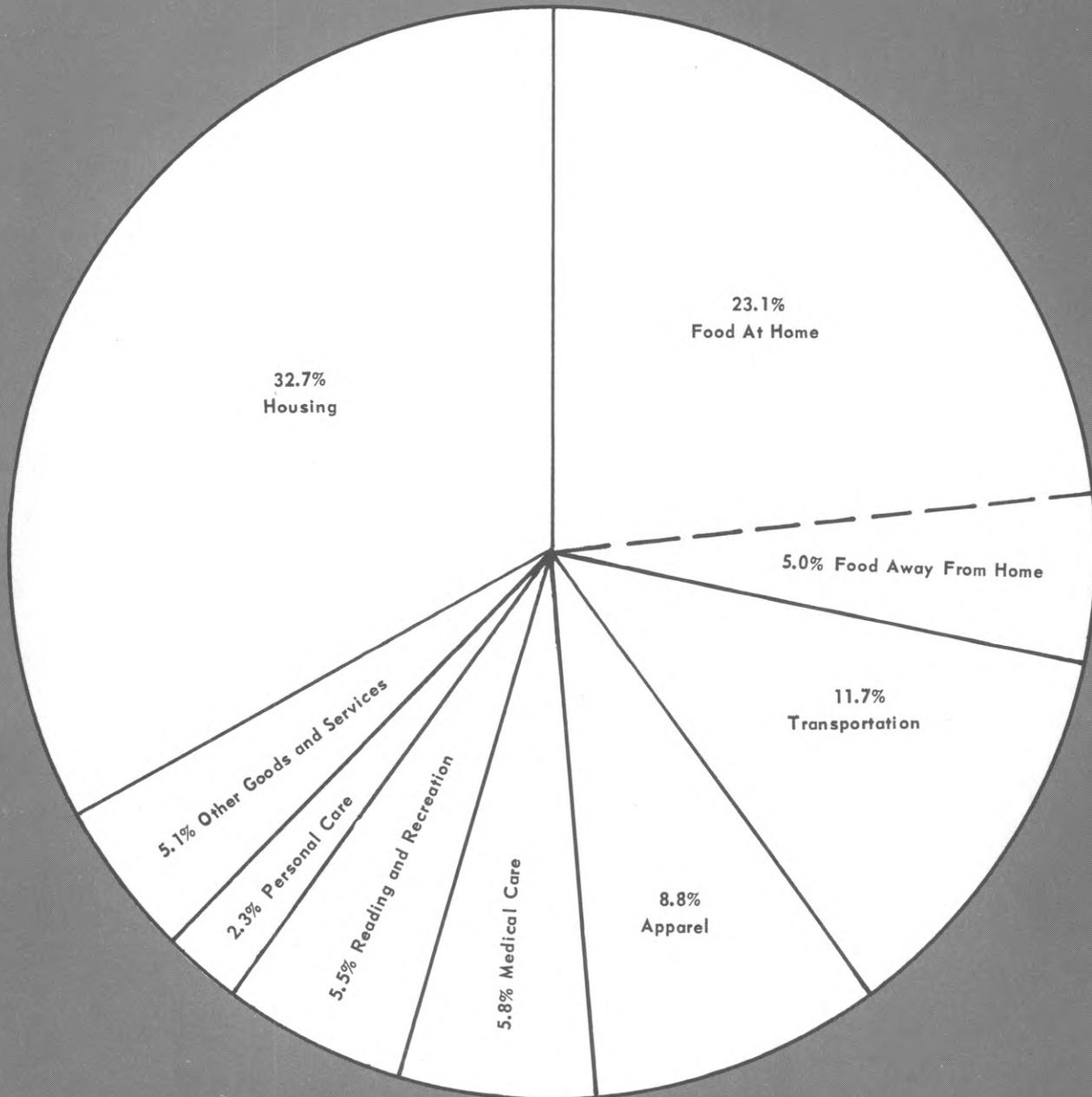


CHART 49: APPAREL, MEDICAL CARE, READING AND RECREATION, AND PERSONAL CARE



RELATIVE IMPORTANCE OF MAJOR CPI GROUPS
(DECEMBER, 1961)



(1957-59=100)

CHART 50 : FOOD AT HOME, AND FOOD AWAY FROM HOME

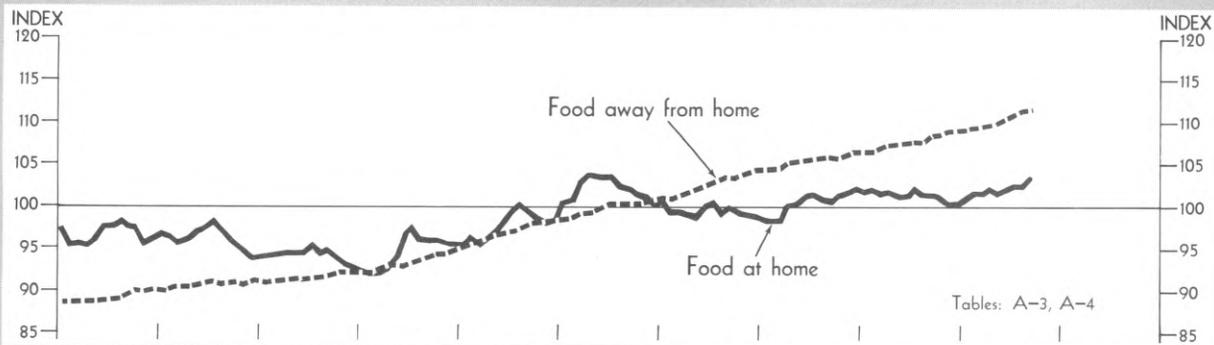


CHART 51 : MEATS, POULTRY, AND FISH

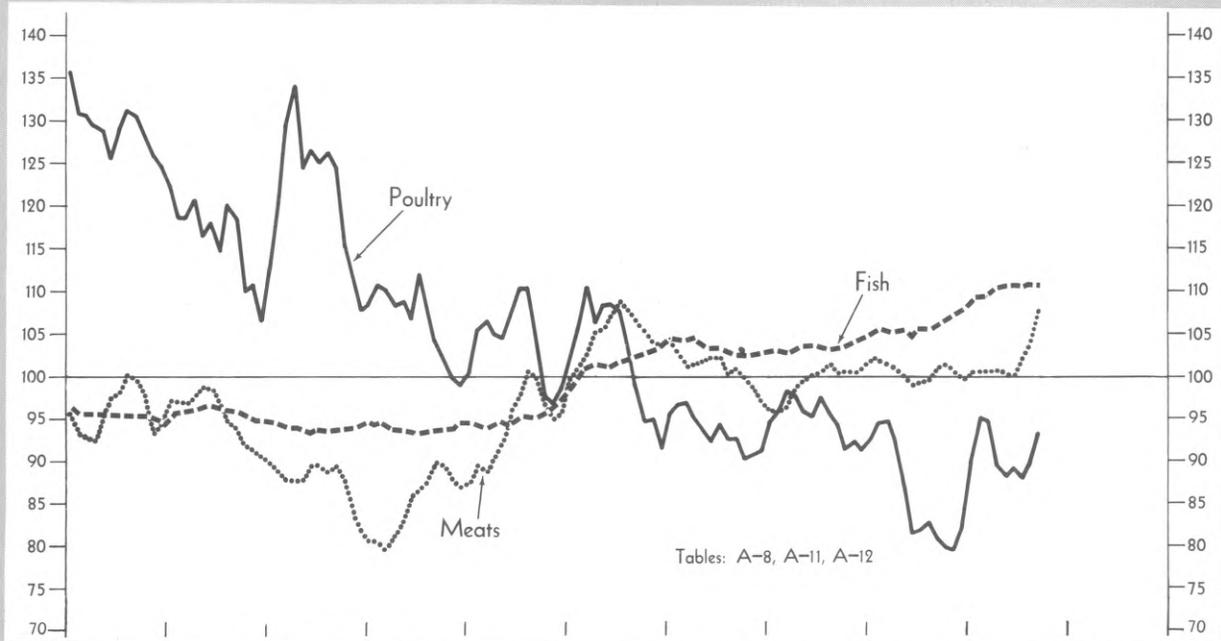
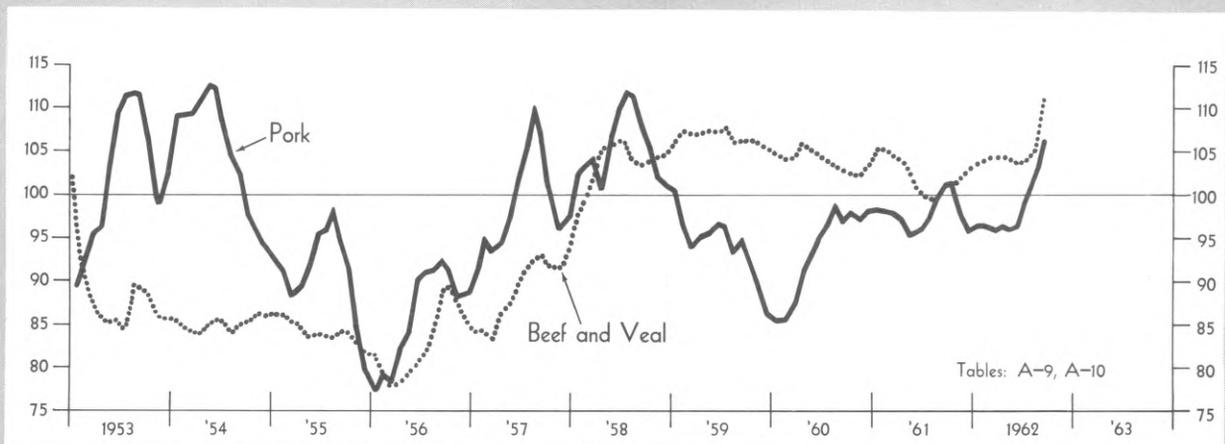


CHART 52 : BEEF AND VEAL, AND PORK



(1957-59=100)

CHART 53: ALL FRUITS AND VEGETABLES, AND ALL DAIRY PRODUCTS

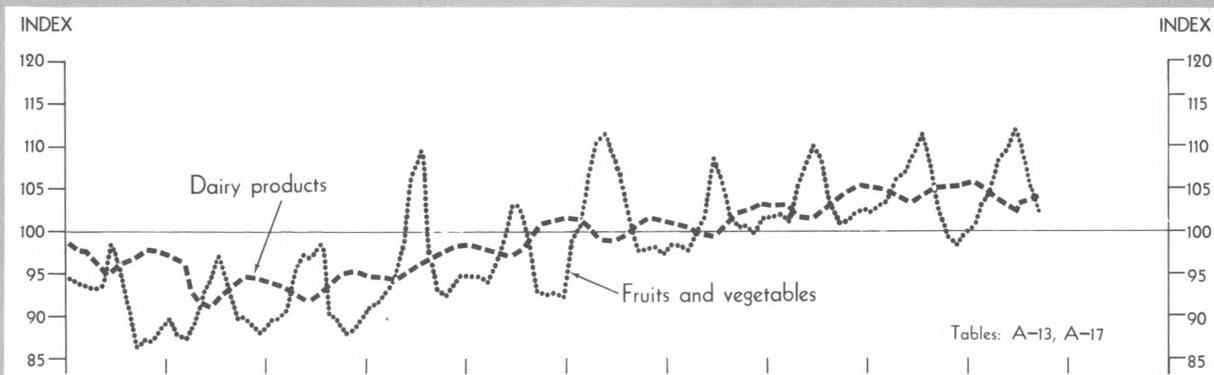


CHART 54: FRUITS AND VEGETABLES - FRESH AND CANNED

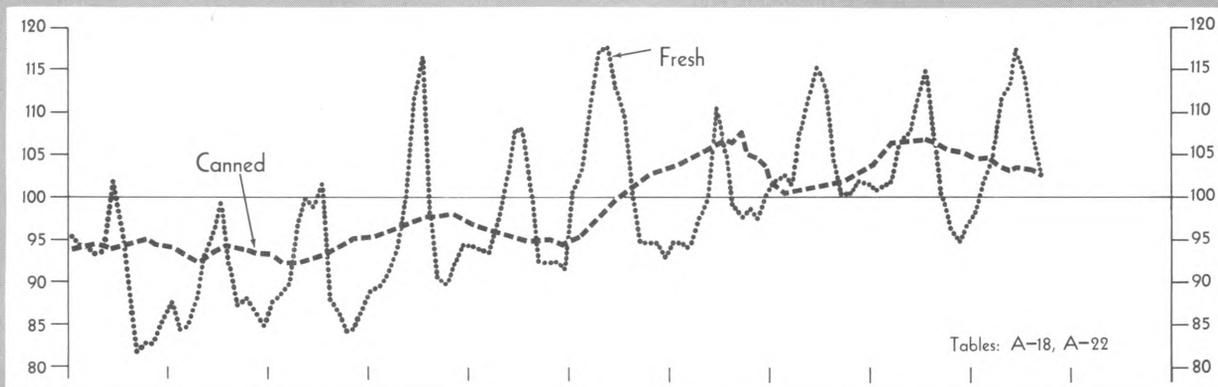
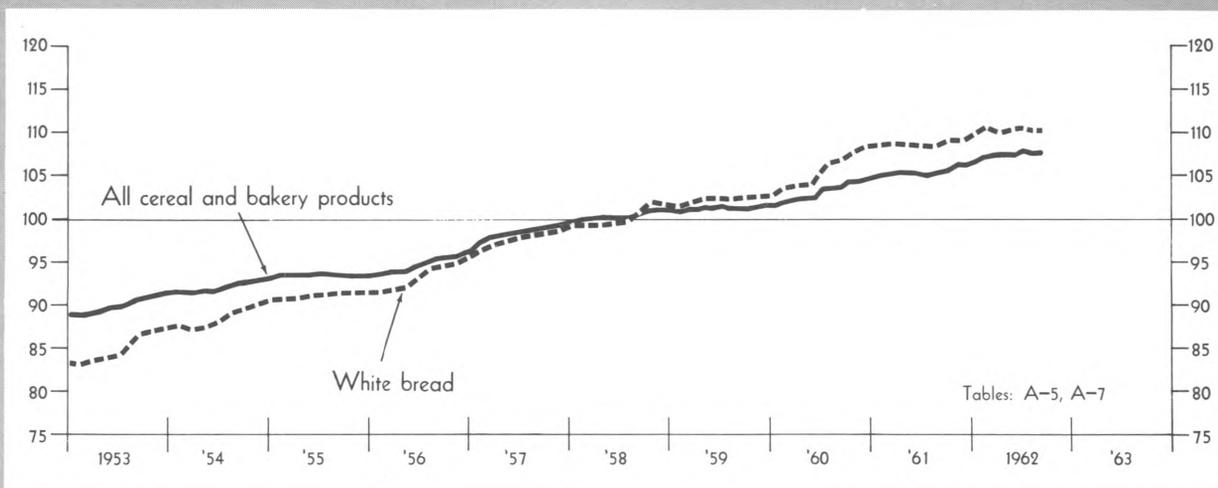


CHART 55: ALL CEREAL AND BAKERY PRODUCTS, AND BREAD



(1957-59=100)

CHART 56 : MARGARINE, AND SELECTED DAIRY PRODUCTS: MILK, CHEESE, AND BUTTER

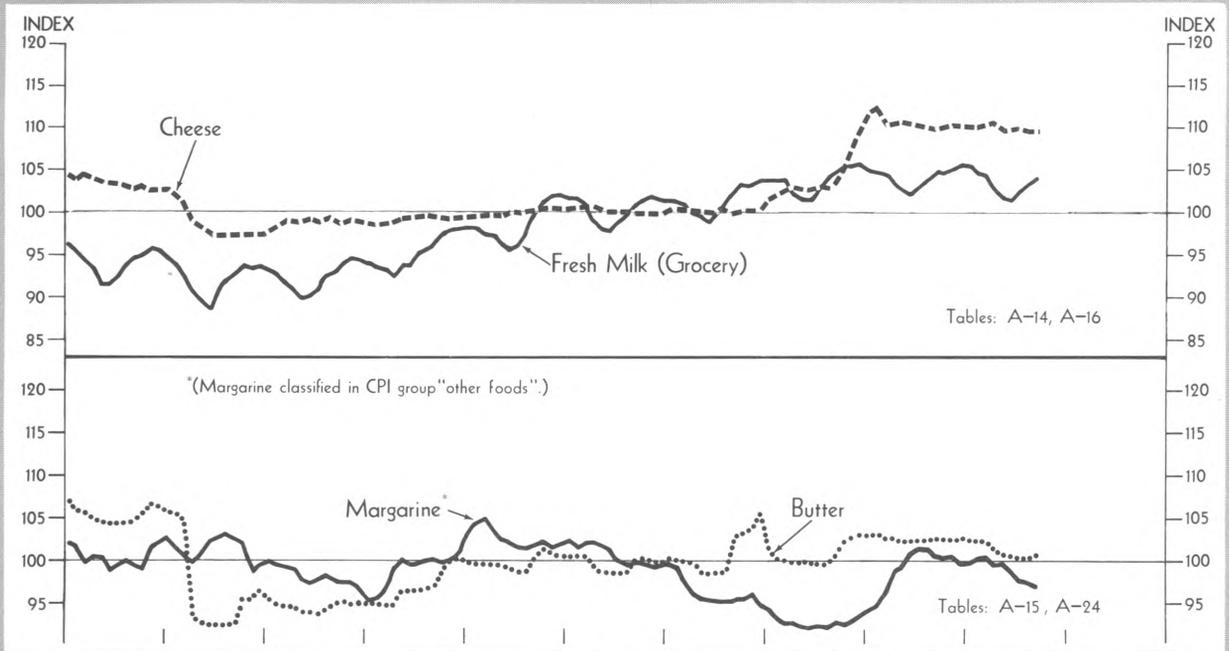
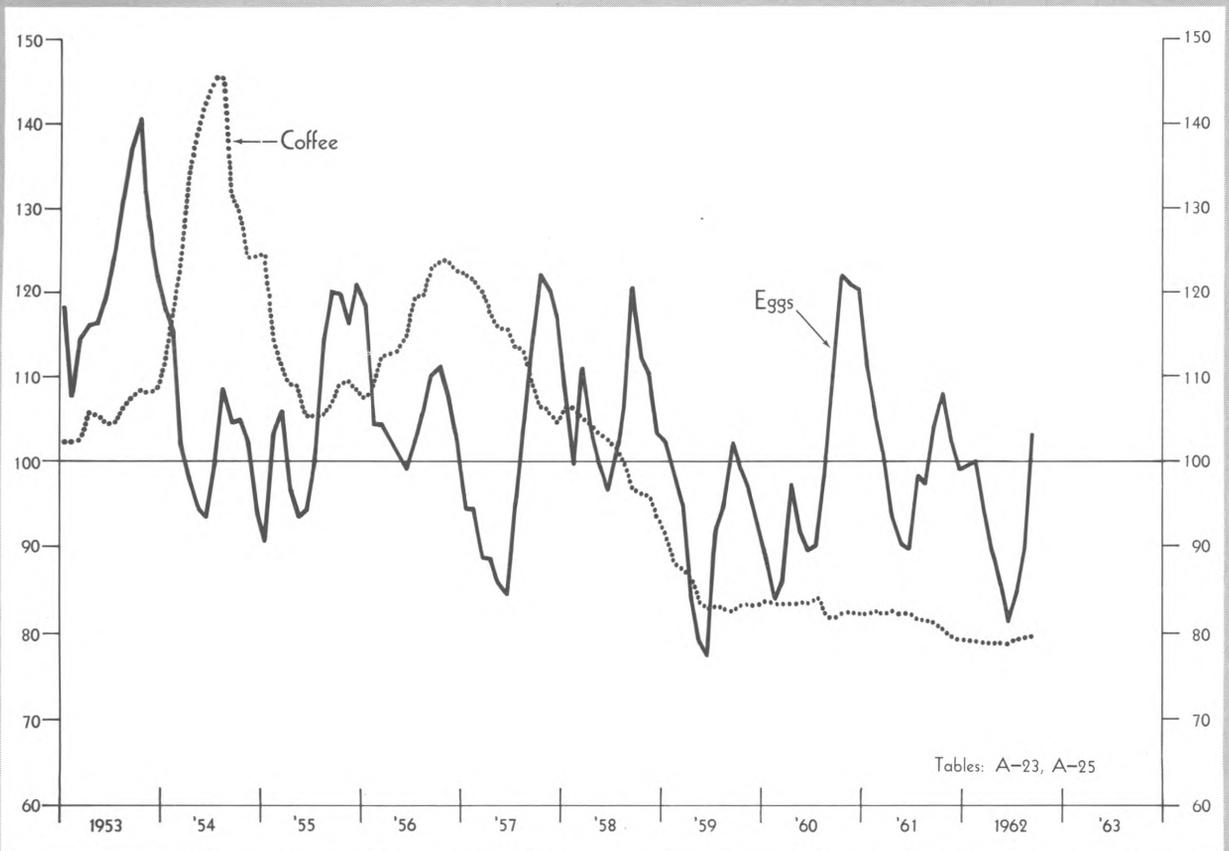


CHART 57 : EGGS, AND COFFEE



(1957-59=100)

CHART 58: ALL HOUSING, HOUSEHOLD OPERATION, AND HOUSEFURNISHINGS

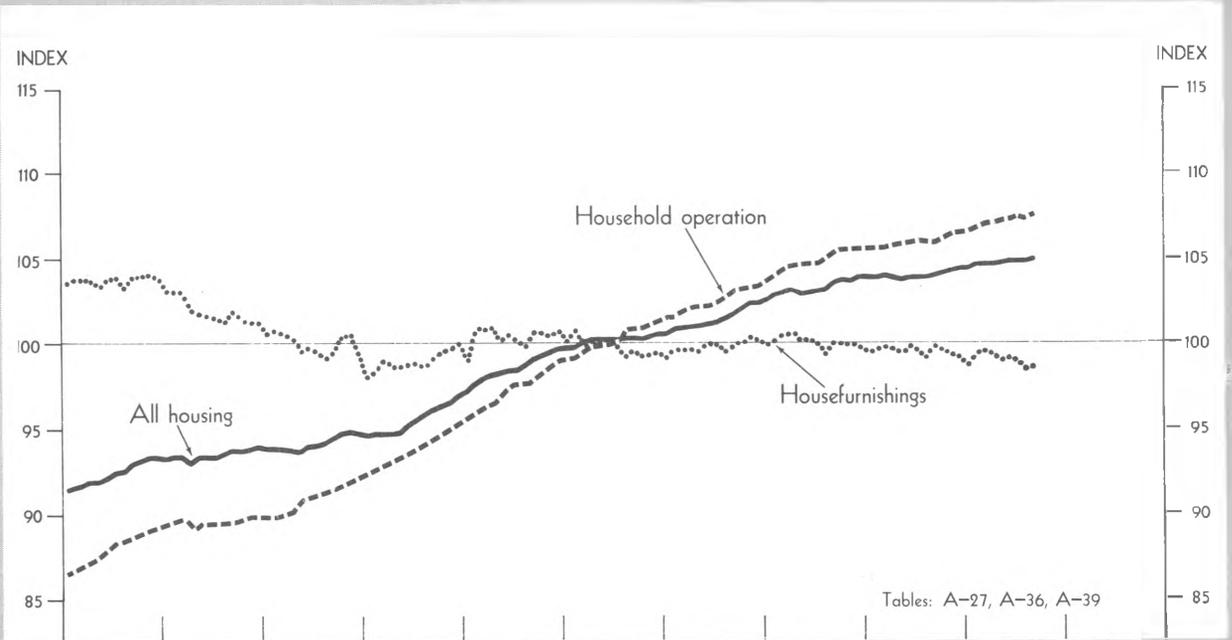
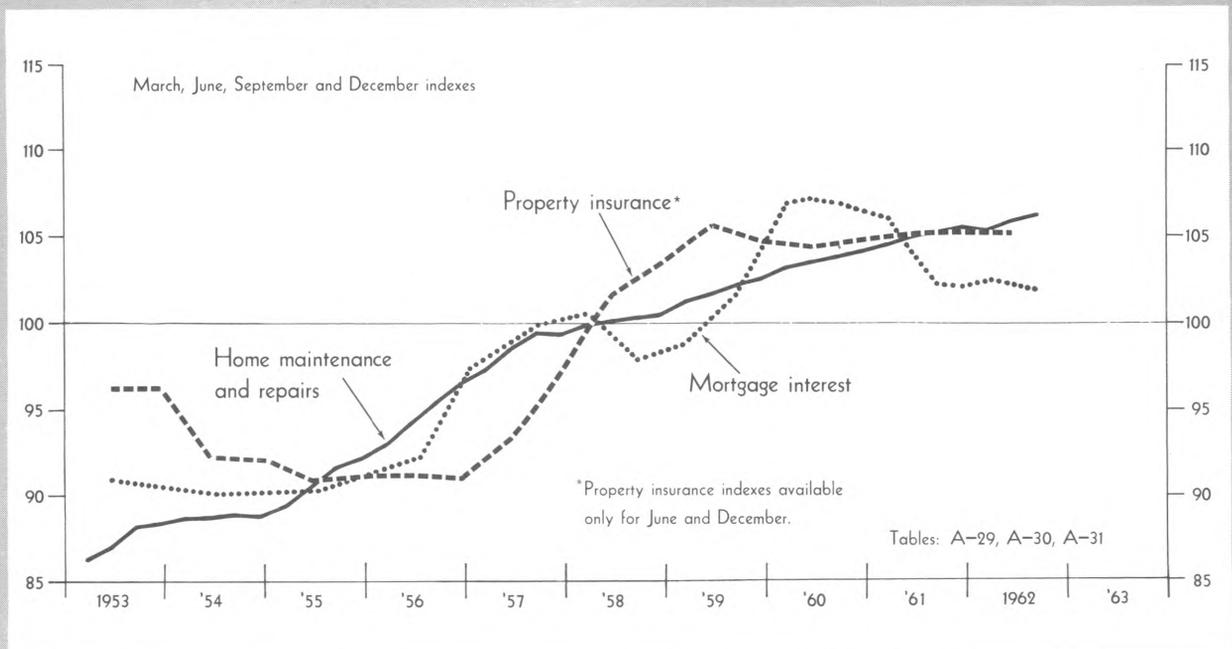


CHART 59: SELECTED HOME-OWNER COSTS: FIRST MORTGAGE INTEREST RATES, PROPERTY INSURANCE RATES, AND HOME MAINTENANCE AND REPAIRS



(1957-59=100)
CHART 60 : RENT, GAS, AND ELECTRICITY

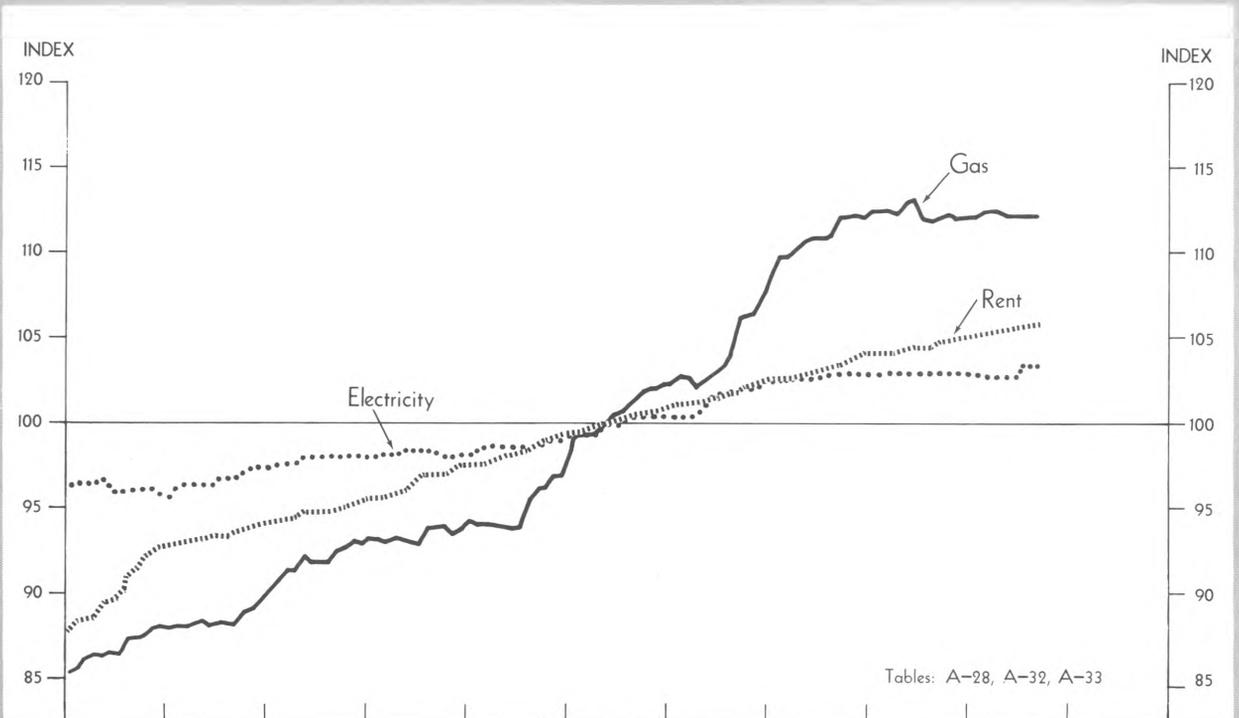
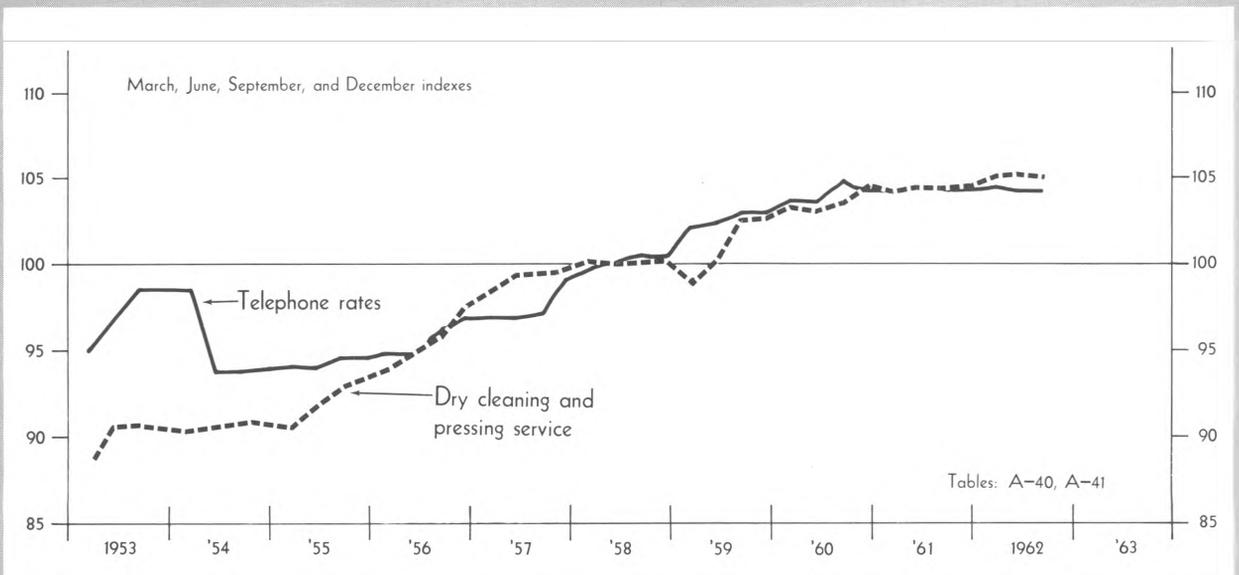


CHART 61 : HOUSEHOLD OPERATION: TELEPHONE RATES, AND DRY CLEANING AND PRESSING SERVICE



(1957-59=100)

CHART 62 : ALL TRANSPORTATION, AND PUBLIC TRANSPORTATION

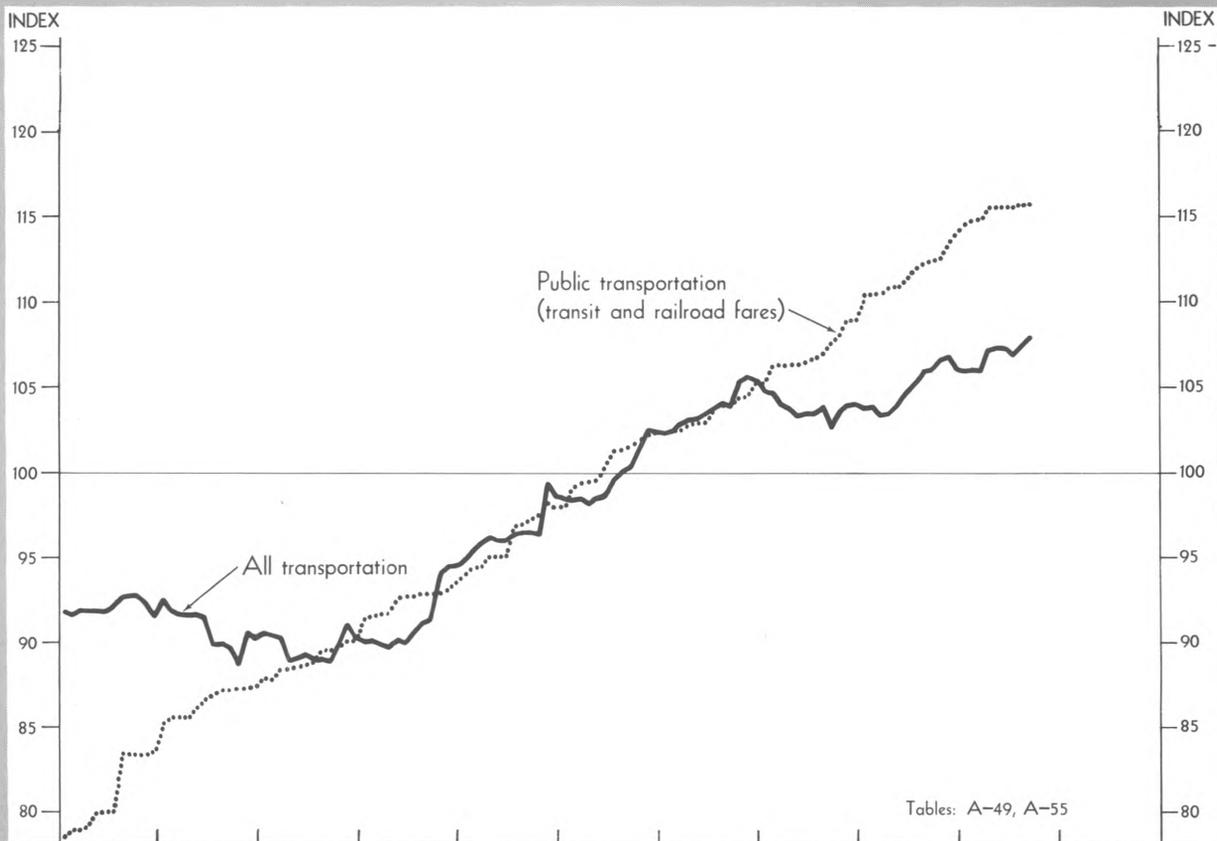
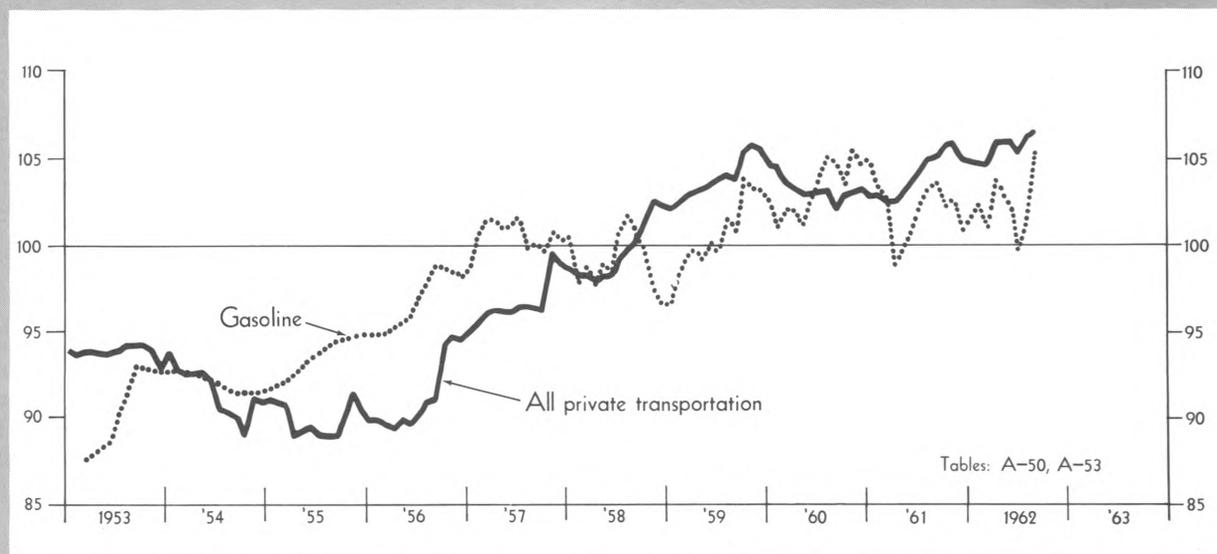
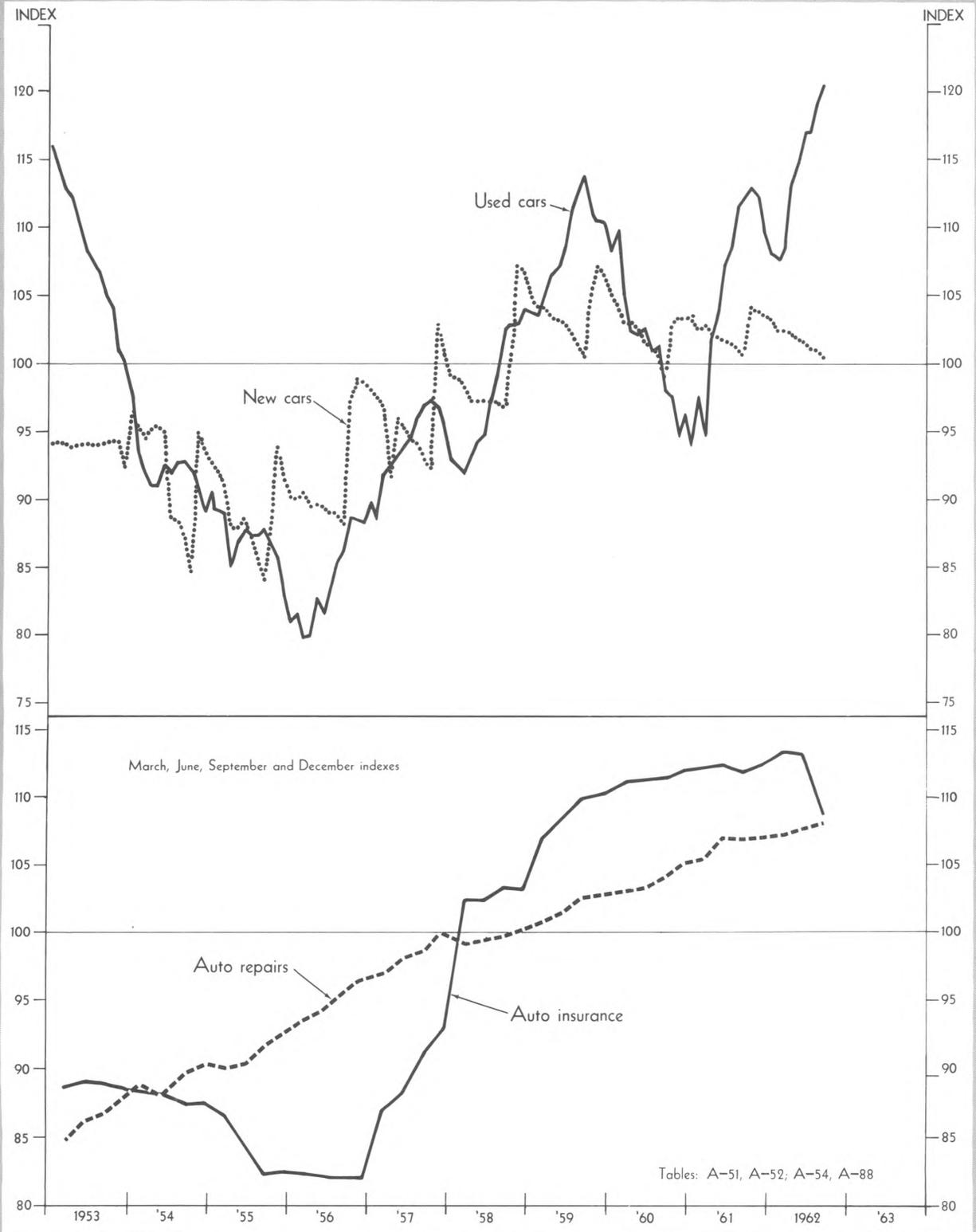


