

Released February 26, 1965

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR JANUARY 1965

The Consumer Price Index rose by 0.1 percent in January, largely as a result of higher prices for homeownership items, potatoes, gasoline, and automobile insurance, the Labor Department's Bureau of Labor Statistics reported today. Prices averaged lower for apparel and fresh fruits and vegetables.

The January index was 108.9 (1957-59=100), 1.1 percent higher than a year ago. Higher charges for consumer services (up 2.1 percent) were chiefly responsible for the rise from January 1964. Food prices were 0.8 percent higher. Eggs, new cars, and household durable goods were the major consumer items whose prices have decreased over the year.

Higher prices in January for gasoline and further increases in automobile insurance premiums caused a rise in transportation costs. Both new and used car prices declined less than usual in January, as effects of the shortages caused by last fall's strikes in the automobile industry continued to be felt. Higher housing costs were chiefly the result of further increases in costs of homeownership, together with higher prices for housekeeping services and seasonally higher prices for fuel oil.

A small decline in food costs in January was brought about by substantially lower prices for many fresh fruits and vegetables, particularly lettuce, tomatoes, and oranges. Egg prices continued to decline in response to record production. On the other hand, reduced supplies caused a substantial rise in potato prices. Apparel prices dropped sharply as a result of the usual mid-winter special sales in many parts of the country, but charges for medical care services advanced further.

COST-OF-LIVING
ADJUSTMENTS

Based on a quarterly review of the national Consumer Price Index for January, about 950,000 workers will receive cost-of-living increases of 1 cent an hour. Of these, 800,000 are employed in the automobile and automotive parts industries, 100,000 in farm and construction equipment, and 50,000 in aerospace. In addition, about 5,000 transit workers will receive increases averaging 3½ cents an hour, based on the 12-month rise in the national index. If the escalator provisions of a number of contracts, which are now up for renewal or renegotiation, are continued in new contracts, another 100,000 workers, mostly in the automobile, farm equipment, and aerospace industries, will receive 1 cent increases.

OTHER BASES

The Consumer Price Index for January 1965 and purchasing power of the consumer dollar on the bases of 1947-49 and 1939 are shown below:

<u>Base</u>	<u>Index</u>	<u>Purchasing Power</u>
1947-49=100 (or \$1.00)	133.6	\$ 0.749
1939=100 (or \$1.00)	224.9	.445

:The first set of the attached tables (A-1 etc.) and the :
:analysis contained in this report are based on the new :
:index series, covering both single workers living alone :
:and families. :

Released March 30, 1965

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR FEBRUARY 1965

The Consumer Price Index remained unchanged between January and February, at 108.9 percent of its 1957-59 average, the United States Department of Labor's Bureau of Labor Statistics announced today. Lower prices for new and used cars, eggs, gasoline, and telephone services were offset by increased prices for women's apparel, poultry, and potatoes, and further advances in charges for most consumer services.

The February index was 1.2 percent above its level of a year ago, largely because of higher prices for consumer services, which accounted for about two-thirds of the total increase.

Sharp price declines for used cars and gasoline were chiefly responsible for a 0.5 percent decrease in transportation costs. Although used car prices usually drop during the fall and winter months, the February decrease was the first since last September. New car prices were lower, but increases were reported for automobile insurance premiums, auto repairs, and local transit fares.

An increase in housing costs resulted chiefly from higher property taxes and insurance premiums. They were partially offset by the nationwide decrease in rates for interstate telephone service. Apparel prices rose during February, as many items were returned to regular price levels following special mid-winter sales. Medical care and recreational service costs also increased in February.

Food prices remained unchanged on the average in February, but were 0.6 percent above a year ago. Sharply higher prices for poultry, in response to increased consumer demand, and advances in prices of potatoes and bacon were offset by continuing decreases for eggs and lower prices for most cuts of beef. Reduced stocks caused apple prices to advance; adverse weather conditions resulted in higher cucumber prices; and banana prices were raised when the recent longshoremen's strike disrupted supplies. On the other hand, citrus fruits were lower in price, as shipments from Florida and California neared their seasonal peak.

**COST-OF-LIVING
ADJUSTMENTS**

About 80,000 aerospace workers will receive a 1-cent an hour cost-of-living increase, based on the change in the national Consumer Price Index from November to February.

OTHER BASES

The Consumer Price Index for February 1965 and purchasing power of the consumer dollar on the bases of 1947-49 and 1939 are

shown below:

<u>Base</u>	<u>Index</u>	<u>Purchasing Power</u>
1947-49=100 (or \$1.00)	133.6	\$ 0.749
1939=100 (or \$1.00)	224.9	.445

:The first set of the attached tables (A-1 etc.) and:
:the analysis contained in this report are based on :
:the new index series, covering both single workers :
:living alone and families. :

Released February 28, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR JANUARY 1966

The Consumer Price Index remained unchanged between December and January, the United States Department of Labor's Bureau of Labor Statistics announced today. Federal excise tax cuts brought lower bills for telephone service and further reductions in retail prices of new cars. Used car and apparel prices also declined. However, these reductions were offset by higher prices for food and most consumer services. At 111.0 percent of the 1957-59 average, the index was 1.9 percent above a year ago.

Price Changes, December 1965-January 1966

Food prices averaged 0.7 percent higher in January, primarily because of sharp increases in prices of meats. Nearly all meat prices were higher, especially pork with a 6-1/2 percent increase, as strong demand outstripped available supplies from last fall's pig crop which was smaller than usual. Poultry prices also averaged higher, reflecting the usual seasonal decrease in production.

A decline in the prices of fresh fruits and tomatoes was offset by higher prices for fresh vegetables, particularly lettuce, cabbage, green peppers, and cucumbers. Adverse weather conditions in winter vegetable-producing areas curtailed production and caused prices of fresh vegetables to advance by an average of 3 percent. A 25 percent rise in lettuce prices resulted from reduced plantings in California's Imperial Valley and excessive rains which hampered harvesting of the winter lettuce crop in the principal production areas of Arizona and Texas. Prices of green peppers and cucumbers also rose sharply, reflecting the reduction in supplies due to heavy October rains in Florida, which necessitated replanting of crops. Cabbage prices increased substantially as new crop supplies proved inadequate to meet demand.

In contrast to higher prices for most items of food in January, price decreases occurred for fresh fruits, tomatoes, and eggs. Prices of bananas and citrus fruits dropped substantially as a result of abundant supplies, and tomatoes were 18 percent cheaper. On the other hand, an advance of 2-1/2 percent in apple prices was brought about by strong demand from both the domestic and export fresh market trade.

Housing costs decreased fractionally in January, primarily because of the reduction in the Federal excise tax on telephone bills. Homeownership costs, rents, laundry, and domestic service charges advanced. Apparel prices declined less than usual in January when end-of-season clearance sales are held. A reduction in transportation costs resulted from significant decreases in new and used car prices. The Federal excise tax cut was a factor in the reduction of new car prices. In addition, dealers offered increased price concessions, somewhat larger than usual for this time of year. Used car prices declined nearly 3 percent, on slackening demand due partly to winter driving conditions and partly to an apparent shift to the new car market by many prospective used car buyers. Automobile insurance premiums and registration fees were increased in many areas.

Price Trends, January 1965-January 1966

The January index was 1.9 percent above a year ago, primarily because of rising costs of food and services. Food averaged 4.5 percent higher over the year, chiefly because of a 13-1/2 percent increase in meat prices. With curtailed supply and increased demand, pork prices were 36 percent higher over the year. Pork

production during December had been 23 percent less than a year earlier, and cold storage holdings were down by 46 percent at the end of last year. Shortages of pork also have affected demand for beef, poultry, and other meats, causing sharply higher prices for these items.

Prices were down over the year for all fresh fruits except apples. Substantial decreases occurred for bananas and citrus fruits, reflecting ample 1965 supplies. Potatoes, onions, and cabbage led the price decline for fresh vegetables as crops harvested in the fall of 1965 were substantially larger than those of a year earlier. However, prices rose sharply for green peppers, lettuce, and tomatoes due to curtailment of supplies by adverse weather and cuts in the winter crop acreage. Egg prices rose almost 15 percent above the depressed levels of January a year ago because of a reduction in layer numbers during the first part of 1965 and a resumption of military purchases of dried eggs. Plentiful coffee supplies brought falling prices, particularly for instant coffee.

Prices for consumer services rose 2.5 percent, on the average, over the year. Transportation services advanced more than 4 percent, reflecting higher rates for automobile insurance, registration fees, and drivers' license fees. Professional medical fees and hospital service charges also continued to rise significantly. In addition, widespread increases occurred for barber and beauty shop services and movie admission charges.

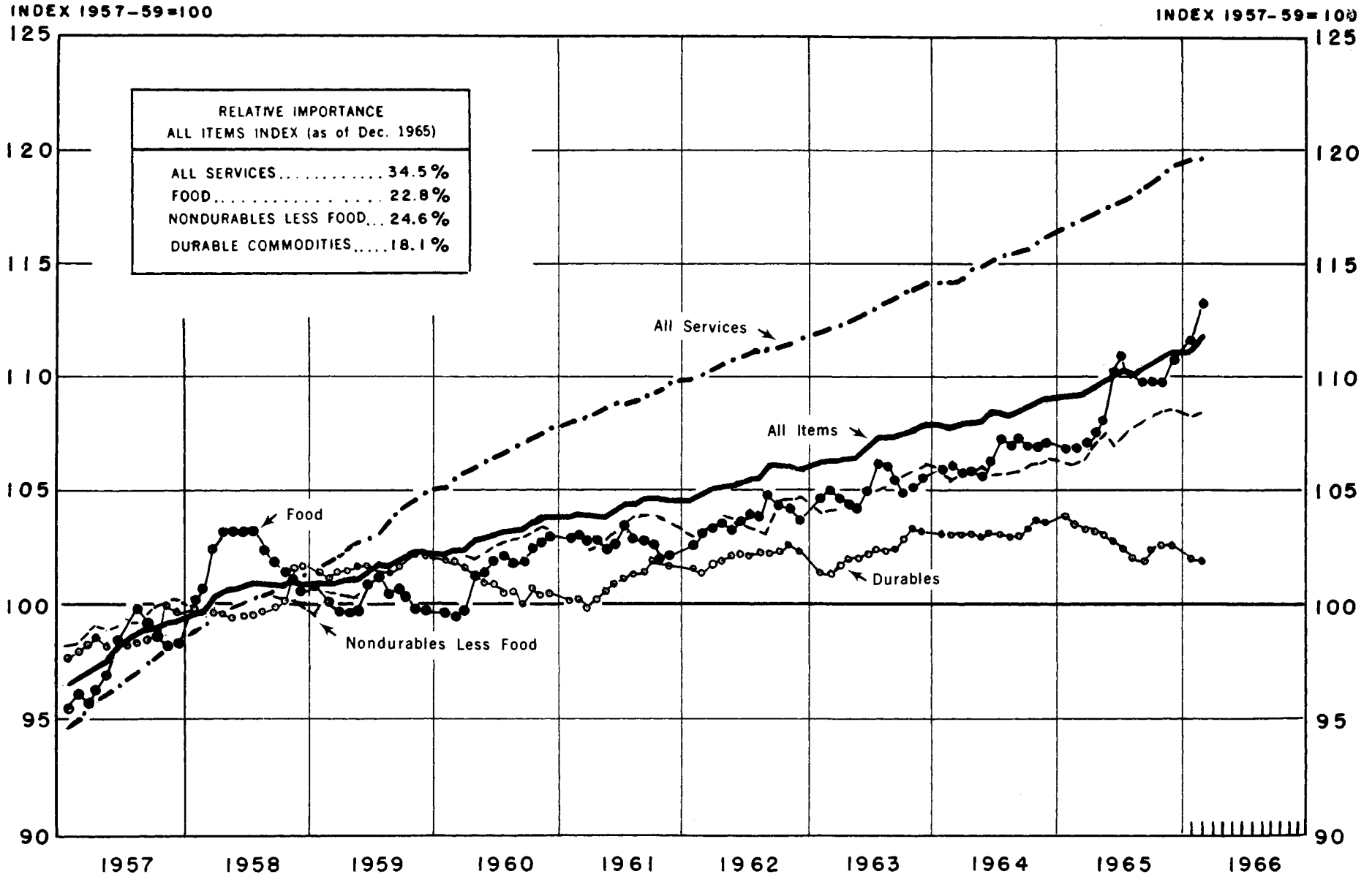
A significant decline occurred over the year in prices for used cars, representing the first January-to-January decrease since 1961. Market reports indicate that buyers were extremely cautious and selective. Also many prospective used car buyers appear to be in the market for new cars. This situation parallels in some respects the 1961 decline in used car prices when buyers switched to the recently introduced compact cars.

