

of 3 per cent and 5 per cent, respectively.

Adjustments of this magnitude doubtless reflect the rapid advances in new technology which are taking place in Canadian industry today. This interpretation of developments in many of the 22 industries, and particularly in the import-competing industries, is consistent with evidence available elsewhere and the additional work we have been doing on the 22 industries. The employment of greater numbers of highly trained people follows the development of more efficient machinery and more sophisticated techniques of production. This, in turn, has resulted in fundamental changes in the relative weights of wages, salaries, capital, and other input costs in total costs of production; and, hence, in fundamental changes in the price determination process. The simple wage-price relations so often assumed in current analysis can no longer be accepted as valid in Canadian industries which are subjected to rapid economic change. The findings of this study demonstrate the complexity of the price determination process and the complex ways in which wages are related to prices. A basis understanding of the wage-price relation will not come until we have probed more deeply into the problem than has been the case to date. The research described here is a first step in this direction.