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Central Filed

THE PRESIDENT HAS SEEN..... *ds*

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 20, 1974

MEMORANDUM FOR THE PRESIDENT

SUBJECT: November Consumer Price Index

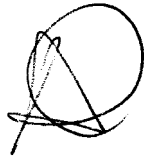
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Summary

The Consumer Price Index rose 0.9 percent (seasonally adjusted) from October to November. This is the same increase as occurred one month earlier and is only slightly below the average monthly increase of one percent for the first 9 months of 1974. Food again showed a large rise with an increase of 1.4 percent.

For all items combined the CPI shows a rise of 12.1 percent over a year ago.

Gary Seevers
Gary L. Seevers
Member



Alan Greenspan
Chairman

Attachments



Additional detail

In the nonfood area there are signs that the rate of inflation, although still high, has subsided. Commodities other than food rose 0.8 percent from October to November. Although this is greater than the October rise of 0.6 percent the average rise for the 2 months combined is well below the average monthly increase of 1-1/4 percent for the first 9 months of 1974.

Services also show some signs of a slower inflation rate. The 0.8 percent rise from October to November was not very different from the 0.9 percent increase one month earlier. However, the average rise for the 2 months is below monthly increases of 1.0-1.1 percent from April through September.

In the food area, beef prices again declined in November, although not as much as the month before but pork and poultry price increases were much larger. Fruit and vegetable prices were little changed after a large rise in October. Sugar and sweets again showed extremely large increases.

The table attached gives 3-month changes in the CPI and its major components. It shows the sharp deceleration in price increases of energy purchased directly by consumers, with a small decline over the past 3 months. Gasoline prices have declined for 4 consecutive months but are still 26 percent above a year ago. The table also shows the acceleration in food prices over the past 3 months to a 20 percent annual rate. Prices of "all other" consumer products and services have increased at a slightly slower rate in the past 3 months than during the summer, but the rate of increase has remained very high.

These data were released Friday, December 20
at 10:00 a.m.

12/20/74

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

(Seasonally adjusted annual rates)

Period	All items	Food	Directly purchased energy	All other items
November 1973 to February 1974 ...	12.2	18.9	65.0	6.1
February 1974 to May 1974	11.0	4.1	36.7	10.7
May 1974 to August 1974	12.4	5.6	10.3	15.1
August 1974 to November 1974	13.0	19.9	-.5	12.4
November 1973 to November 1974 ...	12.1	11.9	25.4	11.0
Percentage contribution to change	100	24	13	63