Cost-of-Living Adjustments

About 975,000 workers will receive increases in their cost-of-living allowances based on the national Consumer Price Index for January. For most of these (about 921,000) employed in the automobile, automotive parts, farm and construction machinery, and aerospace industries, the increase will be 2 cents an hour, based on the change in the index since last October. An additional 55,000 will receive 1 cent, also based on the quarterly change; while for 2,000 workers an increase of 1 cent will result from the index change over the past 6 months. About 17,500 transit workers will receive increases based on city indexes--1/2 cent for 2,400 employees in Pittsburgh, 1 cent for 11,000 in Chicago, and 1 cent for 4,000 in Boston.

:Beginning with indexes for January 1966, data for six additional areas have been incor- :
 :porated into the national CPI. These are Cincinnati, Houston, Kansas City, Milwaukee, :
 :Minneapolis-St. Paul, and San Diego. These areas were "linked" into the CPI as of :
 :December 1965 and, hence, were first used in calculating the December 1965-January 1966 :
 :price change. Each of the six areas represents only itself in the index. :
 : :
 :Also, beginning this month seasonally adjusted national indexes are shown for selected :
 :groups and subgroups where there is a significant seasonal pattern of price change. No :
 :seasonally adjusted indexes will be shown for any of the individual metropolitan areas :
 :for which separate indexes are published. Previously, the Bureau of Labor Statistics :
 :has made available only seasonal factors, rather than seasonally adjusted indexes, :
 :(e.g., Department of Labor Bulletin No. 1366; Seasonal Factors, Consumer Price Index :
 :Selected Series). The factors currently being used were derived by the BLS Seasonal :
 :Factor Method using data for 1956-65. It is contemplated that these factors will be :
 :updated at the end of each calendar year, but the revised factors will be used only for :
 :future seasonal adjustments and not for revision of previously published indexes. A :
 :detailed description of the BLS Seasonal Factor Method is available upon request. :

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: February 1966

Released March 29, 1966

U.S. Department of Labor
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR FEBRUARY 1966

The Consumer Price Index rose by 0.5 percent in February, the United States Department of Labor's Bureau of Labor Statistics announced today. Higher food prices, chiefly for fresh vegetables, meats, and poultry, were responsible for three-fourths of the February increase, which was the largest for any month since June 1965 and the largest for any February since 1951. At 111.6 percent of its 1957-59 average, the index was 2.5 percent above a year ago.

Price Changes, January-February 1966

Food prices averaged 1.5 percent higher in February--the third consecutive monthly increase. Fresh vegetable prices rose 10-1/2 percent to a record level for February, as supplies were further reduced by adverse weather in many parts of the country. Prices of cucumbers and green peppers rose sharply in response to curtailed supplies caused by the late January freeze in Florida. Excessive January rains delayed the maturity and harvesting of winter crops in Texas, contributing to the rise in onion and carrot prices. Unusually rainy and cool weather in California and Arizona delayed harvesting of the cabbage and lettuce crops. Fresh fruit prices advanced 4-1/2 percent largely as a result of seasonally higher prices for bananas and apples. Because of the Florida freeze, prices of oranges did not decline as much as usual, and grapefruit prices rose by 10 percent.

Meat prices continued to rise in February, advancing nearly 2 percent. Continuing strong demand in the face of reduced slaughter pushed prices of all cuts of beef and veal and nearly all cuts of pork to record levels. Poultry prices advanced 8 percent, reflecting seasonal reductions in supplies and increased consumer demand resulting from the continuing rise in prices for meats. Egg prices rose by nearly 4 percent in February, as a result of severe weather conditions which delayed shipments in many areas, and increased military procurement.

Many other items of living expense also showed moderate price increases in February. Charges for consumer services continued to rise, led by higher charges for professional medical and hospital services. Higher mortgage interest rates, and increased charges for property taxes and insurance, home maintenance and repairs, and housekeeping services were the principal factors underlying the 0.2 percent increase in the housing index.

Prices of apparel and household textiles went back to regular levels following January special reduced-price sales. Women's and girls' spring coats returned to the market at higher prices than at the end of the season last spring. Footwear prices continued to rise, responding primarily to higher costs of leather. A rise in gasoline prices reflected cessation of price wars in some areas. Heating fuel prices rose seasonally.

New and used cars were the only major items for which prices went down and their decline was less than usual in February. Appliance and furniture prices were steady.

Price Trends, February 1965 to February 1966

The February index was 2.5 percent above a year ago, primarily because of higher food prices, which accounted for more than one-half of the over-the-year increase, and higher charges for nearly all consumer services. Food prices averaged more than 6 percent above a year earlier. Continuing shortages and rising demand for meats raised prices by nearly 19 percent. Pork prices averaged 37 percent higher reflecting the 5 percent cut in production in late 1965. Beef and veal prices were 9 percent above a year ago because of increased demand resulting from short supplies of pork. Meat shortages were also partially responsible for the rise in poultry prices since February 1965.

Prices of fresh vegetables averaged 6 percent higher than in February 1965. Seasonal declines in production and adverse weather conditions have caused a larger than normal increase since September. However, potato prices were down almost 30 percent from their unusually high levels of a year ago, benefiting from a 30 percent increase in the fall crop. Prices of citrus fruits, bananas, and orange juice also were lower over the year, reflecting plentiful supplies. Egg prices were 27 percent above last year's depressed levels, as a result of strong civilian demand and increased military purchases.

Consumer service prices rose by 2.4 percent over the year, compared to a 2.3 percent increase during the previous 12 months. Charges were higher for nearly all consumer services, reflecting widespread and persistent increases for a variety of items, including housekeeping and home maintenance services, professional medical fees, hospital charges, and automobile insurance premiums. Residential property taxes and insurance premiums were also higher.

Prices of nondurable goods other than food averaged 2 percent above a year ago, as a result of higher prices for apparel, footwear, gasoline, and tobacco products. Cigarette taxes were increased by an average of 2-1/2 cents per pack in 22 States during 1965. Prices of durable goods averaged 1-1/2 percent lower than in February 1965 partly as a result of last summer's Federal excise tax cuts and a 6-percent decrease in used car prices.

Cost-of-Living Adjustments

About 156,000 workers will receive increases in their cost-of-living allowances as a result of the February Consumer Price Index.

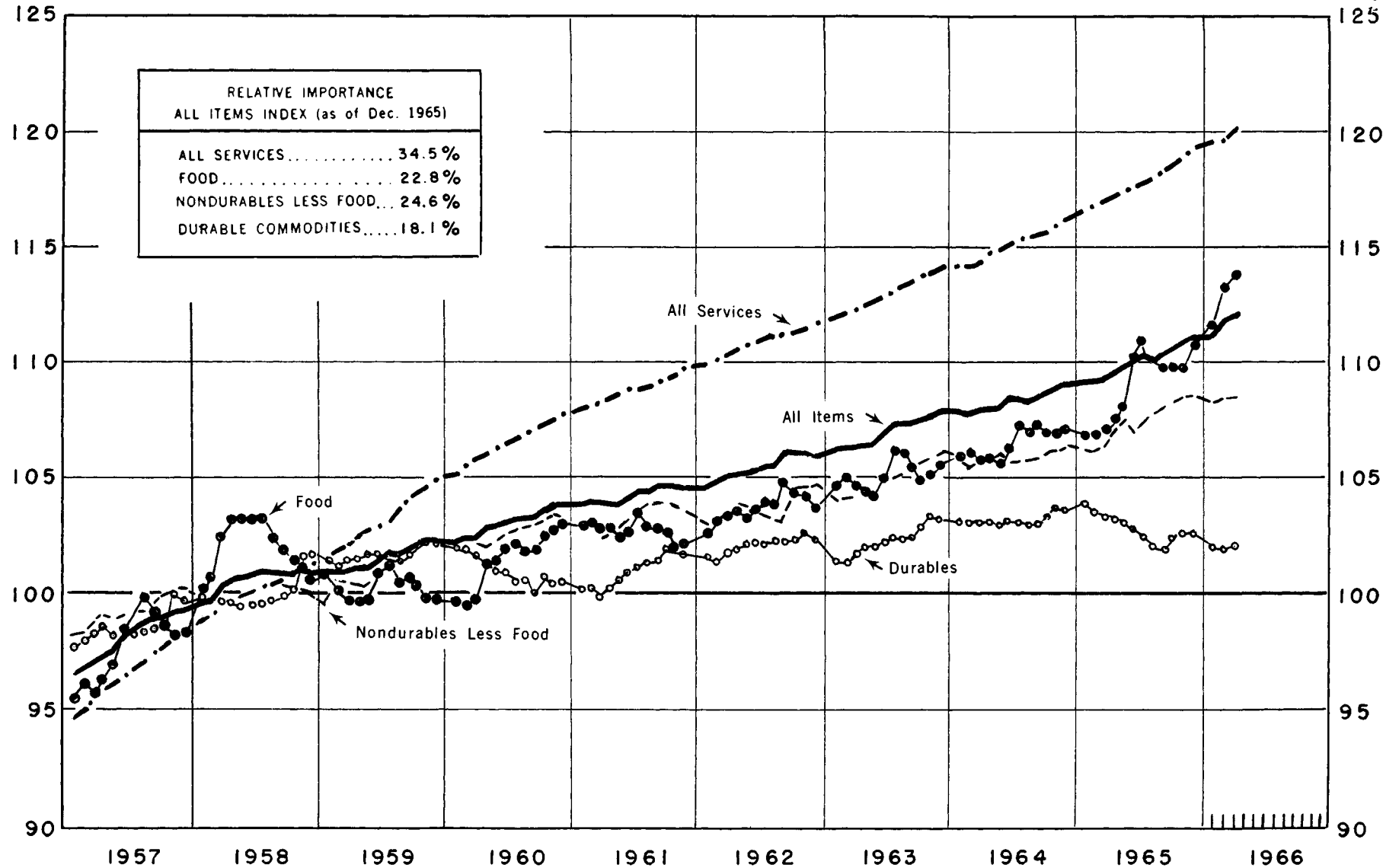
Based on the change in the national index since November 1965, increases of 2 cents an hour will go to about 137,000, 1 cent to about 1,900, and 3 cents to 7,350 workers. About 1,625 will receive 1 cent an hour and 1,000 will receive 4 cents, based on monthly and semiannual changes in the national index, respectively.