CHART 63 : ALL PRIVATE TRANSPORTATION, AND GASOLINE



(1957-59=100)

CHART 64 : PRIVATE TRANSPORTATION: NEW CARS, USED CARS, AUTO REPAIRS AND INSURANCE



(1957-59=100)

CHART 65: ALL APPAREL, AND FOOTWEAR

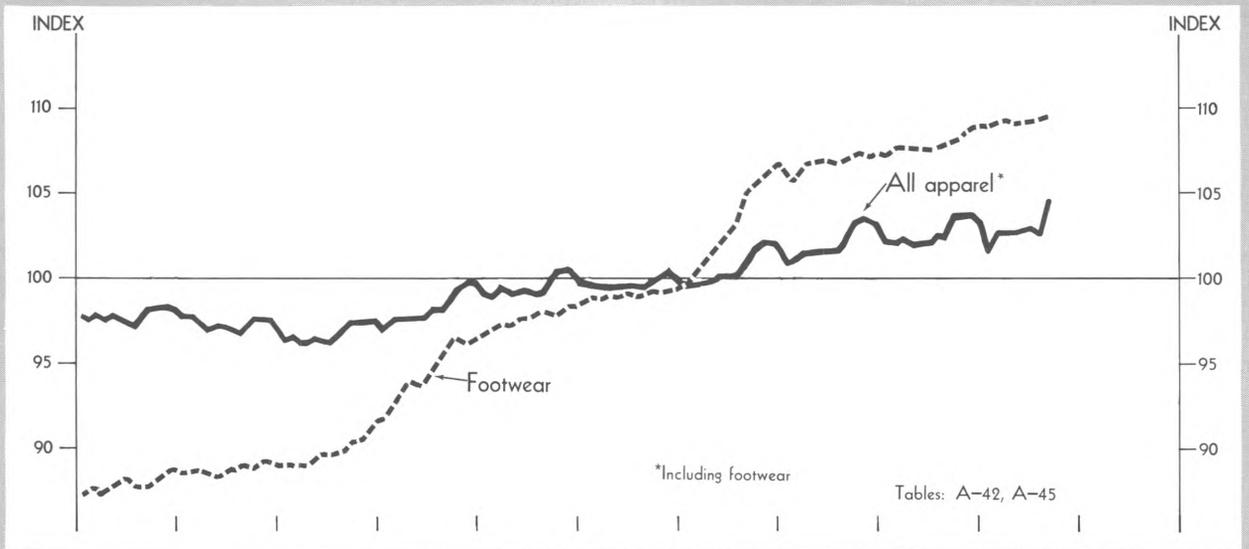


CHART 66: MEN'S AND BOYS' APPAREL, AND WOMEN'S AND GIRLS' APPAREL

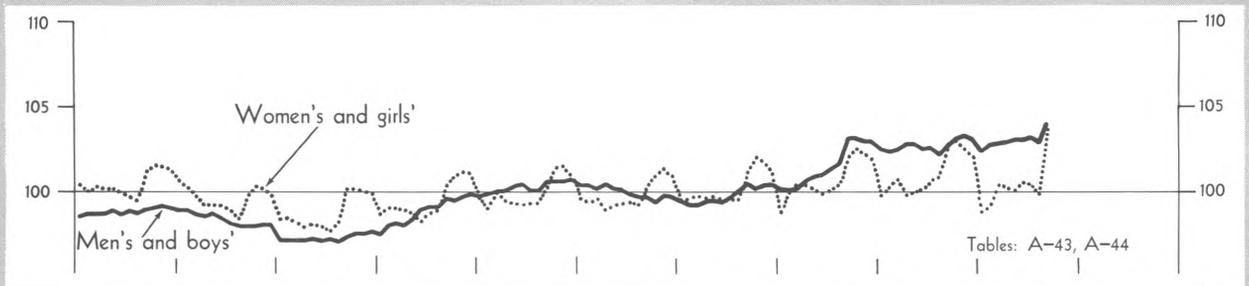
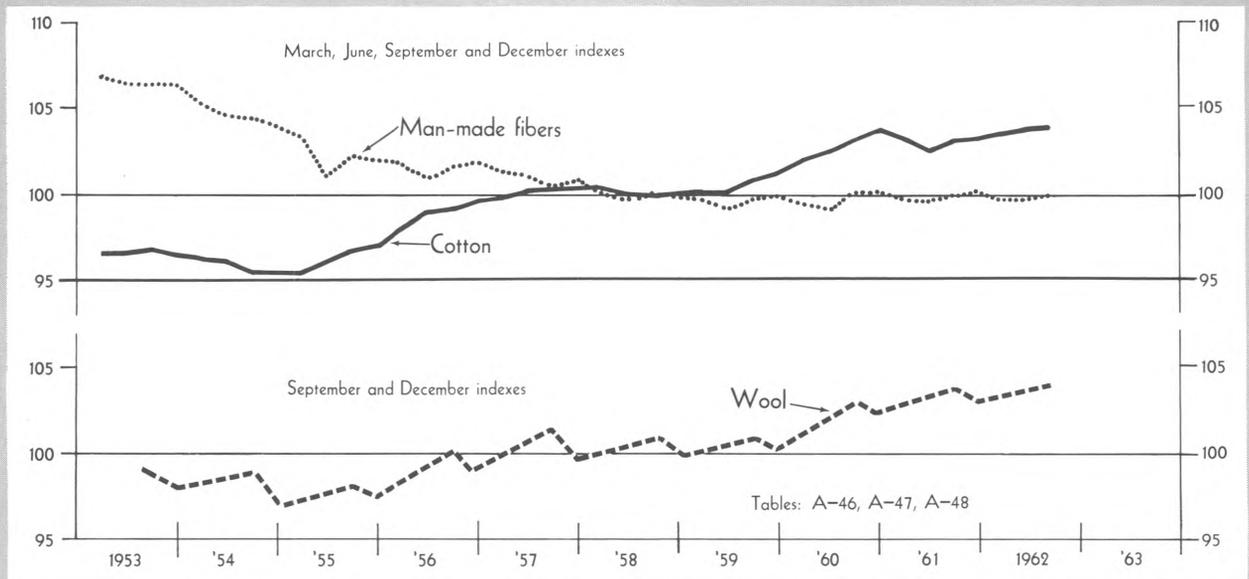
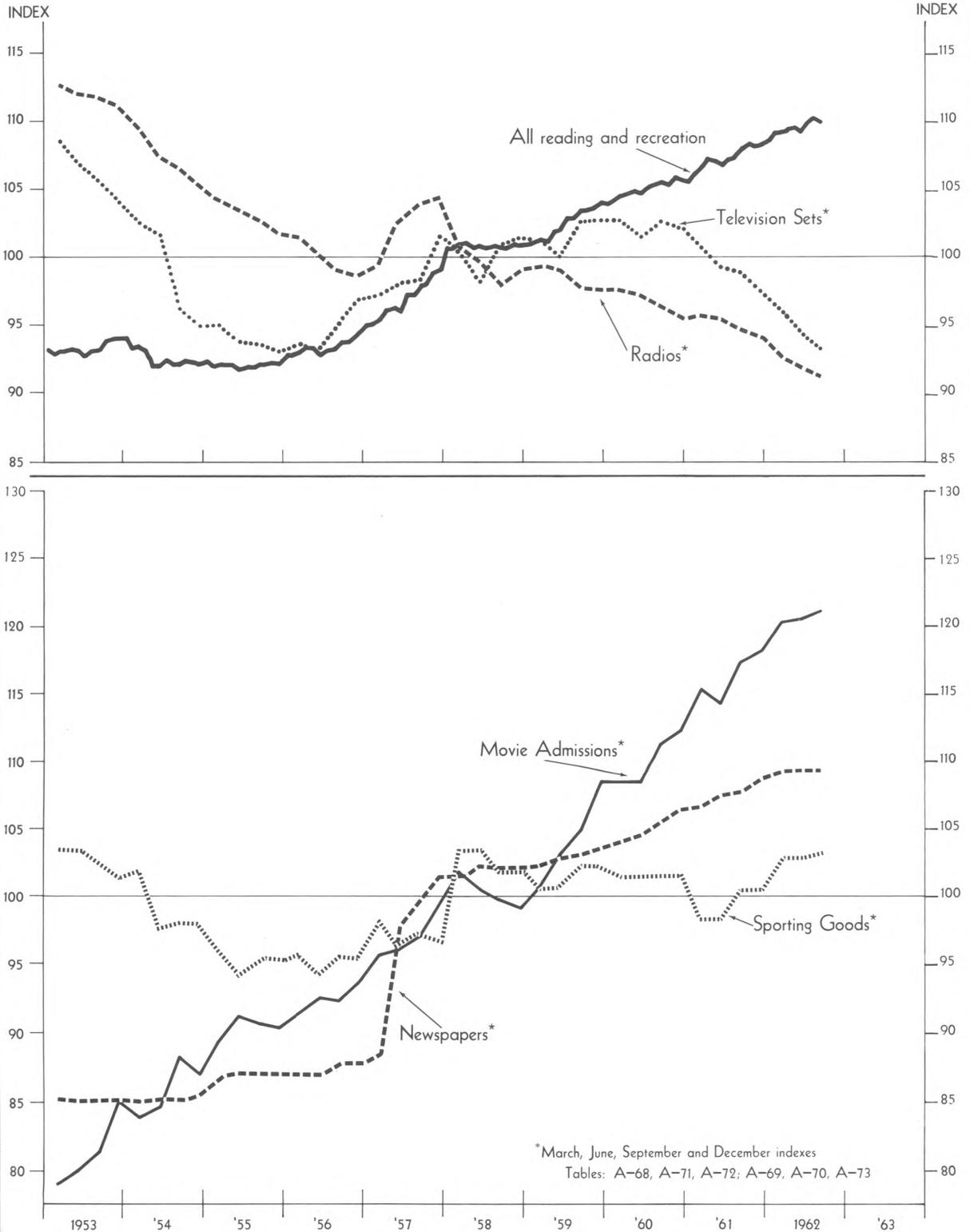


CHART 67: APPAREL, BY TYPE OF FABRIC: COTTON, MAN-MADE FIBERS, AND WOOL



(1957-59=100)

CHART 68 : ALL READING AND RECREATION, TV SETS, RADIOS, MOTION PICTURES, NEWSPAPERS, AND SPORTING GOODS



* March, June, September and December indexes
Tables: A-68, A-71, A-72; A-69, A-70, A-73

(1957-59=100)

CHART 69: ALL MEDICAL CARE, AND PRESCRIPTIONS AND DRUGS

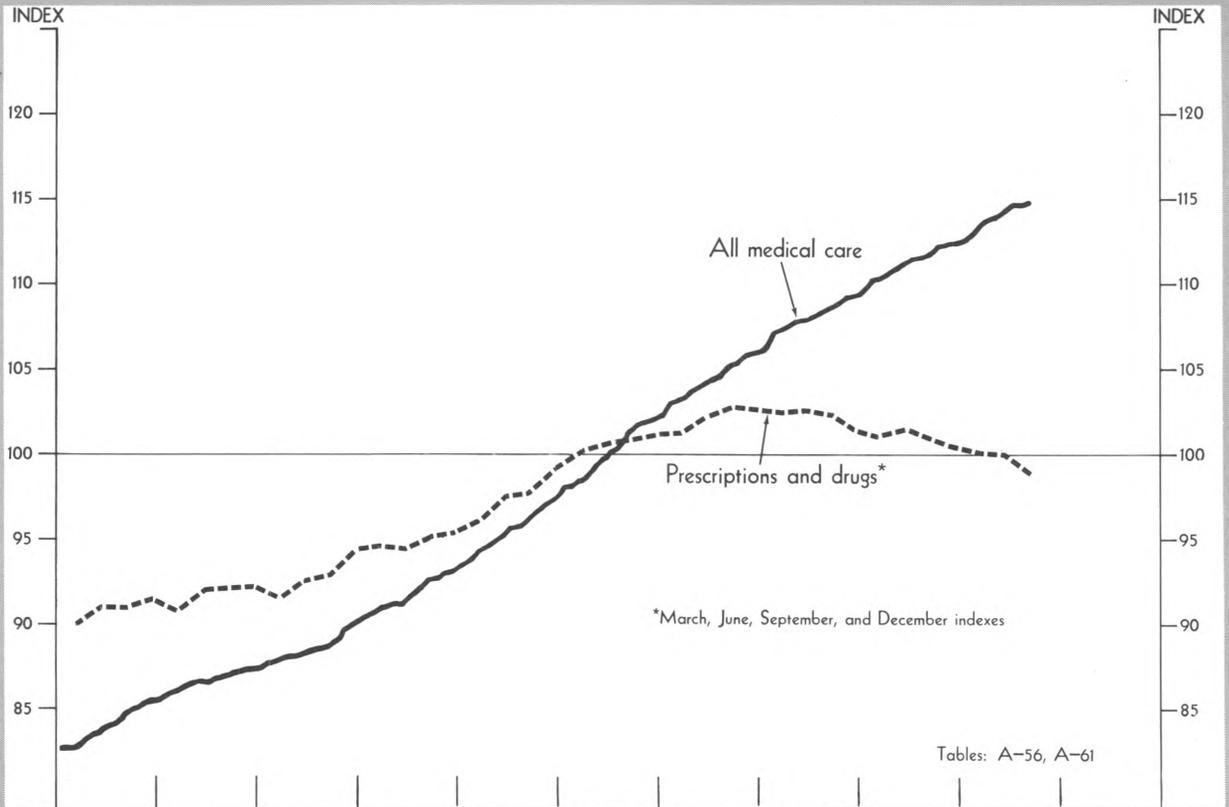
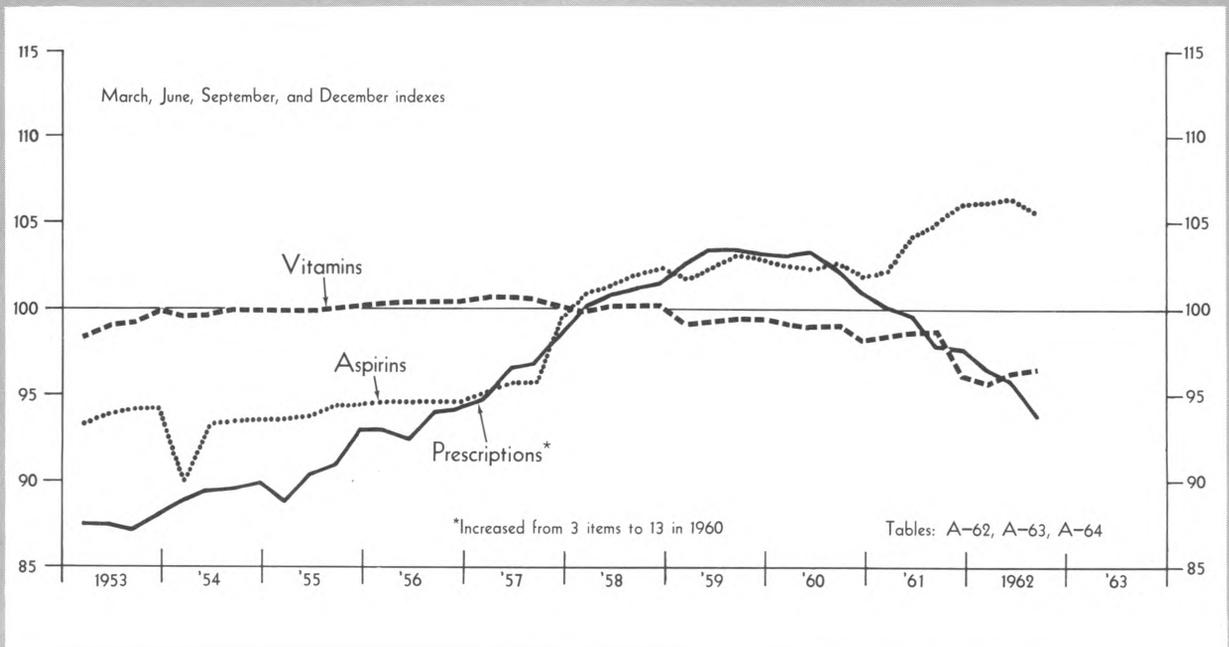


CHART 70: PRESCRIPTIONS, ASPIRINS, AND VITAMINS



(1957-59=100)

CHART 71 : SERVICES: HOSPITALIZATION, HOSPITAL RATES, PHYSICIANS' AND DENTISTS' FEES

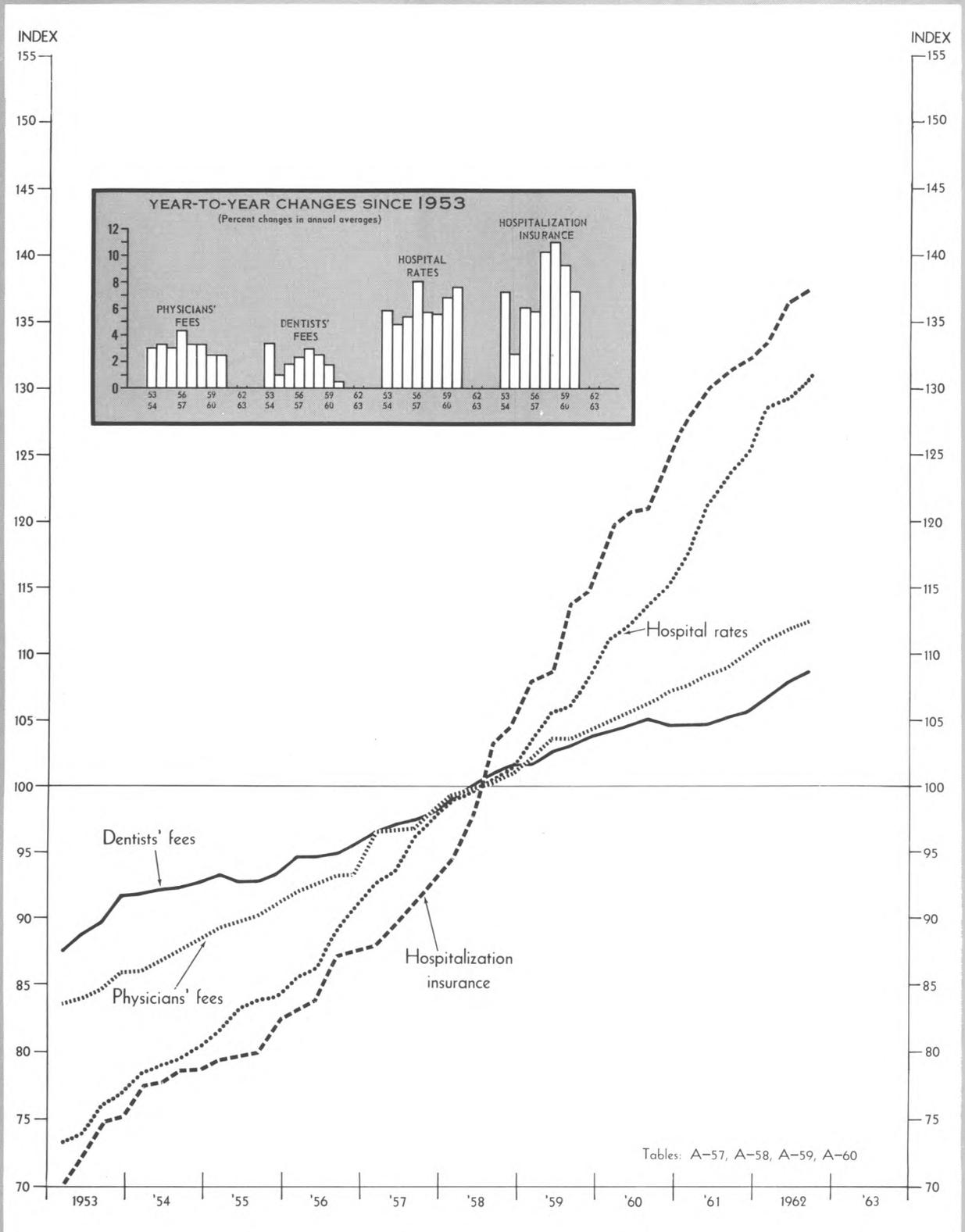


CHART 72 : MAJOR GROUPS

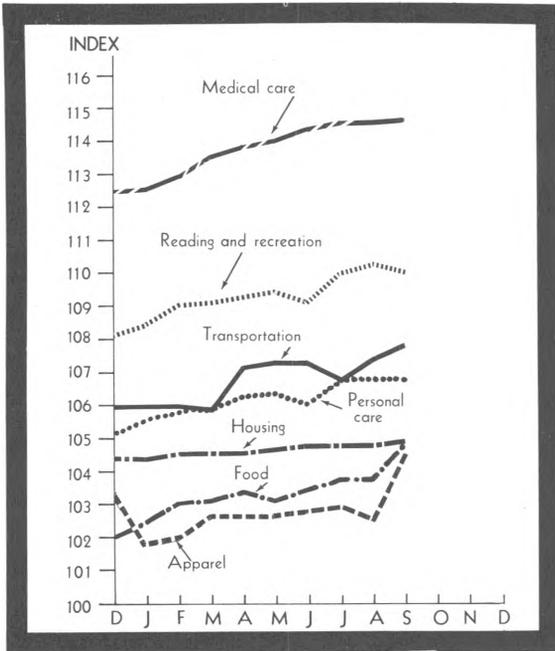


CHART 74 : SERVICES

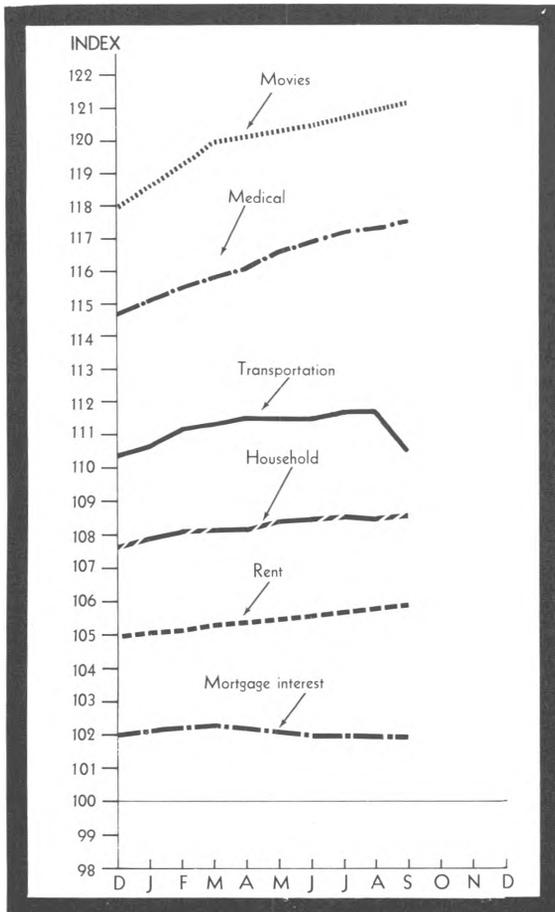


CHART 73 : ALL ITEMS, SERVICES, FOOD, AND ALL COMMODITIES LESS FOOD (1957-59=100)

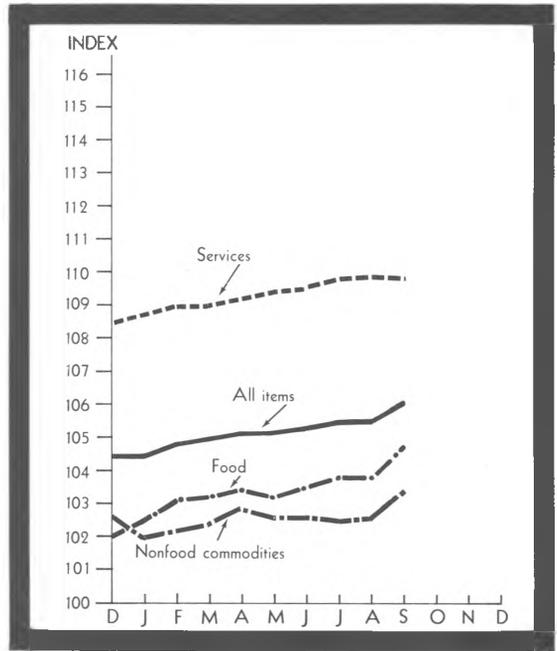


CHART 75 : FOOD AT HOME, FOOD AWAY FROM HOME, NONDURABLES LESS FOOD, AND DURABLES

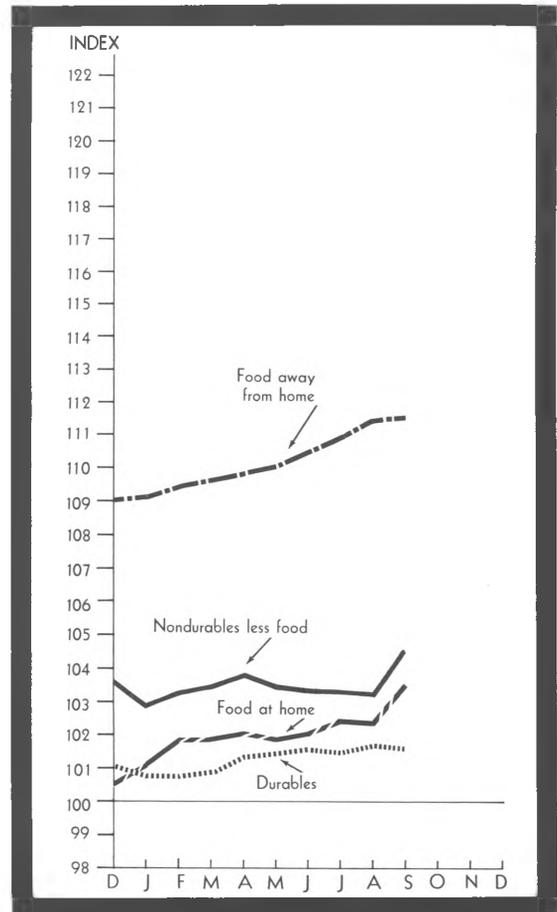


CHART 76: FOOD AT HOME

(1957-59=100)

CHART 77: DURABLES

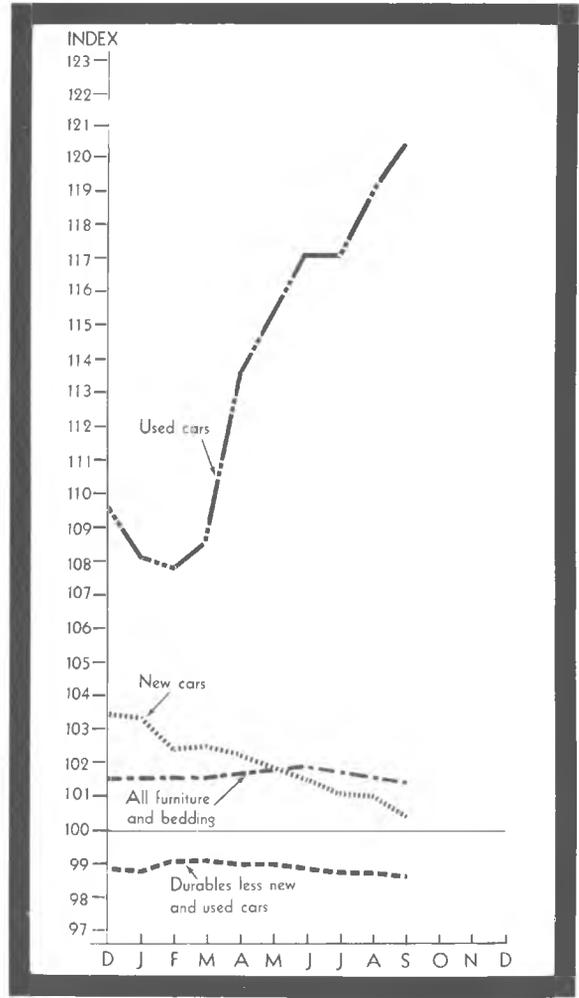
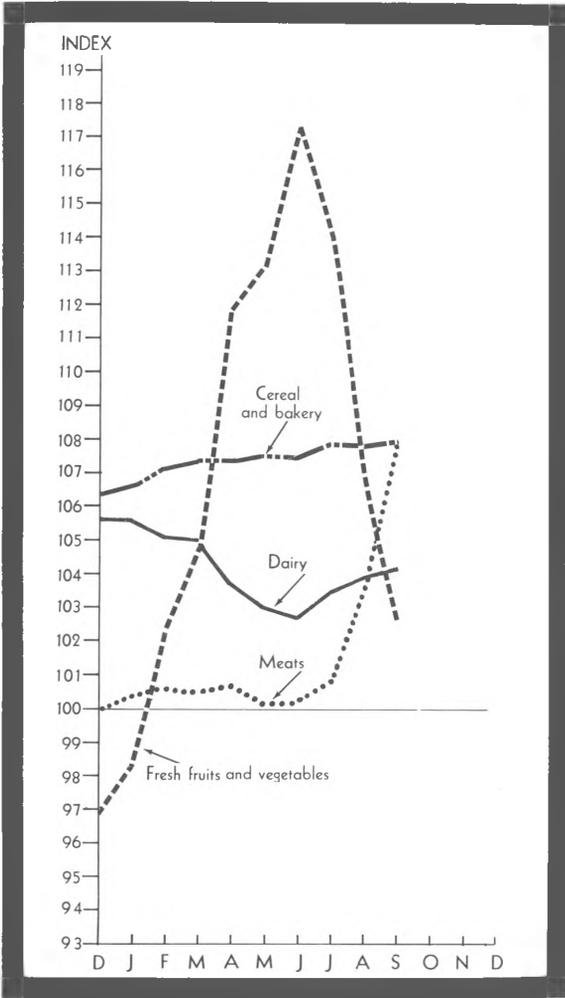
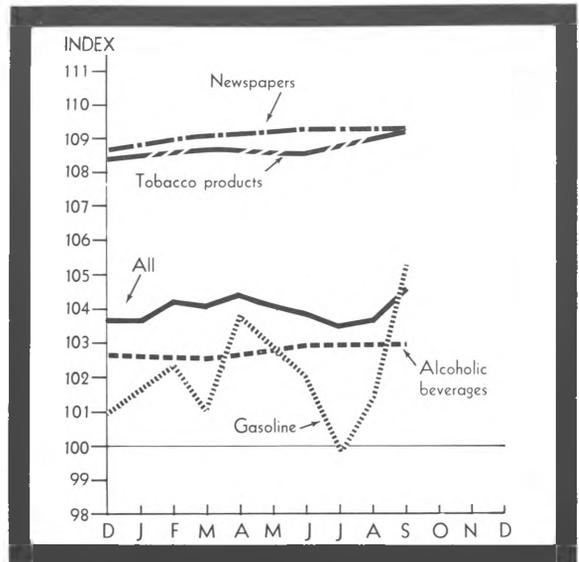
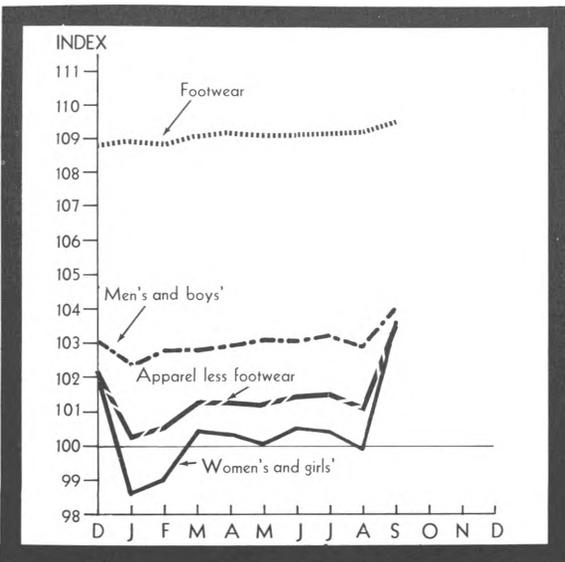


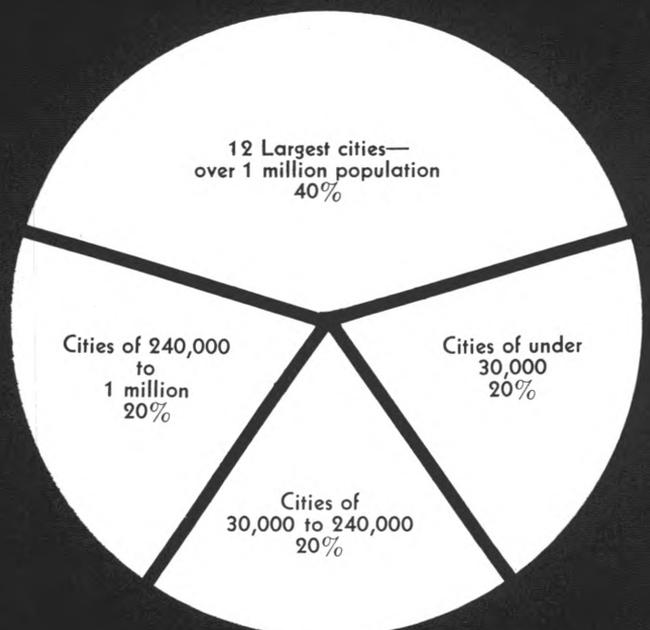
CHART 78: NONDURABLES: APPAREL

CHART 79: NONDURABLES EXCEPT FOOD AND APPAREL



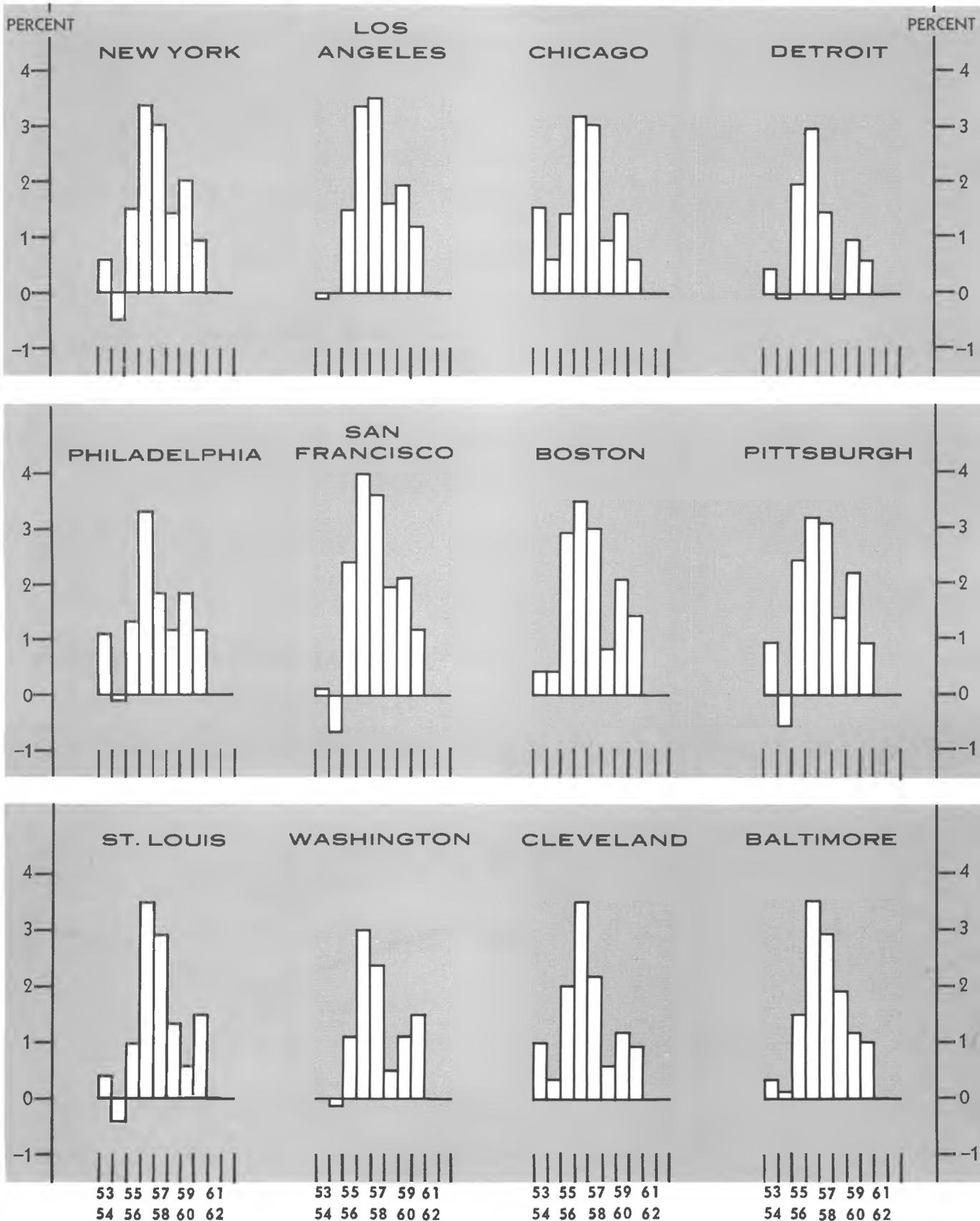
SECTION III

CONSUMER PRICE INDEX 12 LARGEST CITIES



YEAR-TO-YEAR CHANGES IN ALL-ITEMS CPI, SINCE 1953

(Percent changes in annual averages)



