

U.S. Inflation Figures

Prices Soar Again-- Year's Biggest Rise

The 1957
Dollar Is
Worth 75c

Times-Post Service

Washington

Inflation continued to roar ahead in April as consumer retail prices rose 0.6 per cent — the biggest jump since last December.

The Bureau of Labor Statistics reported that its consumer price index moved up from 133.2 per cent of the 1957-59 average in March to 134.0 per cent last month.

Thus, a cross section of goods and services that cost \$10 about 12 years ago now is 13.40. Put another way, the dollar is now worth less than 75 cents in terms of 1957-59 purchasing power.

On a second economic front, the stock market suffered another sharp plunge yesterday. The Dow-Jones Industrial Average fell 14.72 to 676.68 the lowest since March 15, 1963.

Stocks Drop Again --Index at 676.55

The stock market dropped to its lowest level in more than seven years yesterday.

The Dow Jones industrial average closed off 14.85 at 676.55, its lowest level since March 15, 1963, when it was at 676.33.

After the closing of trading, the White House announced that Bernard J. Lasker, chairman of the New York Stock Exchange, would meet with President Nixon this morning to discuss the economy.

Computer stocks were conspicuous casualties yesterday. Honeywell plunged 6½ on news of planning to merge its computer operations with General Electric.

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OFFICIALS

Administration officials have been reassuring the public and business the past two months that its anti-inflationary policies are beginning to take hold. As recently as Tuesday, President Nixon said that "price increases are beginning to slow down."

The unadjusted April increase figures out to an annual rate of 7.2 per cent and the price index now stands 6 per cent above a year ago. The index rose 5.4 per cent last year, 4.2 in 1968, 2.8 in 1967 and 2.9 in 1966. In the five previous years the rise had been slow and steady at about 1.3 per cent a year.

Of particular concern in the national average was a rise of 0.6 per cent in durable goods — twice the average over the past six months. The rate of increase for all commodities has been declining — a hopeful sign for inflation fighters — until last

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Prices Soar Again

--Year's Biggest Jump

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month, when it also jumped to an annual rate of 7.2 per cent compared with 4.9 per cent over the year.

The increase would have been even worse had not grocery prices, which had shown a gain every month since October, held steady.

BAY

It was a different story in the Bay Area, where the Department of Labor said food prices are still on the rise, climbing .5 per cent last month.

(Charles Roumasset, regional director of the Bureau of Labor Statistics, said this brought the local food index to 128.8, up 5.3 per cent over the figure for last year.

(Prices of restaurant meals were even higher — a full one per cent raise during the month.

(Roumasset said that meats, poultry and fish increased .7 per cent in the period. Prices of fruits, vegetables, cereals and bakery products each rose one per cent, he added.

(The general boost in food prices was partly offset by a nationwide decline of 15.5 per cent ofr eggs and 1.5 per cent for port.)

Among other commodities, larger increases occurred nationally for gasoline, clothing, used cars, houses, household durables, cigarettes and alcoholic beverages. The overall food index rose 0.3 per cent.

Although the rate of climb for services slowed slightly to 0.7 per cent, these increases still accounted for 80 per cent of the rise in the overall index. The biggest gains were in residential property taxes, mortgage interest, utilities, auto insurance premiums, parking fees and medical services.

A census survey on consumer buying expectations released yesterday by the Commerce Department was a standoff. There was a slight but not statistically important increase in the number of households planning to buy new cars compared with the last quarterly report in January. The percentage planning to buy new houses continued to decline from the high levels of two years ago.

In New York, the National Association of Purchasing Management said its members expect "inflation will maintain a bulldog grip on the economy" for the rest of the year.