In addition, about 4,300 workers in Battle Creek will receive 3 cents an hour, and 3,000 in Washington, D.C. will receive 4 cents, based on quarterly changes in the Detroit and Washington indexes, respectively.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES

INDEX 1957-59=100

INDEX 1957-59=100



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: March 1966

Released April 21, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR MARCH 1966

The Consumer Price Index rose 0.4 percent in March, the United States Department of Labor's Bureau of Labor Statistics announced today. Prices of many types of consumer goods and services advanced over the month, bringing the index to 112.0 percent of the 1957-59 average. The March index was 2.8 percent above a year ago, representing the largest year-to-year increase for the month since 1958.

Price Changes, February-March 1966

The increase in living costs during March resulted mostly from higher prices for food, apparel, used cars, and nearly all types of consumer services. Food and apparel prices often go up moderately in March, but this year they increased more than usual. Advances in used car prices also were larger than those which usually take place with the opening of the spring driving season. For services, the increases represented a continuation of their long-term upward trend.

Food prices averaged 0.7 percent higher in March, primarily because of price increases for beef and veal, poultry, and fresh produce. Prices of all cuts of beef and veal rose substantially in response to continuing strong demand and reduced slaughter. Poultry prices advanced 1.7 percent, reflecting seasonally reduced supplies and strong consumer demand. On the other hand, pork prices declined for the first time in four months, because of stiffening consumer resistance to higher prices.

Prices of fresh fruits averaged more than 2 percent higher, chiefly because of a 6.7 percent increase in apple prices, as supplies were reduced by strong demand from both the domestic and export market trade. Below-normal supplies of winter vegetables caused by unfavorable weather conditions brought price increases especially for asparagus, cucumbers, onions, and spinach. Potato prices also advanced, in spite of the large 1965 fall crop, when stocks of old potatoes held in Eastern States were nearly depleted, and marketing of new crop potatoes from south Florida and Texas was delayed by cold weather. On the other hand, substantial decreases occurred over the month in prices of green peppers, lettuce, cabbage, celery, and tomatoes reflecting plentiful supplies.

Sharp price increases for butter and cheese resulted from a decline in production owing to lower milk supplies and high demand during the Lenten season. Prices of salad or cooking oil and margarine also rose substantially in response to price advances in cottonseed and corn oil. Egg prices were down a little, despite a seasonal decrease in production, when supplies were augmented by withdrawals from cold storage.

Homeownership costs rose in March, especially for home maintenance and repairs. Furniture prices also were boosted and charges for housekeeping services advanced due to the short supply of domestic workers which resulted in increased hourly rates.

Apparel prices averaged 0.6 percent higher as several items, including men's tropical suits, women's cotton dresses, and women's and girls' spring coats were marked up. Footwear prices also took another jump. The increase in used car prices was based on brisk demand due to improved weather conditions. Charges for consumer services were led on a continuing uptrend by higher professional medical fees, hospital service charges, and rates for beauty and barber shop services.

Price Trends, March 1965-March 1966

The March index was 2.8 percent above a year ago, primarily because of higher food prices and increased charges for most consumer services. Nearly 1 percent of this increase came during the first quarter of 1966. Food prices averaged 5-1/2 percent higher than during the first quarter of last year, chiefly because of sharply higher meat prices. Fruit and vegetable prices have been only fractionally higher this year. Apple prices have risen as storage stocks have proved insufficient to meet strong demand from both the domestic market and export trade. Grapefruit prices advanced in March when adverse Florida weather delayed harvesting of the 1965-66 crop. Egg prices last month jumped nearly 30 percent above last year's depressed levels as a result of reduced production and heavy military purchases of dried eggs.

Consumer service charges have risen 2.6 percent over the past year, especially for home maintenance and repair services, professional medical fees, and hospital service charges. In addition, widespread increases occurred for barber and beauty shop services and movie admission charges. Transportation services advanced nearly 4 percent, as a result of higher rates for automobile insurance, registration fees, and auto repair charges.

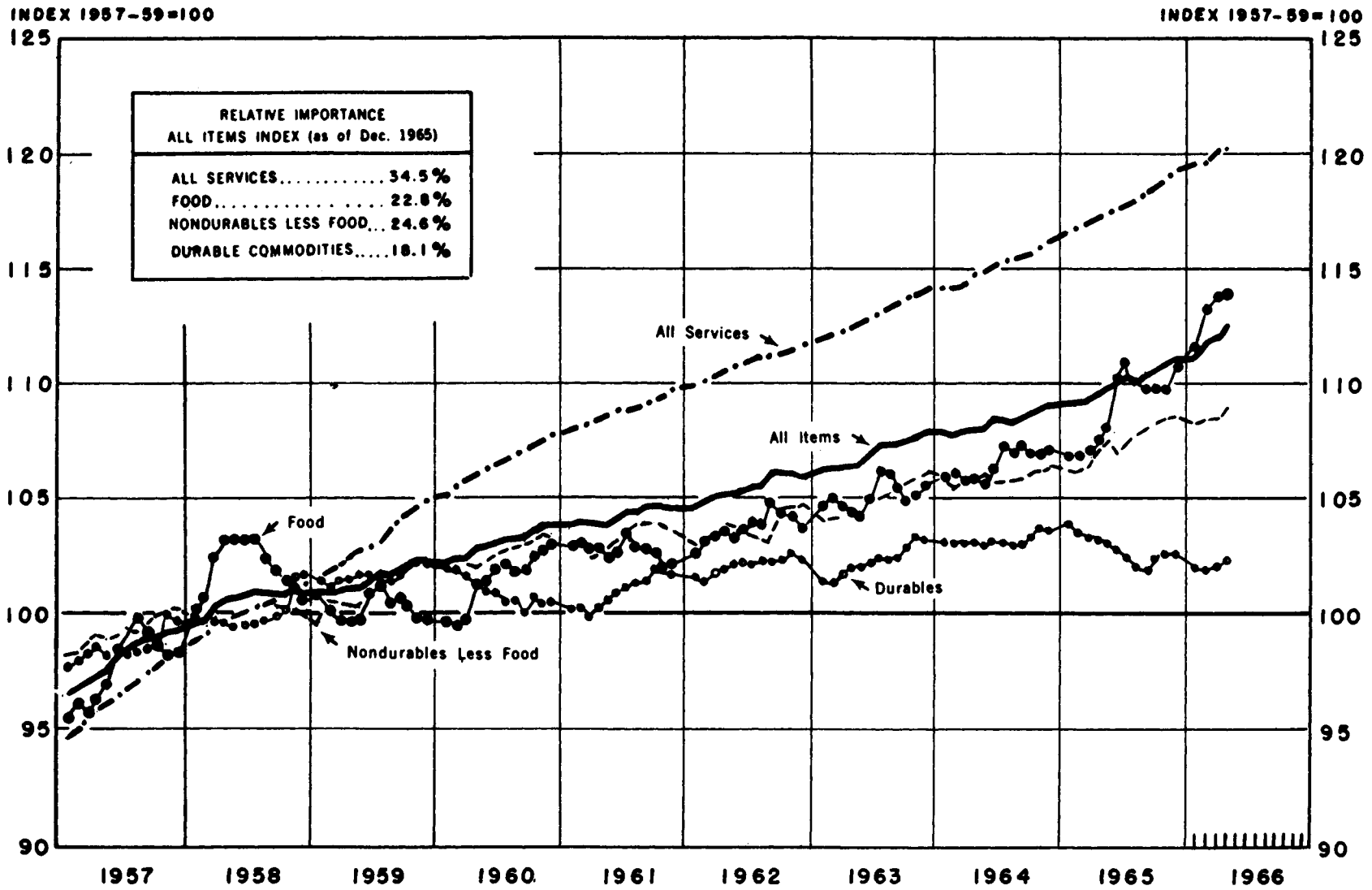
Cost-of-Living Adjustments

About 75,000 workers will receive cost-of-living wage increases as a result of the March Consumer Price Index. Increases based on the national index are as follows:

- a. 2 cents an hour for 34,000 workers (including intercity bus, chemical and aircraft workers) and 3 cents for another 34,000 (mostly aircraft), based on the change in the index since December 1965.
- b. 1 to 3 cents an hour for about 4,000 workers in smaller industries, based on monthly and semiannual changes in the index.

In addition, 2,000 employees of lithographic firms in San Francisco will receive 5.7 cents, based on the quarterly change in the index for San Francisco-Oakland.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: April 1966

Released May 20, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR APRIL 1966

The Consumer Price Index stood at 112.5 (1957-59=100) in April, four-tenths of one percent above its March level, the United States Department of Labor's Bureau of Labor Statistics reported today. This was a smaller advance than that which occurred in February, and the same as that reported for March.

Price Changes, March-April 1966

Consumer service prices as a whole went up 0.8 percent in April. About a third of this increase was caused by restoration of the excise tax on telephone services. In addition, interest rates rose on F.H.A. and V.A. mortgages, medical care costs were up by 0.4 percent, and charges were raised on several other kinds of services, such as baby sitters, barber and beauty shops, and automobile insurance.

Apparel prices advanced by an average of 0.5 percent, somewhat more than the usual seasonal increase for April. Shoe prices continued to rise, and men's tailored clothing for spring and summer wear came on the market showing higher price tags.

Food prices averaged only slightly higher in April, with an advance of 0.1 percent. Prices of dairy and bakery products rose, and fresh fruits were generally higher. Fresh vegetables also averaged slightly higher; potatoes, onions, tomatoes, cucumbers, and green peppers rose in price as cool, rainy weather retarded crop development in the spring vegetable growing areas. On the other hand, prices of asparagus, lettuce, and celery dropped in price, as supplies increased seasonally.

Meat prices were off a little (about 1-1/2 percent), mostly because of a 5-1/2 percent drop for pork. Beef and veal moved up slightly. Egg prices declined about 2-1/2 percent.

A strong market for used cars brought a larger price increase (1.7 percent) than usual for April, when the spring driving season opens. New car prices also moved up 0.3 percent because of restoration of the excise tax from 6 percent to 7 percent. Tobacco prices advanced nearly 1 percent, reflecting higher cigarette prices announced earlier by manufacturers.

Price Trends, April 1965 to April 1966

Nearly one-half of the rise of 2.9 percent in the Consumer Price Index over the past year was caused by a 6 percent climb in food prices, especially meats which averaged 17-1/2 percent higher. Poultry prices also were up by 11 percent. Another major contributing factor was the rise, averaging more than 3 percent, in charges for many consumer services, notably auto insurance, mortgage interest, real estate taxes, medical services, housekeeping services, and various types of repair services. A 6 percent advance in cigarette prices resulted largely from tobacco taxes being raised in 22 States last year.

On the other hand, prices of new and used cars, appliances, and toilet goods were down from a year ago in April. In part, this was a result of reduction or removal of excise taxes.

