

WAGES AND COSTS IN CANADIAN INDUSTRY

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Some global statistics 2/ on wages, prices, and output trends in Canada since 1949 have just been distributed to you (see table 1). I should like to say a few words about these statistics before describing some of the Canadian Department of Labour's work on the wage-price relation.

You will note that the price indexes in lines 4, 5, and 6, table 1, show a great deal of change between 1949 and 1953. This is to be expected in the light of economic conditions at that time. Canada was in the midst of the boom conditions of the postwar and Korean war periods and this boom was reflected in rapid rises in prices, wages, and output.

Since 1953, price increases have been much more modest. However, the degree of price stability achieved is unclear from table 1. The Wholesale Price Index increased by less than 9 per cent between 1953 and 1962 and the Consumer Price Index increased by about 13 per cent in the same period. The Gross National Product (GNP) Implicit Price Index, on the other hand, increased by almost 20 per cent over this period, a much higher rate of increase than that

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2/ See pages 22-24.