in general, as we know, wages gained more than profits, taking all these periods together. But at least in one segment of the economy—for example, finance, insurance, and real estate—on the whole profits and interest have gained more than wages during most periods. This is clearly not true in manufacturing.

TABLE 10–2.—*Major gains by factors, various periods*

	1938–41 to 1942–45	1942–45 to 1946–49	1946–49 to 1950–54	1950–54 to 1955–58
Manufacturing	Wages	Profits	Wages	Wages.
Communications and public utilities	do	Wages	Profits	Profits.
Contract construction	do	Profits	Wages	Wages.
Mining	do	do	do	Do.
Services	Profits	Interest [1]	Interest [1]	Interest.[1]
Finance, insurance, and real estate	do	Wages	Profits	Do.[1]
Transportation	do	do	do	Wages.
Wholesale and retail trade	do	do	Wages	Do.

	1938–41 to 1955–58	1942–45 to 1955–58	1946–49 to 1955–58	1929 to 1955–58
Manufacturing	Wages	Wages	Wages	Wages.
Communications and public utilities	do	do	Profits	Do.
Contract construction	do	do	Wages	Do.
Mining	do	Profits	do	Do.
Services	Interest [1]	Interest [1]	Interest [1]	Do.
Finance, insurance, and real estate	Profits	Wages	Wages	Do.
Transportation	do	do	do	Do.
Wholesale and retail trade	Wages	do	do	Do.

[1] Although interest gained relative to the other 2 groups, wages gained relative to profits.

Source: Original figures, Department of Labor and Department of Commerce.

It is clear that wages, much more so than in the past, tend to lead in periods of rising prices. This is clear even, for example, by comparing the early postwar and the period since 1955. I consider also what happened in some of our recent major wars. In the Civil War, average hourly earnings rose one-third as much as the cost of living; in World War I, 1.4 times as much as the cost of living; and in World War II, they rose almost twice as much. These figures do suggest a trend toward a lead in wages over prices. But we must also allow for the fact that in World War II there was a considerable control of prices and, therefore, with the shortage of goods and price control, the large rise in wages vis-a-vis the increase in the cost of living may be misleading. To some extent the small rise in prices against the large increase in wages could suggest that the purchasing power of each dollar of wages had been cut because of the unavailability of supplies.