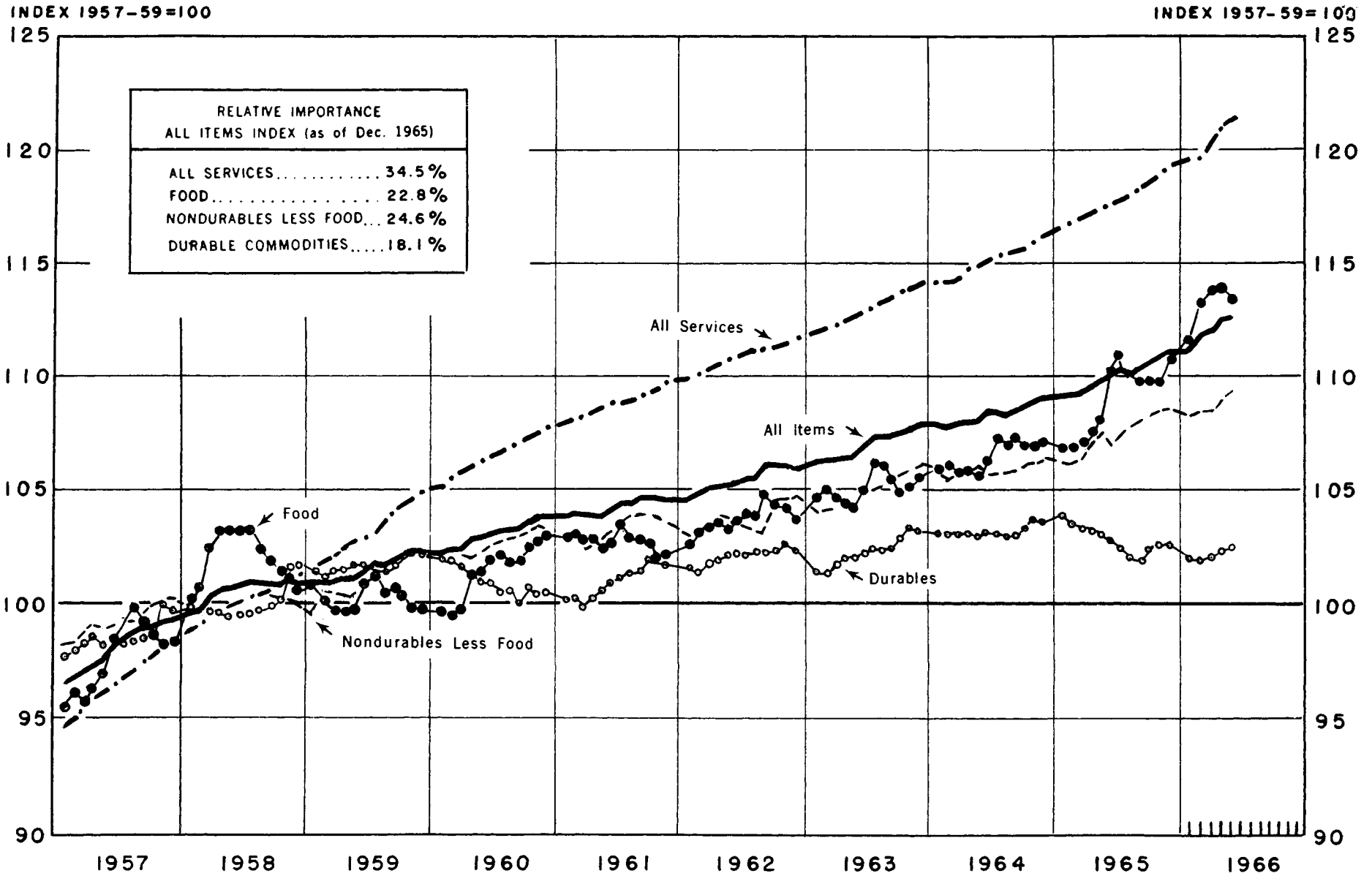
Cost-of-Living Adjustments

More than a million workers will receive cost-of-living wage increases as a result of the April Consumer Price Index. About 975,000 in automobile and automotive

parts, farm and construction equipment, and aerospace industries, will receive 4 cents an hour, based on the change in the national index since January. About 75,000 others will receive increases ranging from 1 to 3 cents an hour also based on the quarterly change, and another 5,000 from 3 to 6 cents based on the annual change in the national index.

Upwards of 17,000 transit workers will receive increases of 3-1/2 to 8 cents an hour based on quarterly changes in indexes for Chicago, Pittsburgh, and Boston.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: May 1966

Released June 21, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR MAY 1966

The Consumer Price Index rose by 0.1 percent in May, the United States Department of Labor's Bureau of Labor Statistics announced today. The increase was caused mostly by higher costs of homeownership, furniture, women's apparel, medical care, and cigarettes. Average prices of foods in grocery stores dropped 0.6 percent. At 112.6 percent of its 1957-59 average, the index was 2.7 percent above a year ago.

Price Changes, April-May 1966

Charges for consumer services went up by an average of 0.3 percent in May. The most significant increases were for mortgage interest rates, doctors' and dentists' fees, hospital service charges, domestic service, house repairs, and barber and beauty shops. Services of all types account for more than a third of the typical family budget.

Apparel and footwear prices continued to rise more than seasonally, especially for women's apparel, which advanced by 1 percent as summer lines came on the market at prices higher than at the end of the season last year. Cigarette prices continued to rise at retail in response to recent factory price hikes. Used car prices were up only 0.1 percent in May, considerably less than the usual advance over April. Prices of new cars declined 0.4 percent.

The drop in food prices was the first since September 1965. Meat prices declined 1-1/2 percent in May, when increased supplies of pork put downward pressure on prices of both pork and beef cuts. Poultry and egg prices also dropped, as supplies became more plentiful.

Fruit and vegetable prices, which usually rise at this season, fell in May because of sharp price declines for cucumbers and green peppers. However, potato and onion prices increased substantially when unfavorable weather conditions in the South and Southwest reduced available supplies. Prices of apples and oranges rose seasonally.

Price Trends, May 1965-May 1966

Higher food prices and increased charges for consumer services have been responsible for most of the rise in living costs over the past year. In spite of their recent decline, meat prices in May still averaged 15 percent higher than a year ago, and poultry prices were up by nearly 10 percent. Egg prices also stood 13 percent above a year ago in May, and prices of dairy products were 5 percent higher. On the other hand, consumers were paying 5-1/2 percent less for fresh fruits and vegetables this year, primarily because of an 11 percent drop in average prices of fresh vegetables.

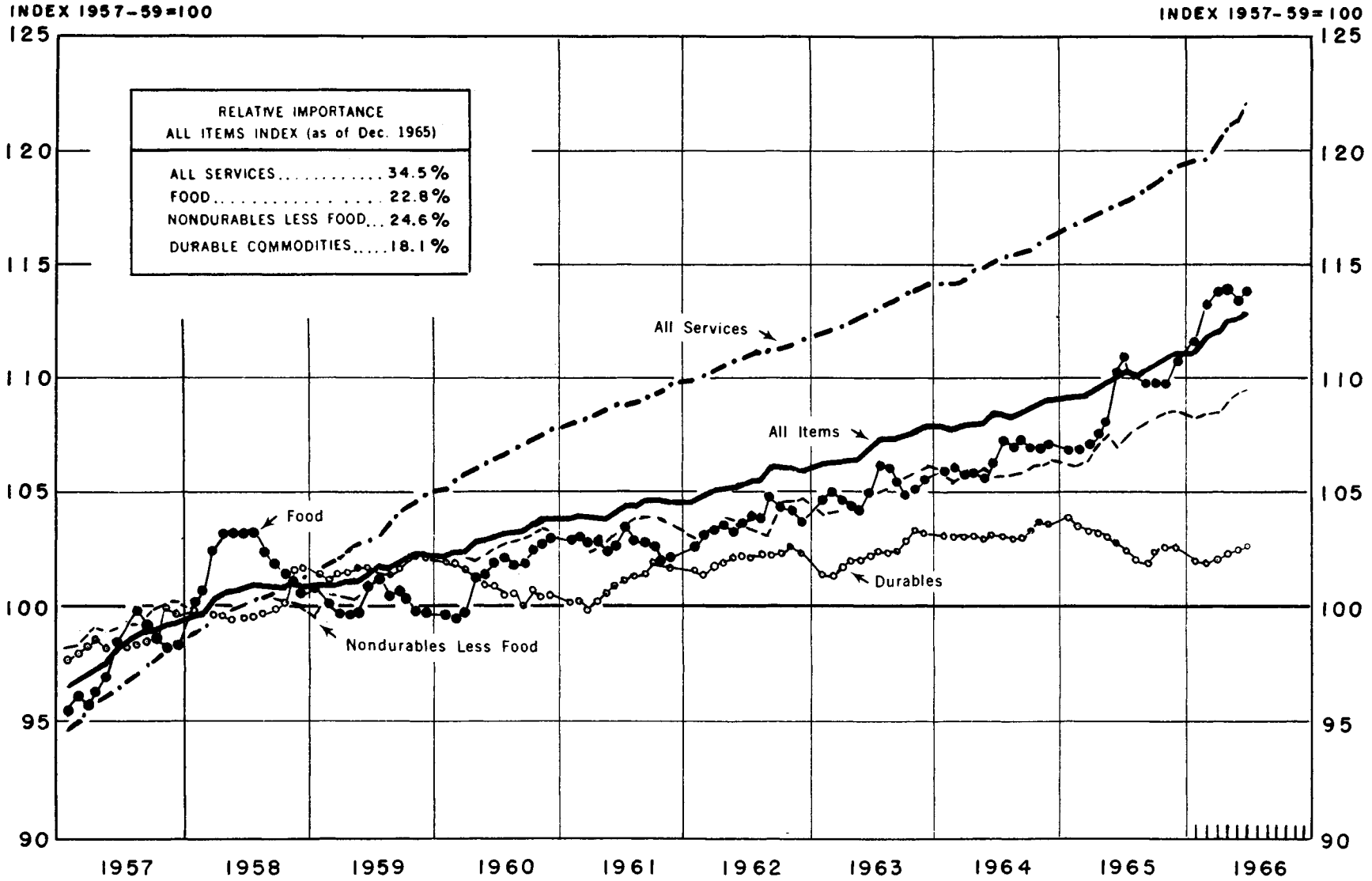
Charges have increased by an average of about 3-1/2 percent for all kinds of consumer services since May 1965. The largest increase--nearly 4-1/2 percent--has been for medical care services. Advances for household, transportation, and other kinds of services have ranged from 3-1/2 to 4 percent.

Apparel prices have gone up by 2.3 percent over the past year, to a considerable extent because of a 6 percent rise in footwear. Prices of consumer durables, on the other hand, were lower than a year ago, as the result of last summer's Federal excise tax cuts and a 3 percent decrease in used car prices.

Cost-of-Living Adjustments

About 206,000 workers will receive cost of living wage increases based on the May Consumer Price Index. Some 95,000 employees of aerospace firms will receive 3 cents an hour as a result of the rise in the national index since February, and 75,000 meatpacking workers will receive 5 cents an hour based on the change since November 1965. Other workers will receive increases ranging from 1/2 cent to 6 cents an hour.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: June 1966

Released July 21, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR JUNE 1966

The Consumer Price Index rose by 0.3 percent in June, the United States Department of Labor's Bureau of Labor Statistics announced today. The increase was caused mostly by higher food prices, medical care costs, and mortgage interest rates. At 112.9 (1957-59=100) the index stood 2.5 percent above a year ago.

