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Dominion Bureau of Statistics

Department of Trade & Commerce

MONTHLY ESTIMATES

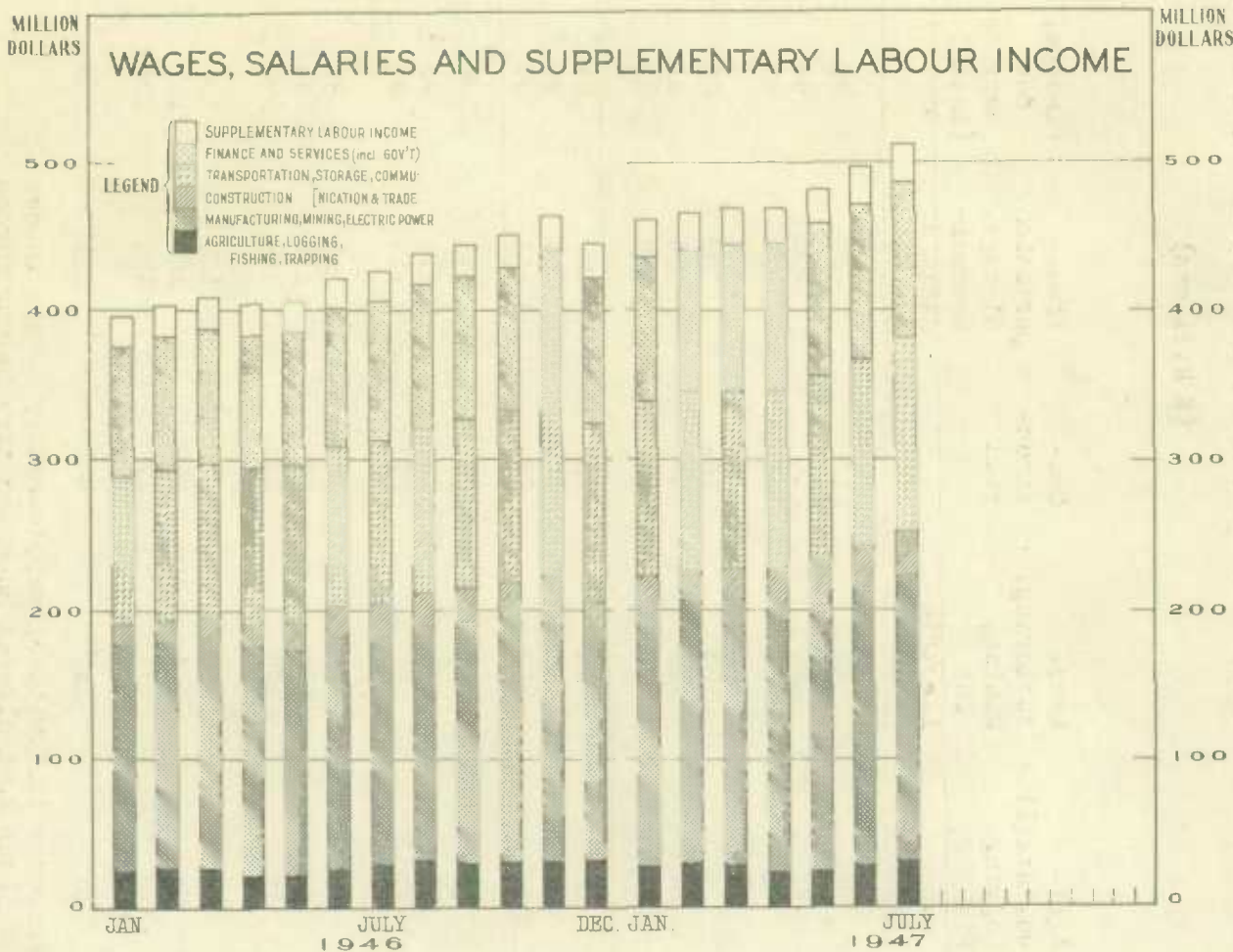
OF

CANADIAN LABOUR INCOME

January 1946 to July 1947

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MONTHLY ESTIMATES OF LABOUR INCOME

(\$ Millions)

		Agri- culture(1) Logging, Fishing, and <u>Trapping</u>	Manu- facturing, Mining, and Electric <u>Power</u>	Con- struc- tion	Trans- portation, Storage, Communi- cations, and Trade	Finance, and Services (incl.) Gov't.)	Supple- mentary(2) Labour Income	TOTAL (3)
1946	January	25	152	14	97	87	21	395
	February	27	152	14	100	89	20	402
	March	26	156	15	101	90	21	408
	April	22	154	16	102	89	20	404
	May	22	151	19	103	91	20	405
	June	26	156	21	105	93	21	421
	July	29	154	22	107	94	21	427
	August	33	157	23	109	96	22	439
	September	31	160	23	112	97	22	446
	October	31	165	23	114	97	23	454
	November	31	171	22	118	99	24	465
	December	32	157	17	117	99	23	446
1947	January	28	176	18	116	99	24	460
	February	30	176	19	118	99	24	467
	March	29	178	20	119	99	24	469
	April	24	180	22	120	100	23	469
	May	25	184	25	123	101	24	483
	June	28	187	27	126	104	24	497
	July	31	192	30	128	105	25	512

(1) Includes Agricultural Supplementary Labour Income

(2) Excludes Agricultural Supplementary Labour Income

(3) All totals are rounded to the nearest million independently. Therefore, the final total does not necessarily agree exactly with the sum of the estimates.

