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Central files

THE PRESIDENT HAS SEEN. *d.g.*

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

November 21, 1974

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Consumer Price Index

*MR7.*

The Consumer Price Index (CPI) rose 0.9 percent in October, seasonally adjusted. This is down from 1.2 percent in September, but is not greatly different from the average monthly rise over the past year. Food prices rose more than average in October, but the 1.3 percent increase was an improvement from the 1.9 percent rise in September, because meat prices declined. Nonfood commodity prices were up 0.6 percent, for their smallest rise since December. This reflected continuing cuts in gasoline prices and smaller rises for durable goods despite the rise in prices for the new 1975 automobiles. The 0.9 percent rise in service prices was a little less than in the preceding three months.

The behavior of the CPI and its major components over the past year is shown in the attached table. In the past three months energy prices have fallen, but the rise in food prices has speeded up.

These data were released Thursday, November 21 at 10:00 a.m.

*Gary L. SeEVERS*

Gary L. SeEVERS  
Member

*[Signature]*  
Alan Greenspan  
Chairman

Attachment



11/21/74

CPI and Major Components -- Percent Change  
and Contribution to Change

(Seasonally adjusted annual rates)

Period	All items	Food	Directly purchased energy	All other items
October 1973 to January 1974 .....	10.2	15.3	66.4	4.6
January 1974 to April 1974 .....	12.1	9.7	50.2	9.8
April 1974 to July 1974 .....	11.7	3.3	17.2	15.0
July 1974 to October 1974 .....	14.7	20.2	-3.1	13.8
October 1973 to October 1974 .....	12.2	11.9	29.7	10.7
Percentage contribution to change .....	100	24	16	60