

points) of the total increase in prices. Corporate profits per unit of output rose more rapidly (5.9 per cent per annum) and accounted for about one-third of the total price increase. By contrast, in the period 1965-1969, unit wage and salary costs accelerated to an average annual rate of 5.8 per cent, compared with an annual increase in prices of 4 per cent, and accounted for about three-quarters (3.1 percentage points) of the total rise in prices. During this time there was little change in corporate profits per unit of output.

In the more recent period, 1968-1969, there have been a number of significant developments. In 1968, output per worker in the economy as a whole increased at a rate slightly above the average achieved in the latter half of the decade, while unit wage and salary costs increased by 4 per cent, the same rate as the general price level. In that year there was a substantial increase in profits, so that profits per unit of output rose more rapidly than the general price level. Taken together, the other elements contributing to the change of prices did not increase as rapidly as the general price level. In 1969, however, the increase in output per worker was less than in 1968, while average wages<sup>(1)</sup> rose faster than in the previous year, so that unit wage and salary costs accelerated to 6.3 per cent. Meanwhile, the increase in profits for the year 1969 as a whole was less than in 1968, and profits per unit of output rose less than the general price level. In the course of the year, total profits began to turn down and unit profits showed a marked decline (see Chart 9).

(1) Total wage and salary bill divided by the number of employees (labour force basis).

CHART 9

