

*The Budget—Appendix*

The United States consumer price index also reflected the continued upward trend in prices. The index registered an average increase of 2.7 per cent for the year 1958, an advance comparable to the movement in Canadian consumer prices. Food prices in the United States levelled out in the second half of 1958 but for the year as a whole the index was 4.2 per cent above 1957.

During the twelve-month period to December, 1958, wholesale prices rose by 1.3 per cent whereas for the year 1958 as a whole the general index remained practically unchanged from the level in 1957. This difference came about mainly because of the strengthening in wholesale prices which occurred in the fourth quarter of 1958 in contrast to the decline in the same period of 1957. A pattern similar to the trend in the general index prevailed in the broad industrial categories of wholesale prices. In a year-over-year comparison prices fell in 1958 except for manufactured products. The decline was particularly pronounced for industrial materials and metals. However, in the latter part of 1958, the indexes for all the major industrial classifications stood at a higher level than a year earlier. The sharpest recovery occurred in prices for non-ferrous metals and raw materials. In 1958 there was also a substantial advance in prices for Canadian farm products.