

PRICES AND WAGES IN MANUFACTURING INDUSTRIES 17

TABLE 11.—*Simple time series correlation coefficients between annual changes in prices and selected variables, 1947-58*¹

Industry	Percent change in wholesale price index on—			
	Percent change: Gross hourly earnings	Percent change: Output	Percent change: Productivity per production worker man-hour	Rate of return on equity, before taxes
20. Food.....	0.490	-0.287	-0.517	0.152
21. Tobacco.....	.132	-.117	.270	.031
22. Textiles.....	.651	.413	-.683	.608
23. Apparel.....	.816	-.028	-.232	.126
24. Lumber.....	-.187	.780	.213	.914
25. Furniture.....	.655	-.065	-.414	.655
26. Paper.....	.497	.275	-.065	.771
28. Chemicals.....	.378	.357	-.145	.599
29. Petroleum.....	.565	.587	.476	.685
30. Rubber.....	.245	.543	-.562	.724
31. Leather.....	.574	-.318	-.270	-.016
32. Stone, clay, and glass.....	.826	.265	-.093	.228
33. Primary metals.....	.092	.442	.062	.675
34. Fabricated metals.....	.755	.159	-.053	.620
35. Machinery, except electrical.....	.727	.419	-.545	.495
36. Electrical machinery.....	.652	.236	-.498	.280

¹ The 5 percent level of significance is 0.6021; the 1 percent level is 0.7348.

Sources: See app. A.

TABLE 12.—*Time series partial correlation coefficients between annual changes in prices, output, and hourly earnings, 1947-58*¹

Industry	Partial correlation ² of percent change in price on—	
	Change in output	Change in gross hourly earnings
20. Food.....	-0.037	0.416
21. Tobacco.....	-.114	.129
22. Textiles.....	.290	.604
23. Apparel.....	.202	.825
24. Lumber.....	.807	-.375
25. Furniture.....	-.006	.653
26. Paper.....	.331	.523
28. Chemicals.....	.319	.342
29. Petroleum.....	.534	.508
30. Rubber.....	.501	.027
31. Leather.....	-.277	.558
32. Stone, clay, and glass.....	-.081	.813
33. Primary metals.....	.238	.623
34. Fabricated metals.....	-.108	.751
35. Machinery, except electrical.....	-.138	.663
36. Electrical machinery.....	.276	.661

¹ The 5 percent level of significance is 0.6319; the 1 percent level is 0.7646.

² These are partial correlation coefficients corresponding to the regression coefficients in the equation $P = a + bO + cW_G$, where P is the percent change in wholesale price, O is the percent change in output, and W_G is the percent change in gross hourly earnings.

TRENDS IN SPECIFIC MANUFACTURING INDUSTRIES

On the basis of the data on prices, wages, productivity, and profits, indexes were computed for each two-digit industry for which data were available, reflecting trends in the wholesale price index, direct labor costs per unit of output per total worker man-hour, and returns to capital (profits before taxes plus depreciation and depletion charges) per dollar of sales. These indexes are described in appendix A. In order to compare the movements of each of these variables both within each industry and among industries, ratios were computed to show the trends of each variable in each two-digit industry *relative*