

the period 1953 to 1959 amount to more than 10 per cent. Unit wage cost behaviour in the export and domestic industries was, on the whole, less favourable than in the import-competing industries. Nevertheless, increases in unit wage costs between 1953 and 1959 in most export and domestic industries were well below the increases in average hourly earnings in these industries.

Factory prices or total costs per unit of physical output rose in all but 4 of the 22 industries during the period under review. The major source of the price advance was found to be the costs of employing inputs other than production labour, e.g., raw materials, in the production process. Rapid increases occurred in the costs of employing salaried workers and in the costs of raw materials and non-labour inputs. For example by 1959, four industries (three in the import-competing sector) experienced rises in salary costs per unit of output ranging between 48 per cent and 70 per cent above 1953 levels. In a similar manner four industries, all import-competing, saw increases in their non-labour unit costs (mainly profits and capital costs allowances) range from 47 per cent to 74 per cent above 1953 levels.

When we bring together these trends in the costs of the various production inputs, we find that unit wage costs actually had a negative effect on total costs in 7 of the 11 import-competing industries in the 1953-59 period.