PRICE TRENDS IN THE 12 LARGEST CITIES, SINCE 1953

Relative importance of cities in the CPI

Year-to-year changes in the all-items
CPI in each of the 12 largest cities, since
1953

80. All items and food

81. Housing and transportation

New York

Los Angeles

Chicago

Philadelphia

Detroit

San Francisco

Boston

Pittsburgh

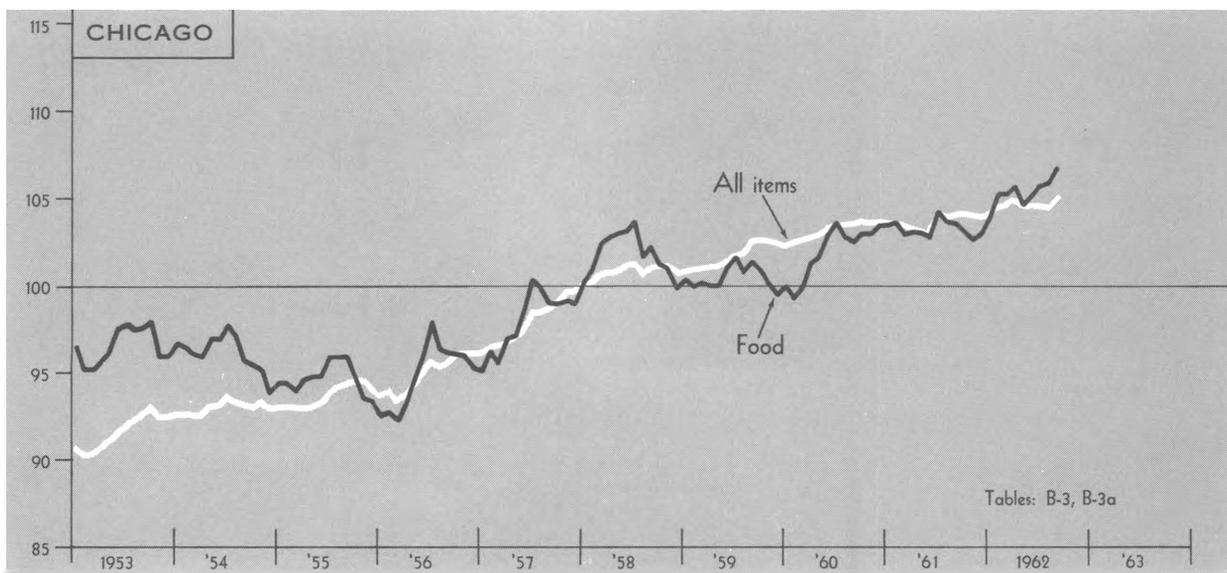
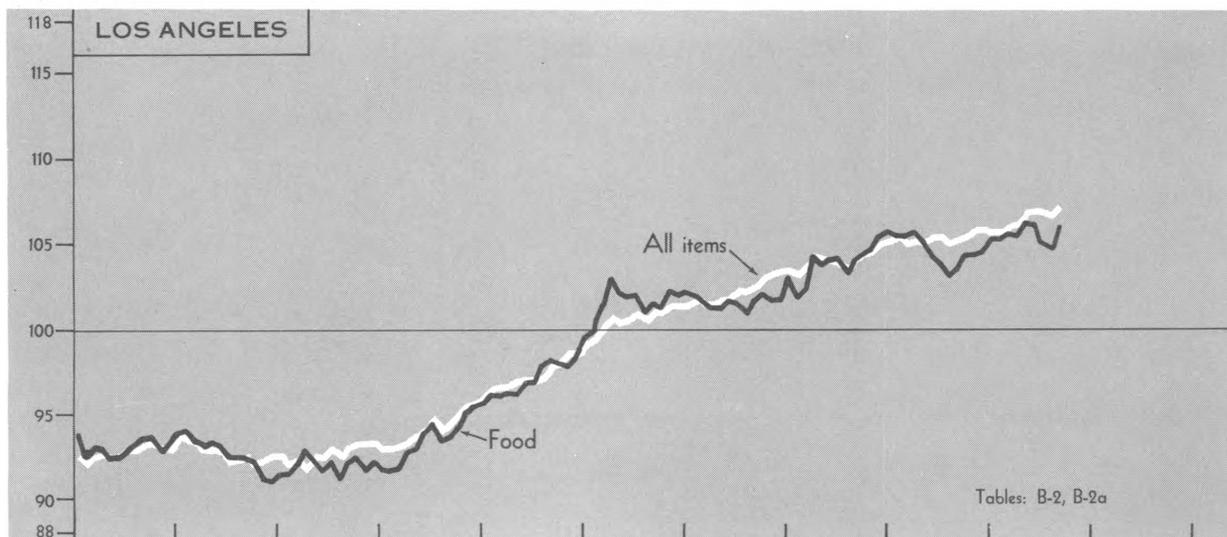
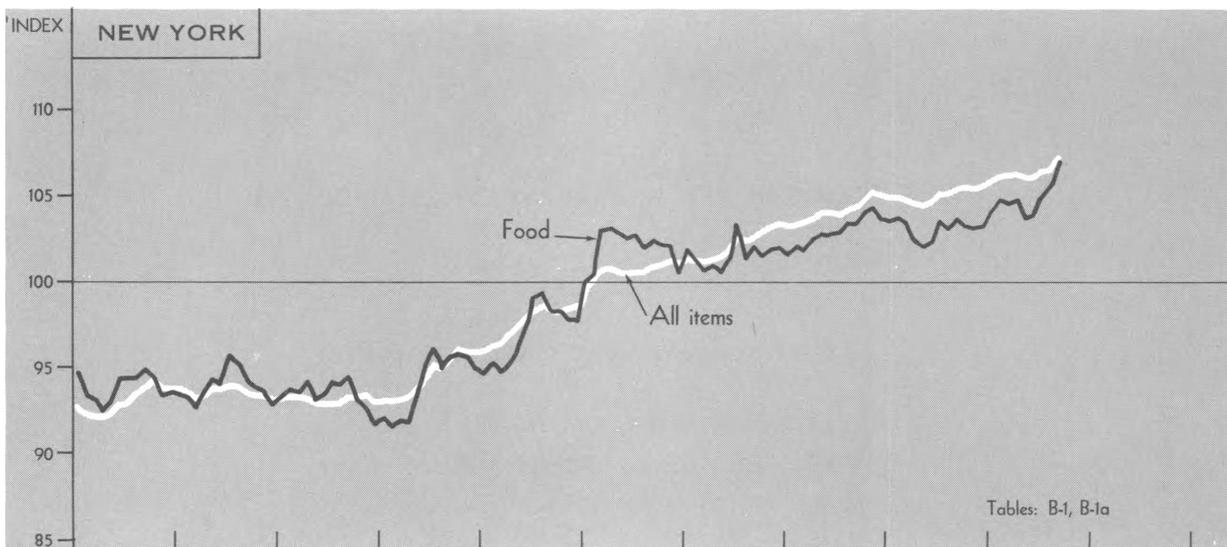
St. Louis

Washington

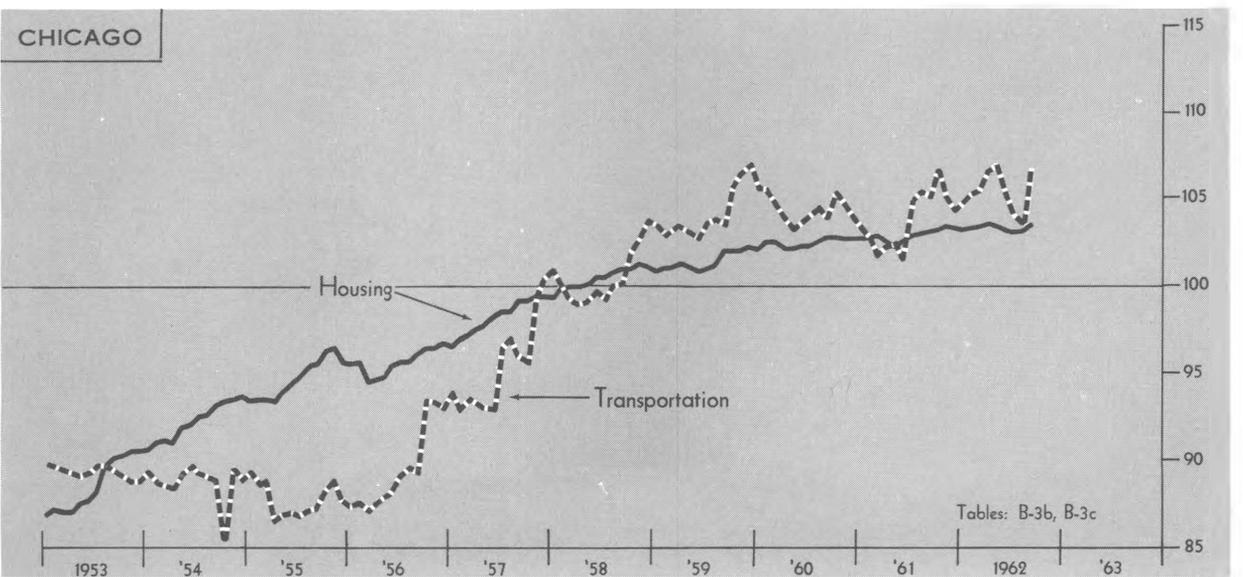
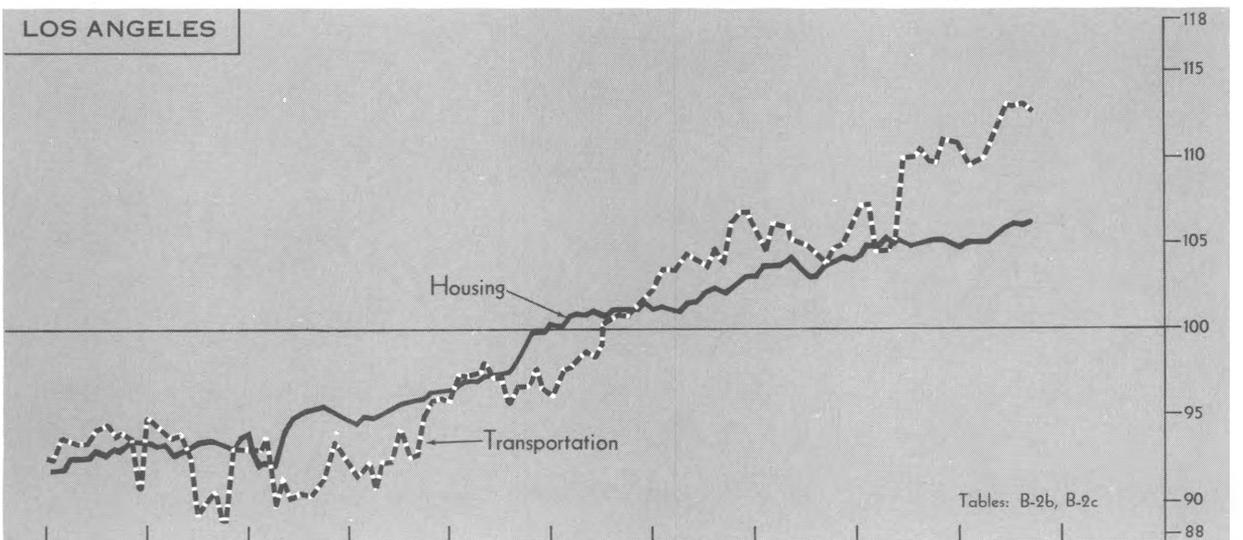
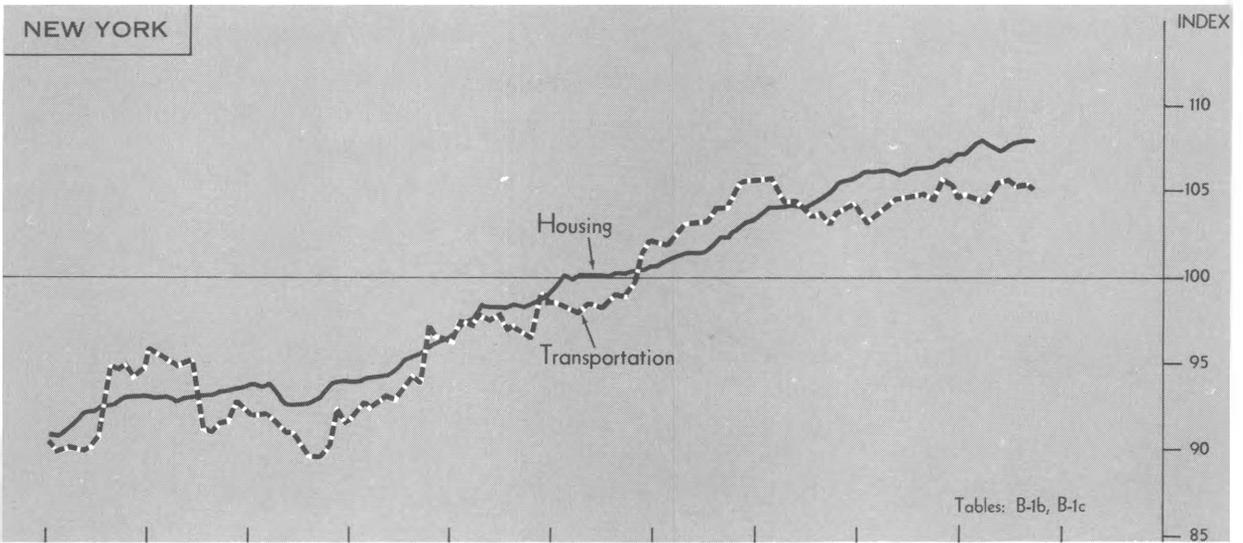
Cleveland

Baltimore

(1957-59=100)
CHART 80 : ALL ITEMS AND FOOD

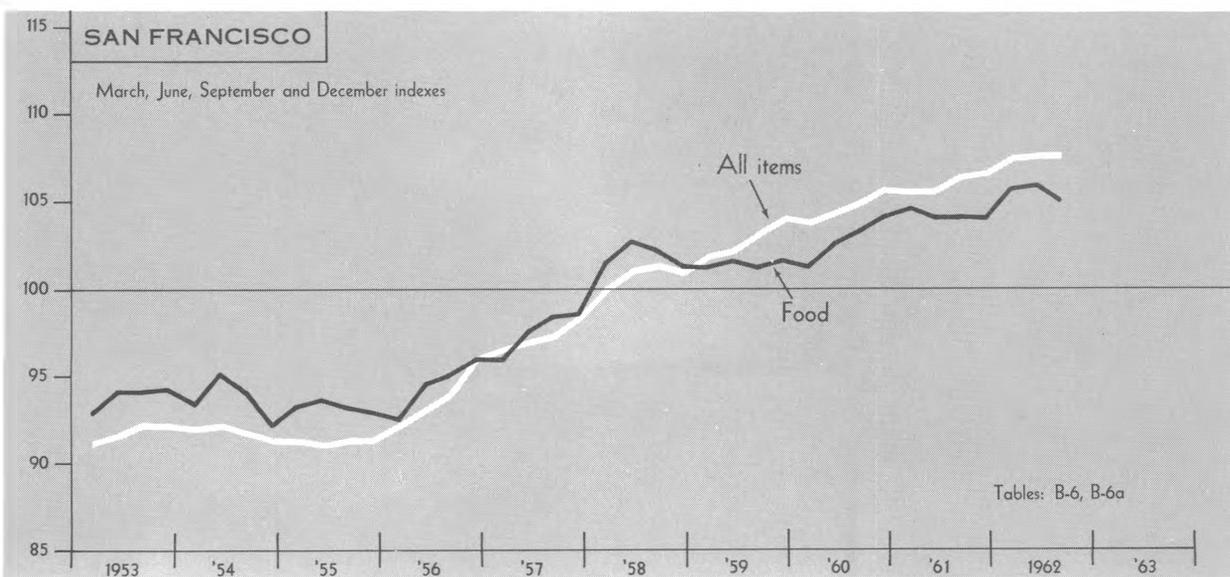
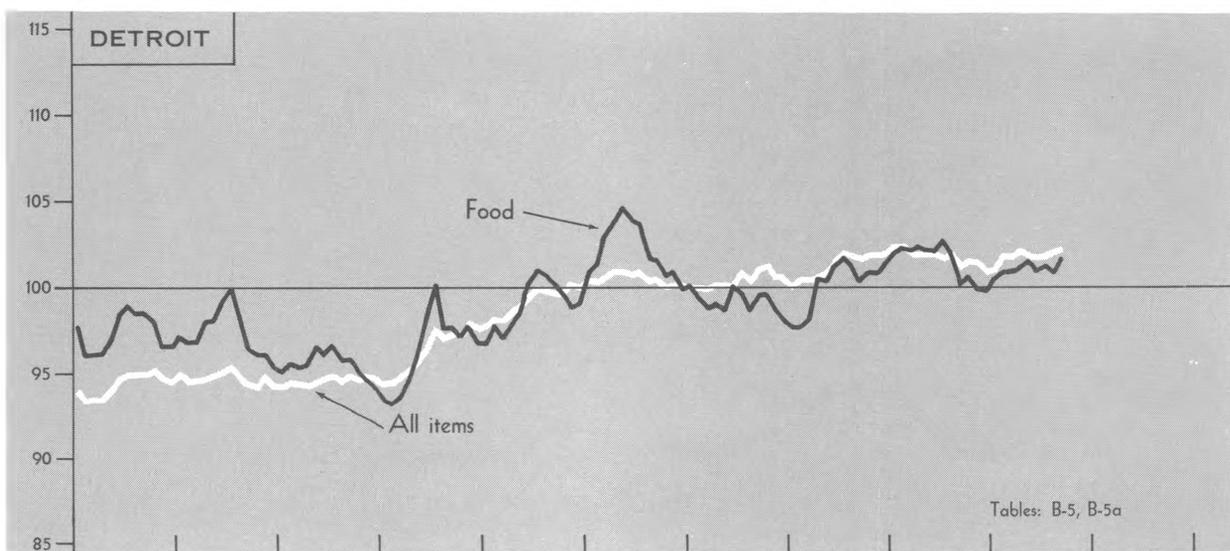
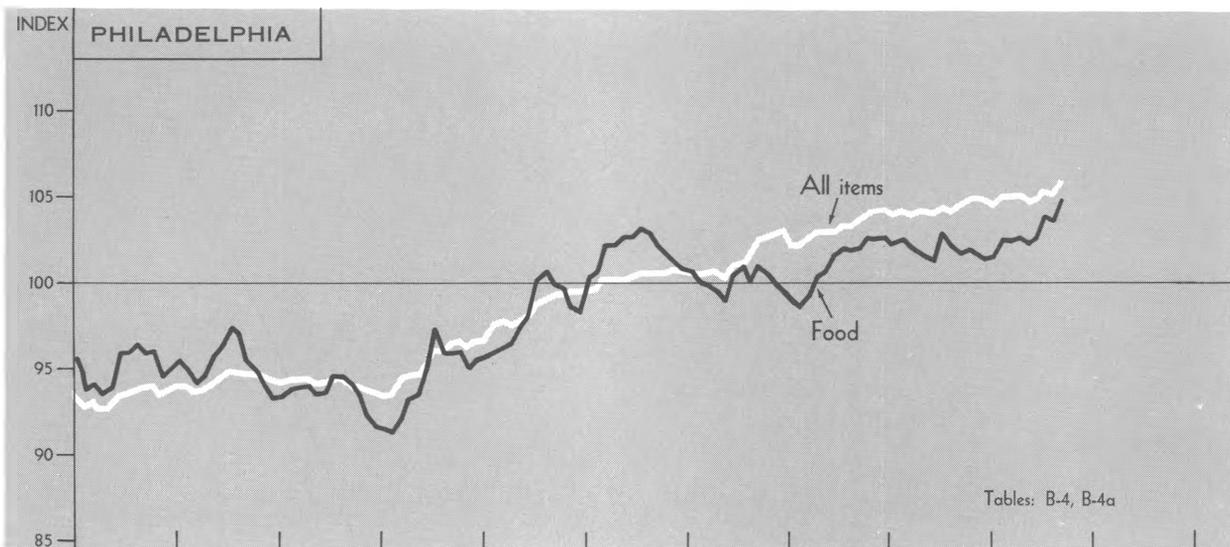


(1957-59=100)
CHART 81 : HOUSING AND TRANSPORTATION



(1957-59=100)

CHART 80: ALL ITEMS AND FOOD -Continued



(1957-59=100)

CHART 81: HOUSING AND TRANSPORTATION -Continued

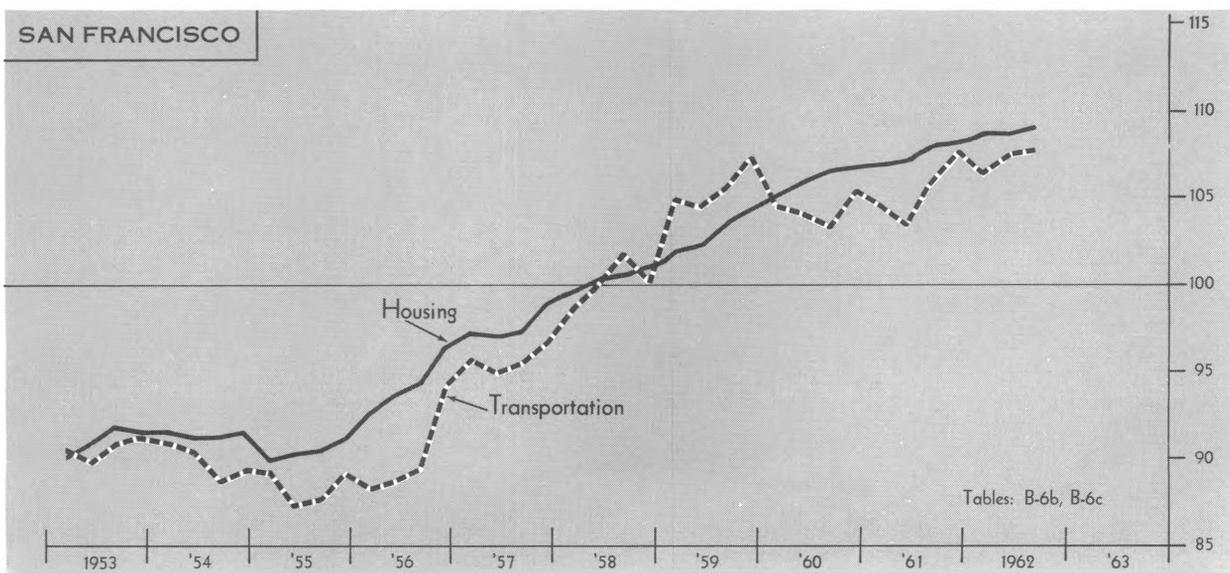
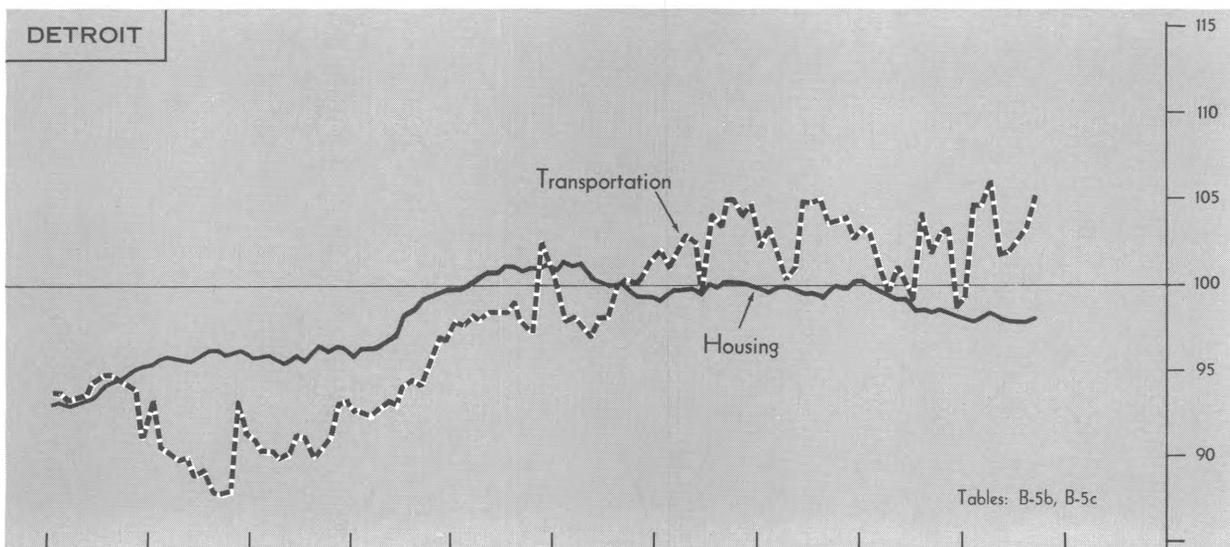
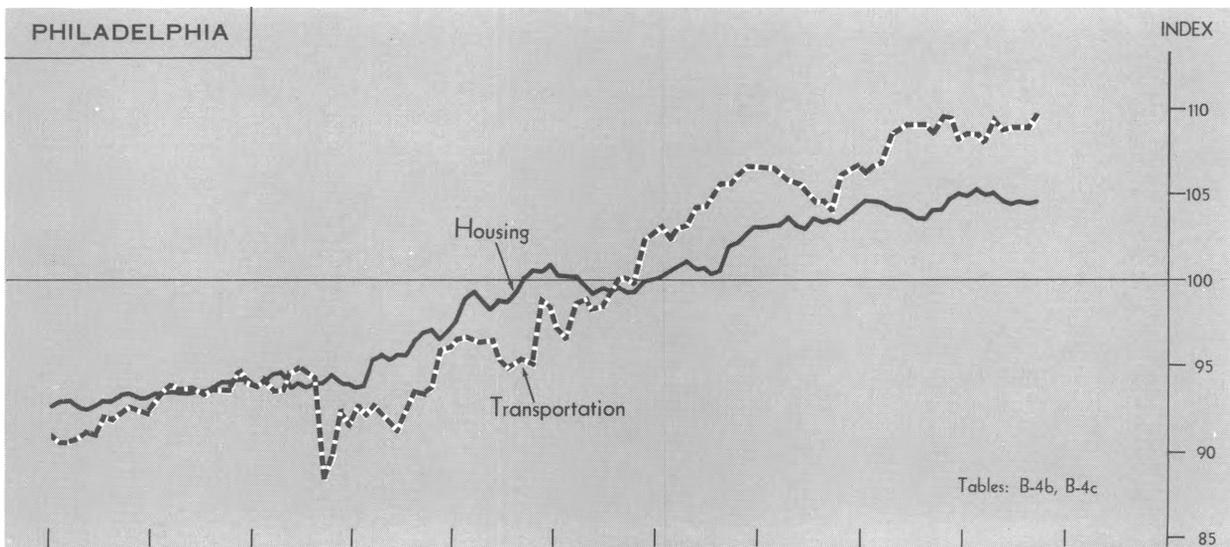


CHART 80: ALL ITEMS AND FOOD -Continued

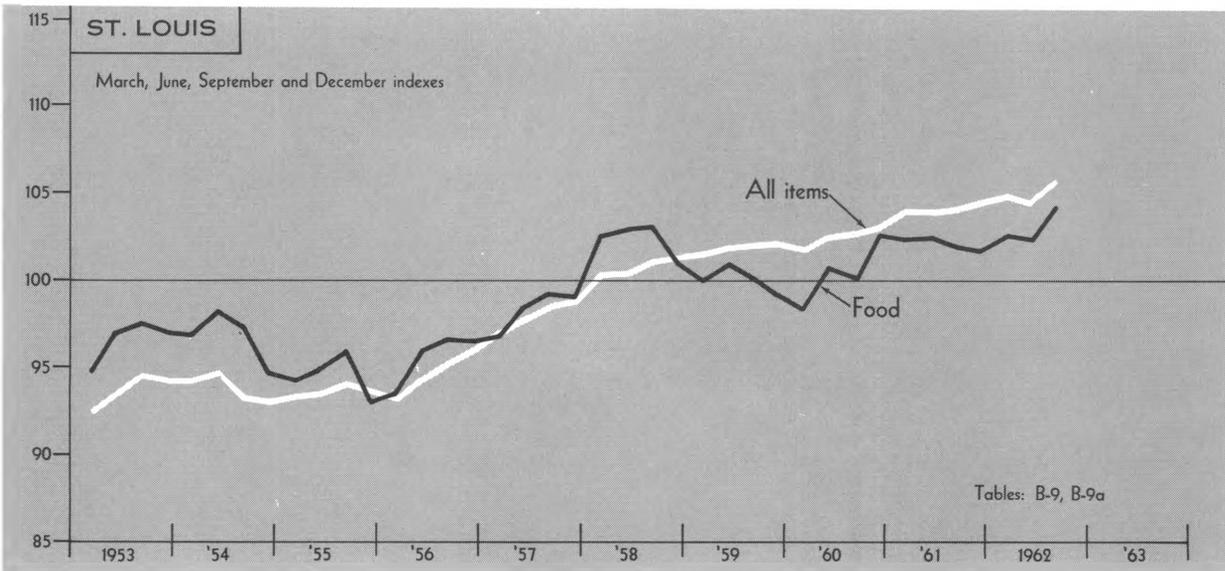
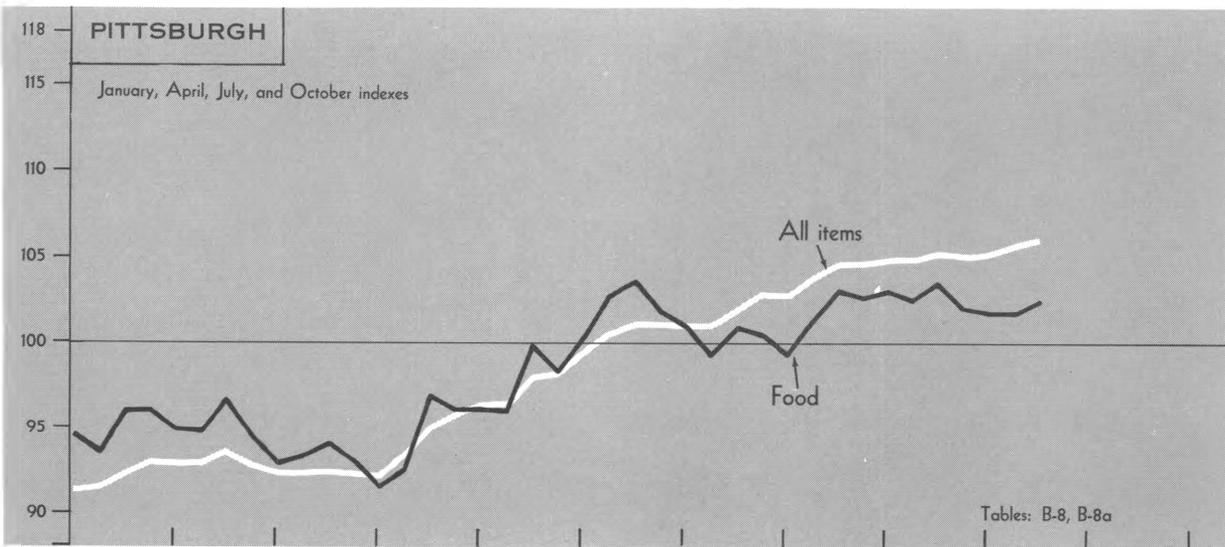
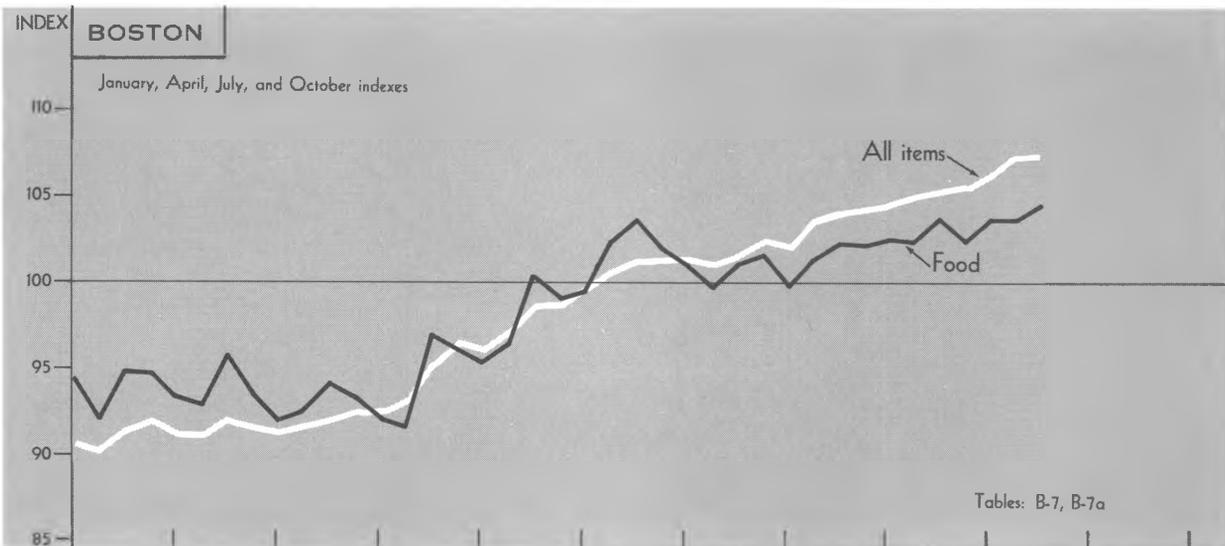


