STUDY PAPER NO. 21

POSTWAR MOVEMENT OF PRICES AND WAGES IN MANUFACTURING INDUSTRIES

I. Introduction [1]

This study paper is designed primarily to present the underlying data and the statistical procedures developed as part of the analysis of the postwar inflation prepared for consideration by the Joint Economic Committee of the Congress.[2] In general, the present report does not attempt to carry the analysis of the data beyond that already presented in the staff report; rather, the major purpose is to make the basic data generally available, and to present the results of the various statistical procedures which were employed in analyzing the movement of wages, prices, and profits in manufacturing industries from 1947 to 1958.

Sources and Limitations

In order to evaluate the major factors which might underlie these movements in the several manufacturing sectors of the economy during the period since 1947, data for a number of variables were obtained for each of 19 2-digit Standard Industrial Classifications in manufacturing. All of these basic series are presented in appendix A, together with a description of the sources and methodology used. At this point, however, a number of technical aspects of the data should be noted.

Of particular importance is the fact that the underlying figures were gathered by different Government agencies, often utilizing different sampling techniques and different methods of classification. Thus the data on earnings and employment were obtained on an establishment basis, with each establishment assigned to a particular industry on the basis of its principal product, measured in value terms. The figures for profits, sales, stockholders' equity, and depreciation and depletion, on the other hand, were obtained by the FTC–SEC on a corporationwide basis; the data for the entire corporation were then assigned to the industrial classification on the basis of the corporation's

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[2] For the general discussion of the postwar inflation, see the "Staff Report on Employment, Growth, and Price Levels," ch. V. (Government Printing Office, Dec. 24, 1959).