Price Changes, May-June 1966

Food prices customarily go up in June, so that the 0.4 increase was in line with seasonal expectations. The principal increases were for fresh fruit, pork, dairy products and bread. Apples, oranges, grapefruit, and watermelons all bore higher price tags. Seasonally reduced hog slaughter brought price increases for fresh pork cuts, but beef prices averaged slightly lower. Prices of evaporated milk, butter, and white bread increased by about 1 percent over the month. Margarine prices held steady.

Egg prices dropped almost 10 percent, considerably more than the usual decline in June, with increased production and lower demand for both domestic and export use. Canned fruit and juice prices moved down by more than 1 percent, in contrast with the increases for fresh fruits.

Charges were raised for many types of consumer services. Doctors' and dentists' fees and health insurance charges rose 0.7 percent, while hospital charges increased 0.6 percent. Home repairs, laundry and dry cleaning, and barber and beauty shop services also moved higher.

A 2 percent advance in mortgage interest rates in June reflected a continuing scarcity of funds for new mortgage lending and the upward climb of interest rates generally.

Used car prices went up, as they usually do in June, and new cars showed the usual slight price reduction. Gasoline prices rose seasonally. Taxi fare increases in several cities accounted for a 0.6 percent rise in the index for public transportation.

Price Trends, June 1965-June 1966

One half of the increase in the Consumer Price Index over the past year has been caused by higher charges for consumer services (up 3.7 percent). Charges for hospital services, mortgage interest, automobile insurance, home repairs, housekeeping services, and barber and beauty shop services have advanced 5 percent or more.

Food prices in June were 3.5 percent higher than a year ago, with restaurant meals up 4.8 percent and food in grocery stores up 3.2 percent. Meat prices averaged 8 percent higher over the year, mostly because of a 14 percent increase for pork. Egg prices climbed 6 percent.

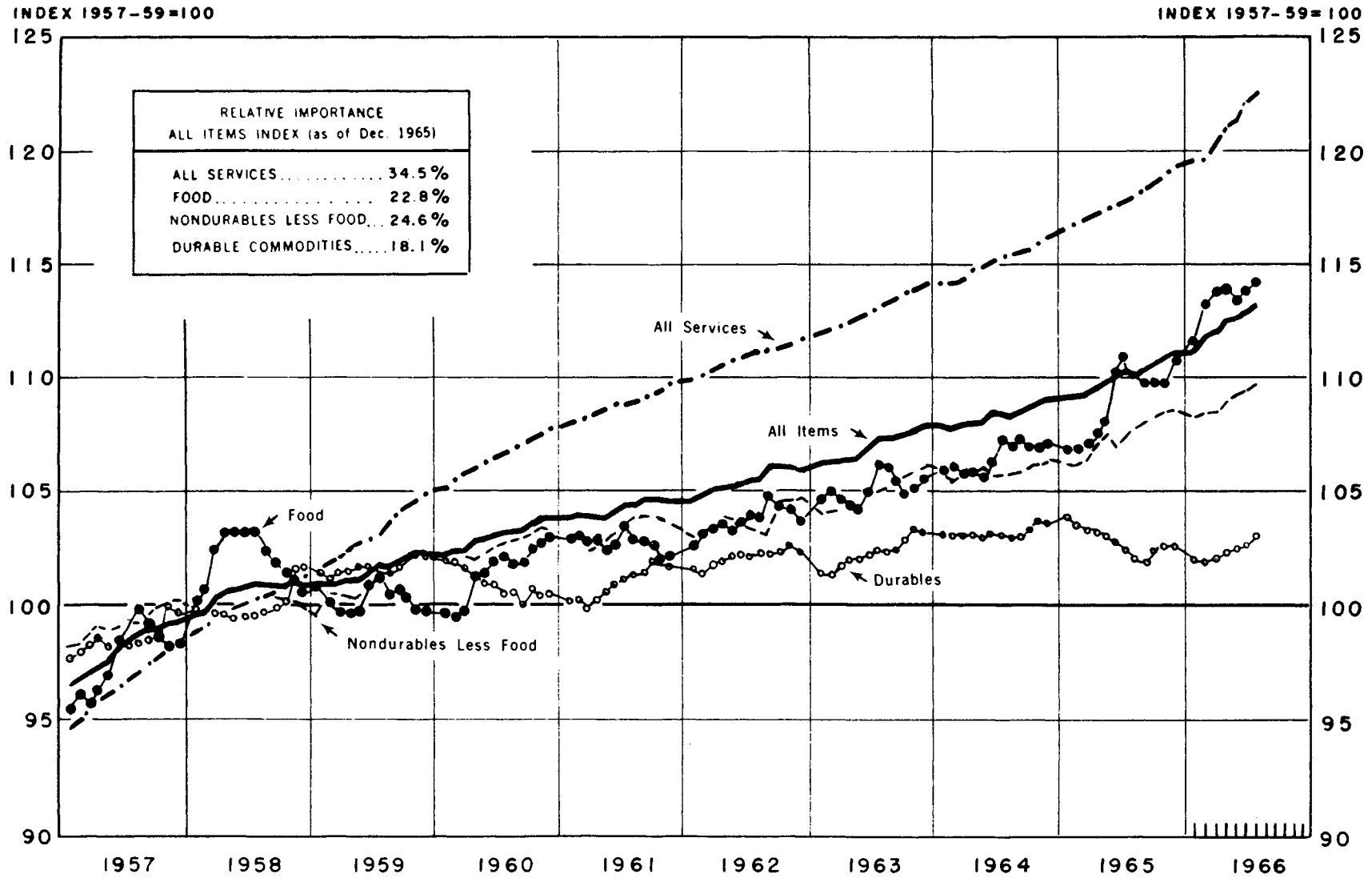
Fresh vegetables, on the other hand, were 16 percent cheaper than a year ago.

Apparel prices averaged 2.3 percent higher than in June 1965, with footwear up by 6-1/2 percent. Tobacco products also showed an increase of nearly 6 percent, due in part to higher State and local taxes. Used car prices dropped 3-1/2 percent over the year.

Cost-of-Living Adjustments

About 84,000 workers will receive cost-of-living wage increases based on the national Consumer Price Index for June. Approximately 50,000, mostly aircraft workers, will get 2 cents an hour, about 9,000 will receive 3 cents, and some 21,000 (mostly interstate bus workers) will receive 1 cent, as a result of the rise in the index since March. An additional 3,650 workers will receive 1 cent an hour as a result of the index rise since December 1965.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: July 1966

Released August 22, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR JULY 1966

The Consumer Price Index rose by 0.4 percent in July, the United States Department of Labor's Bureau of Labor Statistics announced today. The increase was largely the result of higher transportation costs and an advance in food prices that was smaller than usual for July. At 113.3 (1957-59=100) the index was 2.8 percent higher than a year earlier.

Price Changes, June-July 1966

A rise of 1.2 percent in transportation costs resulted from increased transit fares in New York City and higher prices for used cars, gasoline, tires, auto repairs, and insurance. Subway and bus fares were raised by a nickel to 20 cents on all transit lines within New York City. Some suburban lines also increased their fares. Used car prices rose 1.8 percent in response to brisk demand and reduced inventories. New car prices were down by 0.1 percent, much less than the usual July decline.

Food prices usually rise in July by considerably more than the 0.4 percent increase shown last month. Prices of meats, fruits, and vegetables were generally steady, whereas a seasonal advance often takes place for these important food items in July. Milk, butter, and eggs, on the other hand, went up more than usual at this season. Higher milk prices were reported in 26 of the 56 cities surveyed in July, as production declined and demand continued strong. Egg prices took a 5-1/2 percent jump when the unusually hot weather caused a drop in production. Prices of meals in restaurants were boosted again, and cigarettes cost more largely because of State and local tax hikes.

A further advance in mortgage interest rates added to homeownership costs. Prices also were raised moderately for furniture, textile housefurnishings, and house-keeping supplies and services.

Medical care costs continued to go up at their accelerated rate of recent months. Charges for many other types of services also were raised.

Price Trends, July 1965-July 1966

About half of the rise in the Consumer Price Index in the past year has been caused by increased charges for nearly all kinds of consumer services, averaging 4.1 percent. Transportation and medical service charges each climbed 5 percent over the year. Other types of services were up 4 to 4-1/2 percent, except for rents, which, with a 1.3 percent increase, continued their slow rise.

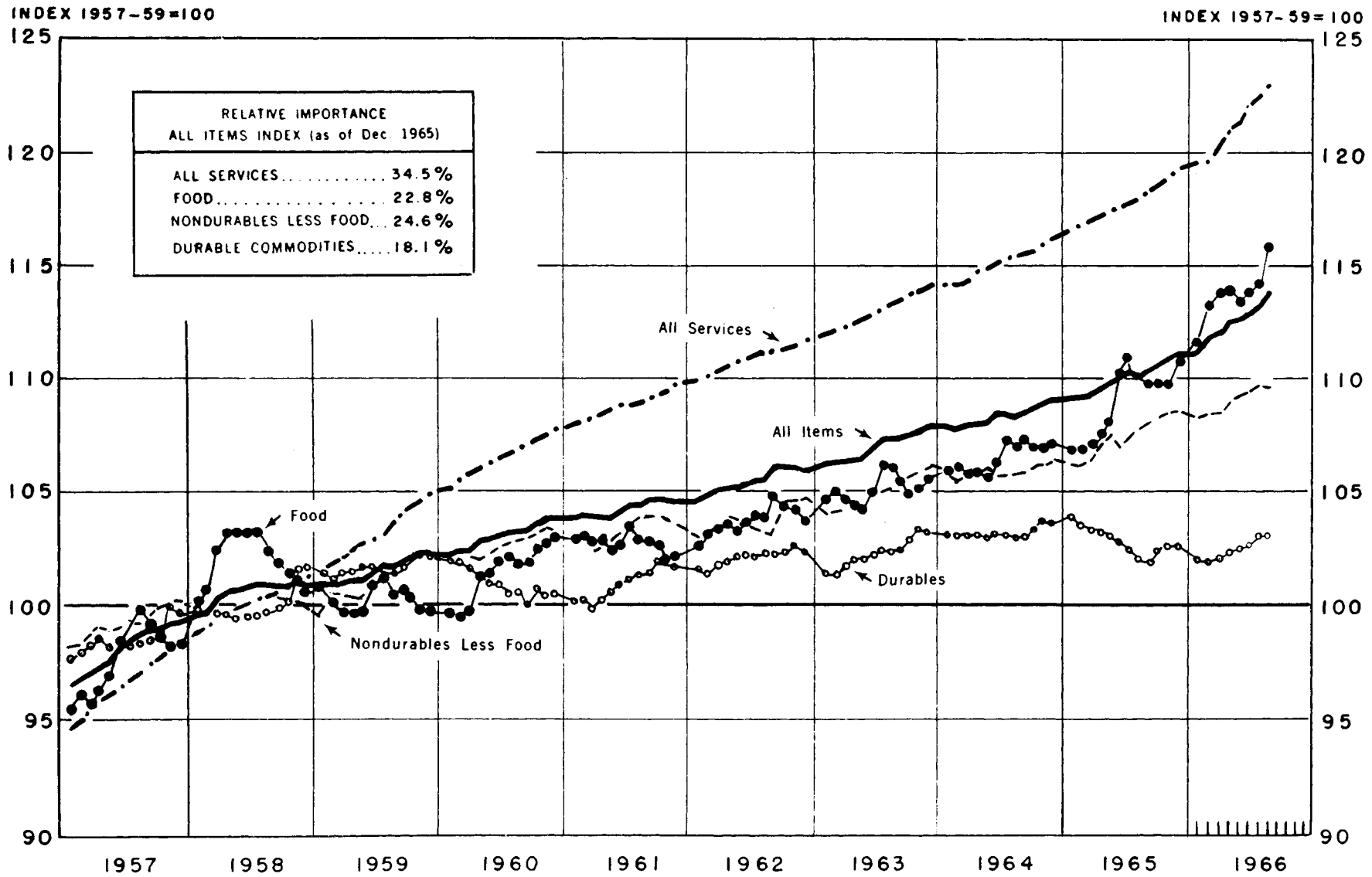
Food prices averaged 3.1 percent higher than a year ago in July. Restaurant meal prices were up 5 percent, dairy products 6-1/2 percent, and meats 4-1/2 percent. Fresh vegetable prices have dropped 11 percent over the year mainly because of a 40-percent decline in potato prices from their record high of last year.