CHART 81: HOUSING AND TRANSPORTATION -Continued

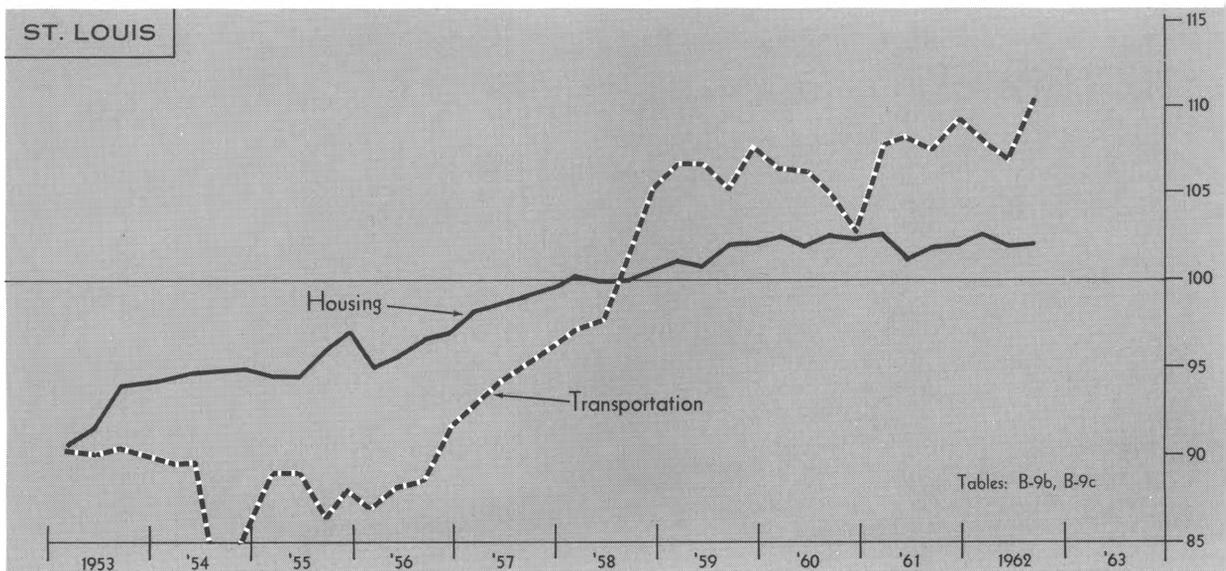
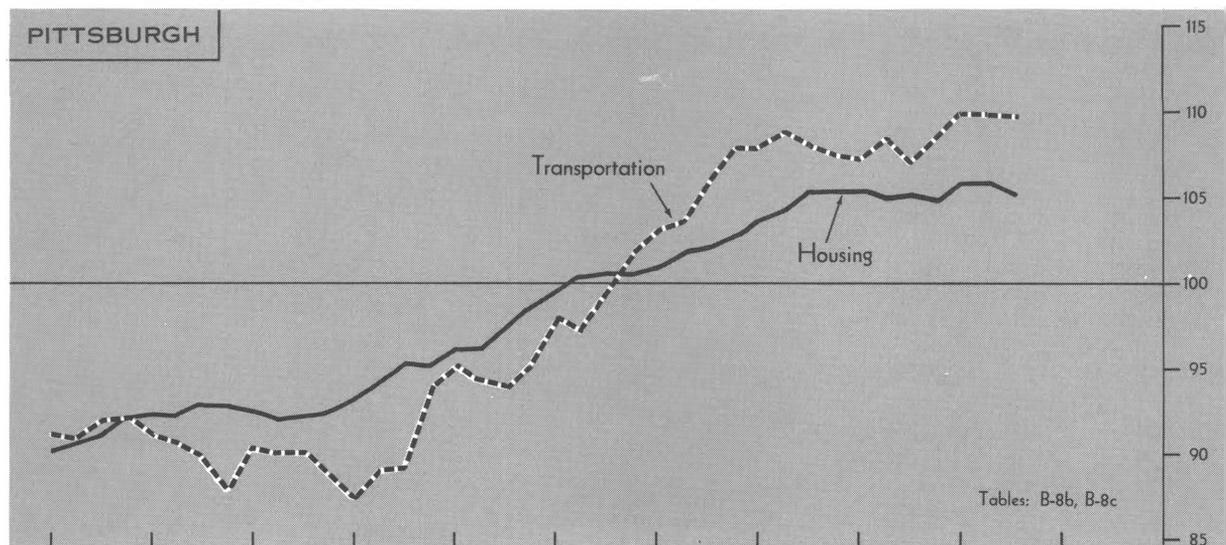
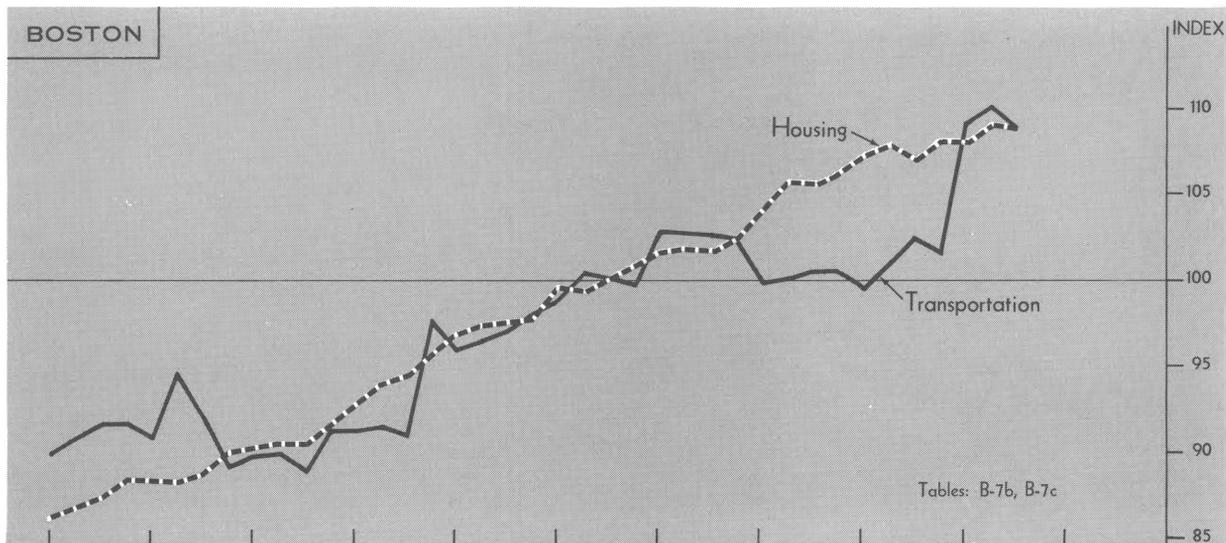
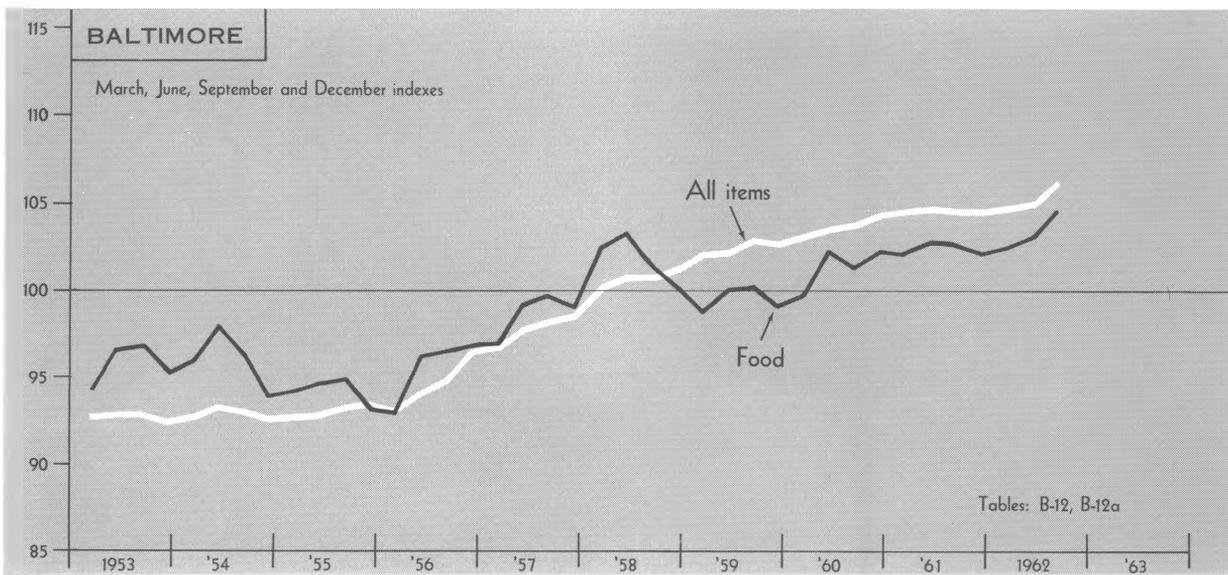
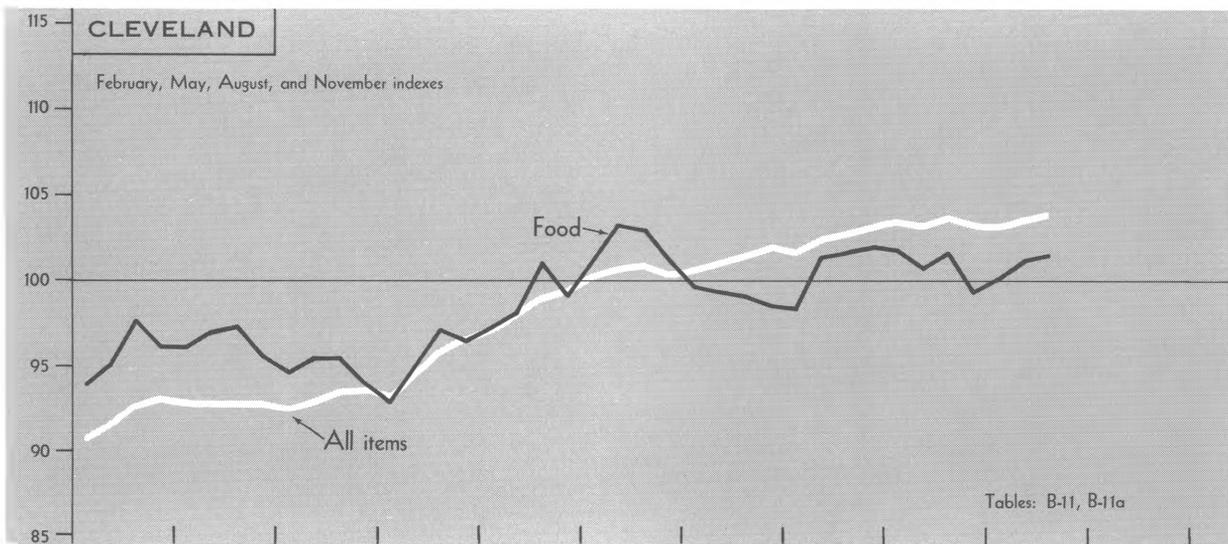
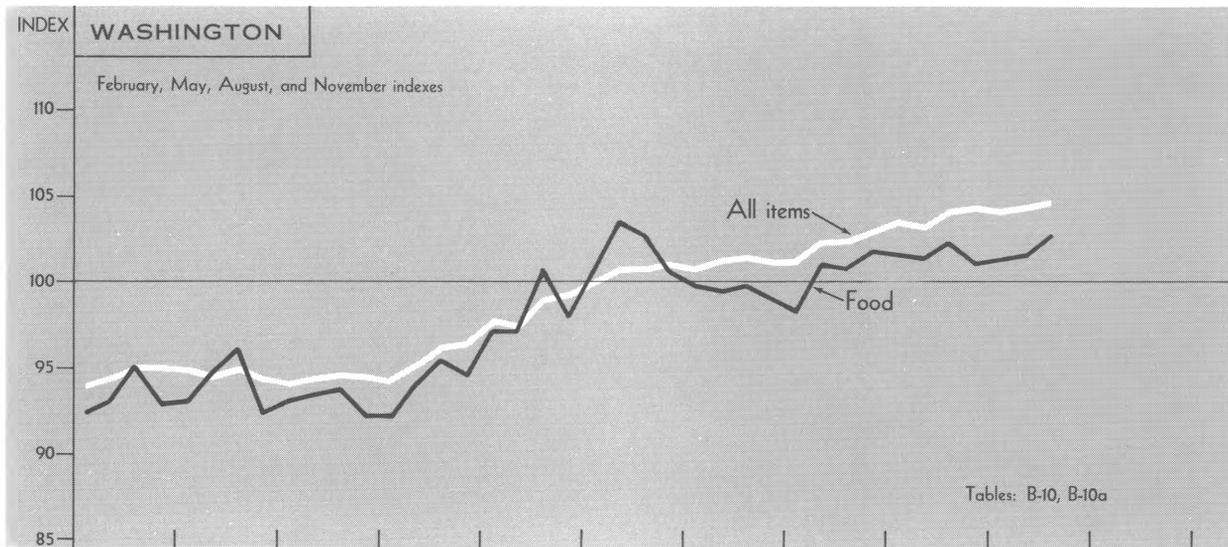
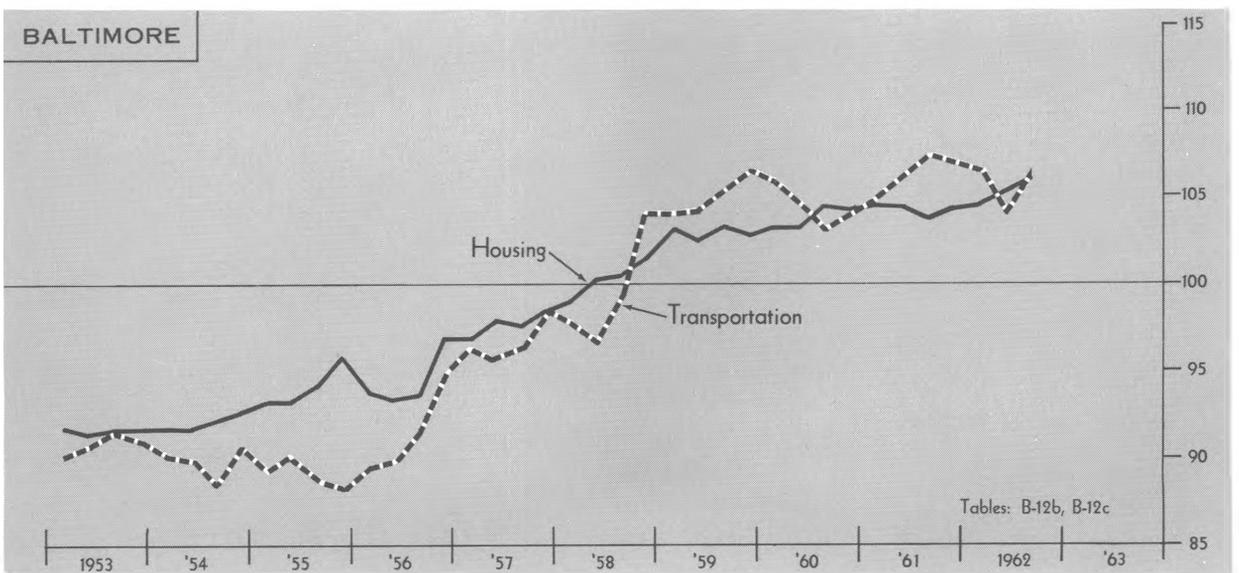
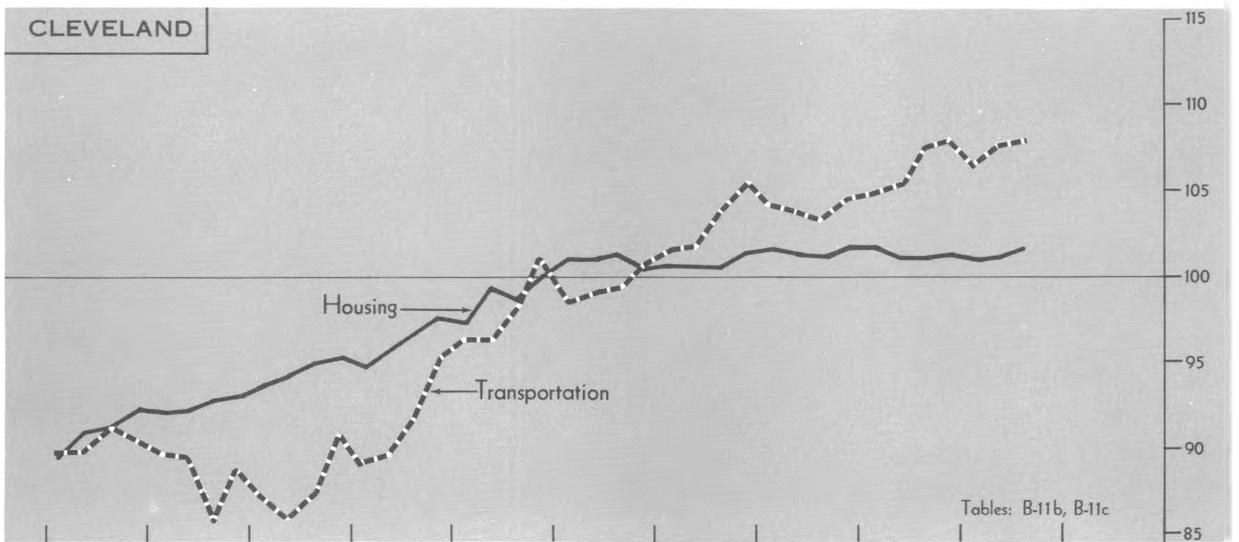
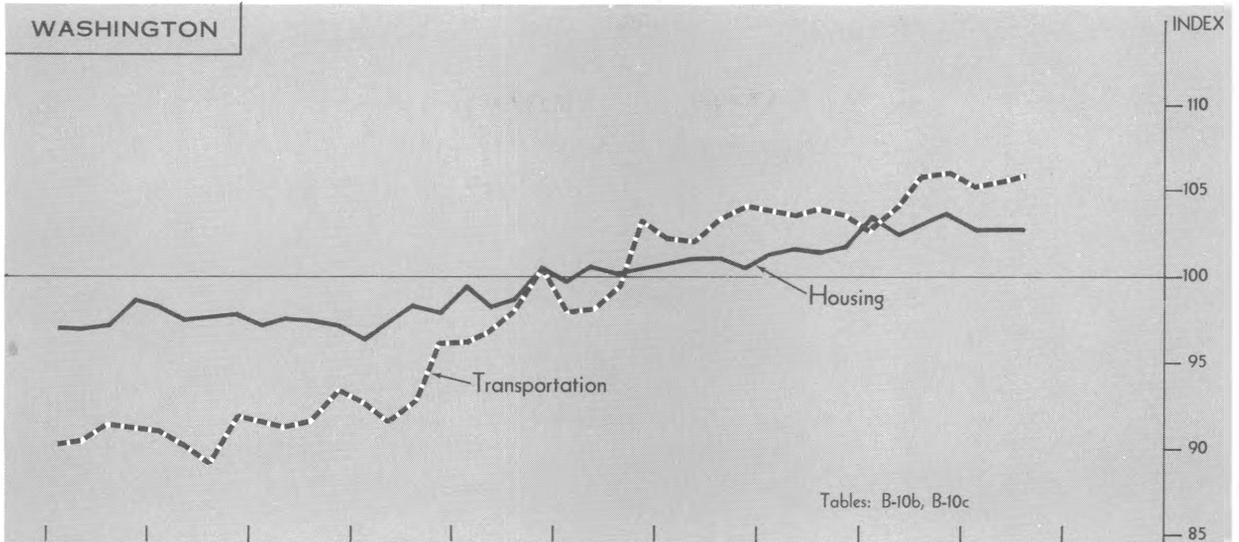


CHART 80: ALL ITEMS AND FOOD -Continued



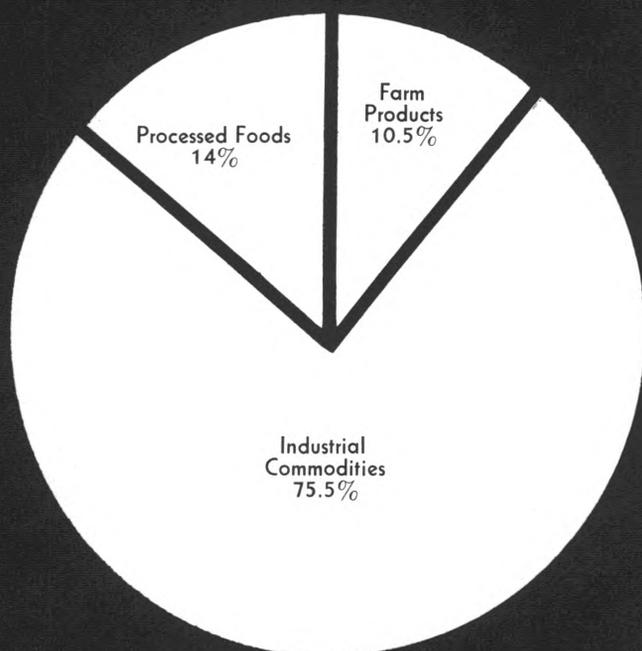
(1957-59=100)

CHART 81: HOUSING AND TRANSPORTATION -Continued



SECTION IV

WHOLESALE PRICE INDEX



RELATIVE IMPORTANCE OF WPI COMPONENTS, DECEMBER 1960

Farm products, processed foods, and industrial commodities
Crude and intermediate materials, and finished goods

PRICE TRENDS SINCE 1939: THREE BASE PERIODS

82. Year-to-year changes in farm products, processed foods, and industrial commodities
83. Farm products, processed foods, and industrial commodities, 1957-59=100
84. Farm products, processed foods, and industrial commodities, 1947-49=100
85. Farm products, processed foods, and industrial commodities, 1939=100

STAGE OF PROCESSING AND DURABILITY, SINCE 1953

86. All-commodities WPI
87. Crude and intermediate materials, and finished goods
88. Durable and nondurable commodities
89. Crude materials for further processing
90. Intermediate materials, supplies, and components
91. Finished goods to users (including raw foods and fuels)
92. Nondurable commodities: Raw and manufactures
93. Durable commodities: Raw and manufactures

FARM PRODUCTS AND PROCESSED FOODS, SINCE 1953

94. All farm products, and livestock
95. All processed foods, and meats
96. Fresh fruits, and canned fruits and juices
97. Fresh and dried vegetables, and canned vegetables and soups
98. Steers and hogs
99. Grains, and manufactured animal feeds
100. Wheat, corn, and cereals and bakery products

MAJOR INDUSTRIAL GROUPS, SINCE 1953

101. Machinery and motor vehicles, metals, and fuel and power
102. Textiles and apparel, hides and leather, and tobacco and bottled beverages
103. Chemicals, nonmetallic mineral products, and rubber
104. Paper and products, furniture and household durables, and lumber and wood products
105. Year-to-year changes for each major group

MACHINERY AND MOTIVE PRODUCTS, SINCE 1953

106. All machinery and equipment, and all motor vehicles
107. Motor trucks, passenger cars, and tractors
108. Agricultural, construction, and oil field machinery and equipment
109. General purpose, and metalworking machinery and equipment
110. All electrical machinery and equipment, and selected commodities
111. Year-to-year changes in selected groups

METALS AND METAL PRODUCTS, SINCE 1953

- 112. Iron and steel, and nonferrous metals
- 113. Year-to-year changes in metals and selected metal product groups
- 114. Finished steel products, and foundry and forge shop products
- 115. Fabricated structural and nonstructural metal products
- 116. Steel mill products, pig iron and ferroalloys, and iron and steel scrap

FUEL AND POWER, SINCE 1953

- 117. Gasoline and crude petroleum
- 118. Industrial electric power, natural gas, residual fuels, and industrial coal screenings

FIBERS, LEATHER, TEXTILE PRODUCTS, AND APPAREL, SINCE 1953

- 119. Raw cotton and cotton products
- 120. Manmade fiber textile products, and wool products
- 121. Men's and boys' apparel, and women's and girls' apparel
- 122. Hides and skins, leather, and footwear

RUBBER AND CHEMICALS, SINCE 1953

- 123. Rubber: Natural, synthetic, and tires
- 124. Industrial chemicals, and drugs and pharmaceuticals
- 125. Industrial chemicals; Organic and inorganic
- 126. Plastic materials, and paint materials

PAPER, LUMBER, FURNITURE, AND APPLIANCES, SINCE 1953

- 127. Woodpulp, wastepaper, and paper
- 128. Paperboard, and converted paper and paperboard products
- 129. Lumber and millwork
- 130. Plywood: Softwood and hardwood
- 131. Household furniture, commercial furniture, and floor coverings
- 132. All household appliances, refrigeration and laundry equipment

OTHER COMMODITIES, SINCE 1953

- 133. Nonmetallic mineral products: Concrete products, structural clay products, and window glass
- 134. Nonmetallic mineral products: Concrete ingredients--Portland cement, and sand, gravel, and crushed stone
- 135. Bottled alcoholic and nonalcoholic beverages, and cigarettes

1962 PRICE TRENDS

- 136. All commodities, farm products, processed foods, and industrial commodities
- 137. Major groups: Machinery, metals, fuels, and lumber
- 138. Major groups: Leather, nonmetallic minerals, paper, and tobacco and bottled beverages
- 139. Major groups: Textiles, furniture, chemicals, and rubber
- 140. Farm products
- 141. Processed foods
- 142. Selected durables
- 143. Selected nondurables

THREE BASE PERIODS

CHART 82 : YEAR-TO-YEAR CHANGES IN FARM PRODUCTS, PROCESSED FOODS, AND INDUSTRIAL COMMODITIES, SINCE 1939
(Percent changes in annual averages)

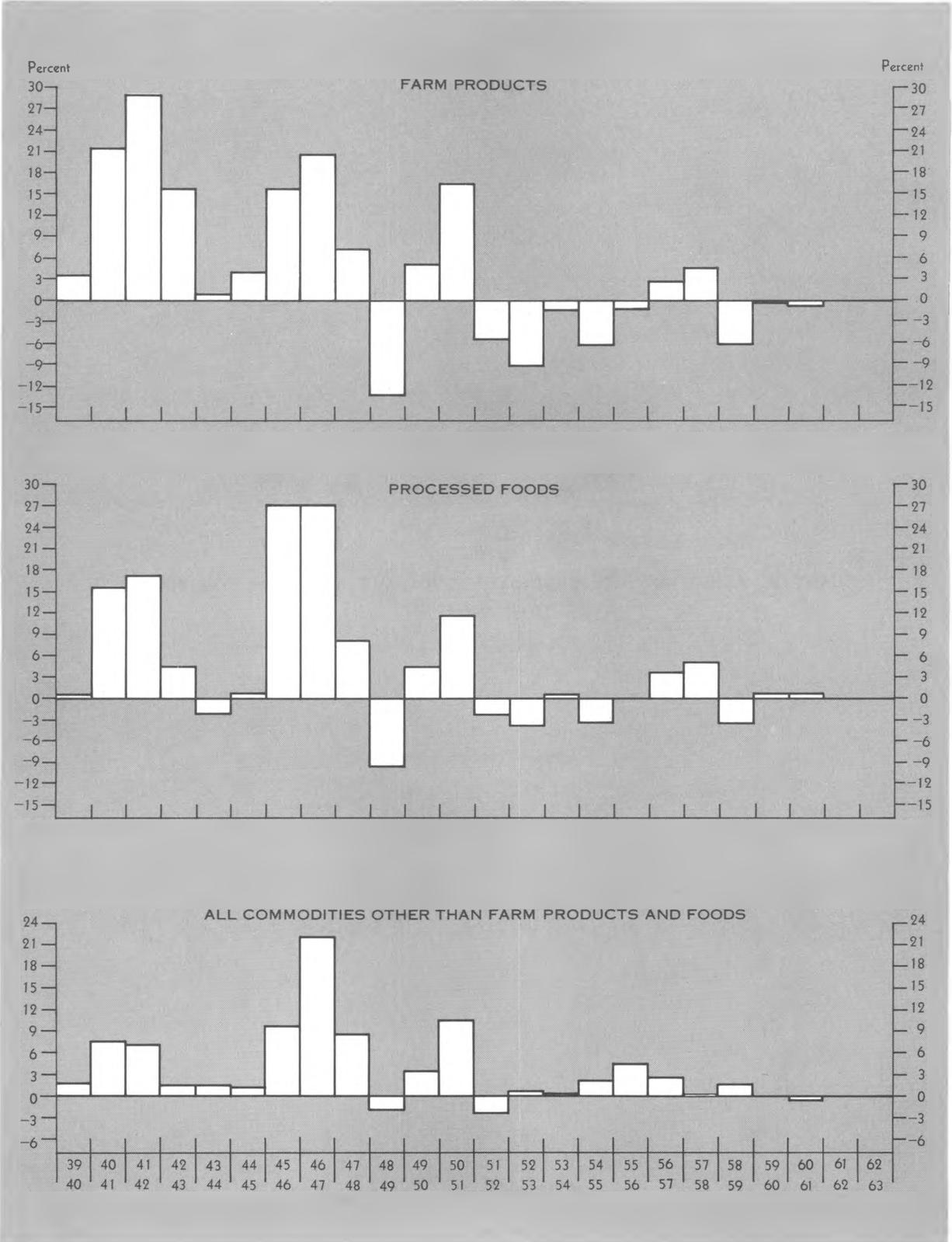


CHART 83: FARM PRODUCTS, PROCESSED FOODS, AND INDUSTRIAL COMMODITIES

(1957-59=100)

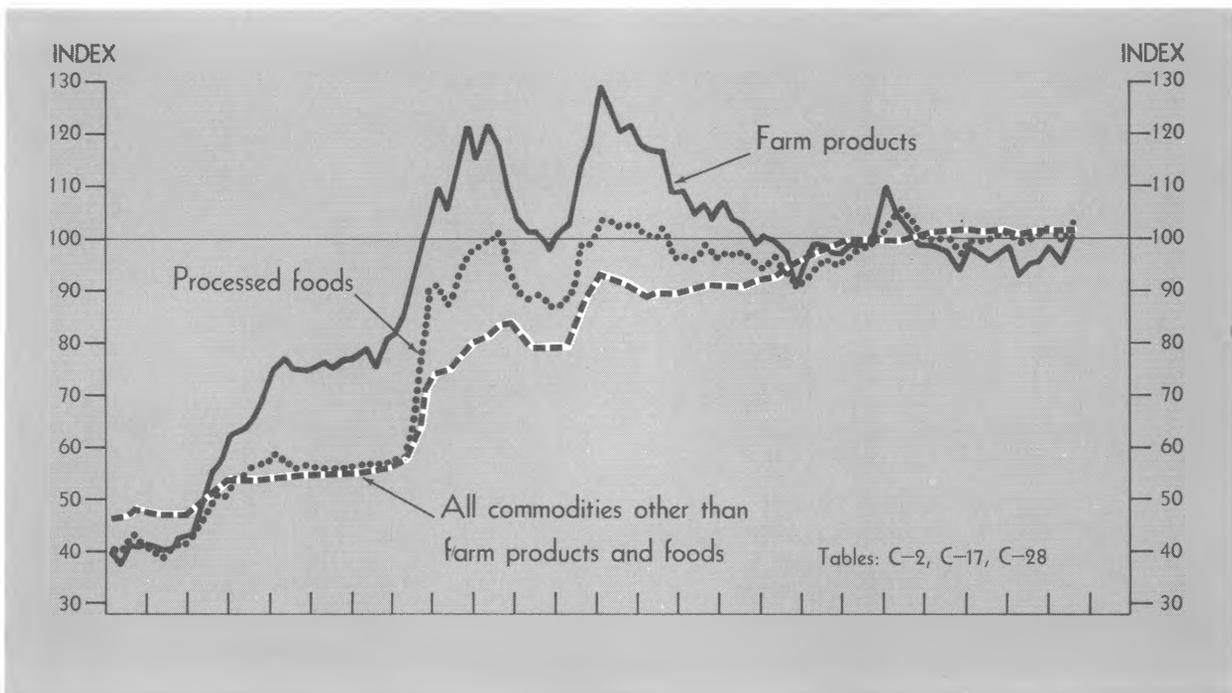
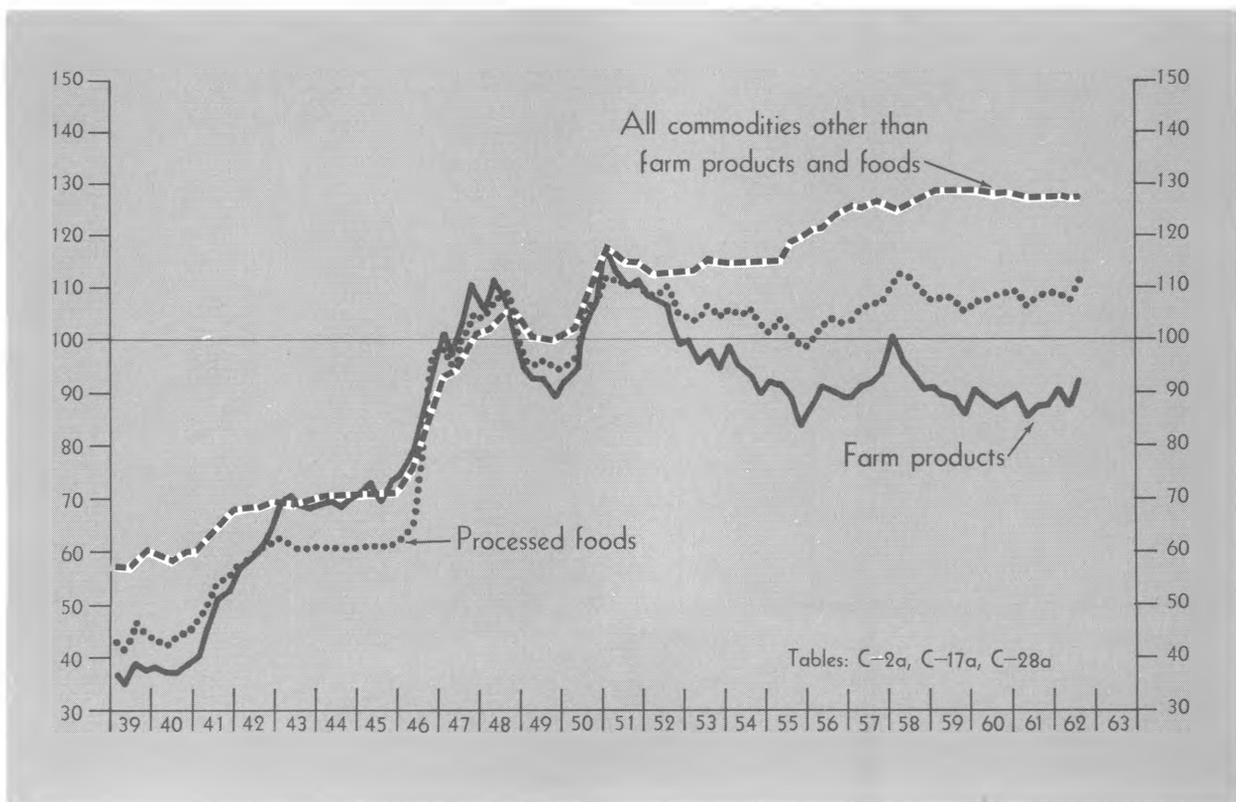


CHART 84: FARM PRODUCTS, PROCESSED FOODS, AND INDUSTRIAL COMMODITIES

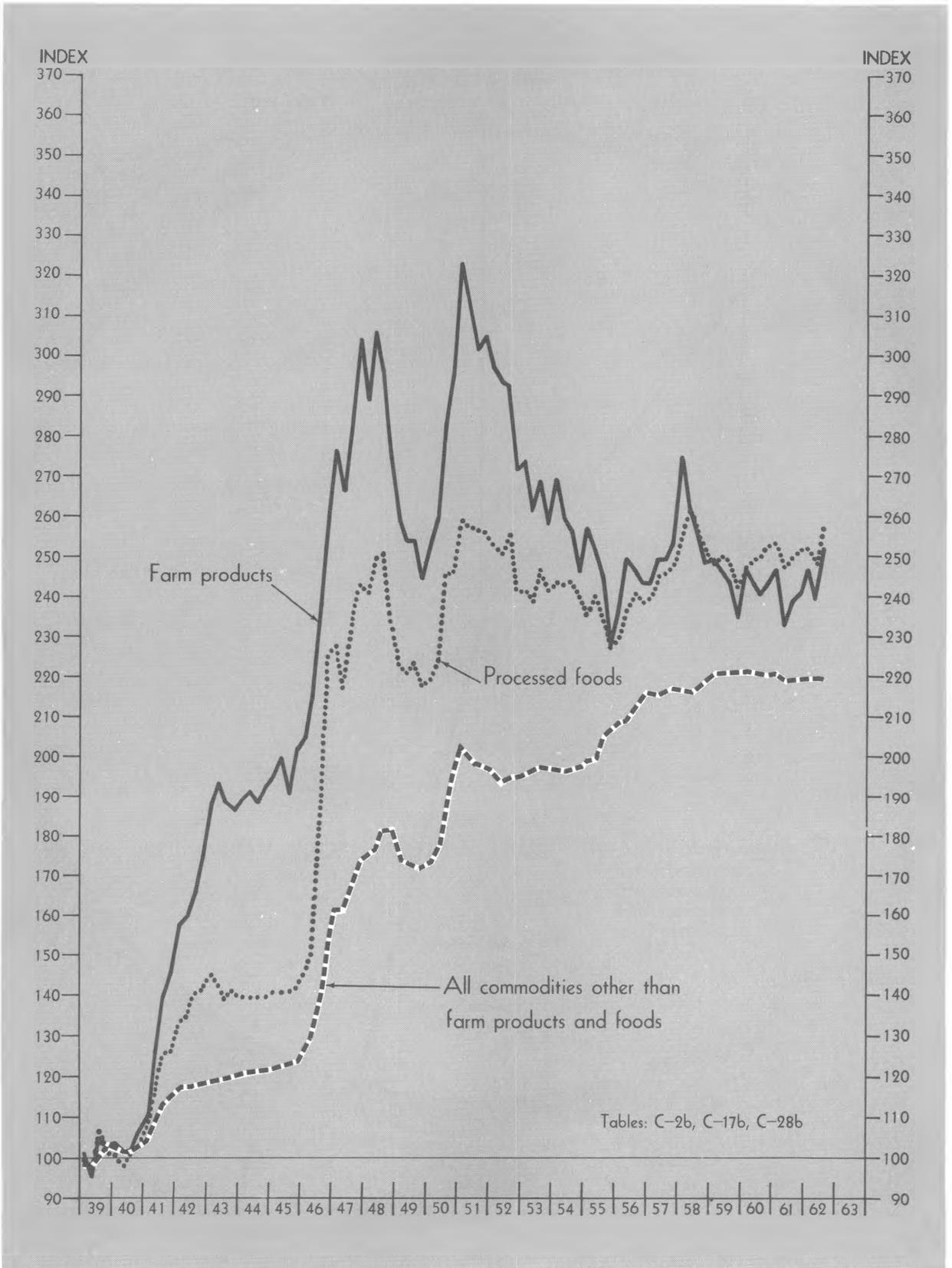
(1947-49=100)



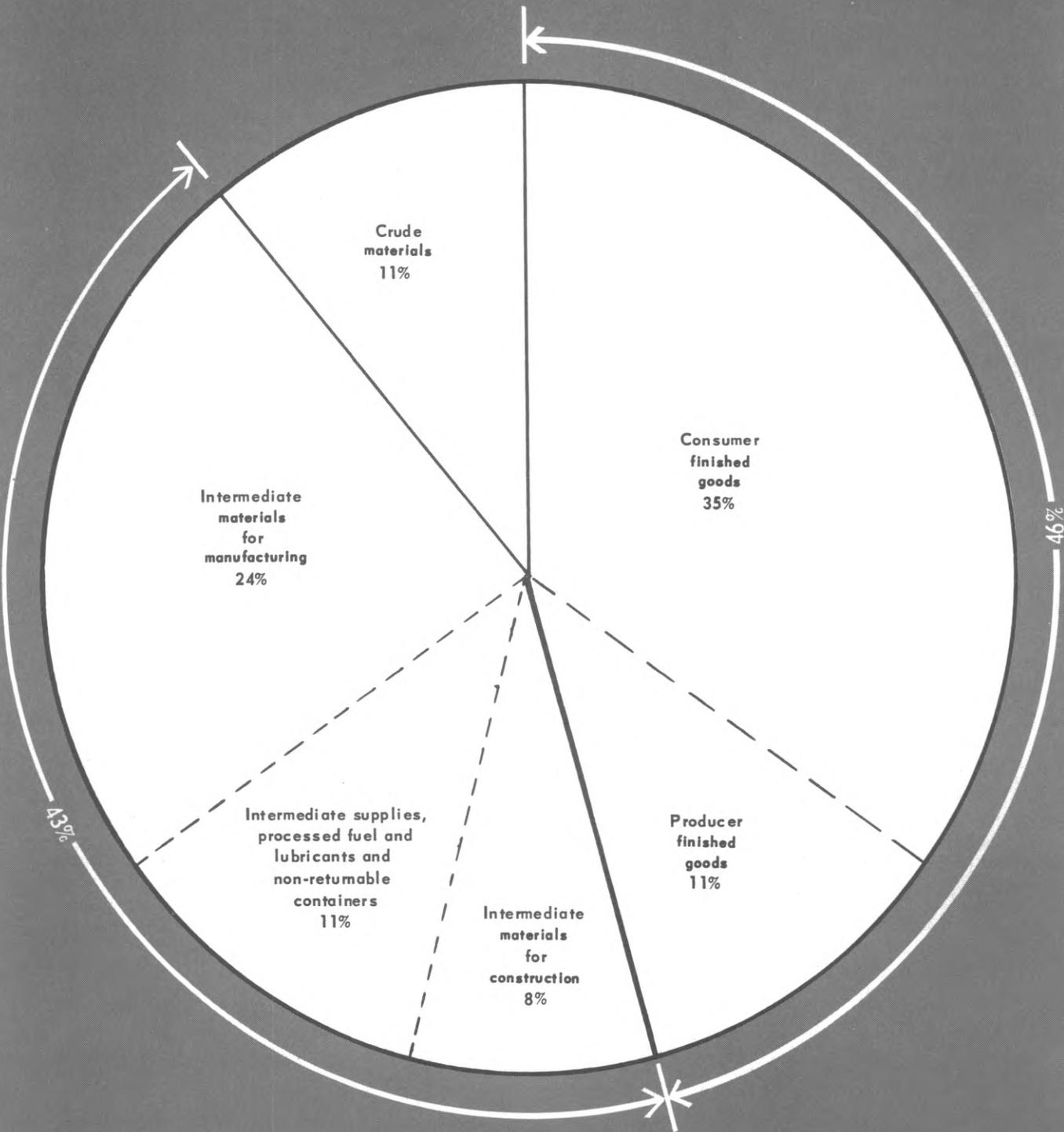
THREE BASE PERIODS

CHART 85 : FARM PRODUCTS, PROCESSED FOODS, AND INDUSTRIAL COMMODITIES

(1939=100)



RELATIVE IMPORTANCE OF CRUDE, INTERMEDIATE, AND FINISHED GOODS
DECEMBER, 1960



(1957-59=100)

