

Compensation per unit was quite variable. It increased in each year except 1950 and 1955. The declines in 1950 and 1955 appear to be due to improved utilization of the labor force as output recovered from recession lows. Exactly the same pattern occurred for capital consumption, declines in 1950 and 1955 only.

Net business income behaved quite differently from compensation and capital consumption. It decreased in 5 of the 12 years, and the decreases were in 1952, 1953, 1954, 1956, and 1958. These are years when compensation and capital consumption per unit were increasing. Thus, in 7 of 12 years, the change in compensation and capital consumption per unit was partly offset by an opposite change in net business income per unit.

Indirect taxes decreased in 3 of 12 years. The timing appears to be haphazard rather than systematic in relation to the business cycle.

The figures for the yearly share of GPO of each of the four components show net business income securing its greatest share in 1950 and 1951, the years when the major influence of the Korean war was felt. The share of compensation dropped in those two years, but recovered, and by 1958 it had reached its largest value, as net business income per unit declined to its lowest value. Capital consumption accounted for an ever-increasing share of GPO, starting at 3.8 percent and rising fairly steadily to 6.3 percent in 1957 and 6.9 in 1958. Indirect taxes appeared to maintain its share fairly consistently over the whole period.

Any aggregate series is likely to show significant variation in the behavior of its individual components, and these unit cost indexes are no exception. Table 3 shows the price indexes of each manufacturing industry (except petroleum and coal products) as a point contribution to the manufacturing price index. These points are simply the individual price indexes multiplied by their respective GPO's as a share of the total manufacturing GPO in 1954. Table 4 shows the net change from year to year of each of the series in table 3. It is clear from examining the table of year-to-year changes that unit costs in some industries behaved quite differently from others. In spite of the fact that in each year except 1953 total costs rose for all manufacturing, pluses clearly dominate the picture in only 4 of the 11 pairs of year-to-year changes. The four pairs where pluses dominate are 1947-48, 1950-51, 1955-56, and 1956-57. In the other year-to-year comparisons, decreases are nearly as common as increases. A comparison of individual industries over the entire period shows that certain industries rose far more consistently than others. At one extreme are four industries—printing and publishing; stone, clay, and glass products; fabricated metals; and instruments—in each of which unit costs rose in all but one year. At the other extreme are five industries—textile products, apparel, lumber and wood products, paper and allied products, and leather and leather products—in each of which there were declines in at least 6 of the 11 year-to-year movements. This latter group included one industry, apparel, in which total unit costs declined for the period as a whole.