

Between September 15, 1947, and April 1, 1948, the labour cost and the selling price per unit for various cotton products shown in Schedule B7 rose by the amounts and percentages shown in Table 1:

TABLE 1

Increases in Labour Cost and Selling Price per Unit,  
Selected Cotton Goods, September 15, 1947-April 1, 1948

Goods	Labour Cost		Selling Price	
	Increase \$	Increase %	Increase \$	Increase %
Unbleached bed sheeting .....	.0099	10.1	.11375	22.8
Dyed drill .....	.0024	2.8	.0500	11.2
Printed percale .....	.0025	3.9	.0425	19.5
White flannelette .....	.0015	3.1	.0450	24.3
Denim .....	.0046	4.7	.0700	22.8
Work shirting .....	.0053	6.5	.0525	19.6
Tickling .....	.0050	4.8	.0750	22.7
Cotton blanket .....	.0553	4.8	.2000	7.0
White broadcloth, sanforized shrunk .....	.0186	16.9	.09625	35.2
Dyed pocketing .....	.0138	16.7	.0650	23.9
Dyed plain, Vicuna No. 13 .....	.0145	16.5	.0600	22.2
Dyed satine .....	.0121	16.7	.0450	24.3
Beresford printed percale .....	.00178	3.7	.05625	29.4
Unbleached factory cotton .....	.00245	6.1	.07125	43.5
White broadcloth .....	.00413	6.4	.0575	20.4

From this table, three things are clear. (a) The percentage increase in labour cost per unit was in every case less, and in most cases far less, than the percentage increase in hourly earnings. (b) The percentage increase in selling price was in most cases appreciably above the percentage increase in hourly earnings. (c) The actual amount of the increase in selling price was in every case very much greater than the actual amount of the increase in labour cost.

In the artificial silk and nylon group, the increase in average hourly earnings, September 1, 1947 to April 1, 1948, was 8.7 cents (from 64.4 to 73.1), or 13.5 per cent. The increases in labour cost (for the companies which give figures) and selling price per unit, as shown in Schedule D7, are shown in Table 2:

Table 2

Increases in Labour Cost and Selling Price per Unit, Selected  
Artificial Silk and Nylon Goods, September 15, 1947-April 1, 1948

Goods	Labour Cost		Selling Price	
	Increase \$	Increase %	Increase \$	Increase %
30 denier yarns .....	.02	3.1	0	0
40 denier yarns .....	.06	12.0	0	0
70 denier yarns .....	.06	12.0	0	0
Lingerie taffeta .....	.0126	5.6	.0245	4.3
Dress crepe .....	.0172	6.4	.0245	3.6
Lining .....	.0166	9.5	.0246	4.8
150 denier yarn .....	.0017 decrease	.9 decrease	0	0
Dress crepe (Bruck) .....	.0085	11.9	.0900	10.5
Dress satin .....	.0361	34.0	0	0
Bangaline .....	.0112	13.4	.3050	36.0

The most notable conclusion which emerges from this table is that in several cases where there was an increase in labour cost per unit, the companies evidently felt able to absorb the increased cost. A second, hardly less notable, is that in every case where there was an increase in selling price, that increase, in cents, was much greater than the increase in labour cost.

Both Table 1 and Table 2 illustrate clearly the fact that wage increases do not necessarily mean proportional increases in labour costs per unit. They also show that, though price increases are often blamed on wage increases, wage increases are often only a small factor.