CHART 86 : ALL COMMODITIES WPI

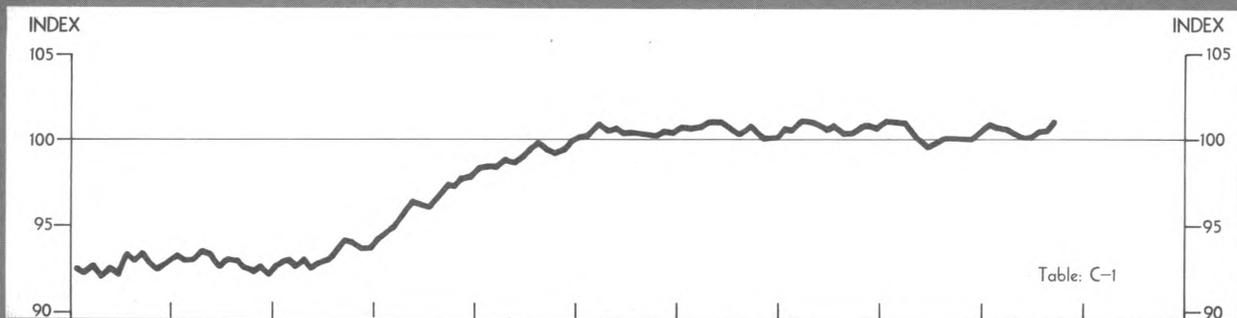


CHART 87 : CRUDE AND INTERMEDIATE MATERIALS, AND FINISHED GOODS

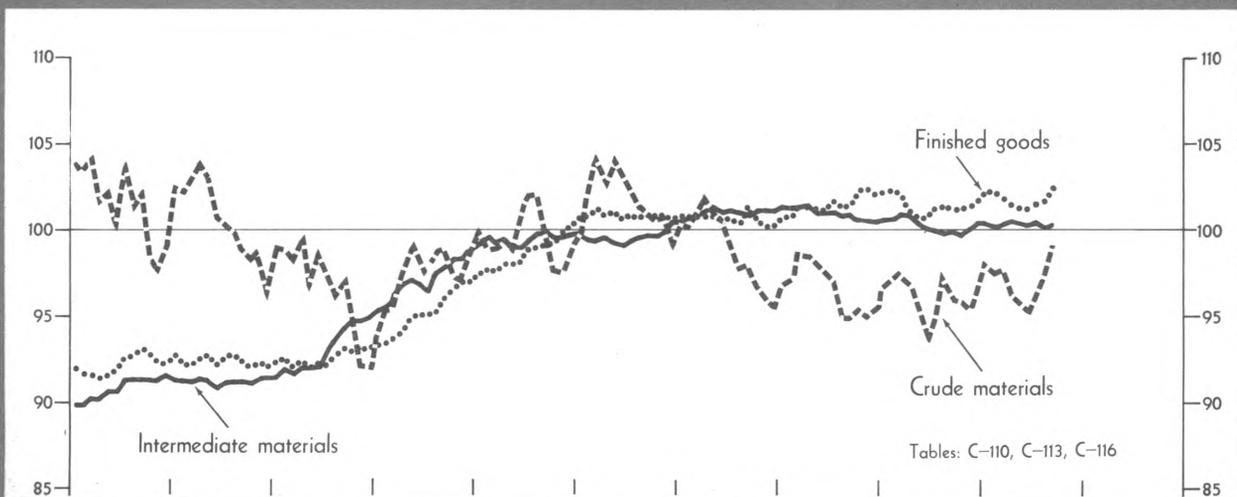
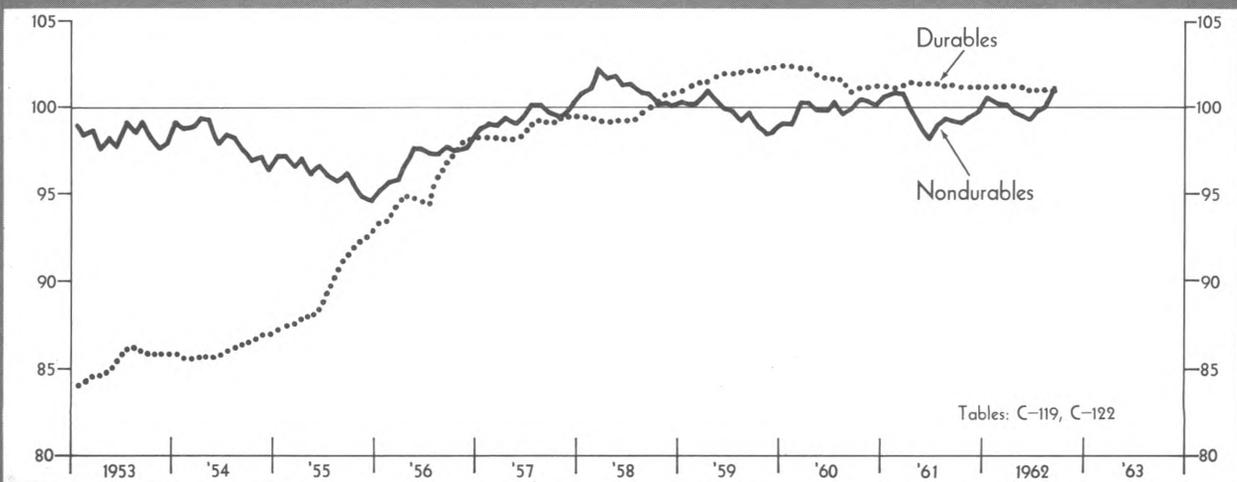


CHART 88 : DURABLE AND NONDURABLE COMMODITIES



(1957-59=100)

CHART 89: CRUDE MATERIALS FOR FURTHER PROCESSING

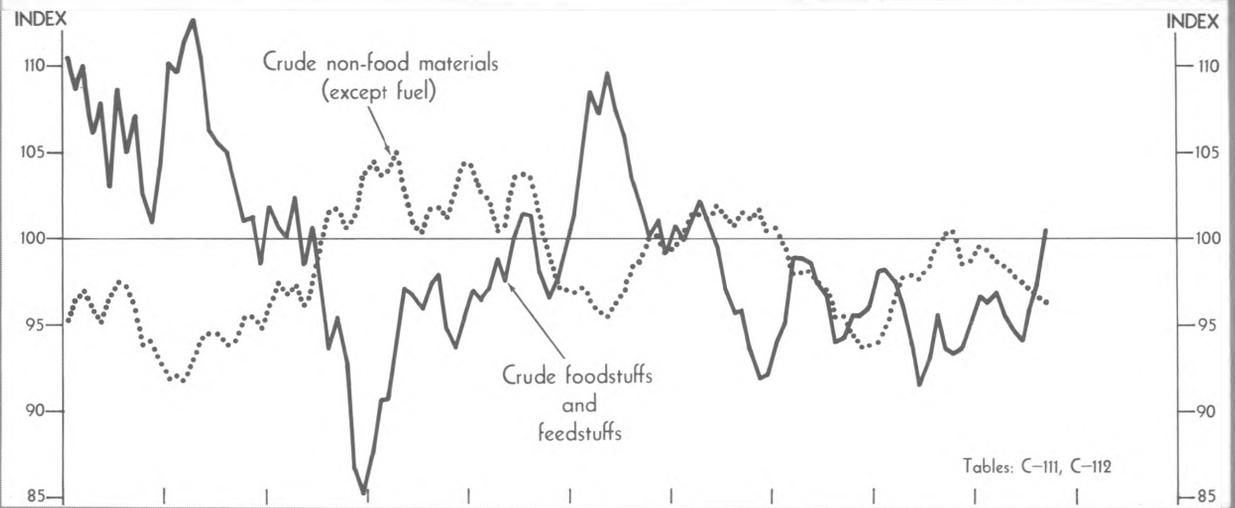


CHART 90: INTERMEDIATE MATERIALS, SUPPLIES, AND COMPONENTS

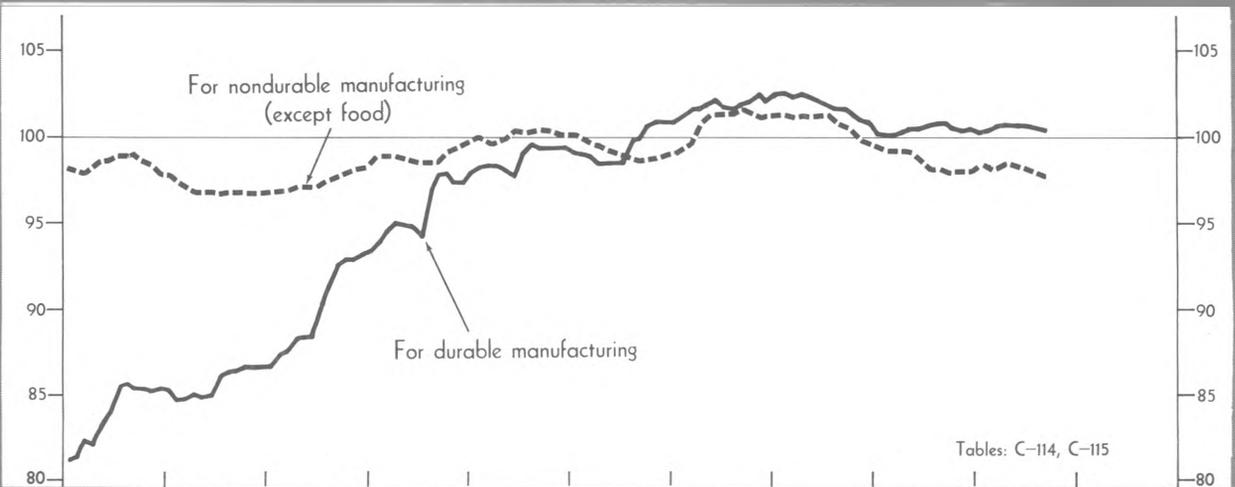
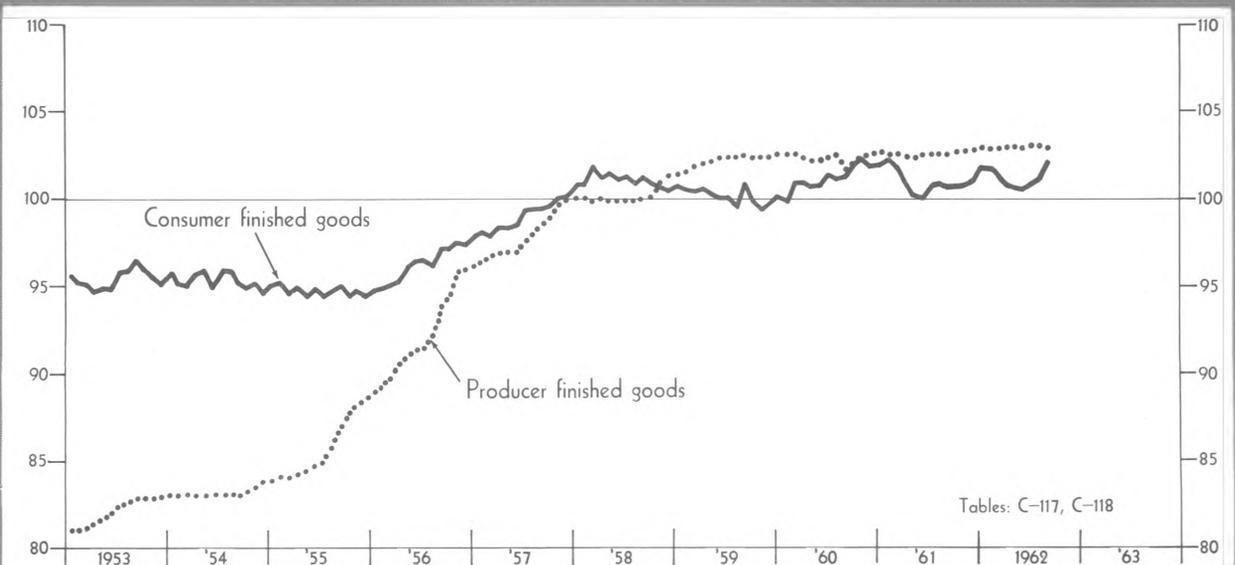


CHART 91: FINISHED GOODS TO USERS (INCLUDING RAW FOODS AND FUELS)



(1957-59=100)

CHART 92: NONDURABLE COMMODITIES: RAW AND MANUFACTURES (INCLUDING FOOD)

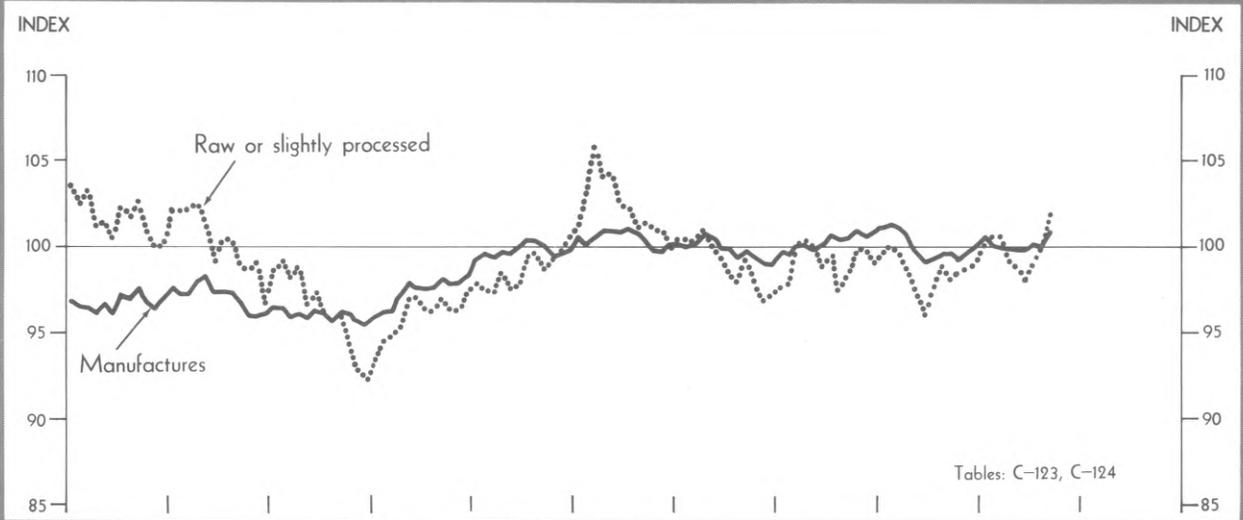
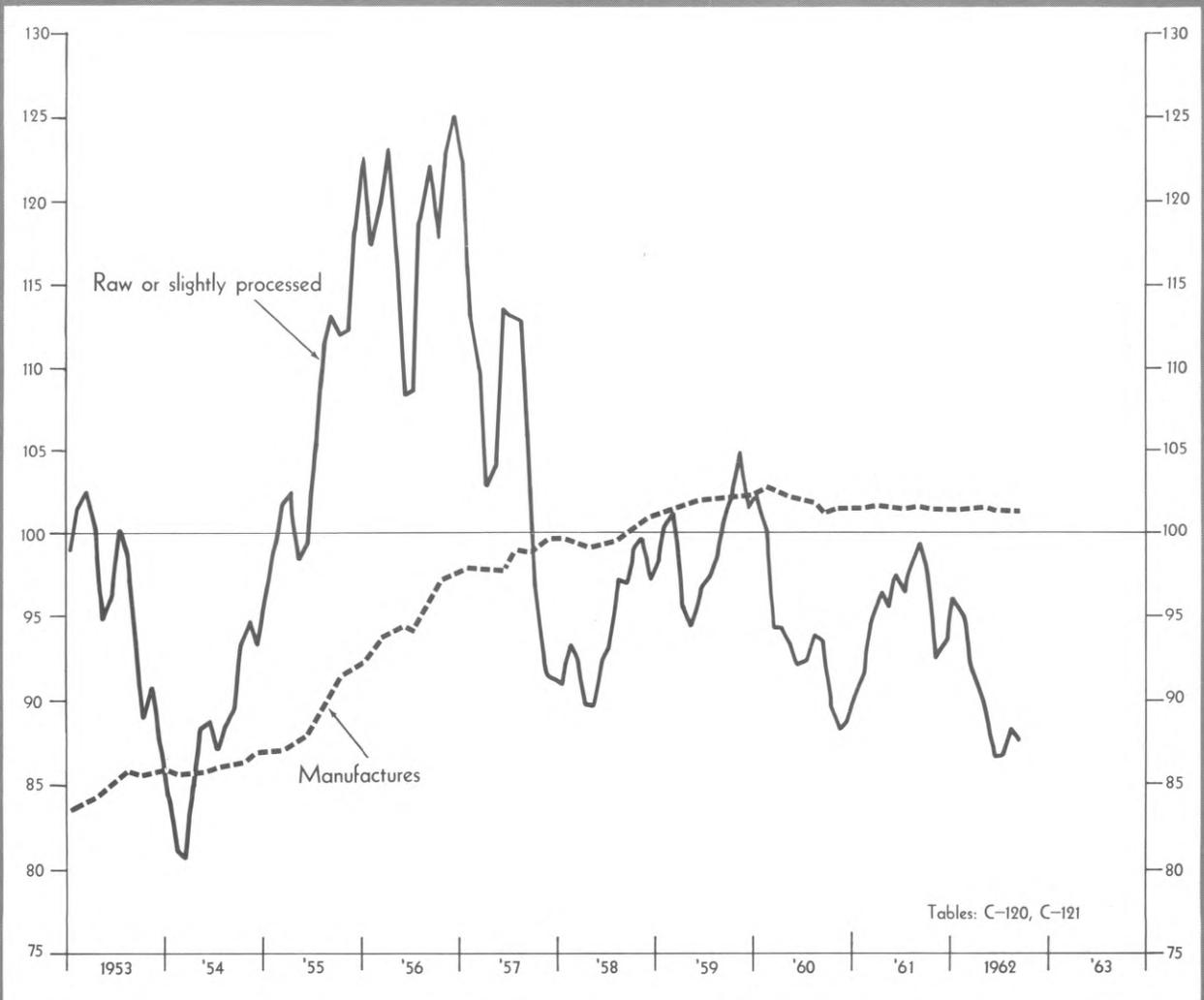


CHART 93: DURABLE COMMODITIES: RAW AND MANUFACTURES



(1957-59=100)

(Reduced scale)

CHART 94 : ALL FARM PRODUCTS, AND LIVESTOCK

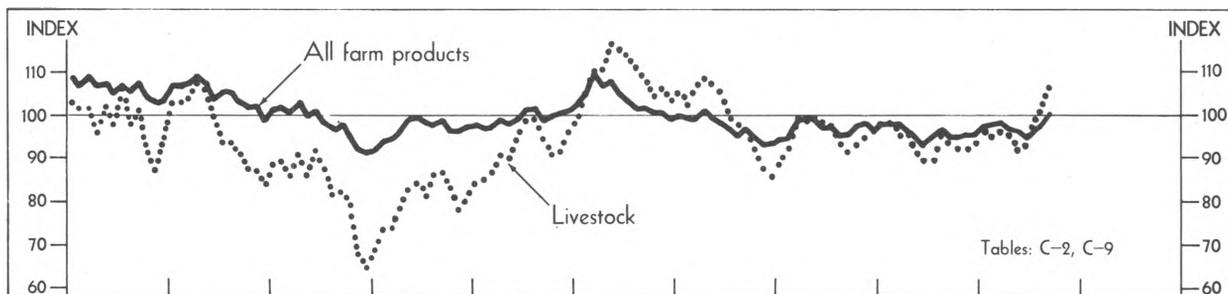


CHART 95 : ALL PROCESSED FOODS, AND MEATS

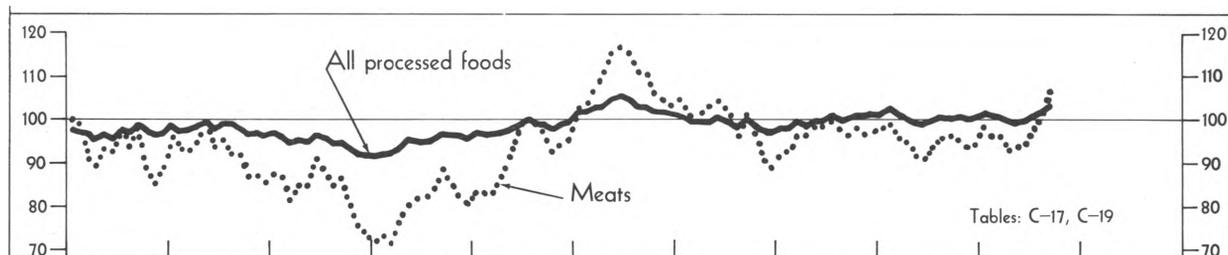


CHART 96 : FRESH FRUITS, AND CANNED FRUITS AND JUICES

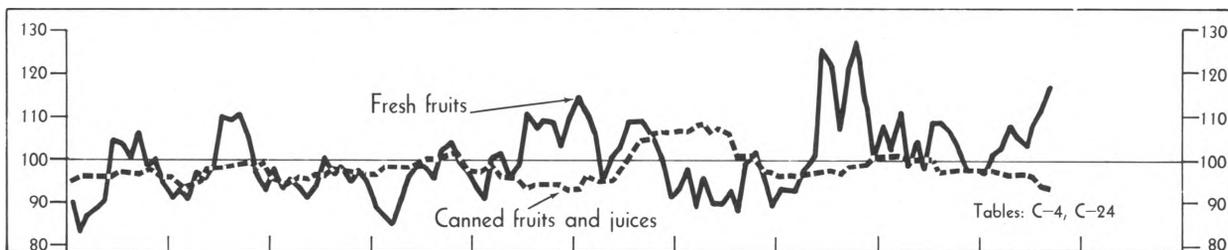
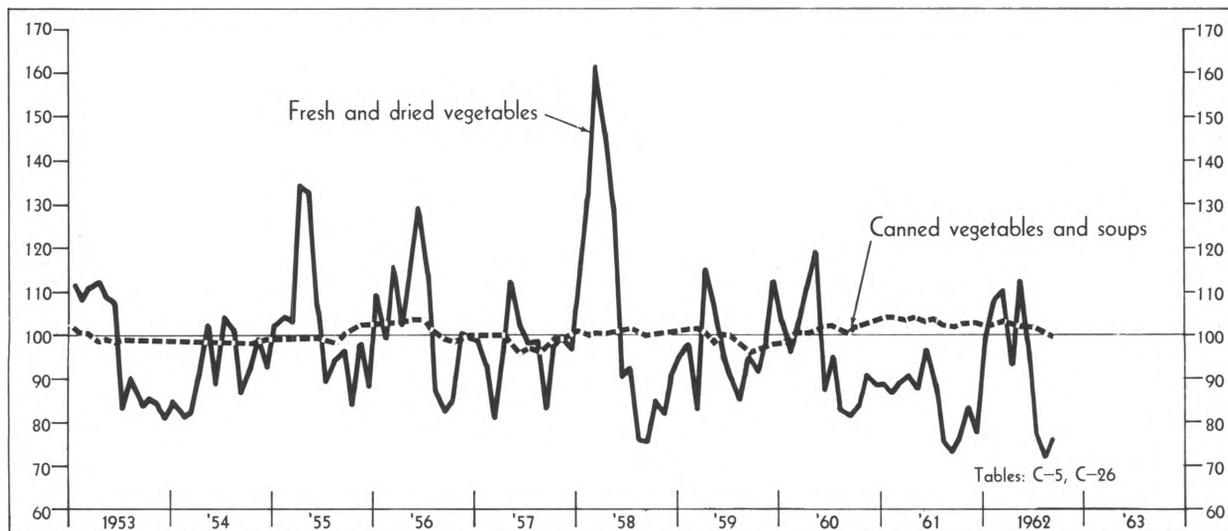


CHART 97 : FRESH AND DRIED VEGETABLES, AND CANNED VEGETABLES AND SOUPS



PROCESSED FOODS

(Reduced scale)

(1957-59=100)

CHART 98 : STEERS, AND HOGS

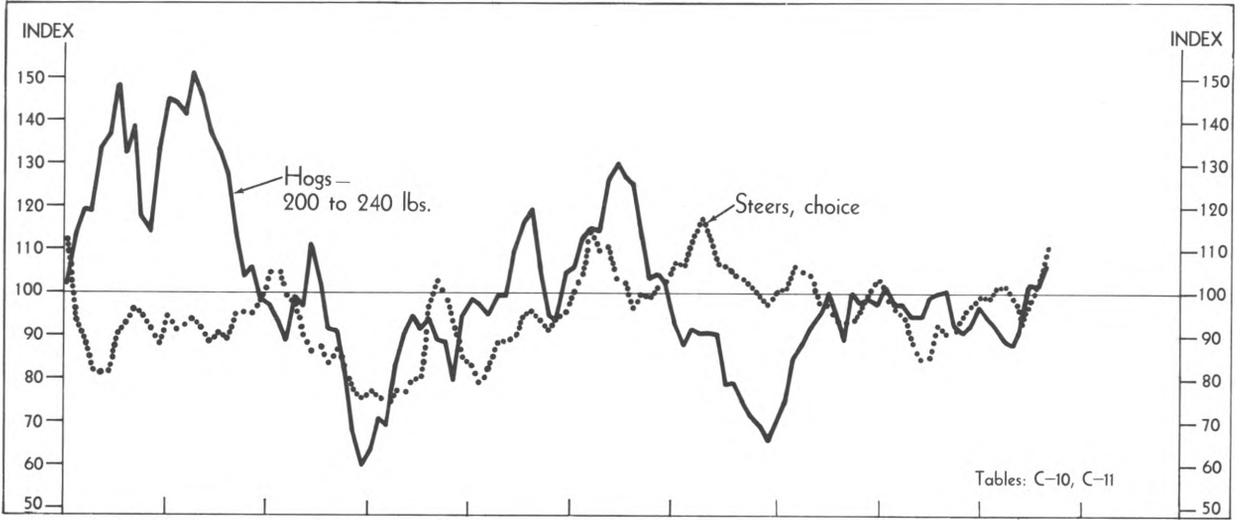


CHART 99 : GRAINS, AND MANUFACTURED ANIMAL FEEDS

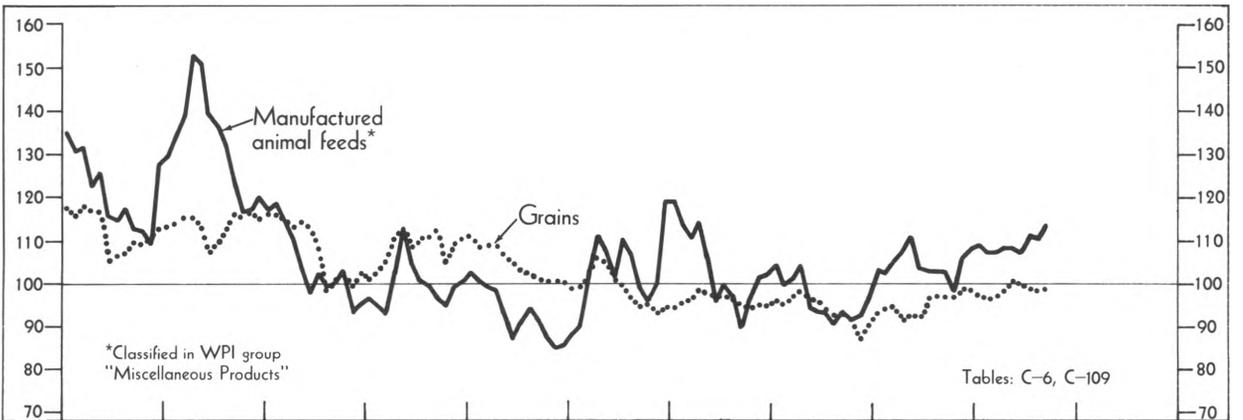
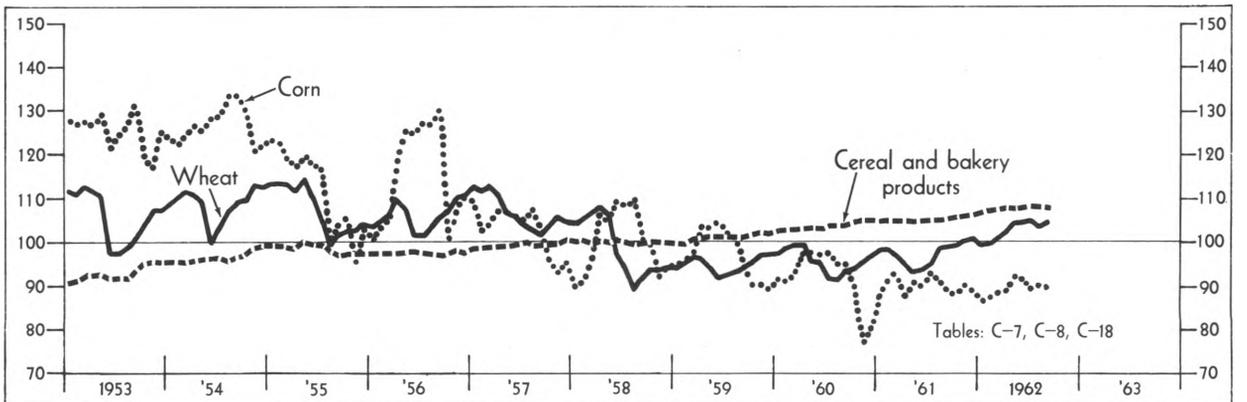


CHART 100 : WHEAT, CORN, AND CEREAL AND BAKERY PRODUCTS



(1957-59=100)

CHART 101 : MACHINERY AND MOTOR VEHICLES, METALS, AND FUEL AND POWER

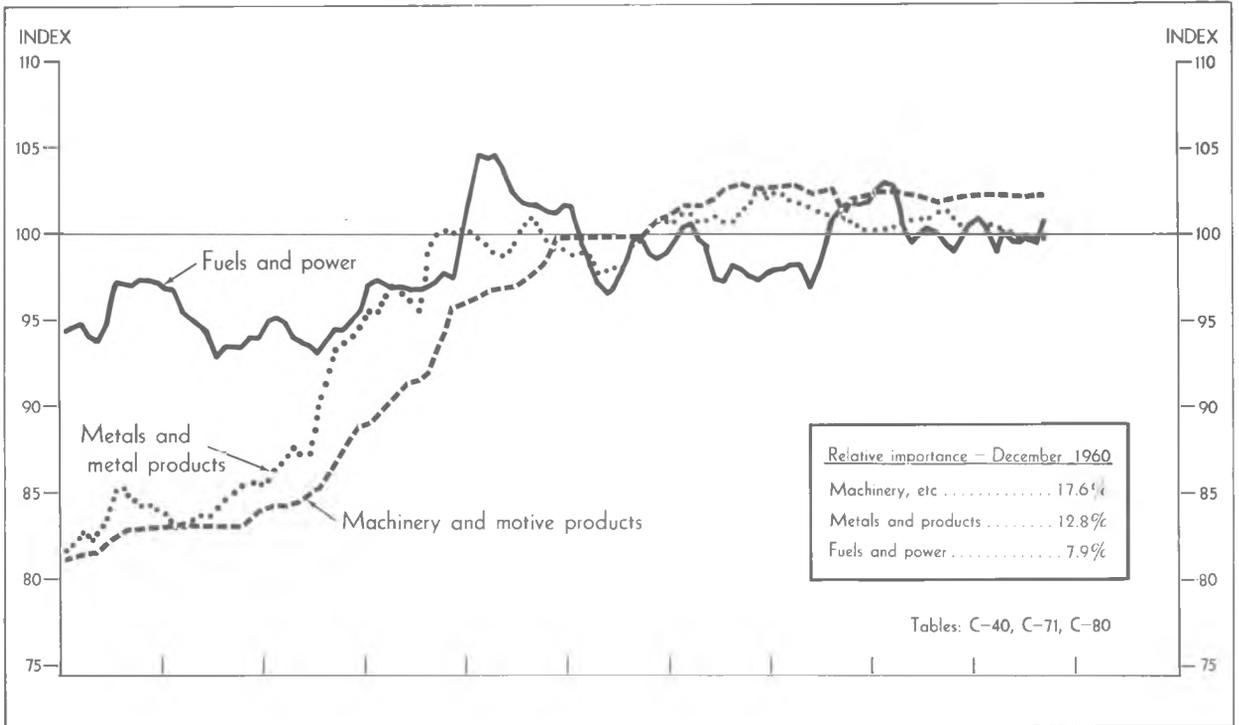
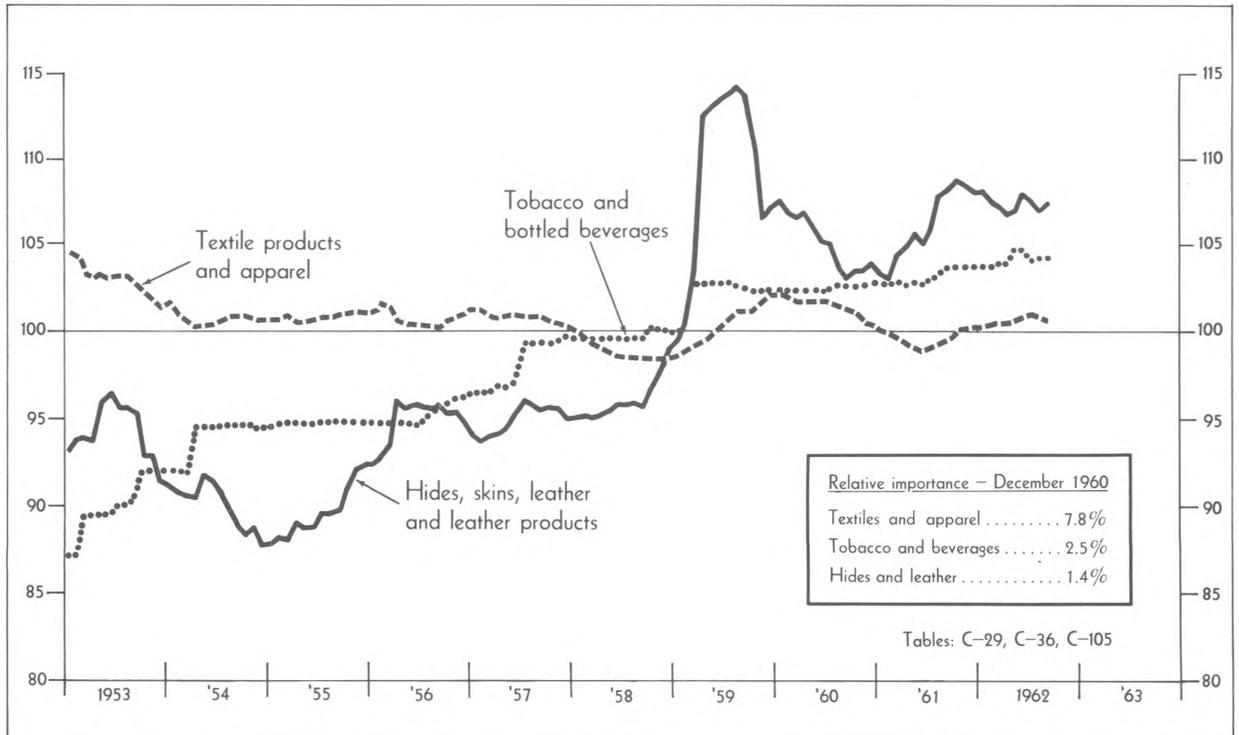


CHART 102 : TEXTILES AND APPAREL, HIDES AND LEATHER, AND TOBACCO AND BOTTLED BEVERAGES



(1957-59=100)

