

APPENDIX C

TRENDS IN INDIVIDUAL INDUSTRIES RELATIVE TO ALL MANUFACTURING

In order to compare the movements of prices, wages, labor costs, and returns to capital in each 2-digit manufacturing industry, indexes were computed showing the *ratio* between the index of these variables in each industry and the index of the same variables in all manufacturing. The resulting indexes are presented in tables C-1 to C-20. A brief description of each of them follows.

$$1. \text{ Wholesale Price Index} = \frac{\text{Wholesale Price Index: Industry}}{\text{Wholesale Price Index: Manufacturing}}$$

The basic wholesale price indexes are given in appendix A.

$$2. \text{ Straight Time Hourly Earnings} = \frac{\text{Index of Straight Time Hourly Earnings: Industry}}{\text{Index of Straight Time Hourly Earnings: Manufacturing}}$$

$$3. \text{ Output} = \frac{\text{Index of Output: Industry}}{\text{Index of Output: Manufacturing}}$$

The basic indexes of output are given in appendix A.

$$4. \text{ Output Per Total Worker Man-Hour} = \frac{\text{Index of Output per Total Worker Man-Hour: Industry}}{\text{Index of Output per Total Worker Man-Hour: Manufacturing}}$$

The basic indexes of output per total worker man-hour are given in appendix A.

$$5. \text{ Direct Labor Costs Per Unit of Output Per Total Worker Man-Hour} = \frac{\text{Index of Direct Labor Costs/Unit of Output/TWMH: Industry}}{\text{Index of Direct Labor Costs/Unit of Output/TWMH: Manufacturing}}$$

Direct labor costs were measured by the index of *gross* hourly earnings of *production* workers; no data are available for hourly costs of both production and nonproduction workers. As a result, *the index of direct labor costs probably understates the rate of increase in total labor costs*, since nonproduction workers have increased considerably faster than production workers and since the average hourly compensation rate for nonproduction workers is probably higher than the average gross hourly earnings of production workers.

$$6. \text{ Capital Costs Per Dollar of Sales} = \frac{\text{Index of Profits Plus Depreciation Plus Depletion Per Dollar of Sales: Industry}}{\text{Index of Profits Plus Depreciation Plus Depletion Per Dollar of Sales: Manufacturing}}$$

The basic indexes of profits plus depreciation plus depletion per dollar of sales are given in appendix A.

It should be noted that the same limitations discussed in appendix A with regard to comparability of scope and classification method are applicable in equal degree to the data presented here. It should also be noted that one important part of costs—*viz*, costs of materials per unit—are not available. In a few instances, indirect taxes may also represent a fairly important part of the final price not accounted for by the costs included above.

Tables C-1 to C-20 follow.