is the action of wholesale prices. And there is the action of the Consumer Price Index.

In the case of the gross national product deflator, prices had risen, in the five quarters of the present recovery, 1.6 percent. The comparable figures for the recoveries from the recession of 1958 and 1954 and 1949 were 2.1, 1.9, and 8.4 percent. So on that index, certainly this was the best recovery pricewise.

If we take 17 months from the trough in each case, the wholsesale price index in this recovery has gone down six-tenths of 1 percent. In April 1958, it had gone up three-eights of 1 percent, and in August 1954, it had gone up—I mean 17 months from each date—1.3 percent. And then for the recovery beginning in 1949, there was inflation of a greater degree, and it had gone up 19 percent.

In the Consumer Price Index, the result is slightly different. It shows that from February 1961 to June 1962 consumer prices went up 1.3 percent, and in the preceding recoveries it rose 0.9 percent in 1958 and 1959, and in 1954–56 it went down three-tenths of 1 percent; and for the years 1949–51 it went up 8 percent.

So in this consumer area, because of the bigger increases in the service component—as I point out, wholesale prices and the prices of goods during their recovery did have the best performance—there were better performances at other dates.

But in two out of the three indexes, this last 16 or 17 months did turn out to have the best price result in any postwar recovery that we have had so far.

In the Treasury, of course, we are particularly interested—I know you expressed particular interest in the consumer index—in the wholesale price index, because it reflects the cost of our goods which go into export markets. And because of our interest in the balance of payments, we have been very interested in that area, and we have done well there, and I hope we can keep it up.

Representative CURTIS. I appreciate your remarks very much. I would have been reluctant to believe that the President made this up out of whole cloth.

However, the presentation was out of context, without explanation. In context, he was talking about consumer prices, because he was talking to consumers about the cost of living. And then, above all, if what he was doing was comparing the price record of this recovery with other recoveries, which is not the way it was, he certainly owned it to the people to say that this has been the weakest of all recoveries from any of the four post-World War recessions, which, indeed, it has been from almost all the indicators.

Secretary DILLON. That may have something to do with the price action.

Representative CURTIS. I am really glad to hear what the explanation was, because I could not figure out how the President could even make such a statement, in light of the record.

But in relating it to how prices acted in previous recoveries, it is a little bit understandable. But it certainly was misleading. And certainly as it relates to the problem of inflation, which is the one that concerns us, I think it is an error to distract our attention from inflationary forces which are very strong and which are showing up.