CHART 103: CHEMICALS, NONMETALLIC MINERAL PRODUCTS, AND RUBBER

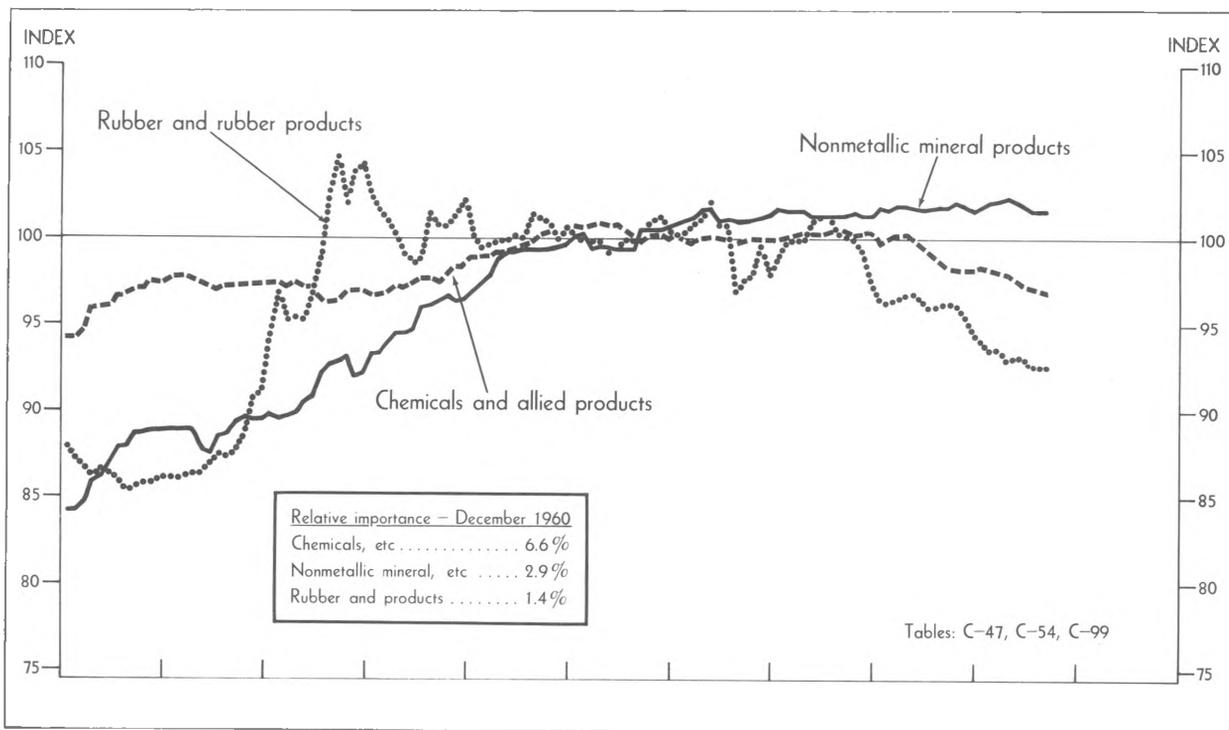


CHART 104: PAPER AND PRODUCTS, FURNITURE AND HOUSEHOLD DURABLES AND LUMBER AND WOOD PRODUCTS

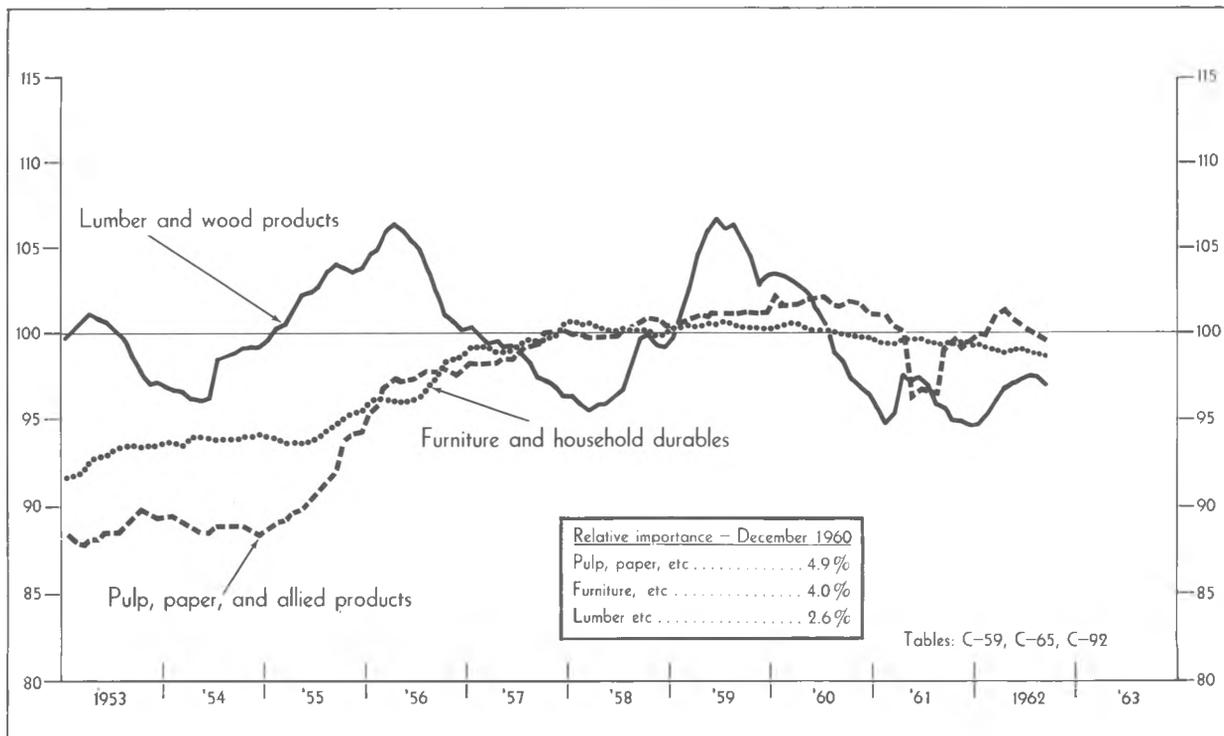
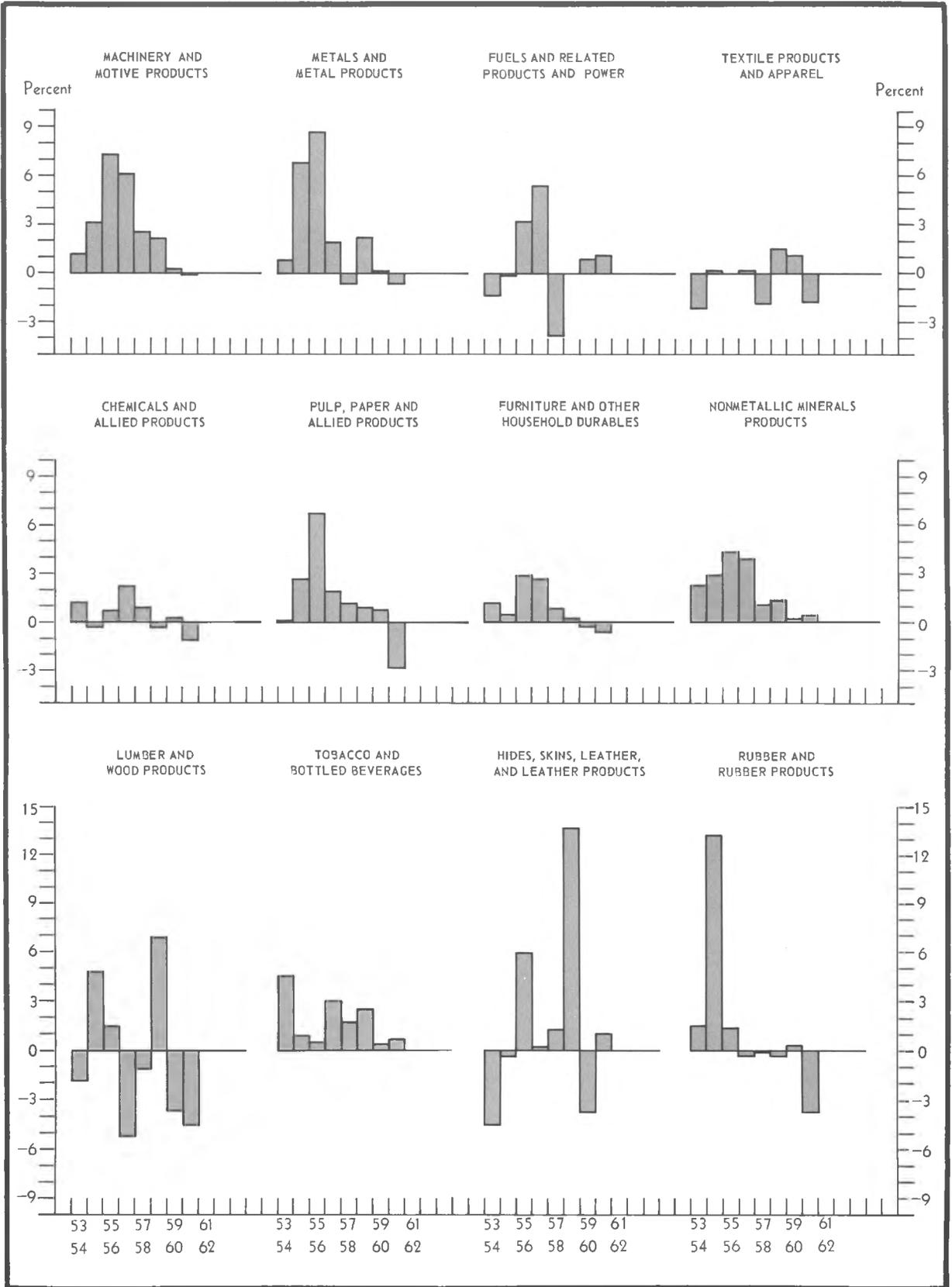


CHART 105: YEAR-TO-YEAR CHANGES FOR EACH MAJOR GROUP OF INDUSTRIAL COMMODITIES, SINCE 1953
 (Percent changes in annual averages)



(1957-59=100)

CHART 106: ALL MACHINERY AND EQUIPMENT, AND ALL MOTOR VEHICLES

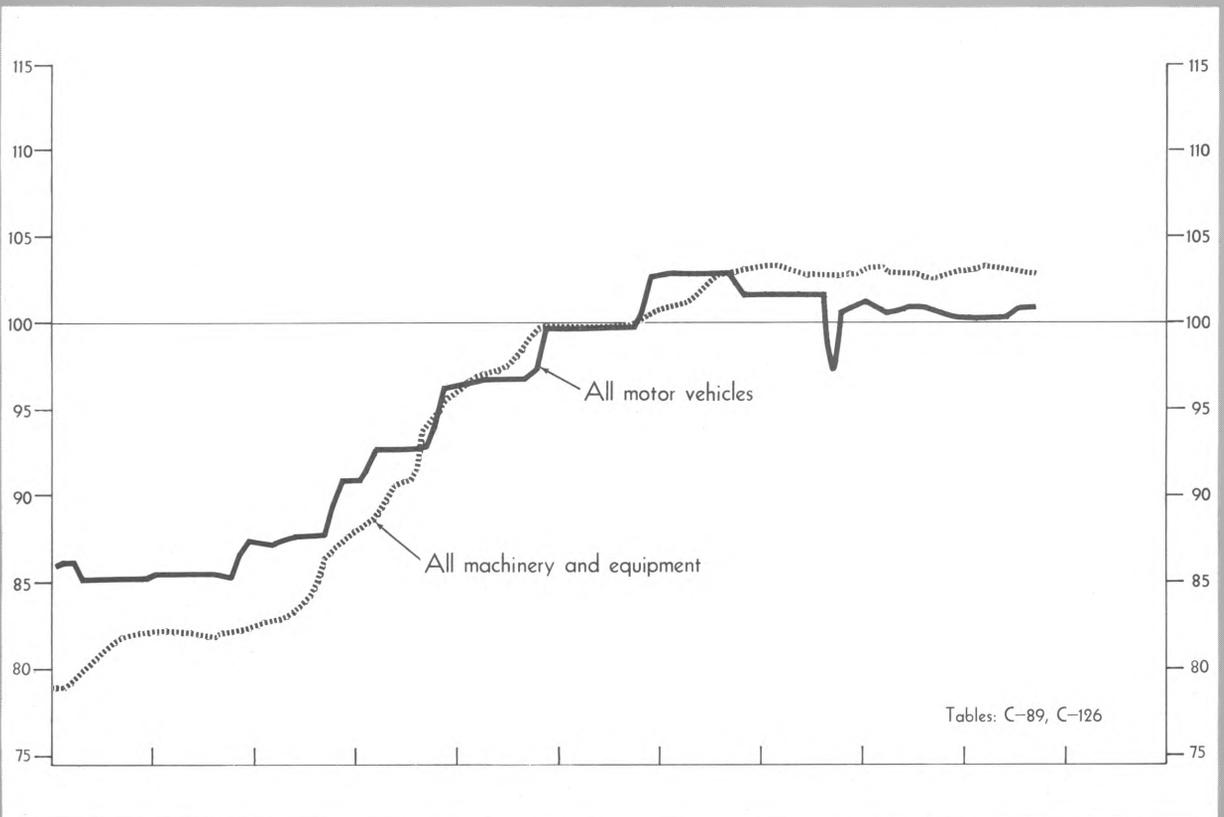
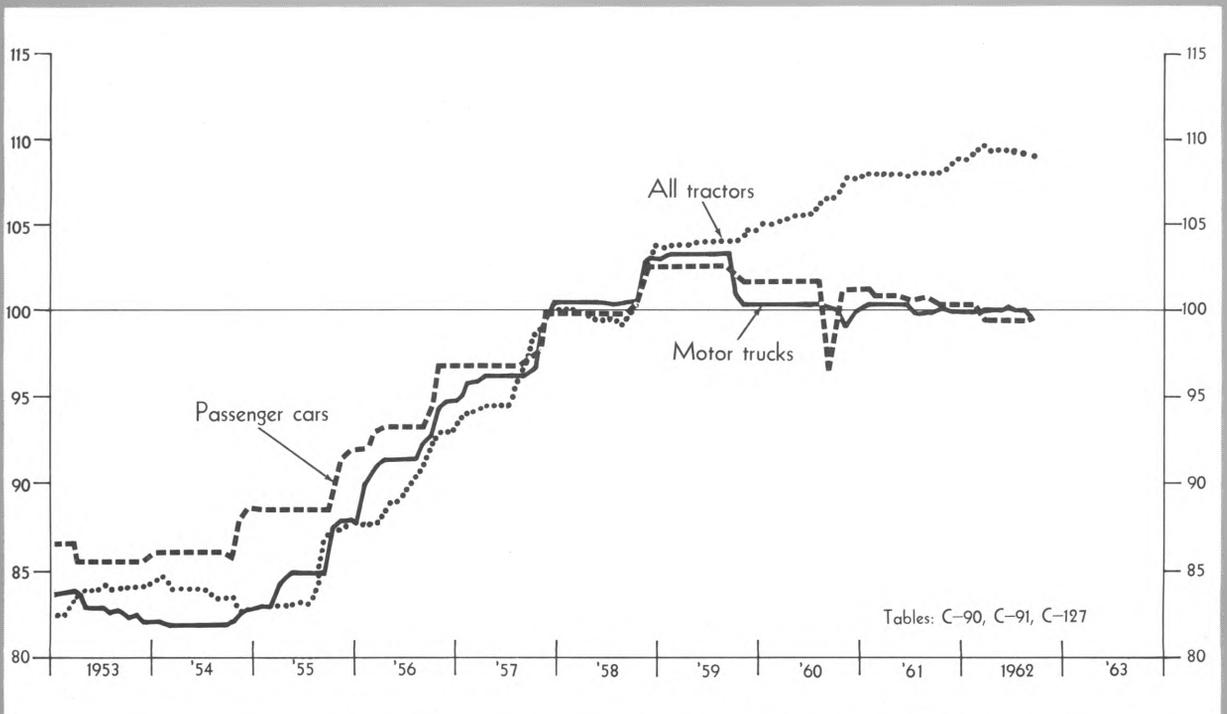


CHART 107: MOTOR TRUCKS, PASSENGER CARS, AND TRACTORS



(1957-59=100)

CHART 108 : AGRICULTURAL, CONSTRUCTION, AND OIL FIELD MACHINERY AND EQUIPMENT

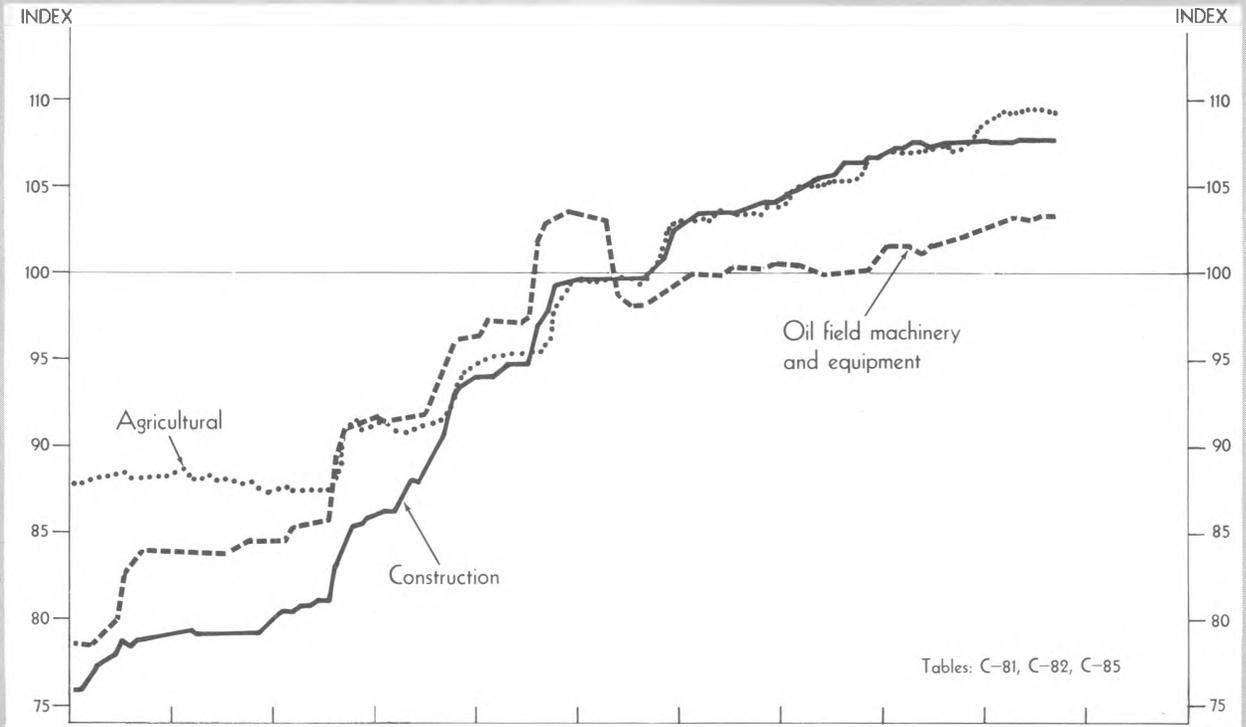
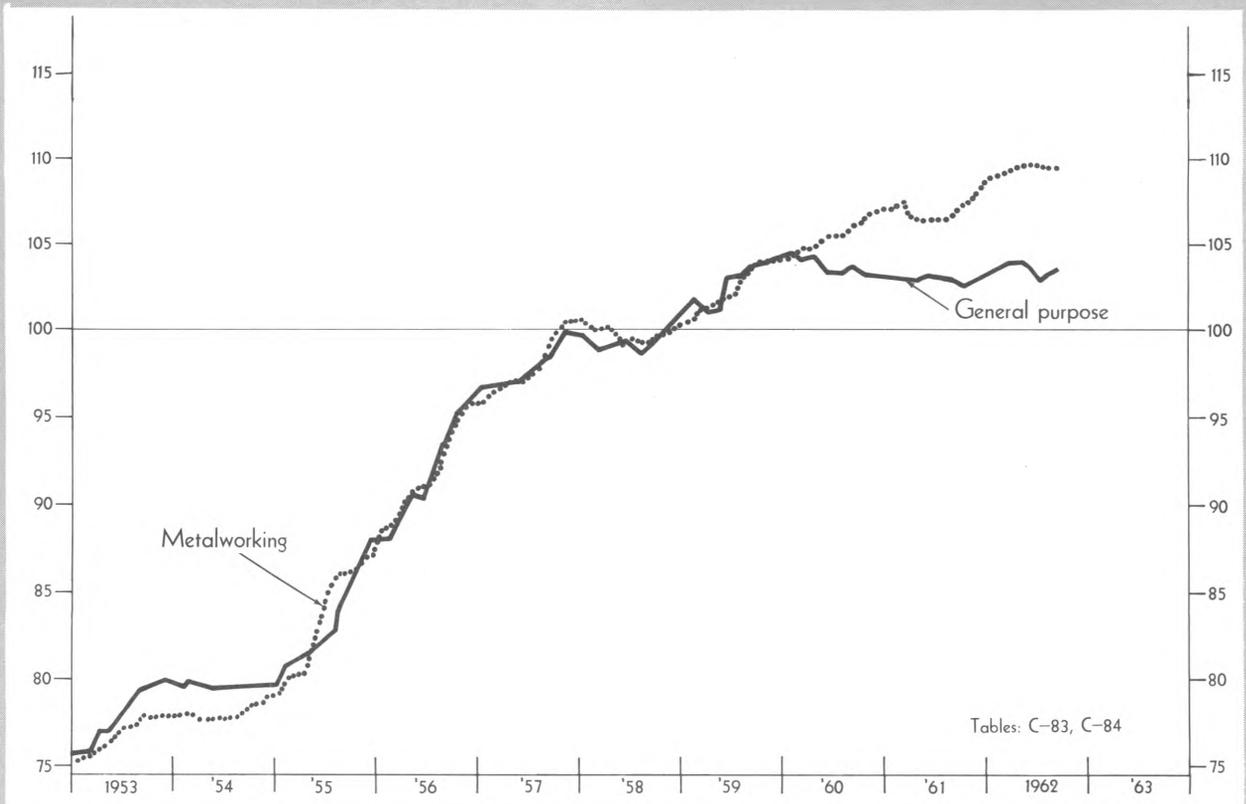


CHART 109 : GENERAL PURPOSE, AND METAL WORKING MACHINERY AND EQUIPMENT



(1957-59=100)

CHART 110: ALL ELECTRICAL MACHINERY AND EQUIPMENT, AND SELECTED COMMODITIES

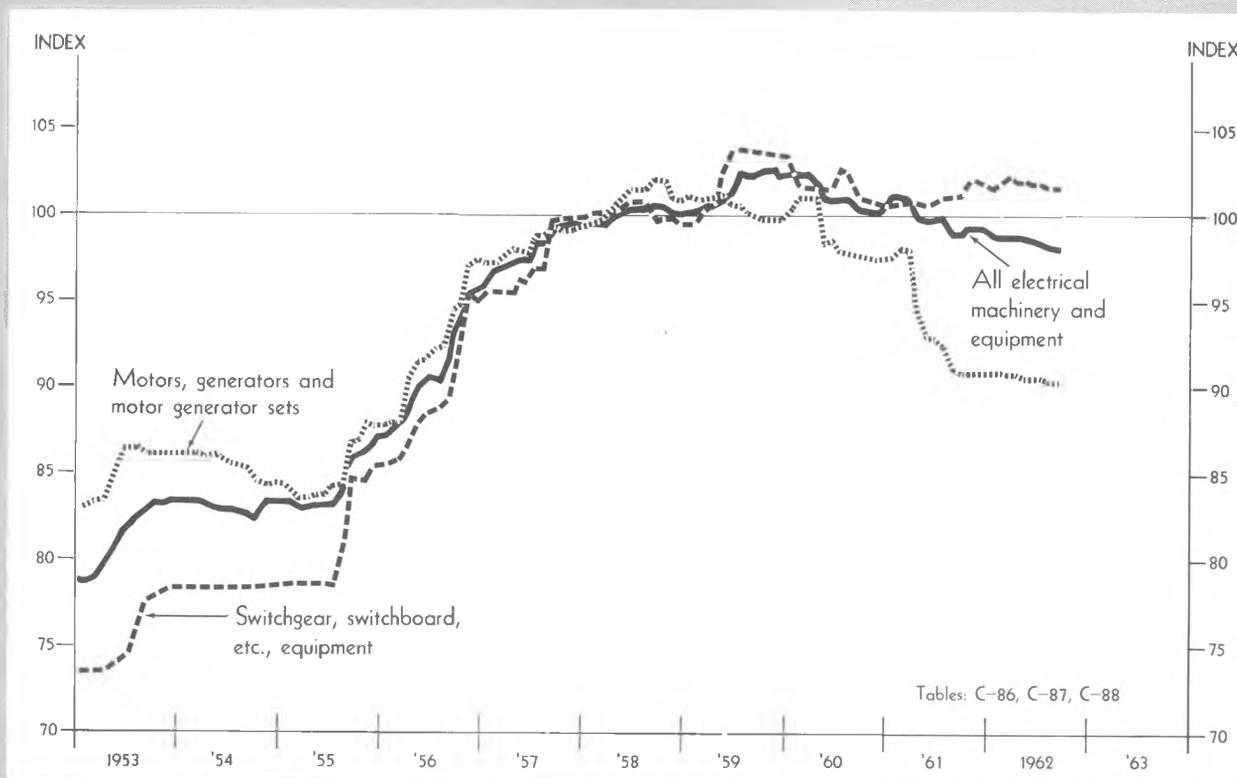
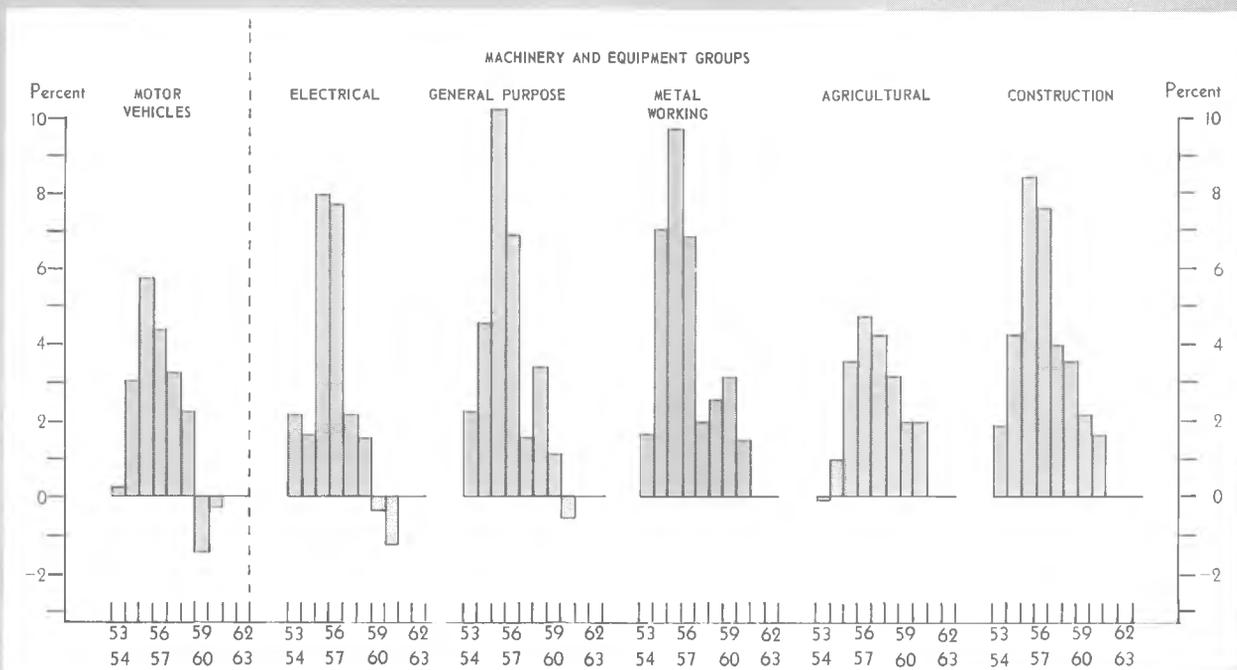


CHART 111: YEAR-TO-YEAR CHANGES IN SELECTED COMMODITY GROUPS, SINCE 1953

(Percent changes in annual averages)



(1957-59=100)

CHART 112 : IRON AND STEEL, AND NONFERROUS METALS

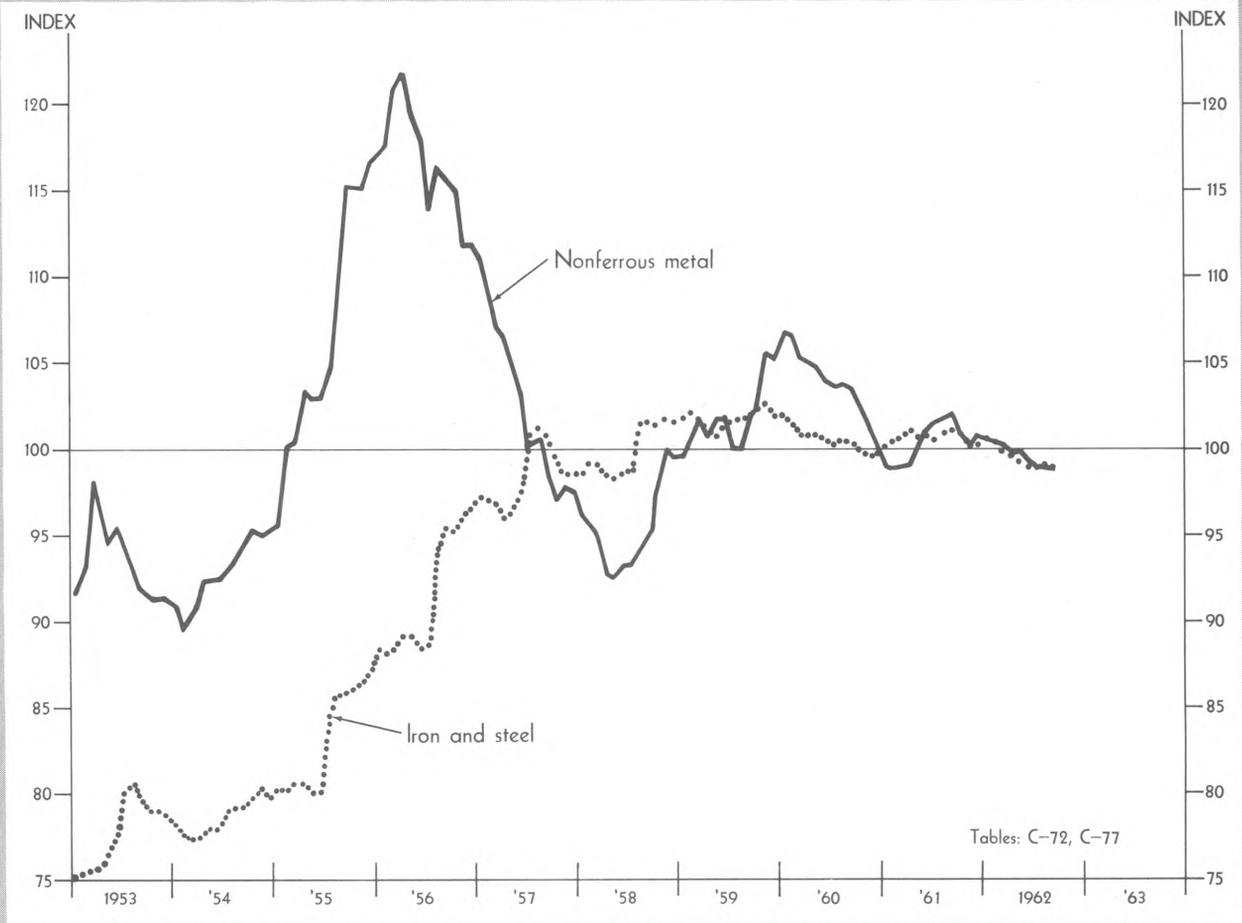
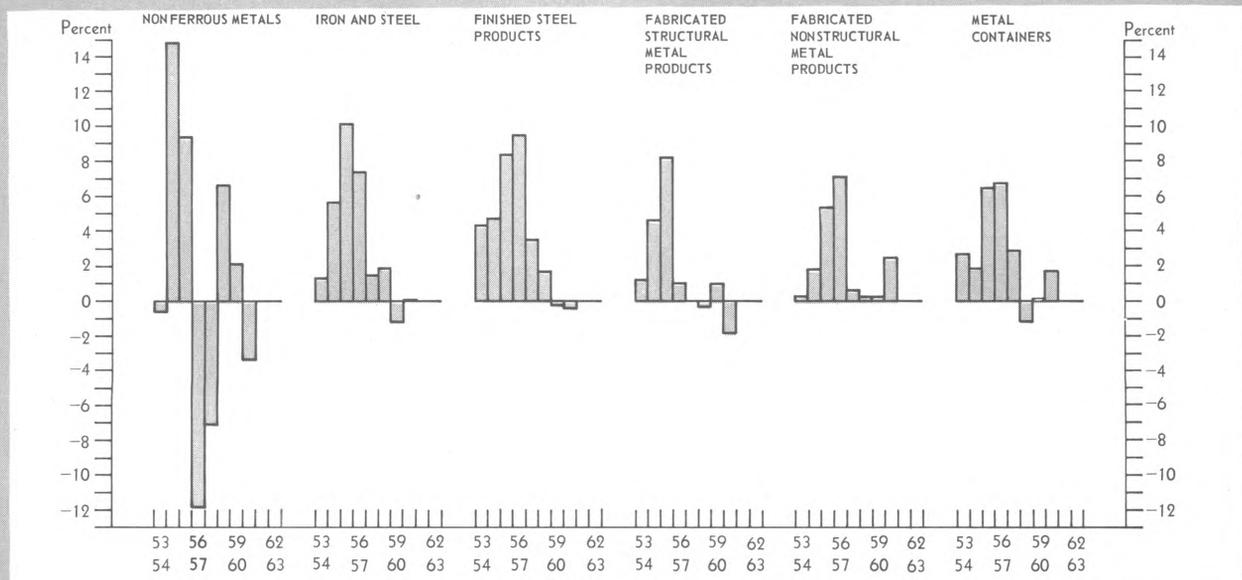


CHART 113: YEAR-TO-YEAR CHANGES IN METALS AND SELECTED METAL PRODUCT GROUPS, SINCE 1953
(Percent changes in annual averages)



(1957-59=100)

CHART 114: FINISHED STEEL PRODUCTS, AND FOUNDRY AND FORGE SHOP PRODUCTS

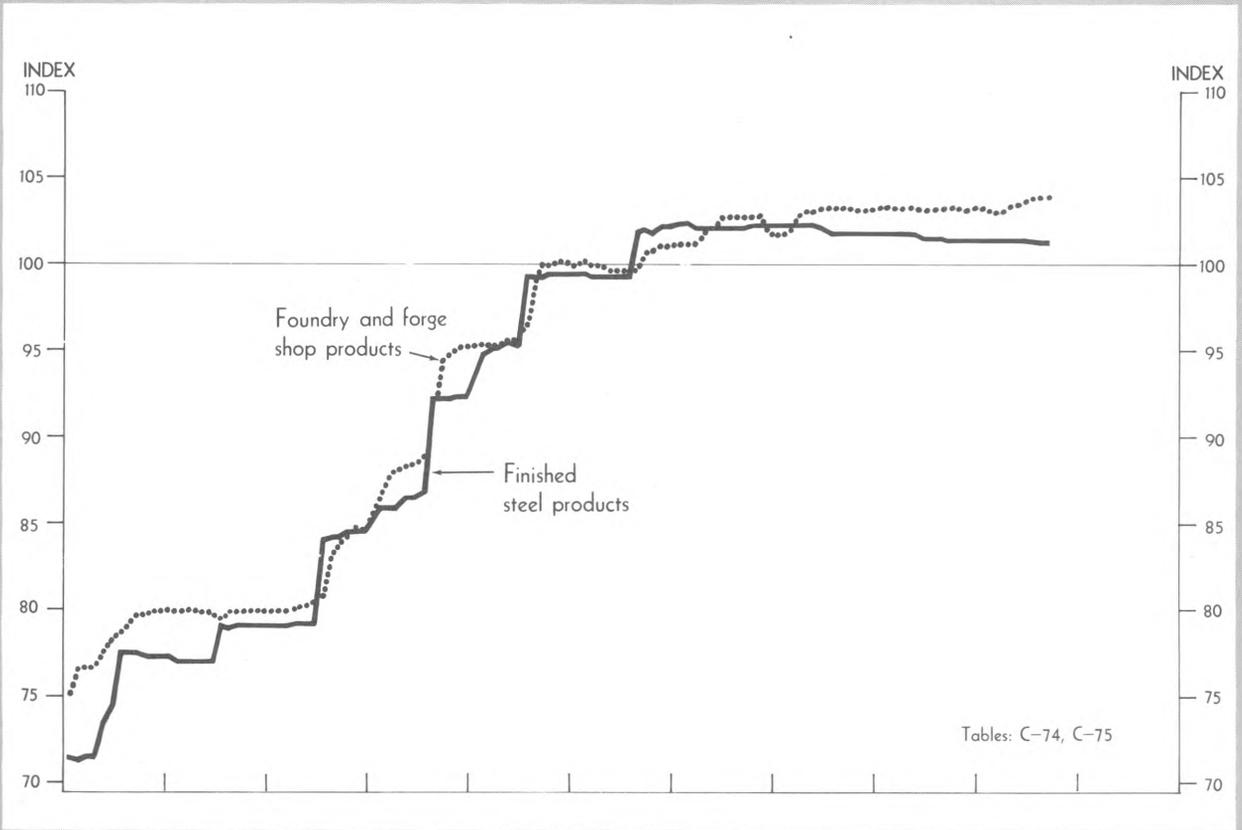
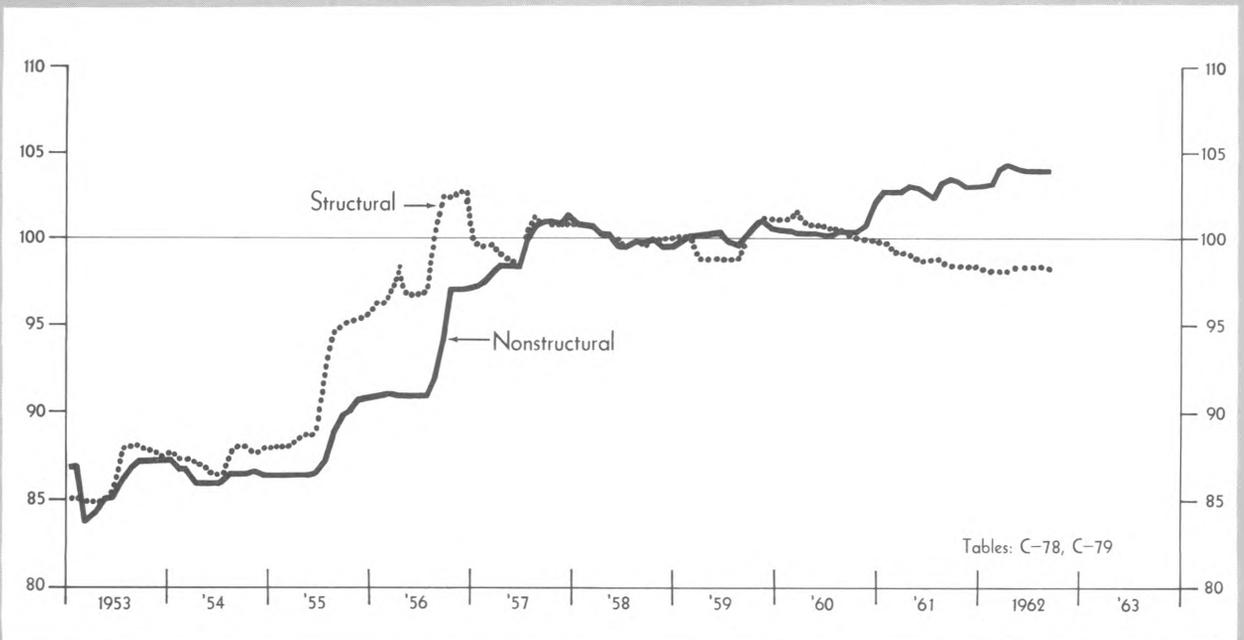
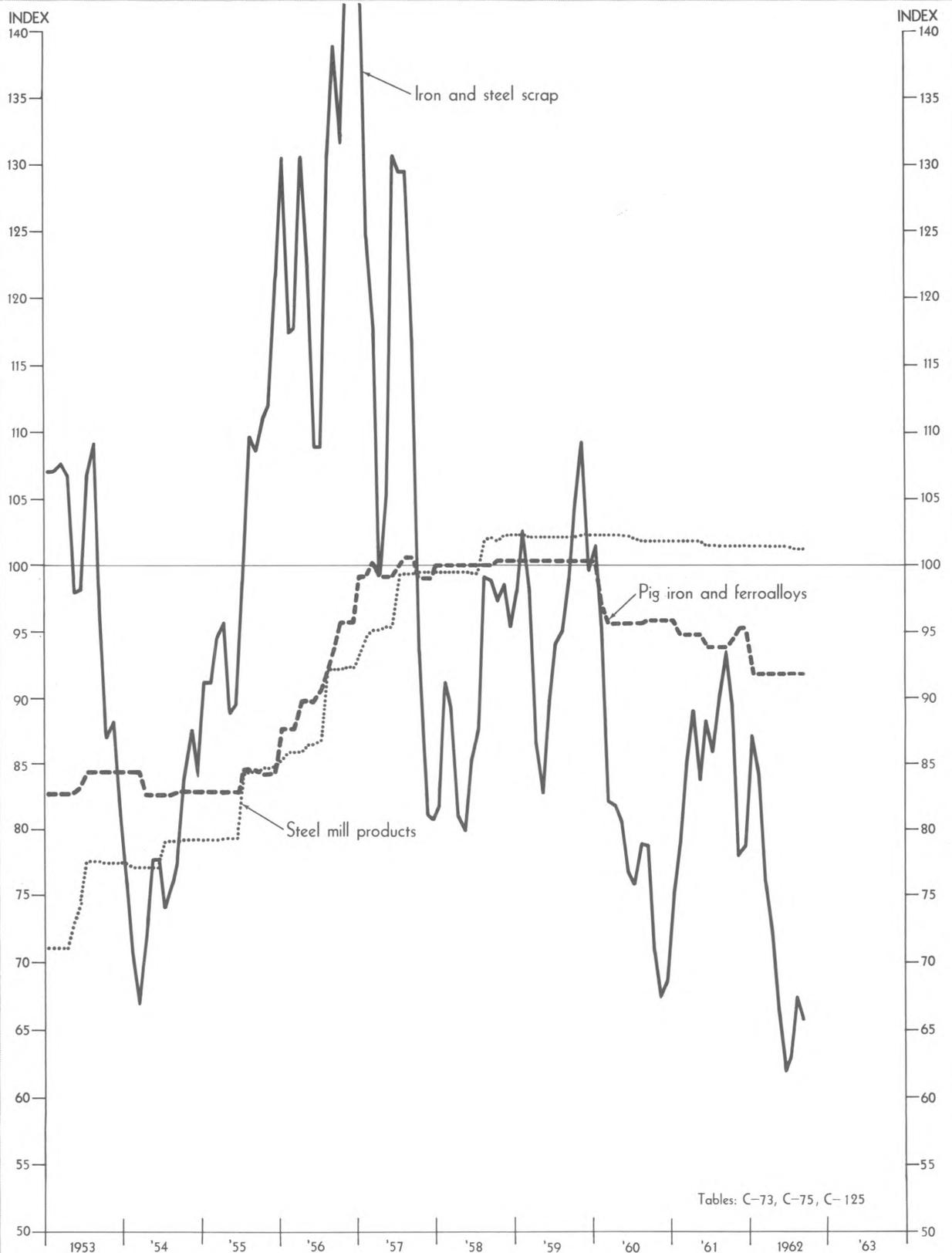


