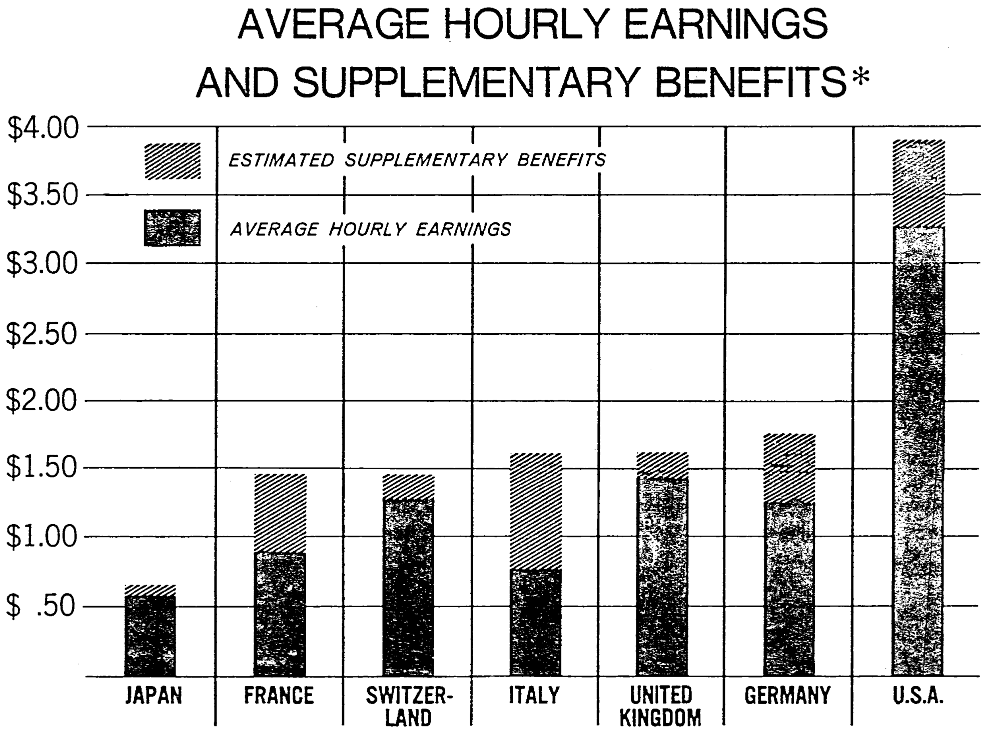
Figure 6



Sources: "Hourly Wages and Hours of Work" in *Social Statistics*, ±8—1967

*Figures represent Machine Tool Industry or closest related available industry group, for 1966 and 1967

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TABLE 8.—VARIOUS METAL INDUSTRIES

[Average hourly earnings in selected countries, 1960, 1964, and 2d quarter of 1967]

Country and industries covered (by ISIC code)[1]	1960	1964	1967 (2d quarter)	Increase, 1960–67
United States (36)	$2.55	$2.87	$3.18	$0.63
Japan (36)	.31	.50	.69	.38
United Kingdom (31–38)	.99	1.14	1.36	.37
France (36–37)	.59	.78	.90	.31
Germany (35–38)	.68	1.04	1.26	.58
Italy (35–36)	.39	.60	.71	.32
Switzerland (34–38)	.86	1.16	1.39	.53

[1] ISIC codes for industries included: 34, basic metal industries; 35, manufacturers of metal products (excluding machinery and transport equipment); 36, manufacturers of machinery (excluding electrical machinery); 37, manufacturers of electrical machinery, apparatus, appliances, and supplies; 38, manufacturers of transport equipment.

Source: ILO, 1967 Statistical Yearbook ("Statistics of average earnings * * * usually cover cash payments received from employers, i.e., remuneration for normal working hours, payments for overtime, and time not worked (holidays vacation, etc.), production bonuses, cost-of-living allowances and special premiums * * *"), 1967 2d quarter data, calculated on the basis of OECD main economic indicators for earnings or rates.

The increasing dollar disparity between the relatively low costs of labor in Europe and the high labor costs in the United States can be expected to continue as a result of the constant upward pressure on wage levels in the United States, including those in the machine tool industry. The cost of settling one recent wage dispute in the machine tool industry was a wage increase of $.87 per hour, spread over a three year period, an average of $.29 per hour per year.

A second factor indicating the permanence of the import problem is the rapid progress being made by foreign machine tool builders in closing the gap in machine tool technology. The U.S. machine tool industry has competed at an increasingly serious price disadvantage for many years. Until recently, however, it had managed to hold its own, both at home and in world markets, be-