Prices have increased by from 3 to 5 percent over the past year for such items as fuel oil, apparel, newspapers, cigarettes, furniture, and tires. On the other hand, prices averaged slightly lower for new cars and appliances. Used car prices also are down about 2 percent from a year ago.

Cost-of-Living Adjustments

About 1.14 million workers will receive cost-of-living wage increases based on the July Consumer Price Index. Slightly over a million, in auto and automotive parts, farm and construction equipment, aerospace, and metalworking industries, will get 2 cents an hour based on the rise in the index since April. Others will receive increases ranging from 1 to 5 cents an hour based on monthly, quarterly, or semi-annual changes in the national index and some city indexes.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: August 1966

Released September 22, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR AUGUST 1966

The Consumer Price Index rose by 0.4 percent in August, to 113.8 (1957-59=100), the United States Department of Labor's Bureau of Labor Statistics announced today. Higher prices of foods, used cars, and medical services caused most of the advance. The August index was 3.5 percent higher than a year ago.

Price Changes, July-August 1966

Food prices went up 1.3 percent in August. Egg prices were up by 18 percent and dairy products by 3-1/2 percent. Bread prices also advanced in response to earlier increases in wholesale prices of flour. Higher prices for bacon and round steak were about offset by reductions in several other cuts of beef and pork.

Prices of fruits and vegetables were up by 0.7 percent. Prices of lettuce, cabbage, apples, and oranges rose substantially. Tomato and cucumber prices dropped.

Prices of commodities other than foods were down by 0.1 percent. Apparel prices averaged unchanged, as higher prices for men's and boys' clothing and footwear were offset by end-of-season clearance prices for women's and girls' summer apparel. Used car prices rose by 1.5 percent. Gasoline prices were lower. Prices of furniture and floor coverings moved higher, while appliances and household textiles were reduced.

The housing index rose by 0.2 percent mainly because of higher costs of owning a home--repairs, taxes, insurance, and interest on mortgages. Rents advanced 0.3 percent. Costs of most other services also continued to rise, particularly medical care services, barber and beauty shops, auto insurance, laundry and dry cleaning, and recreational services.

Price Trends, August 1965-August 1966

The rise in the Consumer Price Index over the past year has been caused mostly by increases averaging 4.3 percent for consumer services, and by 5.2 percent higher food prices. Nondurables other than food (such as apparel, fuels, gasoline, etc.) have shown an average 2.3 price increase, and the advance for consumer durables (houses, furniture, appliances, new and used cars, etc.) has amounted to 1.2 percent since August 1965.

Aside from food and services, the largest price increases since August 1965, have been for shoes, newspapers, cigarettes, and furniture.

Prices of appliances have declined slightly during the year.

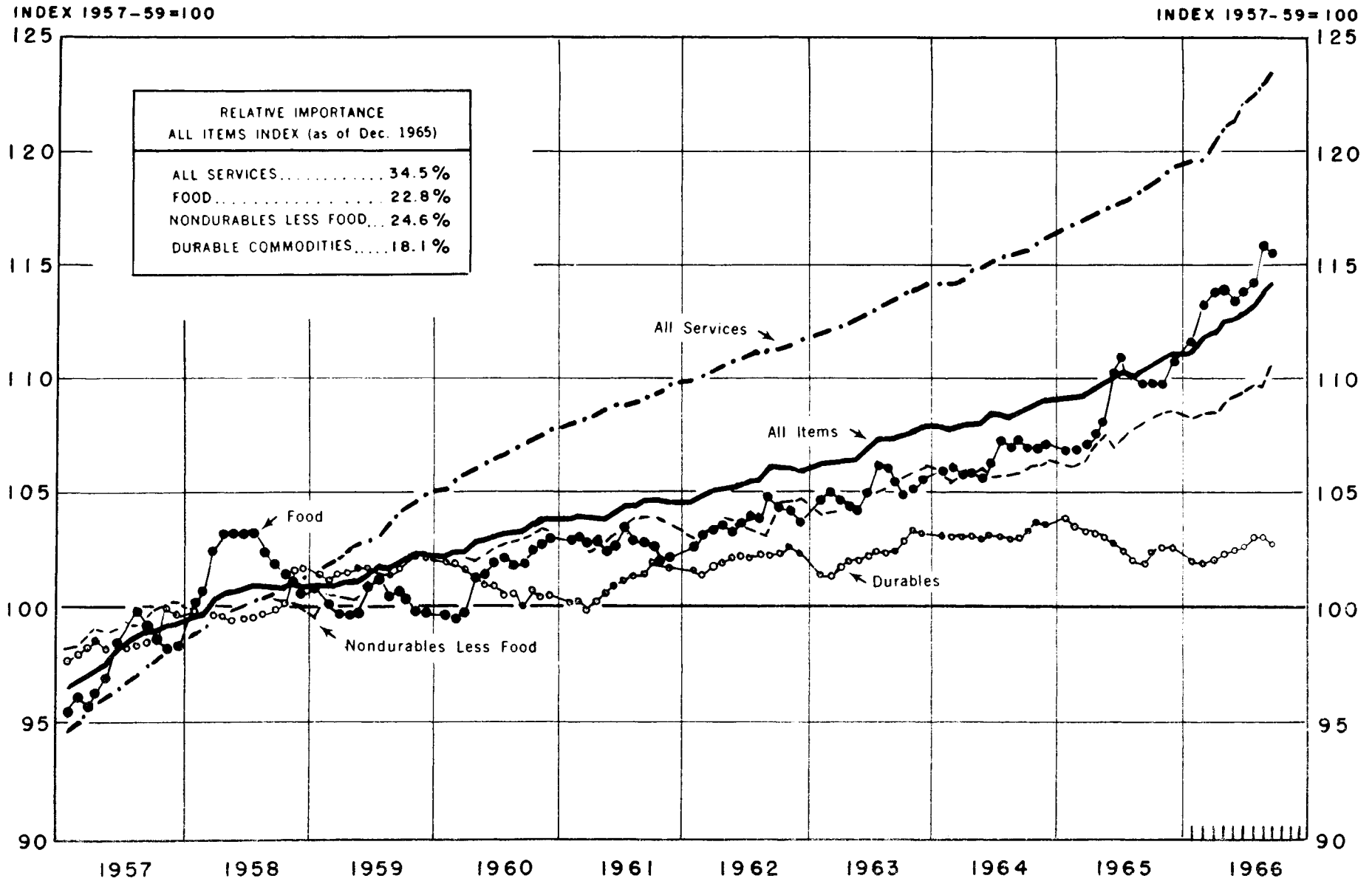
Mortgage interest rates have risen by more than 8 percent over the past year. Hospital rates are up by 9 percent, and increases of 4 to 6 percent have occurred for taxes, insurance, and upkeep on owned homes, housekeeping services, auto insurance, public transportation, professional medical fees, barber and beauty shop services, and recreational services.

Prices of dairy products are up by 9.3 percent; eggs, 22 percent; fruits and vegetables, 6.7 percent; and cereals and bakery products, 5.6 percent. The rise in meat prices has been caused by reduced supplies, primarily of pork. Fruits and vegetables, eggs, and many other foods have been affected by hot, dry weather over much of the country during the past summer.

Cost-of-Living Adjustments

About 175,000 workers will receive increases in their cost-of-living allowances as a result of the August Consumer Price Index. For about 150,000, mostly in aerospace industries, the increase will be 3 cents an hour, based on the change in the index since May. Other workers will receive increases ranging from 1 to 10 cents an hour, based on price changes for periods of one month to one year.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: September 1966

Released October 20, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR SEPTEMBER 1966

The Consumer Price Index rose by 0.3 percent in September, to 114.1 percent of its 1957-59 base, despite a 0.2 percent decline in prices of foods, the United States Department of Labor's Bureau of Labor Statistics announced today. Higher apparel prices were primarily responsible for the advance although housing and medical care costs also increased. Prices for transportation were lower. The September index was 3.5 percent above a year ago.

Price Changes, August-September 1966

Apparel prices usually rise in September as fall and winter clothing returns to the market, but the increase of 1.4 percent last month was considerably more than usual because several items, particularly women's coats, dresses, and skirts, carried price tags higher than last season. Prices of men's suits also moved up in response to earlier increases in prices of wool and higher wages in the men's clothing industry.

Much of the 0.3 percent rise in housing costs was the result of further increases in mortgage interest rates and in charges for home repair and maintenance services. Prices of household textiles went up following traditional August white sale reductions, and costs of housekeeping services (laundry, domestic help, baby sitters, etc.) continued to advance.

Medical care costs rose 0.8 percent reflecting continued advances in fees for professional services, hospital services, and the services provided by health insurance.

Prices of food for home use declined by 0.3 percent but restaurant meal prices continued to advance. Abundant supplies of most fresh fruits and vegetables resulted in an average price decline of 7.5 percent. Prices of apples and onions dropped by more than 15 percent, and there were substantial declines in prices of green peppers, tomatoes, celery, cabbage, and carrots.

Dairy products prices averaged 1.0 percent higher, with increases of over 2 percent for cheese and butter. Prices of flour and bakery products--bread, cookies, cakes, and sweet rolls--were also higher.

Most cuts of beef and pork cost a little more but poultry prices were slightly lower. Egg prices were up by 1.2 percent, but coffee prices declined.

Prices of 1966 model cars dropped 1.5 percent as dealers offered higher concessions to clear stocks before introduction of the 1967 models. Used car prices fell 1.6 percent. Prices of gasoline and auto repairs advanced.

Price Trends, September 1965-September 1966

Prices of most consumer goods and services increased during the year ending September 1966, with higher costs of services providing the major impact. Particularly significant advances were recorded for mortgage interest, hospital services, professional medical services, barber and beauty shop services, home repair services, auto insurance, and housekeeping services.

Food prices rose nearly 5-1/2 percent during the year, with increases of 7-1/2 percent for fruits and vegetables, 4 percent for meats and poultry, 10 percent for dairy products, and 6-1/2 percent for cereals and bakery products. Prices were substantially higher for cabbage, lettuce, green peppers, apples, onions, celery, and potatoes, reflecting the effects of spring freezes and dry summer weather in producing areas. Bread and milk prices rose about 10 percent during the year and egg prices were 13-1/2 percent higher.

