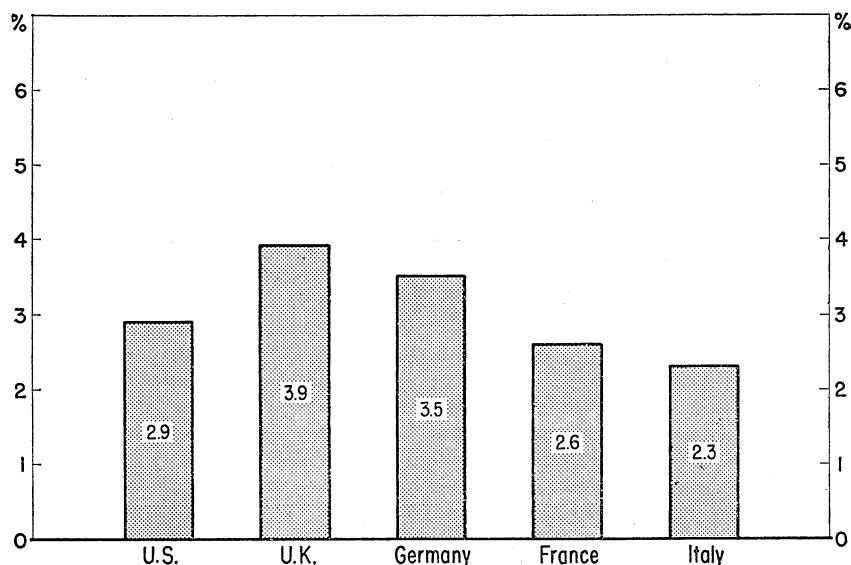


CHART 7

### CONSUMER PRICE INCREASES IN SELECTED COUNTRIES 1965 to 1966



percentage increase than is shown on that chart, and still they can seriously affect our competitive position in world markets.

Secretary FOWLER. This is not relevant to that point. I am simply trying to show comparative performance, and am not addressing myself to the question of relative competitiveness, which is another and much more complicated question on which I think your point would be very relevant.

Next, I would like to show you, in chart 5, what has happened in the past year in the perspective of the previous years for these same countries.

From 1955 to 1960, the rate of increase in the United States was roughly around 2 percent. For the years 1960 to 1965 it was reduced. The average increase was around 1.3 percent.

Now, comparing this to what was going on in the same 10-year period in the other countries, France was just under 6 percent, from 1955 to 1960, and a little under 4 percent from 1960 to 1965.

West Germany, from 1955 to 1960, had less than 2 percent, really comparable to what we have enjoyed in the first part of this decade, but its cost of living increased very substantially, and for the last 5 years has been running around 3 percent.

Italy again shows the same pattern as Germany in a more exaggerated fashion in 1960 to 1965. This is, I think, more relevant to your point. There was a much lower base. It has had a rate of price increase, a cost of living increase of 5 percent, and the United Kingdom almost 4 percent.