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DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA

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MONTHLY ESTIMATES OF LABOUR INCOME

JANUARY 1946 - JULY 1947

The total wages, salaries and supplementary labour income received by residents of Canada in July, 1947, was \$512 million. This is \$15 million more than was paid out in June and \$85 million, or about 20 per cent more than in July, 1946.

Labour income has been increasing steadily since January of this year. The estimate for July is 11 per cent greater than that for January when labour income amounted to \$460 million.

During the same period, the index of employment in nine leading industries has shown an increase of six per cent. This indicates that the labour income has been distributed over a larger number of wage earners. The cost-of-living index which stood at 127.0 on January 2 rose to 136.6 by August 1, an increase of about seven per cent. Thus it is apparent that the increase in workers' incomes has been offset to a considerable extent by rising prices.

The \$52 million increase in the monthly payments of labour income was distributed through almost all industries. Wages and salaries paid by manufacturing industries were \$14 million higher in July than in January. The agricultural, fishing, construction, and water transport industries showed large relative gains in total labour income paid out. The total of wages and salaries in these industries was \$23 million higher in July than in January. Some of this increase was undoubtedly due to the extremely seasonal nature of these industries. Forestry was the only industry in which wage and salary payments were lower in July than in January. The drop reflected seasonal factors and labour income in this industry was still \$5 million higher in July of this year than in the same month of 1946.

Evidence that seasonal factors were not wholly responsible for the overall increase in the period is shown by a comparison of the total of labour income this year with that of the same period in 1946. During the first seven months of 1947, the total of wages, salaries and supplementary labour income paid in all industries was \$3,357 million, almost 17 per cent greater than total labour income of \$2,862 million in the first seven months of 1946. In July, 1946, the total of labour income was eight per cent higher than in January of that year as compared with an 11 per cent increase over the same period in 1947.

Components of Labour Income

Estimates of Labour Income include all wages, salaries and supplementary remuneration for employees' services, by months. Salaries and Wages include bonuses and commissions and are reckoned before deductions for income tax, employee contributions to unemployment insurance and employee contributions to other social



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security schemes. Supplementary Labour Income consists of all other employers' expenditures in cash or in kind that can be regarded as compensation for the employees' services. Examples of the latter are: employers' contributions to Unemployment Insurance; clothing and living accommodation or cash allowances for these provided by employers; and other benefits such as discounts and free insurance, etc. accruing to employees by reason of their employment.

Relation to the National Accounts

Labour Income is a major component of "Net National Income at Factor Cost", amounting to about 56 per cent of it in 1946. The relationship between Labour Income and other items in the National Accounts in the years 1938 to 1946 can be studied in the bulletin "National Accounts, Income and Expenditure, 1938-1946", Tables I and III.

Methods

Based on preliminary annual estimates for 1946, the monthly estimates are obtained by projection on indexes of month-to-month changes in salaries and wages in each industry and, where necessary, monthly indexes of supplementary labour income. In the major sectors the monthly indexes used are the indexes of "Aggregate Payrolls" published in the monthly D.B.S. bulletins on Employment and Payrolls. Some adjustments are made for the difference between the industrial classification employed by the annual and decennial censuses on which the annual estimates are based and that used for monthly payroll indexes. In a number of sectors where no suitable indexes of payrolls are available, data relating to changing numbers of employees from the quarterly Labour Force Survey are used in conjunction with a variety of wage rate information to provide an index of payrolls. A full description of the concepts, methods and quality of the monthly estimates is set forth in the bulletin "Wages, Salaries and Supplementary Labour Income in Canada by Months, January, 1946 to April, 1947"

Revisions and Adjustments

The monthly payroll and employment indexes on which the estimates of Labour Income are largely based are usually revised slightly after their first publication, the revised "last month" figure being published in the subsequent bulletin. Accordingly, the estimate of Labour Income is revised from month to month, though the revision in the total is very slight.

Those sectors of the estimates that are dependent on projections of Labour Force Survey data will be revised on a quarterly basis, as the results of new Surveys become available.

The monthly estimates will be adjusted as annual estimates are revised, or new annual estimates become available, without however, destroying the continuity of the monthly series.