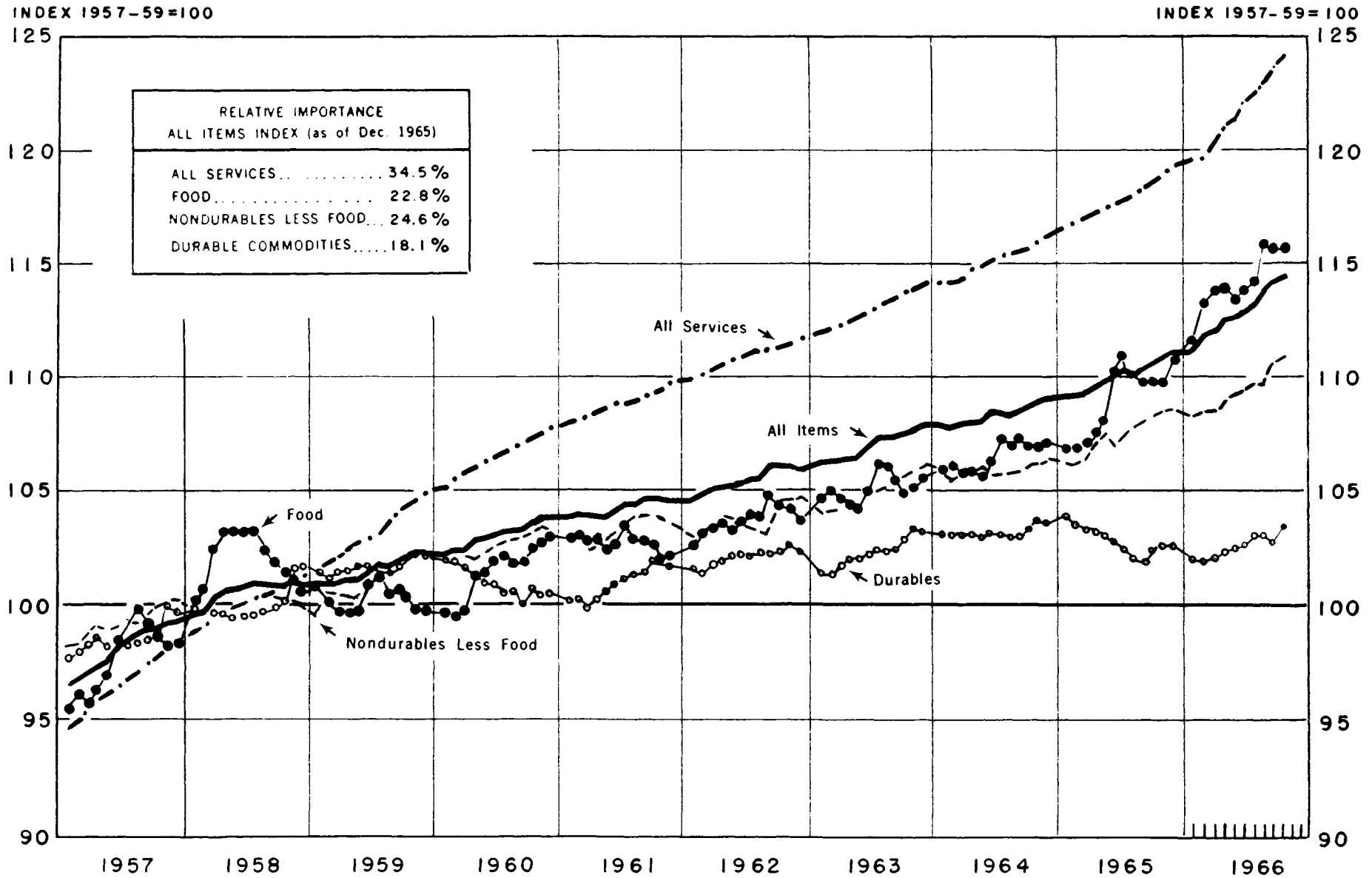
Prices of commodities other than foods rose 2.0 percent, largely because of higher prices for apparel, gasoline, cigarettes, newspapers, and furniture. New car prices were lower than a year earlier.

Cost-of-Living Adjustments

About 78,000 workers will receive cost-of-living increases based on the September Consumer Price Index. For about 56,000 (mostly aircraft workers) the increase will be 3 cents an hour, based on the change in the index since June. Other workers will receive increases ranging from 1 to 8 cents an hour based on quarterly, semiannual, and annual price increases.

An adjustment of retired/retainer pay for eligible military personnel will become effective December 1, 1966, based on the change in the index since August 1965. Adjustment of pensions for retired civilian Federal government workers will depend upon the October index.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: October 1966

Released November 23, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR OCTOBER 1966

The Consumer Price Index rose by 0.4 percent in October, the U.S. Department of Labor's Bureau of Labor Statistics announced today. The increase was caused largely by higher costs of housing, apparel, and medical care. Price indexes for automobiles were also higher reflecting the fact that trade-ins and dealer concessions are customarily smaller at the beginning of a new model year. Prices of food in grocery stores averaged slightly lower than in September. At 114.5 percent of its 1957-59 base, the October index was up by 3.7 percent over a year ago.

Price Changes, September to October 1966

Housing costs rose by 0.4 percent in October, led by increases in such home-ownership costs as real estate taxes and insurance, mortgage interest rates, and home repairs and maintenance. Rents were up by 0.3 percent, and fuel oil prices rose seasonally. Prices of furniture advanced further, but appliance prices showed a small decline. Prices also rose for such housekeeping supplies as laundry soap and household paper, as well as for services, including laundry, domestic service, baby sitters, and appliance repairs.

Transportation costs were up by 0.9 percent in October, largely because dealers offered smaller concessions on the newly-introduced 1967 models of new cars than they had been granting on 1966 models in September. Basic new car prices also were up slightly after adjustment for quality changes. Prices of used cars and auto repairs also increased, while gasoline prices declined.

Apparel prices continued their seasonal advance, especially women's wear; and shoe prices continued their upward trend. Medical care costs rose again, with hospital service charges sharply higher and professional medical fees being raised.

A decline of 0.2 percent in prices of food in grocery stores was offset by higher prices for restaurant meals, causing the total food index to remain at its September level. Meat prices were down by 0.5 percent, largely because of lower prices for all cuts of pork, particularly bacon and pork chops, as the larger spring pig crop was slaughtered. Prices of beef and other meats were a little higher. Frying chicken prices dropped 5 percent, as poultry production reached record high levels.

Prices of fruits and vegetables fell by 1.1 percent, reflecting substantial reductions for apples, which were at the peak of their harvest. Lettuce, celery, carrots, onions, and green peppers also cost less as supplies increased. Citrus fruit prices advanced as supplies from the old season crop dwindled and the new crop was late in maturing.

Egg prices were 4 percent higher, and milk prices continued to rise, but prices of white bread dropped about 1 percent.

Price Trends, October 1965 to October 1966

The rise of 3.7 percent in the Consumer Price Index over the past year reflected higher charges for consumer services, led by mortgage interest rates, doctors' and dentists' fees, hospital room rates, home repair services, real estate taxes, and property insurance. Higher food prices also accounted for a substantial portion of the rise, with dairy products up 11 percent, fruits and vegetables up 6.3 percent, cereals and bakery products up 6.3 percent, and meats, poultry, and fish up 4.5 percent.

All types of dairy products were selling at higher prices than a year ago, with increases of 19 percent for cheese, 17 percent for butter, and 10 percent for milk in grocery stores. With the exceptions of bananas, orange juice, and spinach, all other fresh fruits and vegetables cost more than a year earlier. Prices of all types of meats, poultry, and fish also were higher than a year ago.

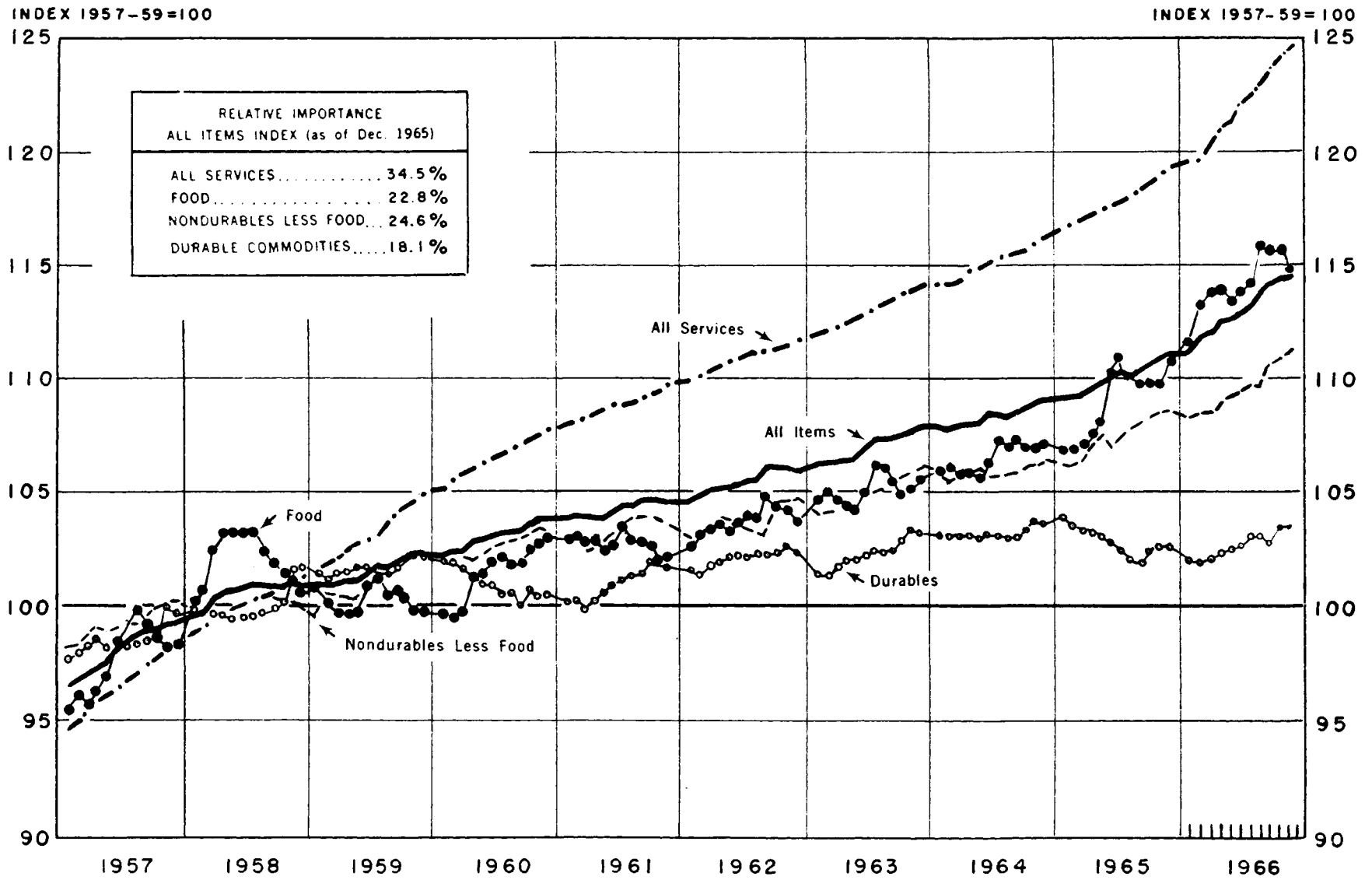
Prices of nondurable goods other than foods rose by 2.7 percent during the year, largely the result of increases for apparel, gasoline, and cigarettes. Durable goods prices rose by 1.4 percent with higher prices for furniture, new cars, and used cars.

