

I should like now to touch briefly on trends in costs and prices in the 22 industries since 1959. This trend analysis is based on a crude updating of the information used in the study for the period 1953-59. The information used to update the variables since 1959 comes from sources other than those used for the analysis of the variables in the 1953-59 period. Preliminary results of the trend analysis show some interesting movements between 1959 and 1962. The output performance of many of the import-competing industries since 1959 was not as unfavourable as it was during the 1953-59 period. Wage increases continued to have little direct upward impact on total costs (or factory prices). Although unit wage costs showed a greater propensity to rise after 1959 than they did in the previous period, unit total costs did not rise as much and, in fact, actually declined in five of the import-competing industries.

Greater adjustments are noted in the export industries; these adjustments reflect increasing export competition. Similar adjustments appear to have begun in the domestic industries. In both of these categories of industries, output performance is below that of the previous period and average hourly earnings, unit wage costs, and unit total costs do not appear to be rising at the same rate as in the 1953-59 period.

In summary, the changes in the 22 industries since 1959 have not been sufficiently large to make a great