CHART 115: FABRICATED STRUCTURAL AND NONSTRUCTURAL METAL PRODUCTS



(1957-59=100)

CHART 116 : STEEL MILL PRODUCTS, PIG IRON AND FERROALLOYS, AND IRON AND STEEL SCRAP



Tables: C-73, C-75, C-125

(1957-59=100)

CHART 117 : GASOLINE AND CRUDE PETROLEUM

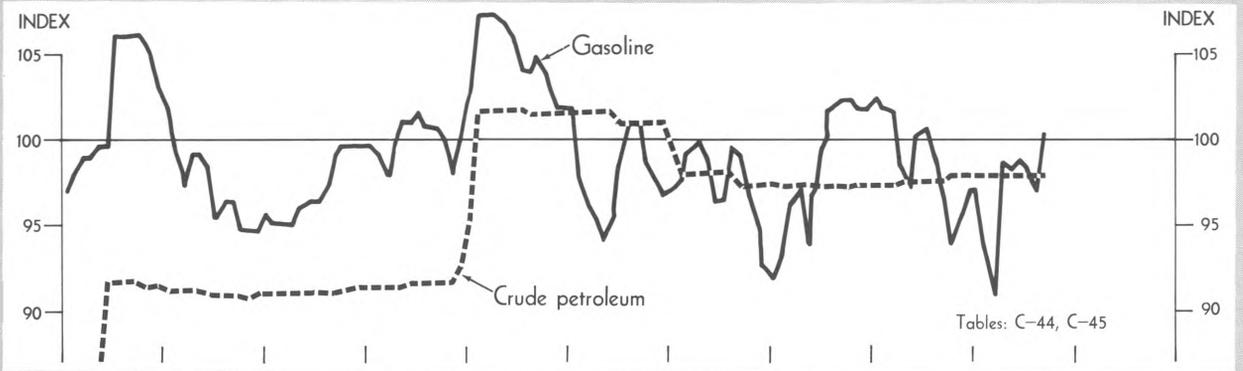
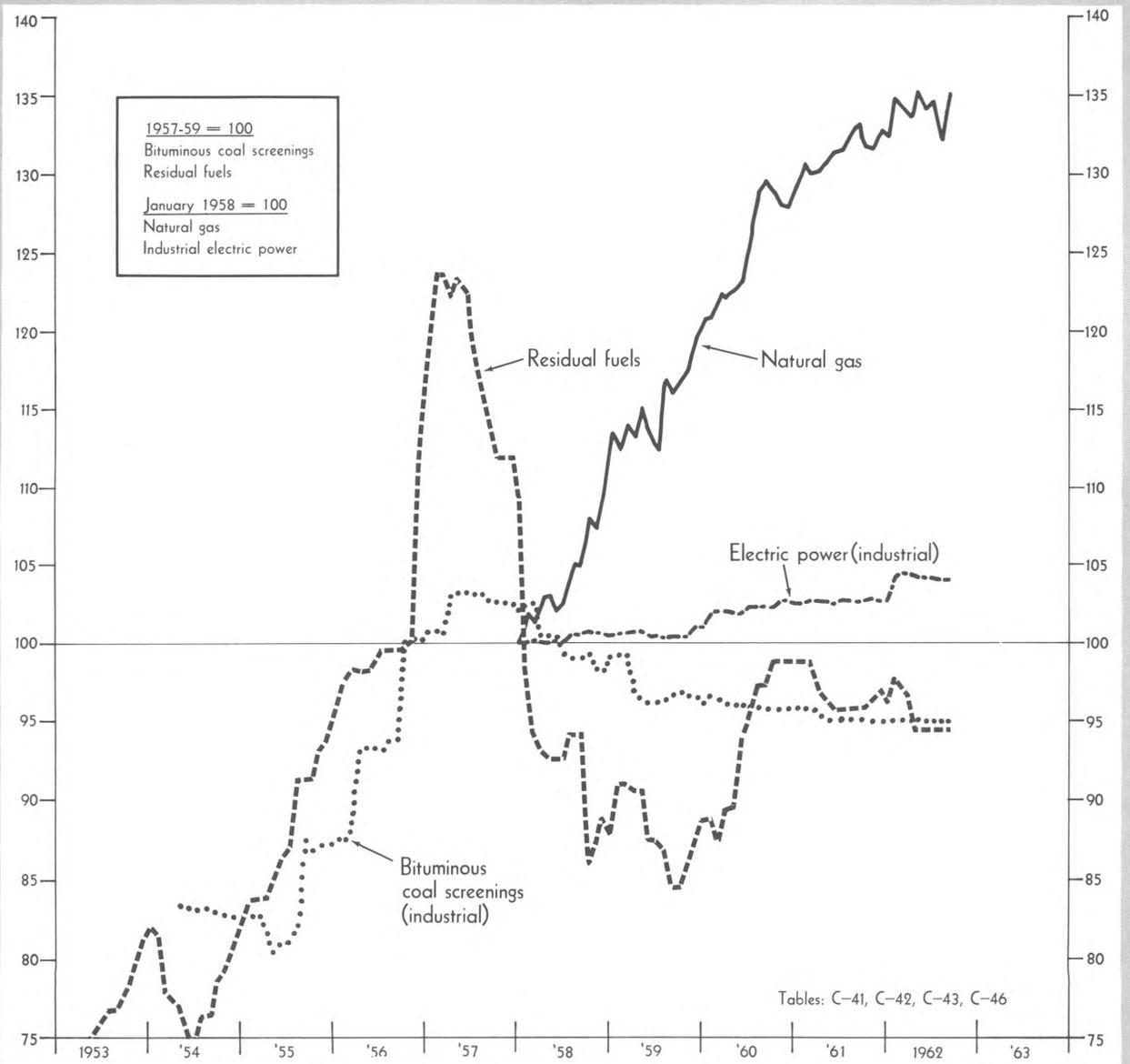


CHART 118 : INDUSTRIAL ELECTRICAL POWER, NATURAL GAS, RESIDUAL FUELS, AND INDUSTRIAL BITUMINOUS COAL SCREENINGS



(1957-59=100)

CHART 119 : RAW COTTON AND COTTON PRODUCTS

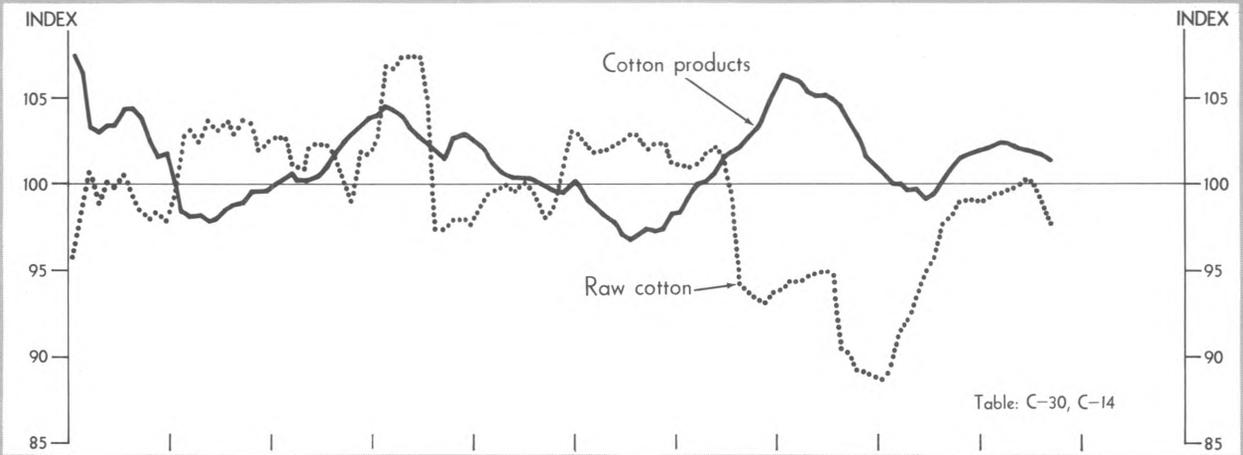


CHART 120 : MAN-MADE FIBER TEXTILE PRODUCTS, AND WOOL PRODUCTS

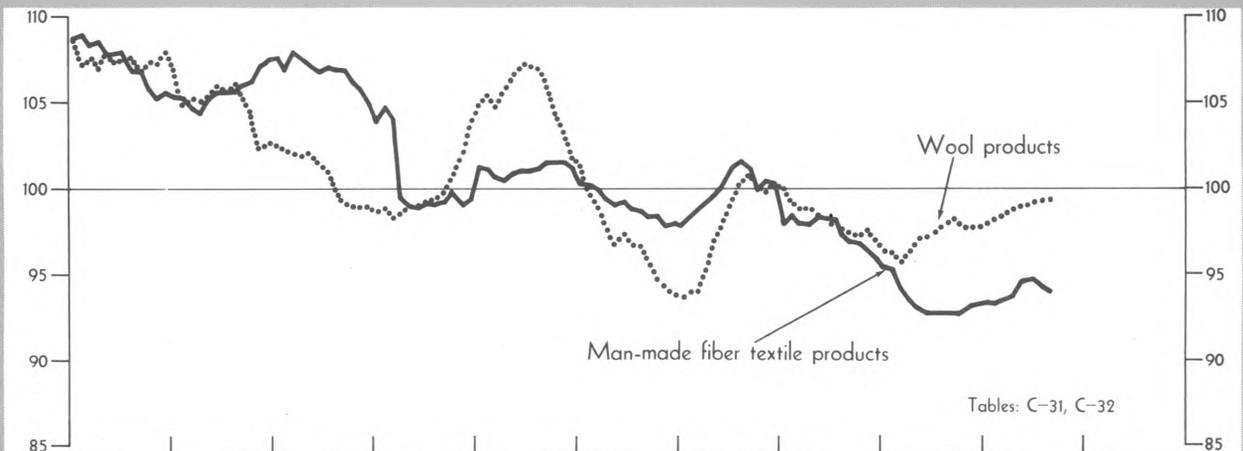
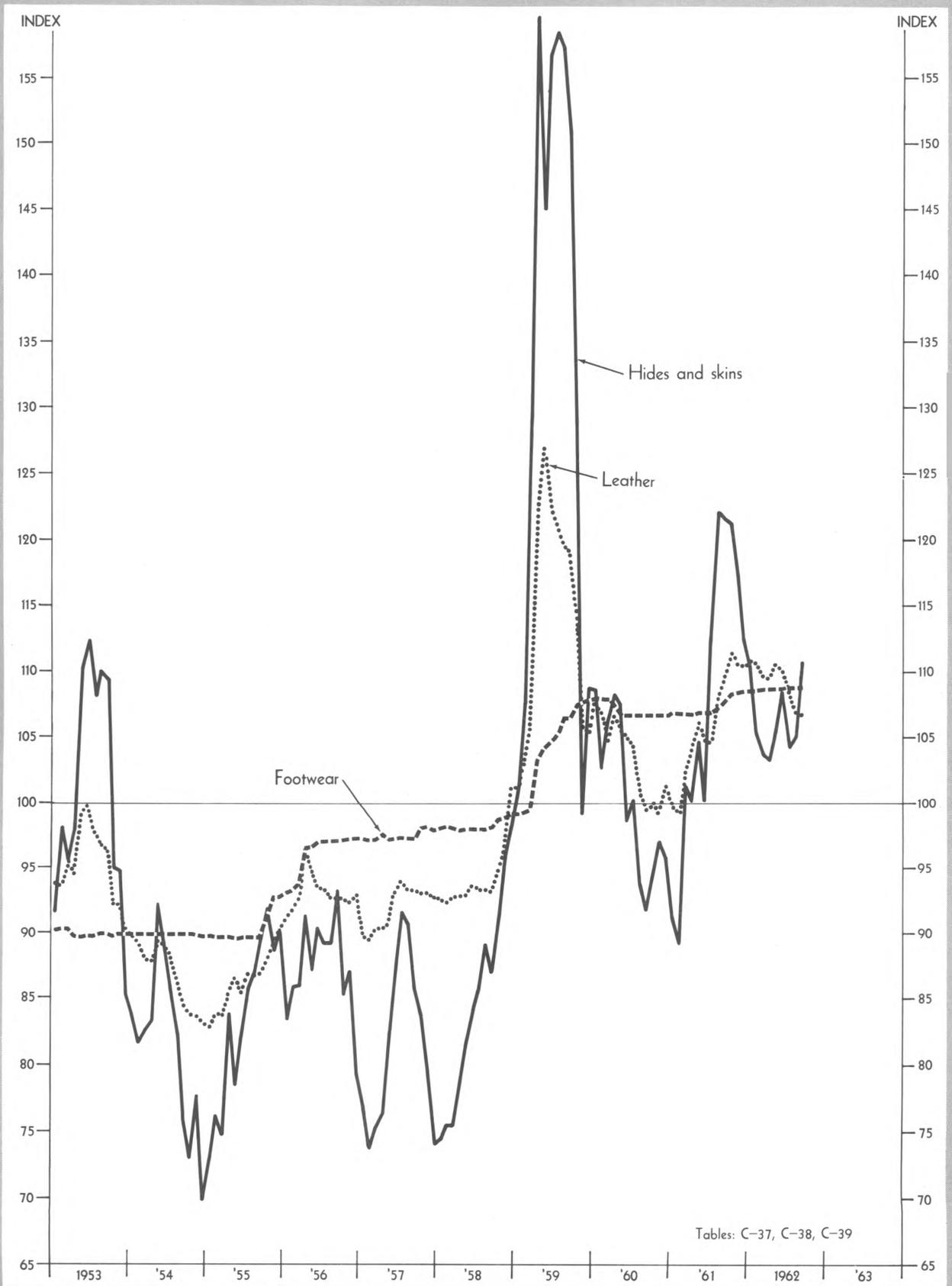


CHART 121 : MEN'S AND BOYS' APPAREL AND WOMEN'S AND GIRLS' APPAREL



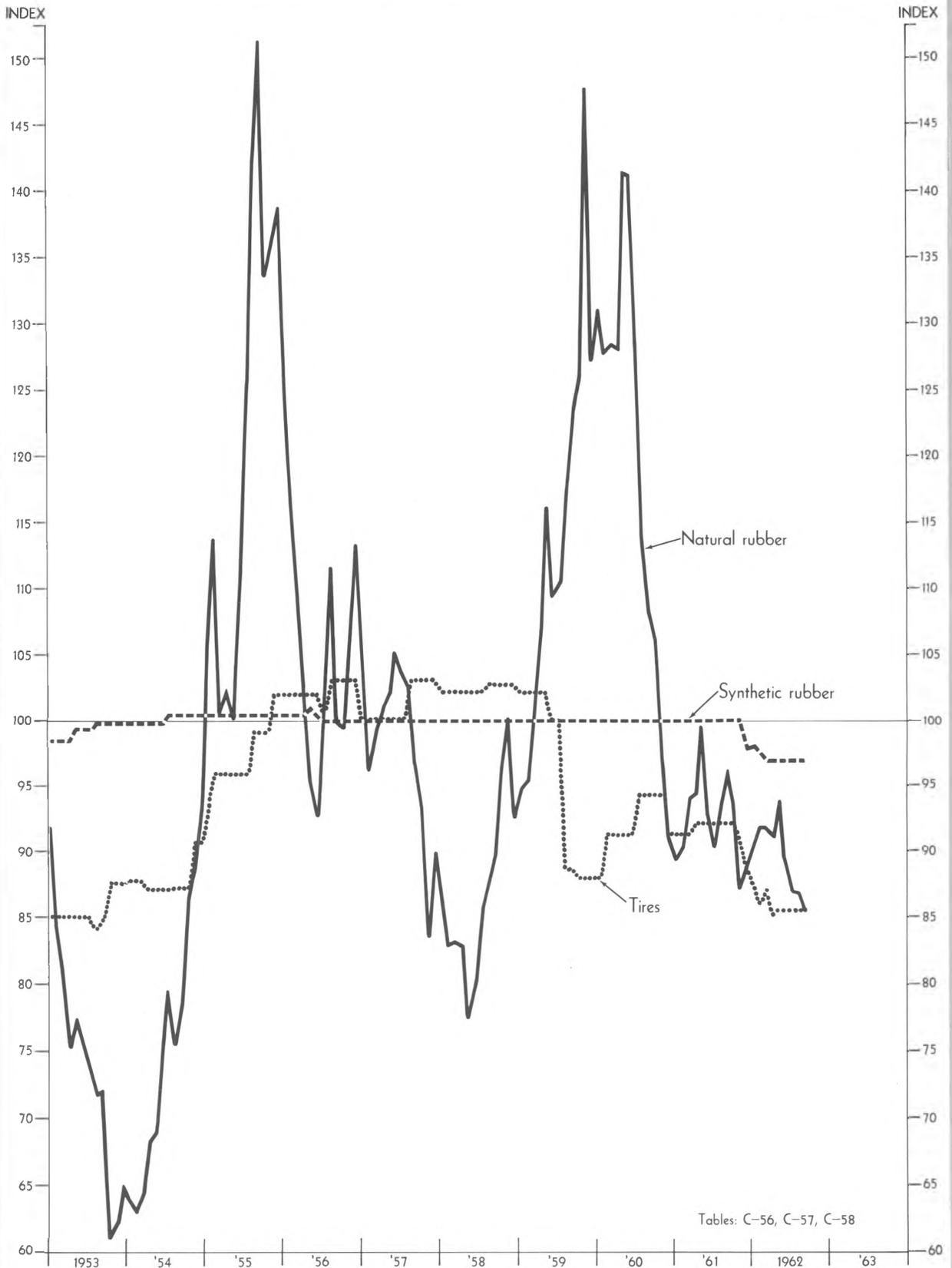
(1957-59=100)
CHART 122 : HIDES AND SKINS, LEATHER, AND FOOTWEAR



Tables: C-37, C-38, C-39

(1957-59=100)

CHART 123: RUBBER: NATURAL, SYNTHETIC, AND TIRES



Tables: C-56, C-57, C-58

(1957-59=100)

CHART 124 : INDUSTRIAL CHEMICALS, AND DRUGS AND PHARMACEUTICALS

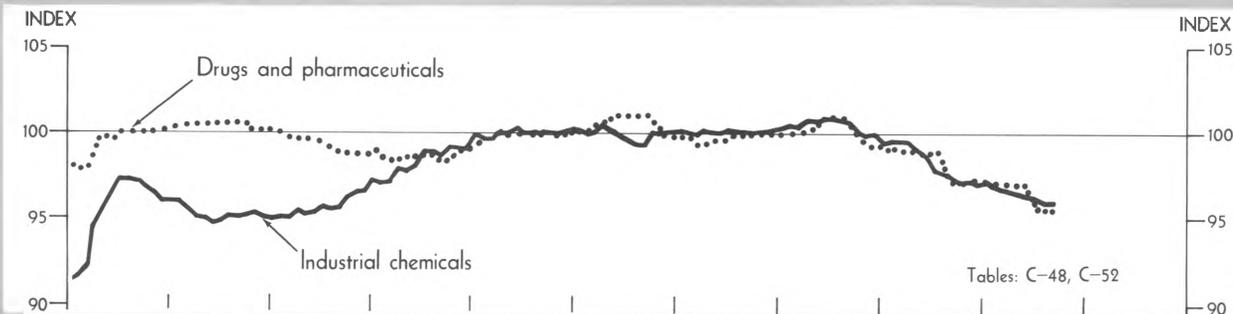


CHART 125 : INDUSTRIAL CHEMICALS: ORGANIC AND INORGANIC

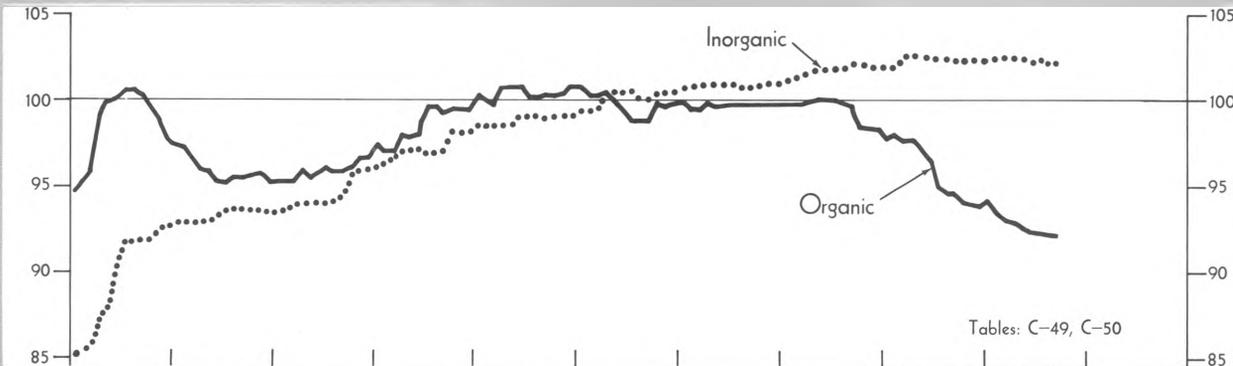
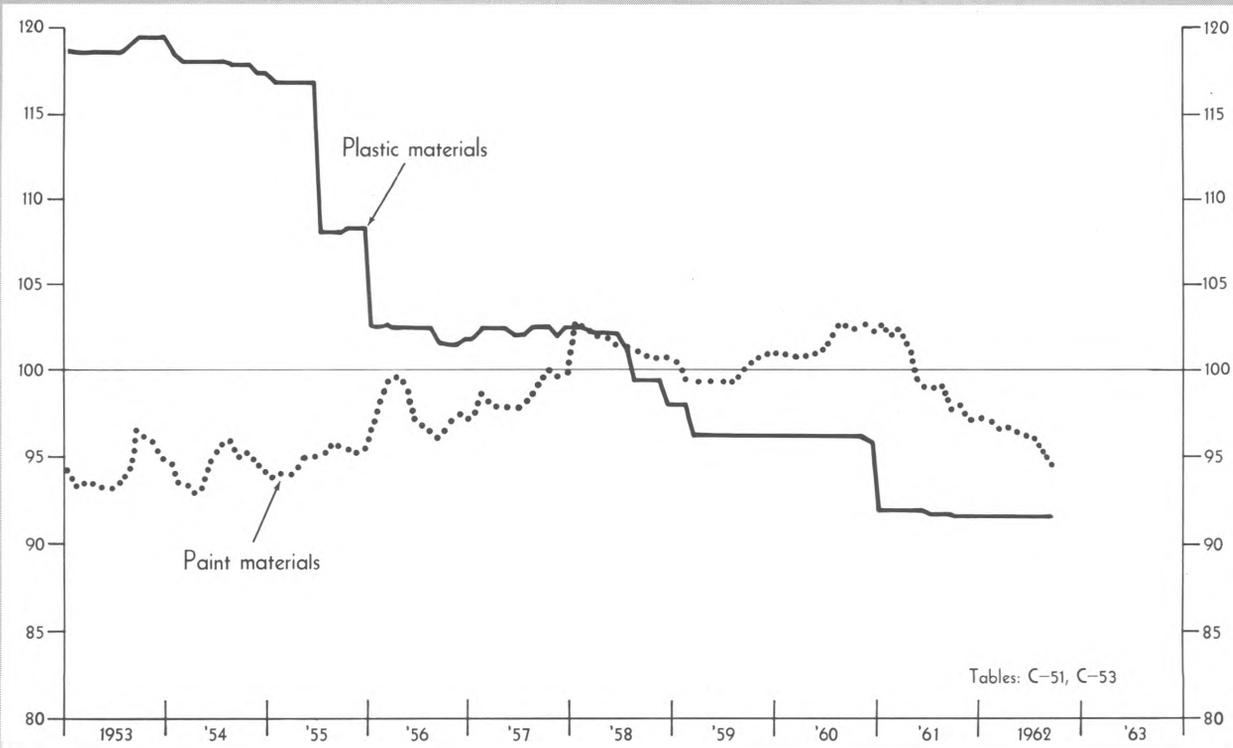
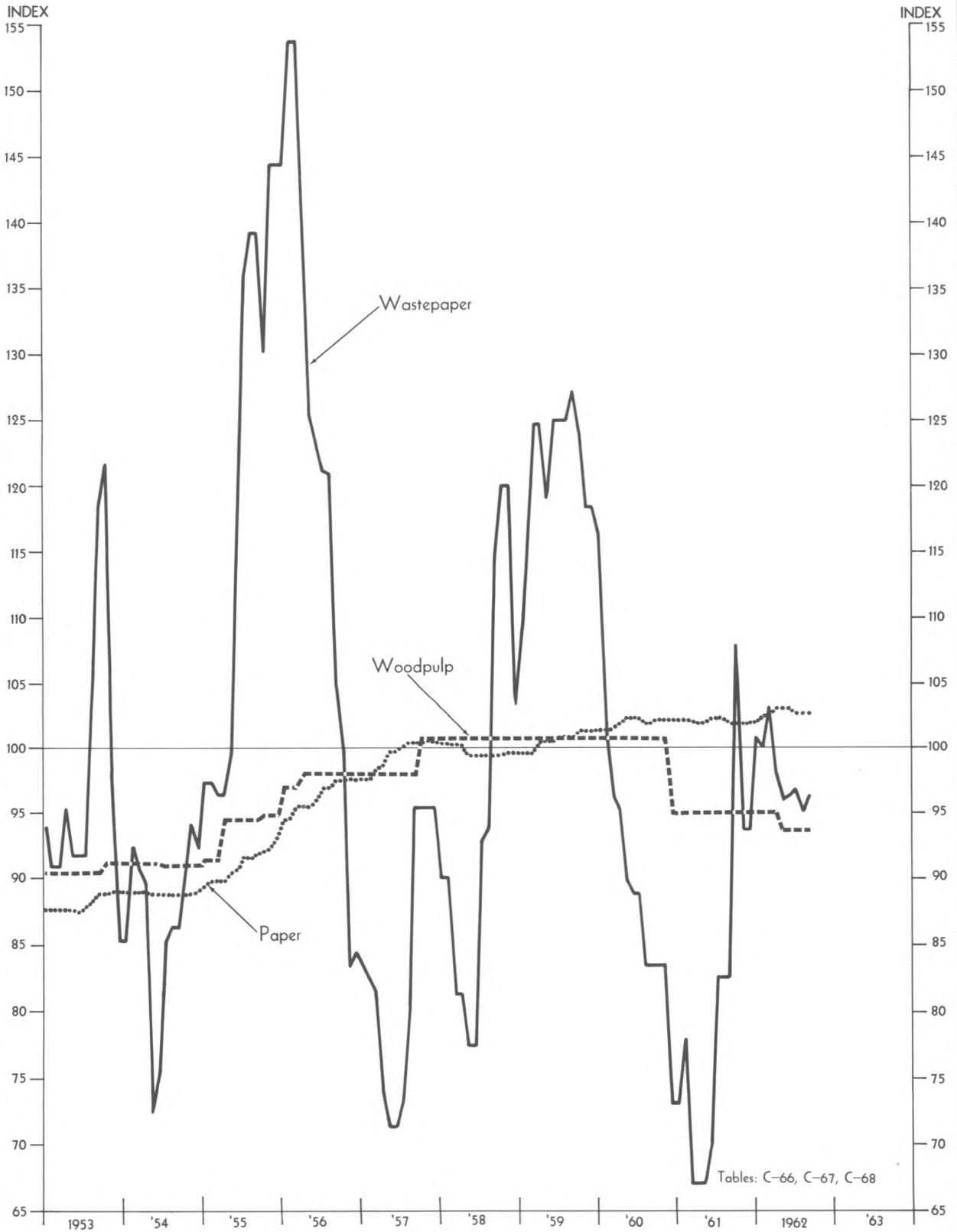


CHART 126 : PLASTIC MATERIALS, AND PAINT MATERIALS



(1957-59=100)

CHART 127 : WOOD PULP, WASTEPAPER, AND PAPER



(1957-59=100)

CHART 128 : PAPERBOARD, AND CONVERTED PAPER AND PAPERBOARD PRODUCTS

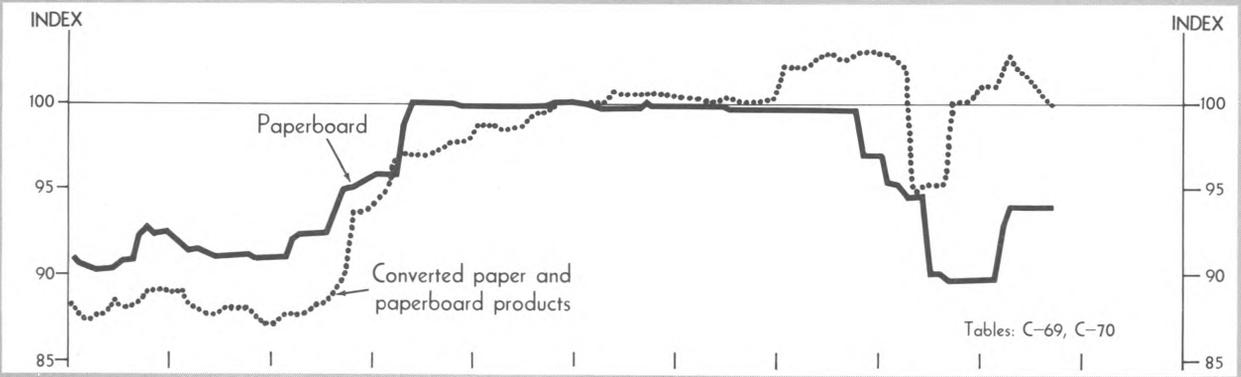


CHART 129 : LUMBER AND MILLWORK

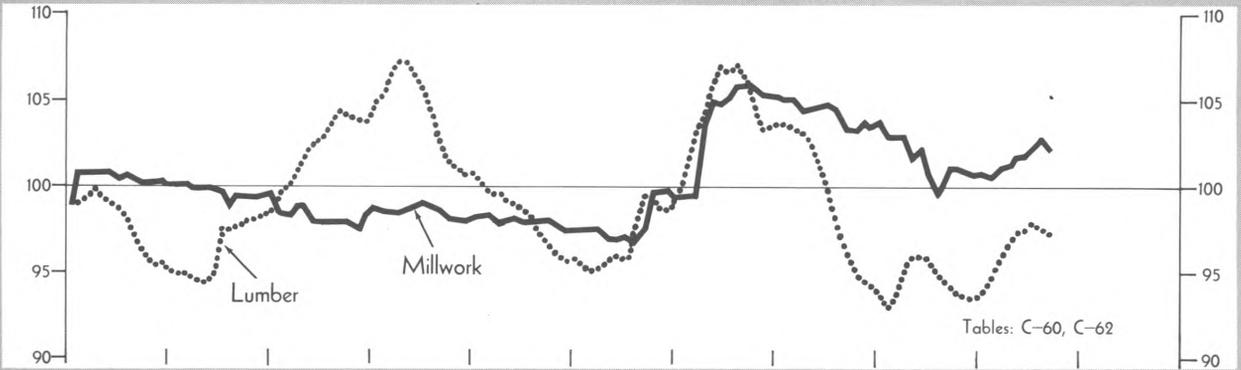
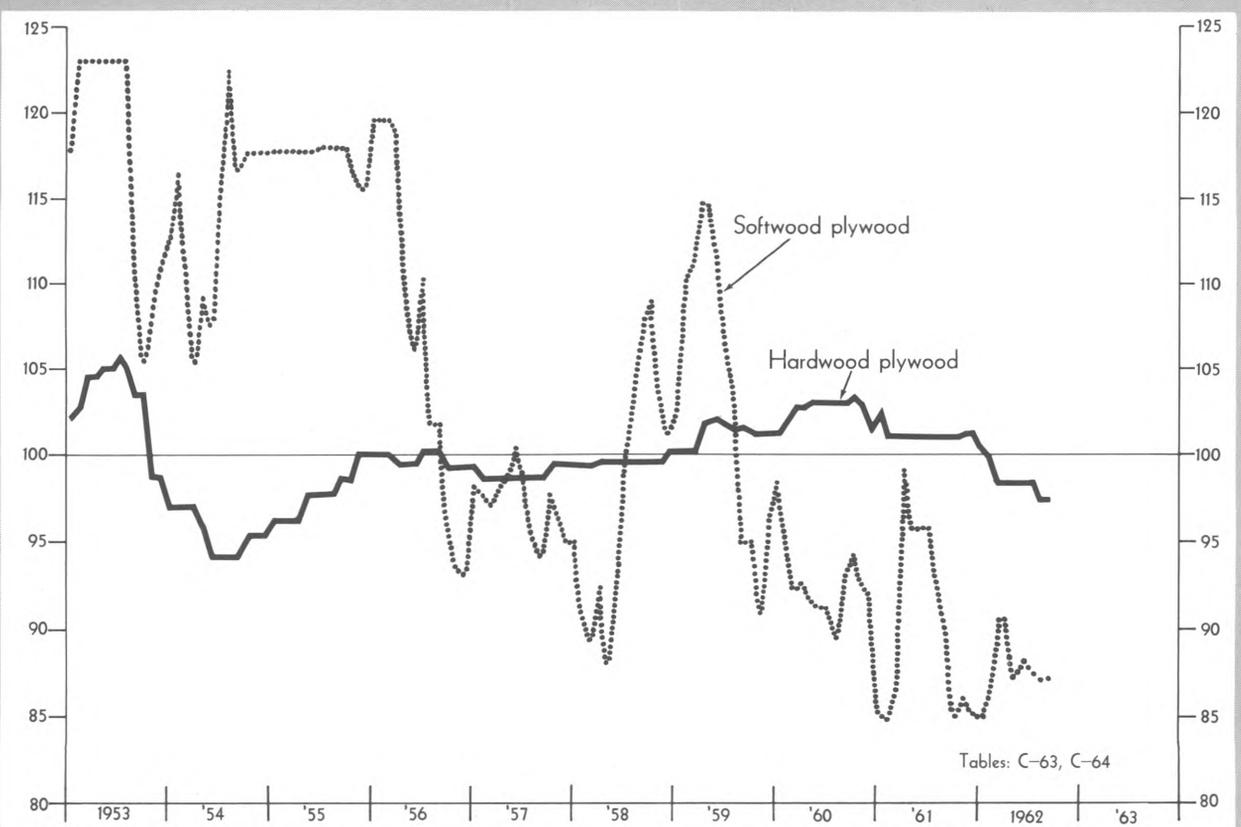


CHART 130 : PLYWOOD: SOFTWOOD AND HARDWOOD



(1957-59=100)

CHART 131 : HOUSEHOLD FURNITURE, COMMERCIAL FURNITURE, AND FLOOR COVERING

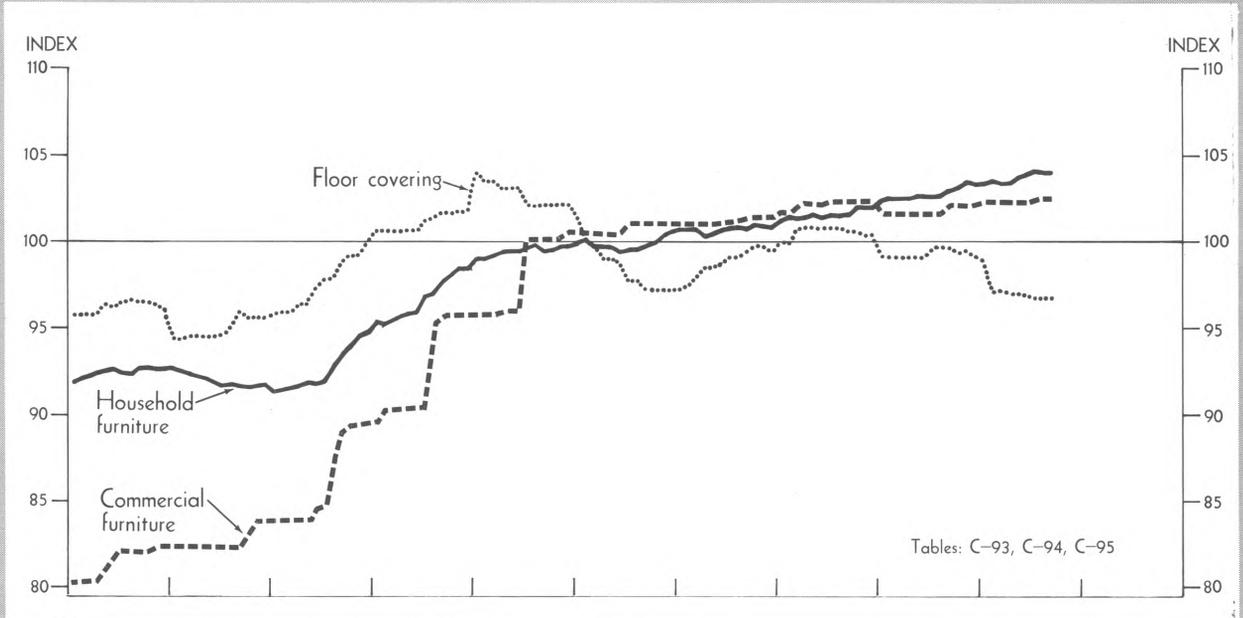
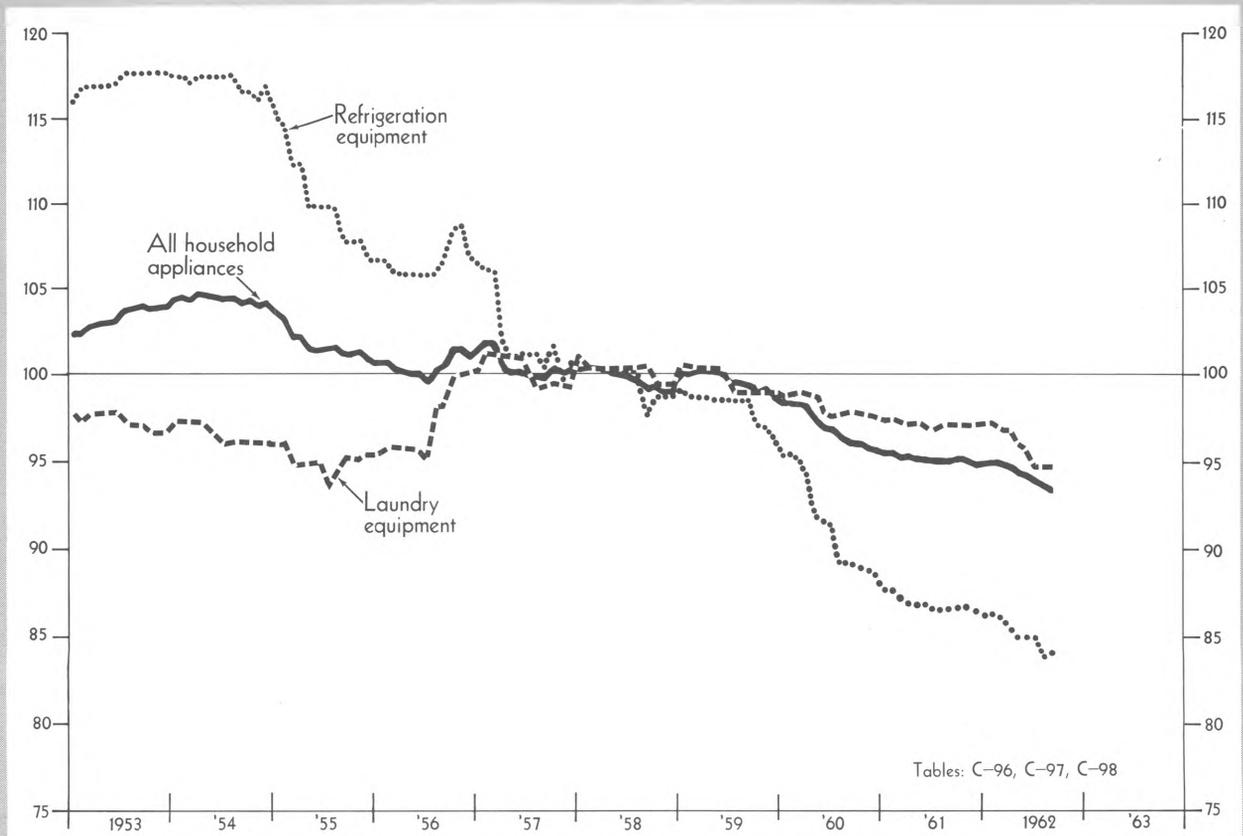