Cost-of-Living Adjustments

Almost 1.2 million workers will receive increased cost-of-living allowances based on the October Consumer Price Index. Over 1.1 million, mostly in automobile, automotive parts, farm and construction equipment, and aerospace industries, will receive 3 cents an hour, based on the change in the index since July. Other workers will receive increases ranging from 1 to 6 cents an hour, based on changes for periods of one month to six months.

In addition, about 750,000 retired Federal civilian employees or their survivors will receive an increase of 3.9 percent in their annuities, effective January 1, 1967, based on the change in the Consumer Price Index since July 1965.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: November, 1966

Released December 22, 1966

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D.C. 20212

CONSUMER PRICE INDEX FOR NOVEMBER 1966

The Consumer Price Index rose by 0.1 percent in November, its smallest advance in six months, the United States Department of Labor's Bureau of Labor Statistics announced today. A decline of 0.7 percent in food prices almost offset higher costs of most other consumer items, particularly housing, apparel, and medical care. The November index, at 114.6 (1957-59=100), stood 3.6 percent above a year ago.

Price Changes, October to November 1966

Housing costs rose by 0.4 percent in November, because of further advances in charges for household services (mortgage interest, domestic service, babysitters, etc.) and in prices of furniture, and household textiles. Costs of home maintenance and repair services also continued to advance, rents were up by 0.2 percent, and fuel oil prices rose seasonally.

A further increase in apparel prices, especially for men's and boys' clothing, continued to reflect higher costs of materials and labor. Laundry and dry cleaning charges also continued to advance.

Charges for hospital and professional medical services rose again, boosting medical care costs by 0.7 percent. Private transportation costs were up 0.3 percent in November when prices of new cars reflected a further transition to the 1967 models. Gasoline prices also advanced, but used car prices dropped.

Food prices in grocery stores were down by 0.9 percent, as prices of meats, eggs, frying chickens, and fresh fruits were marked down significantly. Bacon prices dropped 10 percent as supplies of pork became more plentiful. Prices, however, rose for fresh vegetables, cereals, bakery products, and restaurant meals.

Fresh fruit prices averaged almost 6 1/2 percent lower, as the new Florida citrus crop began to reach the market in quantity. Grapefruit prices were off by about a third, and oranges were down about 3 percent. Prices of bananas and apples also dropped, reflecting larger supplies. Fresh vegetable prices, on the other hand, were up by nearly 5 percent.

Price Trends, November 1965 to November 1966

The Consumer Price Index was up by 3.6 percent in November 1966, compared with a year ago. Higher charges for nearly all consumer services caused about half of the increase, particularly medical care and household services.

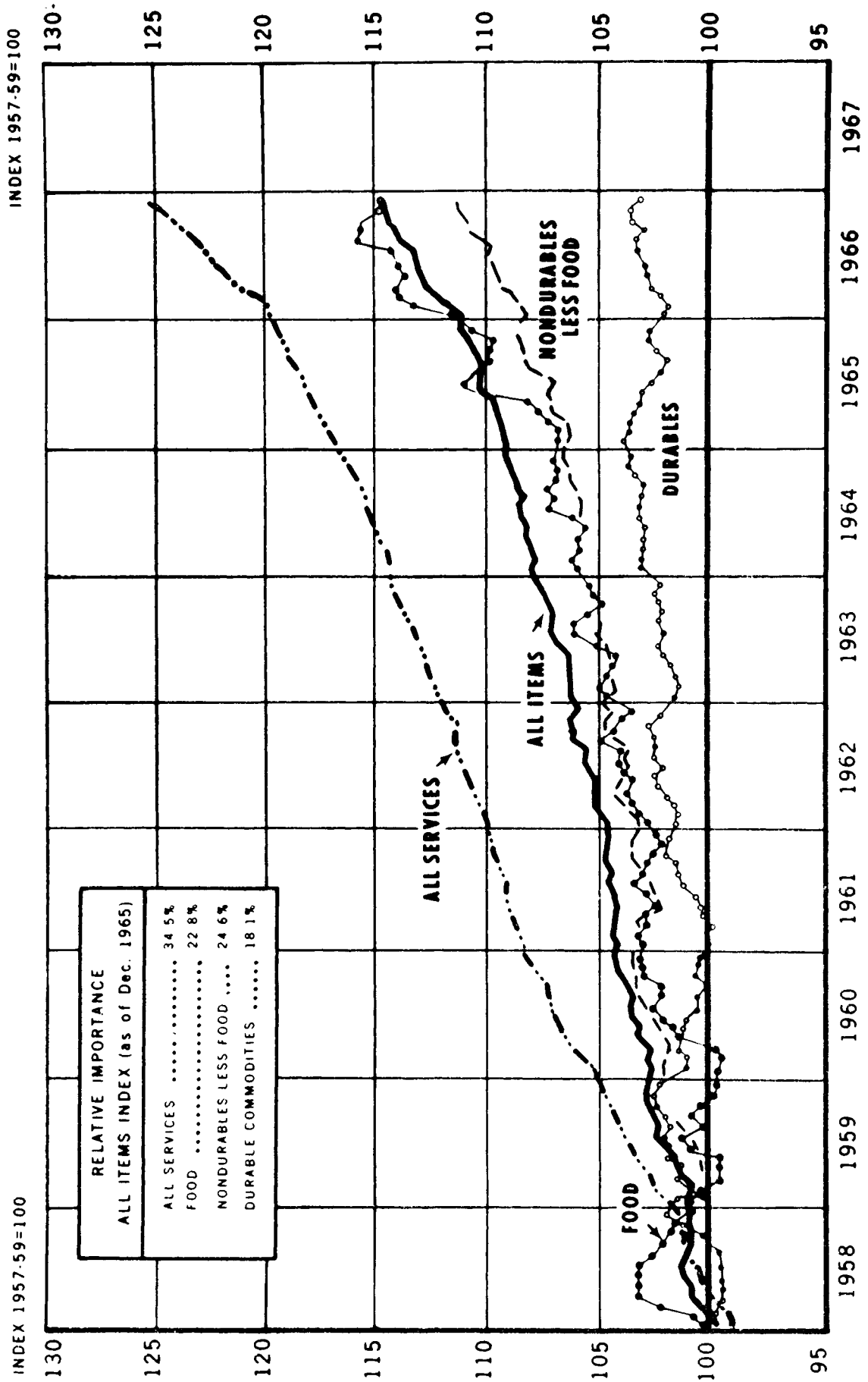
Food prices, up 4 1/2 percent over November 1965, were the second most important factor contributing to higher living costs. The increases in food prices compared

with November 1965 ranged from 3 percent for meats to more than 10 percent for dairy products. Some foods were a little cheaper than a year ago, including bacon, bananas, celery, coffee, and most processed fruits.

Cost-of-Living Adjustments

As a result of the November Consumer Price Index, approximately 190,000 workers will receive increases in their cost-of-living allowances. About 100,000, mostly in aerospace industries, will receive 2 cents an hour, based on the change in the index in the past three months. For some 82,000 meatpacking workers the increase will be 5 cents an hour, based on price increases in the past six months.

CONSUMER PRICE INDEXES: COMMODITIES AND SERVICES



RELATIVE IMPORTANCE	
ALL ITEMS INDEX (as of Dec. 1965)	
ALL SERVICES	34.5%
FOOD	22.8%
NONDURABLES LESS FOOD	24.6%
DURABLE COMMODITIES	18.1%

UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Latest Data: December 1966

Released January 20, 1967

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington, D. C. 20212

CONSUMER PRICE INDEX FOR DECEMBER 1966

The Consumer Price Index rose by only 0.1 percent last month, the same as in November, the United States Department of Labor's Bureau of Labor Statistics announced today. Food prices in grocery stores averaged slightly lower, but homeownership and medical care costs increased. The index, at 114.7 (1957-59=100), stood 3.3 percent above a year ago.

Price Changes, November to December 1966

Housing costs rose by 0.4 percent in December, mostly because of increased charges for mortgage interest and house maintenance and repairs. Gas bills declined moderately, but fuel oil prices continued their seasonal rise.

Apparel prices increased 0.3 percent, with the largest advance in women's and girls' apparel. Charges for laundry and dry cleaning continued to rise as they have for several months.

The further climb in medical care costs was led by increased charges for hospital care and professional services. Used car prices dropped sharply and new car prices also moved lower.

Food prices in grocery stores averaged 0.2 percent lower with significant price reductions posted for pork, dairy products, and fresh fruits. Pork chop prices dropped by 6 percent, loin roast 4 1/2 percent, and bacon 4 percent, as supplies of pork continued to be plentiful. Prices of milk and most other dairy products appeared to be retreating from the unusually high levels which they attained earlier last year.

Fresh fruits averaged 3 1/2 percent cheaper in December, as plentiful supplies from Florida brought sharp reductions in orange and grapefruit prices. Apple and banana prices increased.

Eggs also were higher and some fresh vegetable prices went up, especially tomatoes and cabbage, as a result of sharply curtailed winter supplies. On the other hand, abundant supplies of lettuce brought a price drop of over 20 percent. Restaurant meal prices continued their steady climb last month.

Price Trends, December 1965 to December 1966

The December Consumer Price Index stood 3.3 percent above a year earlier, although the rise in consumer prices slowed perceptibly in the fourth quarter. Higher charges for consumer services caused about half of the increase over the year. Medical care services jumped 8 percent and other services, except rents, 4 1/2 to 5 1/2 percent.

The rate of increase in consumer service prices was not abating as the year drew to a close. While rents rose less than other service charges, their 1966 increase was the largest since 1957.

Food prices went up sharply during the first quarter of 1966, largely because of a jump in prices of meats, fruits, and vegetables. They stabilized in the second quarter when meat prices softened a little, but received another boost during the third quarter from a run-up in prices of dairy and bakery products. A moderate decline during the fourth quarter left food prices in December at a point 3.8 percent above a year ago, on the average. Over the year, food price increases caused about one-fourth of the rise in the total Consumer Price Index.

Other significant price developments during 1966 included increases ranging from 3 1/2 to 4 1/2 percent for apparel, furniture, gasoline, and tobacco products, and a 3 1/2 percent drop in used car prices. Apparel (seasonally adjusted), furniture, and gasoline prices rose steadily through the year, but the advance in tobacco prices tapered off during the fourth quarter. Used car prices on a seasonally adjusted basis were weak during the first half, but moved up in the third quarter, only to drop back more than usual at the end of the year.

Cost-of-Living Adjustments

About 71,000 workers will receive increases in their cost-of-living allowances as a result of the December Consumer Price Index. For 60,000, mostly in the aircraft industry, the increase will be 1 cent an hour, based on the change in the index since September. The remainder will receive an increase of 2 cents an hour.