Question 2. The Council compared consumer price increases in major OECD countries. Are data available for a comparison of wholesale prices and prices of commodities important in international trade?

Answer: Data comparing wholesale price indexes of the United States and other major industrial nations are given in the attached table.

Most countries use foreign trade statistics to construct average value indexes of imports and exports which are used as deflators for the foreign trade sector of the national accounts. Indexes based on trade values do not ordinarily constitute reliable indicators of commodity price changes for use in balance-of-payments analysis, however, because the value categories are sometimes broad enough to include a large number of heterogeneous commodities. In the case of manufactured commodities especially, changes in unit value indexes often result from shifts in product mix rather than from changes in commodity prices.

Accordingly, the Bureau of Labor Statistics is developing a new program designed to obtain prices suitable for comparing price trends and, in some cases, price levels for important durable manufactured commodities sold by the United States and other major trading nations. Conceptual research for the program has been accomplished, plans for price collection have been developed and cooperative arrangements for the international exchange of information within the OECD framework have been discussed with other major exporting countries. Funds have been requested of the Congress to initiate the necessary comprehensive price collection program.

WHOLESALE PRICE INDEXES IN THE UNITED STATES AND OTHER MAJOR INDUSTRIAL COUNTRIES, 1955–67

[1960=100]

Period	United States [1]	Canada	France [2]	Germany [3]	Netherlands	United Kingdom [4]	Japan [5]
1955	91.4	92.7	77.9	91.1	99	89.0	([6])
1956	95.0	95.6	80.8	93.7	99	93.1	([6])
1957	97.9	98.2	84.7	96.7	101	96.6	([6])
1958	99.0	98.4	90.3	98.6	100	97.8	([6])
1959	99.8	99.8	96.4	98.5	100	98.5	([6])
1960	100.0	100.0	100.0	100.0	100	100.0	100.0
1961	99.6	101.0	103.0	103.1	100	102.7	([6])
1962	99.7	102.8	104.1	107.2	101	104.0	([6])
1963	99.5	105.0	107.2	108.1	103	104.7	102.9
1964	100.0	105.9	109.8	110.2	109	107.5	102.7
1965	101.7	107.9	110.4	113.5	112	111.6	105.2
1966	104.5	111.1	113.6	116.4	117	114.7	107.9
I	103.7	110.0	112.5	114.9	117	113.2	107.4
II	104.3	110.8	114.5	116.7	117	114.7	107.5
III	105.1	111.7	113.7	117.2	118	115.3	107.8
IV	105.0	111.6	113.5	116.6	119	115.1	108.7
1967	105.5						
I	105.2	112.2	113.2	116.6	119	115.2	108.9
II	105.2	112.8	112.0	116.3	118	115.2	109.0
III	105.7	113.4	112.6	115.9	119	116.1	109.8
IV	106.1						

[1] Total manufactures excluding farm products and other raw or slightly processed goods.
[2] Intermediate goods excluding food and fuel.
[3] Investment goods.
[4] Manufactured goods, excluding food.
[5] Manufactured goods, total; component indexes are available for years prior to 1963.
[6] Not available.

Sources: U.S. Bureau of Labor Statistics and Organization for Economic Cooperation and Development, Main Economic Indicators, various issues.

Question 3. What are the possibilities that the exceptionally low increase in productivity in 1967 will be followed by exceptionally rapid advances in 1968?

Answer: We expect a more rapid increase in productivity in 1968, reflecting the anticipated acceleration in the growth of real output, and the concomitant more efficient utilization of manpower resources in the production process.

If output grows at approximately a 4 percent annual rate, we would expect productivity in the private economy to advance by about 2½ to 3 percent. The better balance between production and unemployment should pave the way for a gradual return to the 1947–67 trend rate of productivity growth of 3.2 percent.

Question 4. What factors accounted for the plateau of real compensation and spendable earnings of production and nonsupervisory workers? How importat