CHART 132 : ALL HOUSEHOLD APPLIANCES, REFRIGERATION AND LAUNDRY EQUIPMENT



(1957-59=100)

CHART 133: CONCRETE PRODUCTS, STRUCTURAL CLAY PRODUCTS, AND WINDOW GLASS

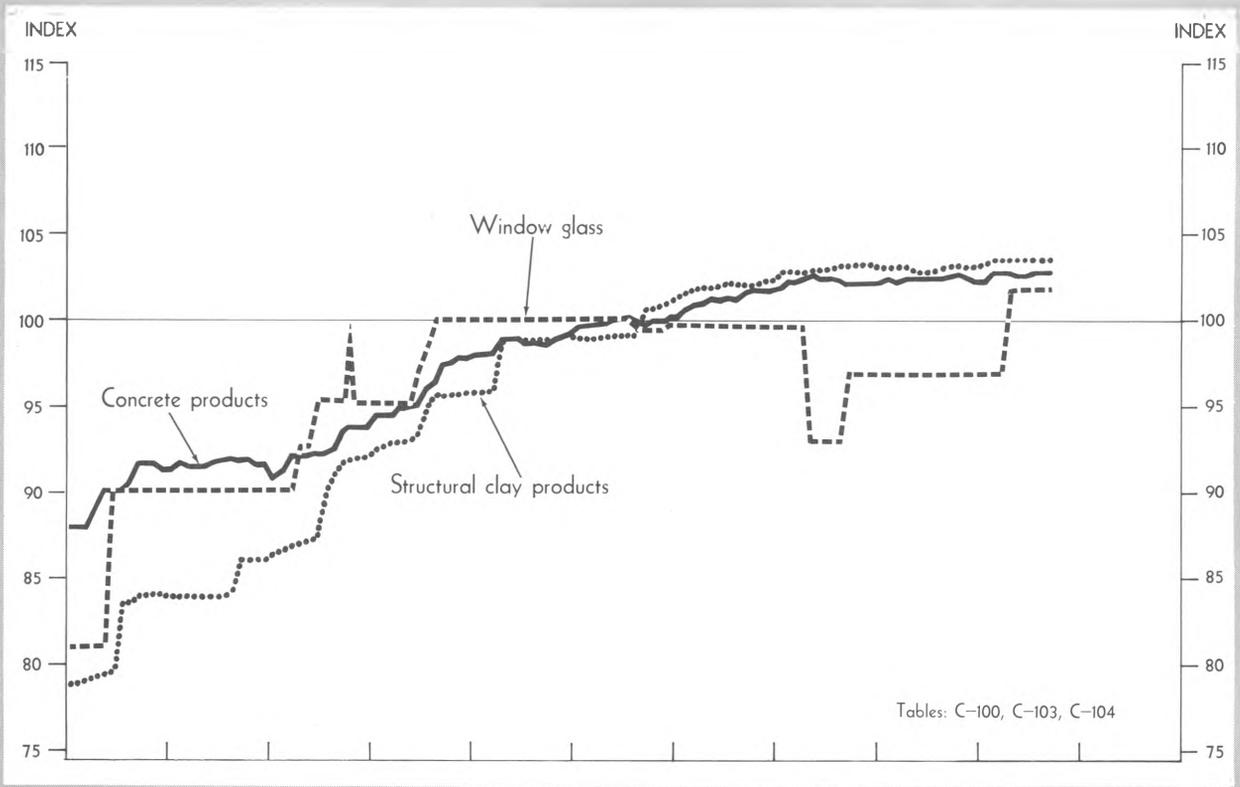
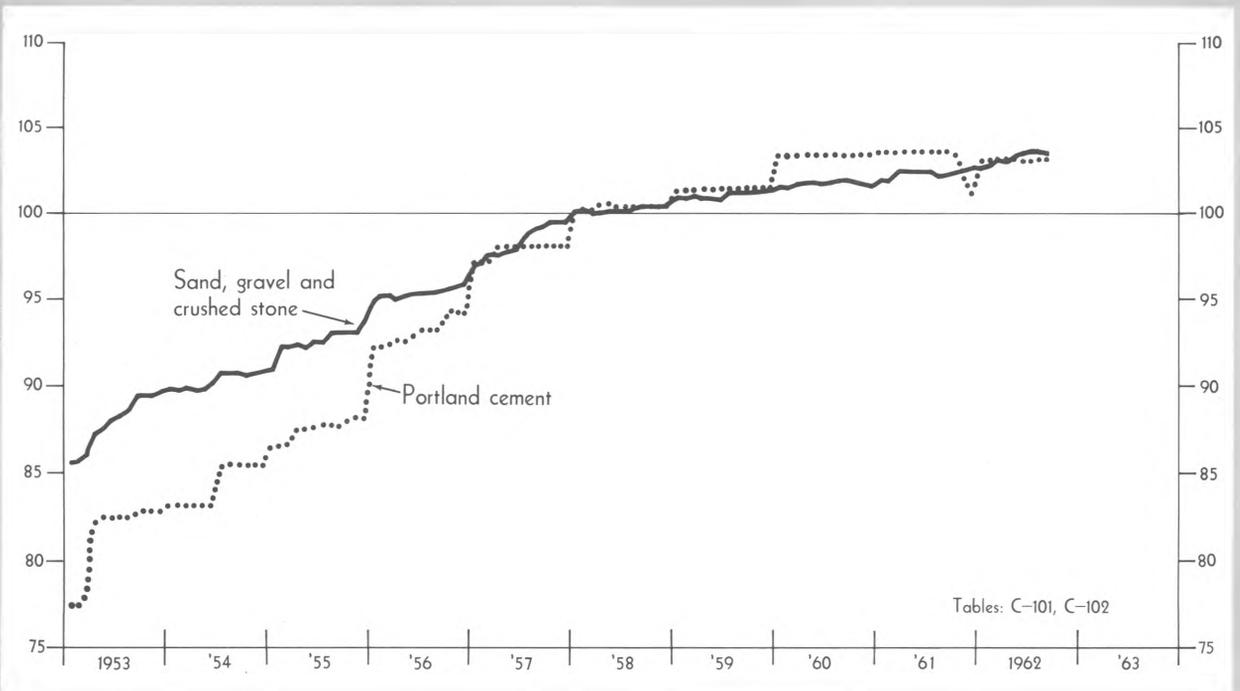


CHART 134: CONCRETE INGREDIENTS: PORTLAND CEMENT, AND SAND, GRAVEL AND CRUSHED STONE



BOTTLED BEVERAGES

CHART 135 : BOTTLED ALCOHOLIC AND NONALCOHOLIC BEVERAGES, AND CIGARETTES
(1957-59=100)

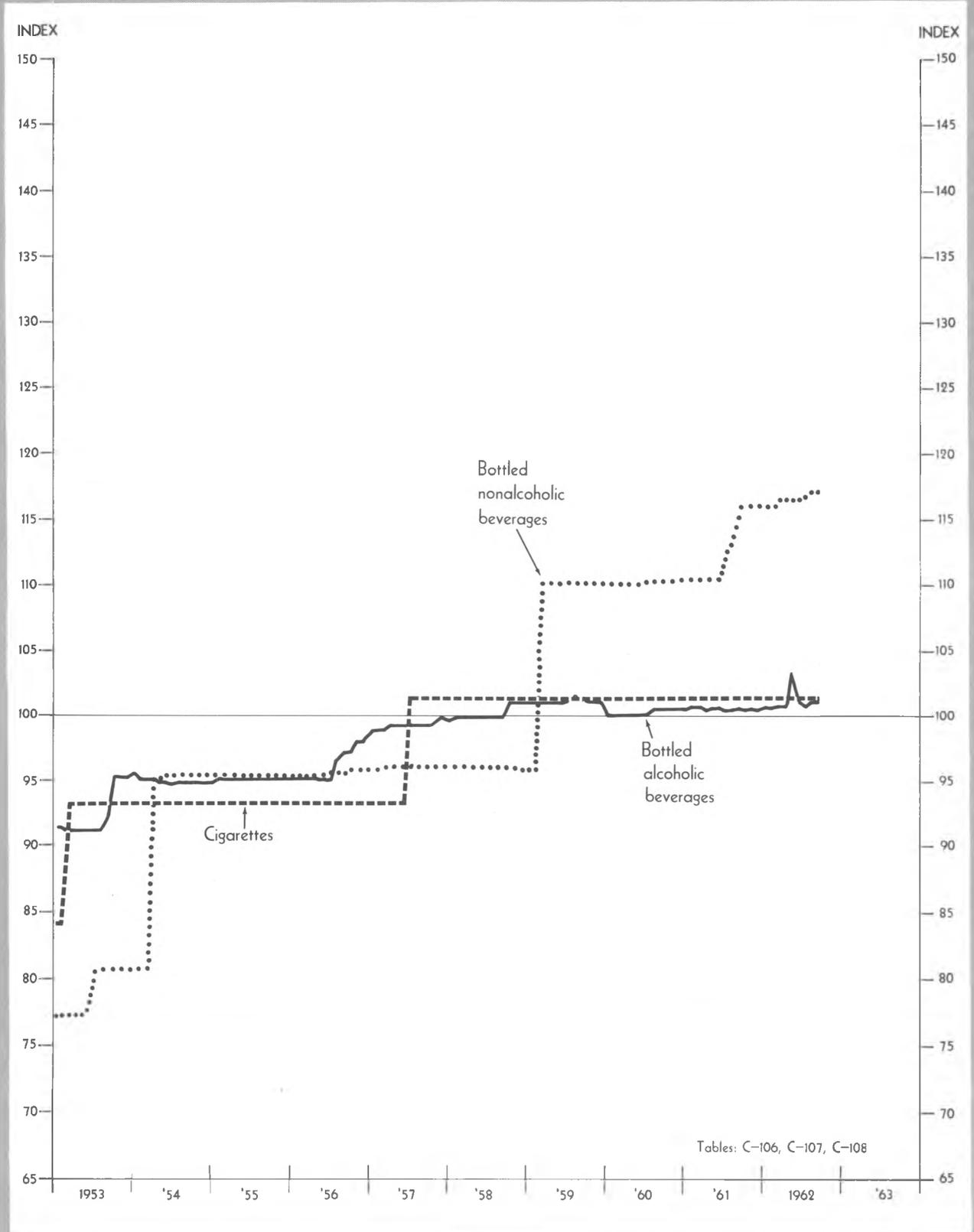


CHART 136 : ALL COMMODITIES, FARM PRODUCTS, PROCESSED FOODS, AND INDUSTRIAL COMMODITIES

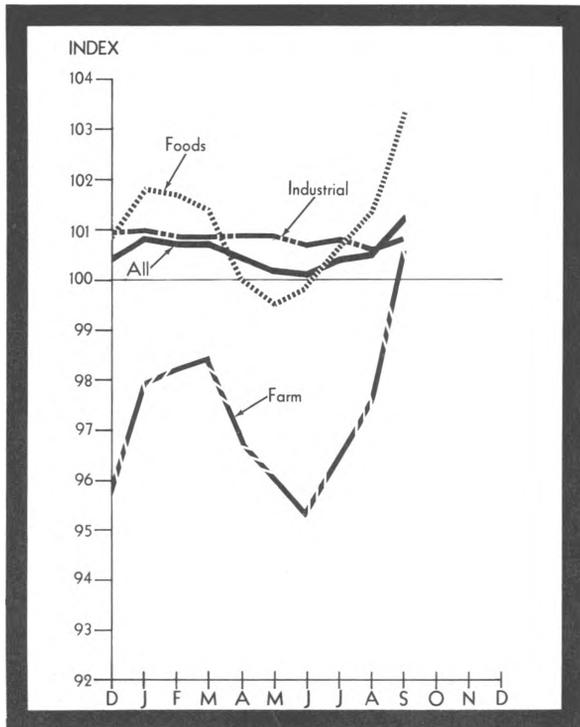


CHART 137: MACHINERY, METALS, FUELS, AND LUMBER
(1957-59=100)

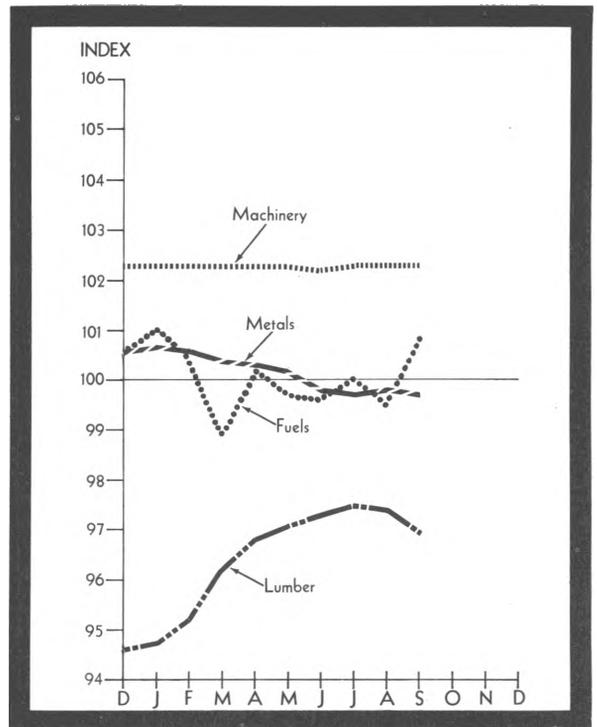


CHART 138: LEATHER, NONMETALLIC MINERALS, PAPER, AND TOBACCO AND BOTTLED BEVERAGES

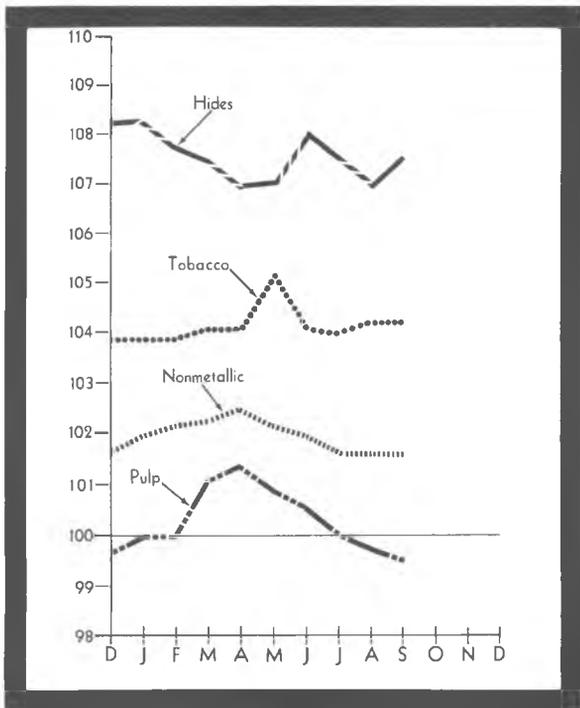


CHART 139: TEXTILES, FURNITURE, CHEMICALS AND RUBBER

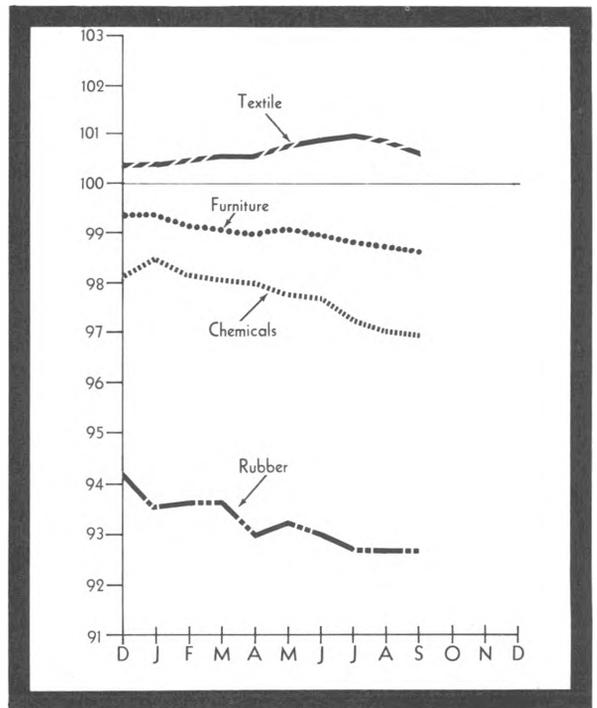
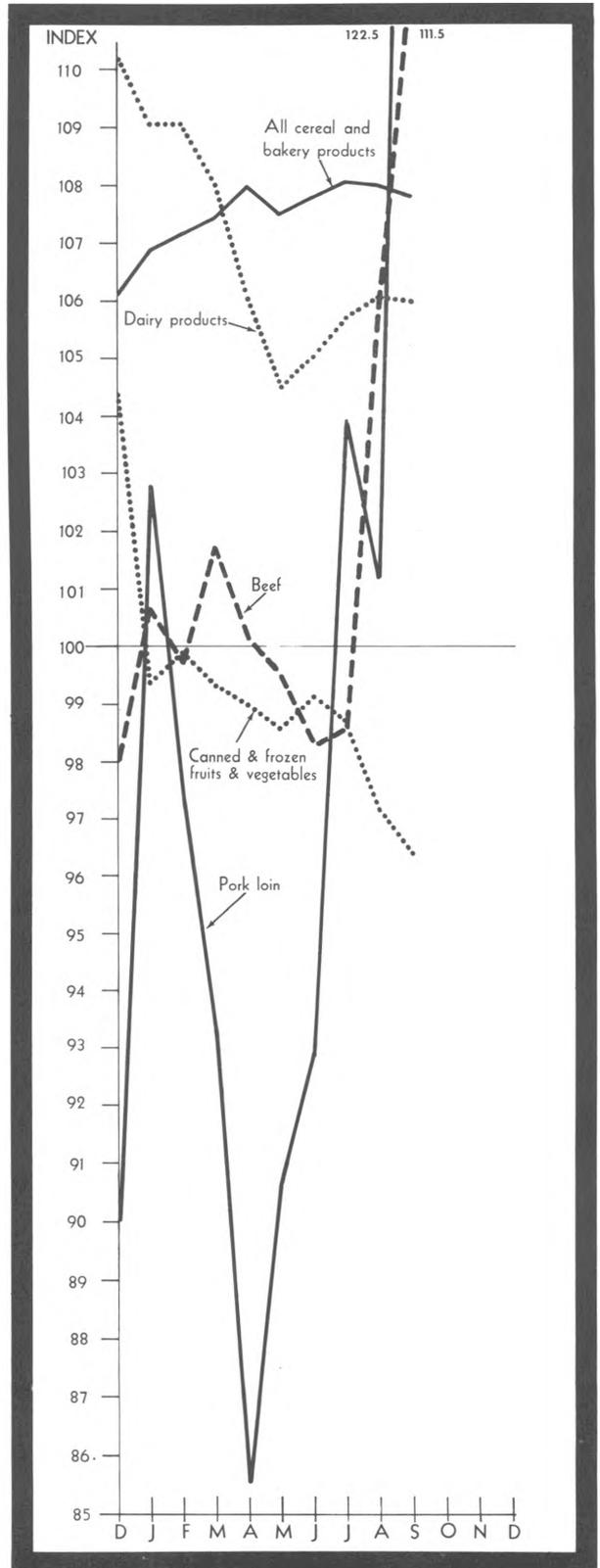
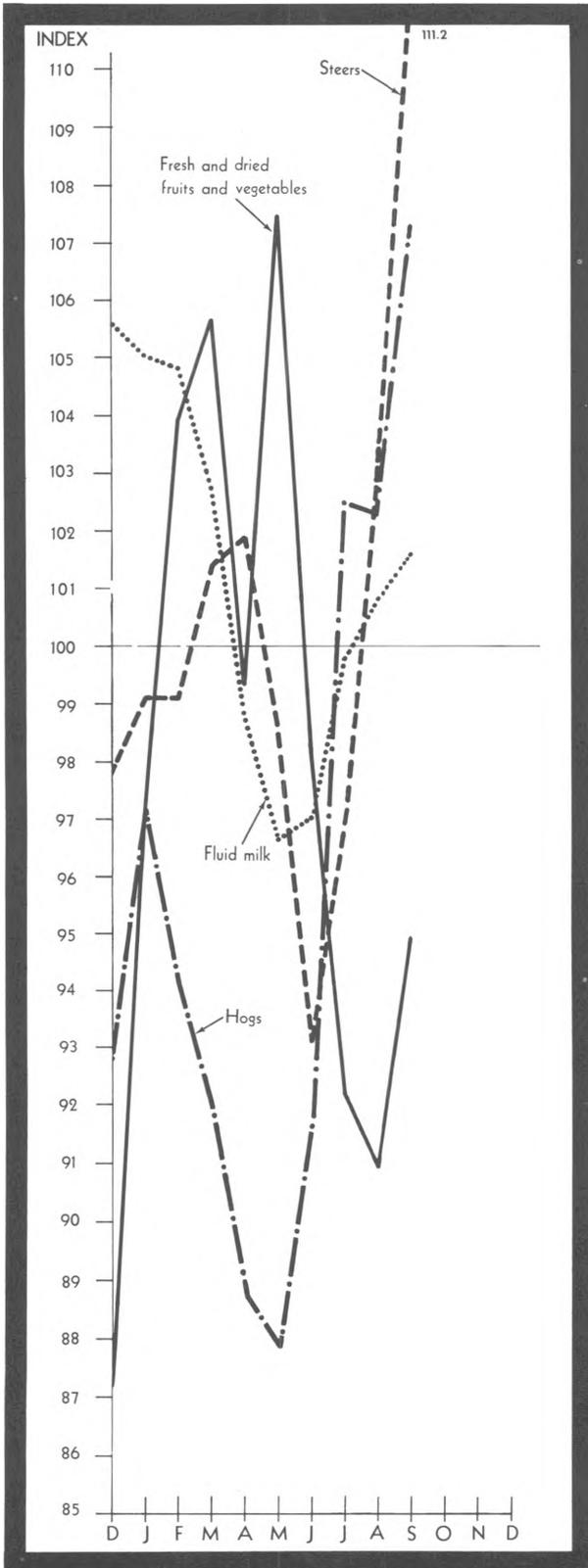


CHART 140: FARM PRODUCTS

(1957-59=100)

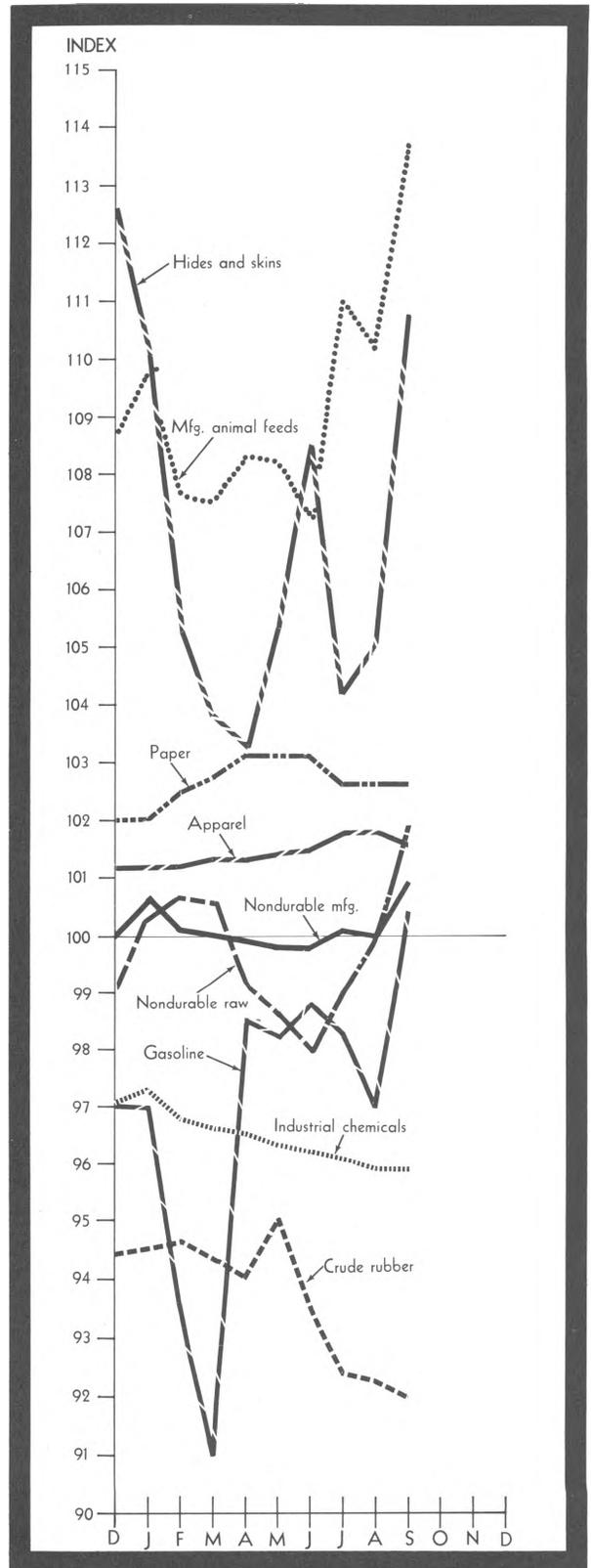
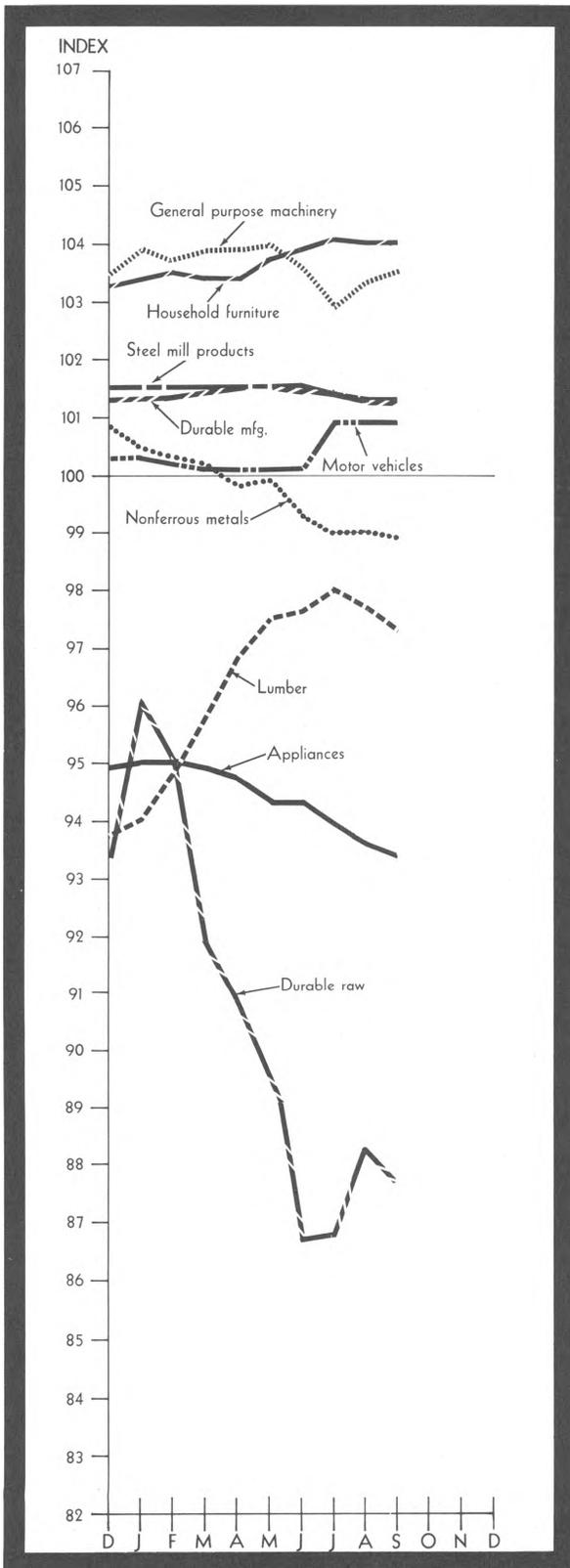
CHART 141: PROCESSED FOODS



CHARTS 142: SELECTED DURABLES

(1957-59=100)

CHARTS 143: SELECTED NONDURABLES



EXPLANATORY NOTES

Organization and Contents

Prices: A Chartbook is based primarily on the consumer and wholesale price indexes regularly published by the Bureau of Labor Statistics. However, pertinent economic statistics from other sources, chiefly Federal agencies, are included in Section I. The other sections contain only the BLS price indexes. The Consumer Price Index (CPI) for urban United States is presented in Section II, and selected consumer price indexes for the 12 largest cities are in Section III. Section IV consists wholly of the Wholesale Price Index (WPI). A list of charts is at the beginning of each of the four chart sections.

Most of the charts cover a 10-year period beginning with 1953 and present monthly data, if available. To supply historical perspective, certain key series begin with 1939 or earlier; recent price developments are highlighted by charts on wholesale and consumer prices for 1962.

Price movements during the business cycle are shown in charts which focus on trends since the February 1961 economic trough, or compare price changes during the three latest business recoveries. A few charts show the seasonal trends of selected consumer and wholesale price indexes. Bar charts which indicate year-to-year changes are presented when this information is of significance.

To facilitate comparisons among the charts, the same scale has been used whenever possible although this could not be carried out consistently. In particular, the highly volatile price movements of foods and farm products generally required a reduced scale.

An index with a base period of 1957-59 = 100 is used for almost all the statistical time series, except for a few in Section I. In interpreting the charts, it is important to keep in mind that the price indexes indicate rate of price

movements but cannot be used to compare price levels. A higher index level does not necessarily mean a higher price level, but only that the rate of increase has been greater since the 1957-59 base period.

Knowledge of the relative importance assigned an item, commodity, or group index in the CPI or WPI is vital to any analysis of price trends. The relative importance of a specific item is derived from its basic weight (determined by consumer expenditure surveys for the CPI and industrial censuses for the WPI) multiplied by its percentage change in price from the weight date to the specified date. The result is then expressed as a percentage of the total adjusted value of all items. Relative importances may change from month to month, while weights--by definition--are fixed for longer periods. Section II includes charts showing the relative importance of CPI components as of December 1961, and Section IV has charts with the relative importance of WPI components as of December 1960.

The appendix begins with a list of each statistical series used and presents tables which give the basic statistics for the charts. All consumer price indexes for urban United States are in Table A, the consumer price indexes for 12 cities are in Table B, the wholesale price indexes are in Table C, and the economic trend series are in Table D. Almost all the basic data are available in published form, and the sources are given in the footnotes to each appendix table. To enable the reader to ascertain quickly the figures on which the charts have been based, references to appropriate appendix tables have been noted on each chart.

Prices and Related Economic Trends

The economic series in Section I were selected on the basis of their importance in considering price movements. Different statistical series were used in the same chart when

comparisons between their trends were regarded as useful despite disparities in coverage, index base, or other factors. For example, a comparison of overall personal consumption expenditures for services with the service component of the CPI was thought desirable even though the figures for personal consumption expenditures are much broader in scope. (Personal consumption expenditures for services take account of legal services, private education, religious and welfare activities, foreign travel, and other types of expenditures which are not included in the service component of the CPI.)

In some instances, statistics published in absolute numbers or on another index base were shifted to the base 1957-59=100 in order to improve comparability with series on that base. This applies to data on personal consumption expenditures, average hourly earnings, and construction materials output. In other instances, indexes computed on another base were used unchanged, such as Federal Reserve Board production indexes which were on a 1957=100 base prior to October 1962. On occasion, it was impossible or undesirable to convert the data to an index. The series in the "business cycle" charts in Section I were computed on a trough=100 reference base period. The cyclical turning points are the peaks and troughs as designated by the National Bureau of Economic Research (NBER).

Seasonal Adjustments - Although neither the Consumer Price Index nor the Wholesale Price Index is regularly published in seasonally adjusted form, seasonally adjusted data--when available--were generally used for the other economic trend series. Many economic statistics exhibit a regularly recurring seasonal movement. Past experience can be used to estimate and remove that part of the current movement which can be attributed to seasonal variation. It is thus possible to observe more easily the cyclical and other nonseasonal movements of the series.

To answer the need for information on the seasonal movements of prices, seasonal adjust-

ment factors have recently been computed by the Bureau of Labor Statistics for selected price indexes. The factors for a few price indexes are included in Section I and have been plotted alongside the month-to-month changes in the same indexes for 1961 and 1962.

The seasonal adjustment factors relate to the year 1960 and are based on a 5-year weighted average which, for the CPI, includes data through November 1961 and, for the WPI, includes data through June 1961. The standard BLS method was used to compute the seasonal adjustment factors for the price indexes; complete description is available, on request, from the Bureau of Labor Statistics in Washington, D. C. The specific application of the BLS method to the price indexes will be described in two reports on seasonal adjustment factors for use with price indexes--one on the CPI and one on the WPI--which are projected for publication in 1963 by the Bureau of Labor Statistics.

Consumer Price Index

The Consumer Price Index is a measure of changes in prices of goods and services purchased by the families of urban wage earners and salaried clerical workers. The index is based on prices of about 300 items selected--on the basis of consumer expenditure surveys scheduled about every 10 years--to represent all expenditures for current consumption by such families. Since 1953, prices for these items have been collected in 46 cities chosen to represent urban United States.

Prices of foods, fuels, and a few other items are obtained each month in all 46 cities. Other commodities and services are priced every month in the 5 largest cities but only every third month in the remainder--on a rotating cycle so that several cities of each size group are represented each month. Between pricing periods in these 41 cities, the price changes for unpriced items are estimated monthly for use in computing the national CPI. For the benefit of users, special indexes are computed for most commodities and services four times a year--March, June, September, and December--based

on prices in a subsample of 19 cities priced those months.

The 300 items in the CPI are classified in two different ways: First, on the basis of end-use, into eight "major groups": Food, housing, apparel, transportation, medical care, personal care, reading and recreation, and other goods and services. Second, for purposes of comparative economic analysis, into "special groups" based upon whether they are commodities or services. Because of certain similarities in nomenclature, it is important to remember that each "major group" includes both services and commodities. For example, "medical care" includes drugs and pharmaceuticals as well as services such as physicians' fees and hospitalization insurance; "transportation" includes new cars, used cars, and tires in addition to service items such as public transit and railway fares.

The weight of each CPI item represents average annual family expenditures for the commodities represented by that item in the year when the weighting structure was established. Current weights are based upon a survey of consumer expenditure surveys in 1950. A fundamental revision of these weights--based upon surveys of consumer spending in 1960-61--will be introduced into the CPI when the next comprehensive revision is completed in January 1964.

Consumer Price Index -

12 Largest Cities

In addition to the national CPI, separate indexes are published for the 20 largest of the 46 cities priced for the index. Only the 12 largest cities have been chosen for inclusion in the **Chartbook** because of space limitations. These 12 cities constitute approximately two-fifths of the 1950 population of urban wage-earner and clerical-worker families represented in the national CPI. The order in which the cities are presented in Section III is in accordance with the 1960 population size of the Standard Metropolitan Statistical Areas.

The city indexes indicate the differing rates of price movement in the various cities, but **cannot be used to measure differences in price levels or in living costs among cities.** For instance, if the index for City A is 102 and that for City B is 107, it does not necessarily follow that prices are higher in City B than in City A, as the base-period prices may have been higher in City A. The comparison shows only that prices have increased more rapidly since the base period in City B than in City A.

Of the 12 cities selected, indexes are available monthly for the 5 largest, and every third month for the others. Because of the rotating pricing cycle, the index months differ, as noted on the charts in Section III.

Wholesale Price Index

The Wholesale Price Index measures average changes in prices of all commodities sold in primary markets. "Wholesale" refers to sales in large lots, and these are not necessarily the prices paid or received by wholesalers, jobbers, or distributors. The index is based on price quotations for about 2,200 commodities selected to represent all commodities produced or imported for sale in the United States.

Prices are quoted at the level of their first significant commercial transaction. Later transactions for the same item at other stages in the distribution cycle are not included. However, as raw materials are transformed into semifinished and finished goods, the more processed commodities are represented in the index according to their importance in primary markets. In selecting the WPI indexes to be included in **Prices: A Chartbook**, an attempt was made to select individual series that are a significant part of the national economy and, whenever possible, to show price movements for commodities at different levels of processing on the same chart.

The WPI is basically classified into 15 major commodity groups: farm products, processed foods, and 13 groups which--in essence--cover industrial commodities and combine to

form the index "all commodities other than farm products and processed foods." In addition, the 2,200 commodities in the WPI are regrouped and indexes calculated on the basis of stage of processing and durability of products. Certain special commodity group indexes are also calculated; for example, steel mill products and construction materials. The product classification used for the WPI series is not comparable with the Standard Industrial Classification; nor do WPI series necessarily match CPI or other statistical series which bear similar titles.

Each commodity price series in the index represents a class or group of prices and is assigned an index weight which is determined by its own shipment value plus the value of un-

priced commodities whose prices are believed to move similarly. New weights are introduced at 5-year intervals when results of the comprehensive industrial censuses become available. The most recent WPI weight revision was introduced in the January 1961 index and incorporated weights based on the 1958 values. For domestic products, the 1958 weights are based on the net selling values as reported in the 1958 Census of Manufactures, the 1958 Census of Minerals Industries, and data furnished by the U.S. Departments of Agriculture and the Interior and other sources. For imports, the 1958 weights are based on market value in the country of export, as reported by the U.S. Department of Commerce.