

salaries alone. Expenditures on fringe benefits are excluded because comprehensive data on employer expenditures for fringe benefits are not yet available for Canada. Clearly, given our knowledge of the increasing incidence of fringe benefits since 1953, there is probably an increasing underestimation of the unit costs or production attributable to labour costs.

The second point about the data concerns the labour element in a number of the production inputs, such as raw materials. The labour costs included in these raw materials inputs no doubt have had an effect on production costs in the manufacturing industries surveyed. It has not been possible to separate the influence of this raw materials labour cost factor in the analysis. However, this does not affect the validity of the findings of the project at hand, since the study is concerned with the relation between costs and the direct payment to labour.

Thirdly, "wages" in this paper refer to pay for all production and related hourly rated workers. "Salaries" refer to pay for administrative and office employees including all executive and supervisory personnel, managerial, professional and technical employees, foremen, and clerical employees. The wage data used to derive unit wage cost figures refer to all production and related workers whether paid on a monthly, weekly, hourly, or piecework basis. The various unit cost, employment, and productivity data are based on information received from all establishments in the