was the fact that throughout the recession purchases of automobiles, consumer appliances, and new houses continued to rise. There was, in other words, no recession for these industries and some of their chief suppliers. Moreover, gross margins, even by 1948, had not recovered to "normal" levels after the price controls and low unit margins of World War II. In the nondurable goods industries, however, the postwar reconversion of production and the recovery of margins had been much quicker. Indeed margins in many nondurable goods industries were quite large in 1948, and were vulnerable to the effects of the 1949 recession.

TABLE 17.—*Changes in prices and unit costs in postwar recessions, manufacturing industries* [1]

[Percent change]

	1948–49			1953–54			1957–58		
	Price	ULC[2]	GBI[3]	Price	ULC[2]	GBI[3]	Price	ULC[2]	GBI[3]
Total manufacturing	3.9	1.6	9.4	1.4	2.4	−1.9	1.8	4.4	−7.0
Durables	7.3	2.1	22.5	3.0	3.2	.5	3.0	6.3	−8.7
Primary metals	13.0	6.4	32.3	4.3	7.8	−4.3	4.6	11.3	−13.1
Fabricated metal products	1.6	3.1	−3.9	4.8	4.1	5.9	2.3	4.6	−6.3
Nonelectrical machinery	7.3	2.4	21.9	6.5	6.5	6.4	2.7	4.7	−4.5
Electrical machinery	2.6	−2.4	26.8	−1.4	.5	−7.2	10.3	11.5	4.2
Transportation equipment	13.0	.1	50.2	2.9	1.9	−.6	.8	6.2	−20.7
Stone, clay, and glass	5.9	2.9	12.9	4.5	2.2	8.7	3.1	4.8	−.8
Lumber and products	−4.0	0	−14.0	−3.0	−2.5	−6.3	−3.4	−3.4	−4.3
Furniture and fixtures	5.6	3.3	14.9	−7.4	−8.6	−3.3	−2.3	2.1	−24.7
Miscellaneous manufacturing	−.7	.1	−4.3	0	1.0	−3.8	−.3	1.9	−9.4
Instruments	10.4	7.2	21.0	3.0	1.4	8.1	4.2	2.6	8.2
Nondurables [1]	−1.2	.7	−7.0	−1.3	.6	−6.1	−.4	.4	−3.8
Textiles	−11.2	−2.1	−32.2	−6.5	−3.6	−21.1	−.9	−2.5	4.8
Apparel	−3.7	−2.3	−11.7	−.6	.6	−11.1	−1.0	−1.2	−3.1
Rubber	−.4	1.2	−15.8	−11.1	−2.7	−45.3	2.3	1.6	0
Leather	−6.4	1.1	−38.6	−.7	−2.6	11.5	−3.6	.1	−32.9
Paper and allied products	−2.7	2.0	−11.7	.8	1.7	−2.0	−1.8	.7	−7.6
Printing and publishing	3.1	3.5	.9	−1.2	.5	−7.9	1.8	4.6	−9.1
Chemicals and allied	3.9	2.0	5.7	3.3	4.3	1.5	−1.2	.9	−4.9
Food and beverage	−2.1	.4	−10.0	−2.6	.5	−8.4	0	−1.0	1.2
Tobacco	4.8	5.6	27.9	.9	8.7	−3.1	−1.3	−4.9	−3.5

[1] Excludes petroleum and coal products industry.
[2] ULC=Unit labor costs.
[3] GBI=Gross business income per unit.

In each recession since 1949, unit labor costs in the durable goods industries *rose* by larger amounts. Conversely gross business incomes per unit *declined* by larger amounts. The increasing magnitude of the rise in unit labor costs, and its converse—the fall in gross margins—stemmed only in part from the fact that the rise in wage and salary rates was larger in the later recessions. In large part this phenomenon was due to the fact that salaried costs—which are a relatively fixed item of expense—rose as a proportion of total labor costs throughout the postwar period. The relatively sharp cutbacks in durable goods production which characterized even the mild recessions of the postwar period, thus generated increasingly sizable advances in average unit labor costs. During the 1958 recession output fell by more than during the prior two recessions, tending to raise unit labor costs and depress gross business incomes more substantially.

In the nondurable goods industries, changes in prices, unit labor costs, and gross business incomes per unit were quite small during the recessions of 1954 and 1958. Prices and gross margins (equals gross business incomes per unit) did decline more substantially in the 1949 recession. The major reason for the relatively small changes in