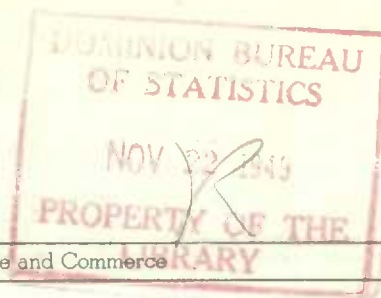


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# MONTHLY ESTIMATES OF LABOUR INCOME IN CANADA

August, 1949

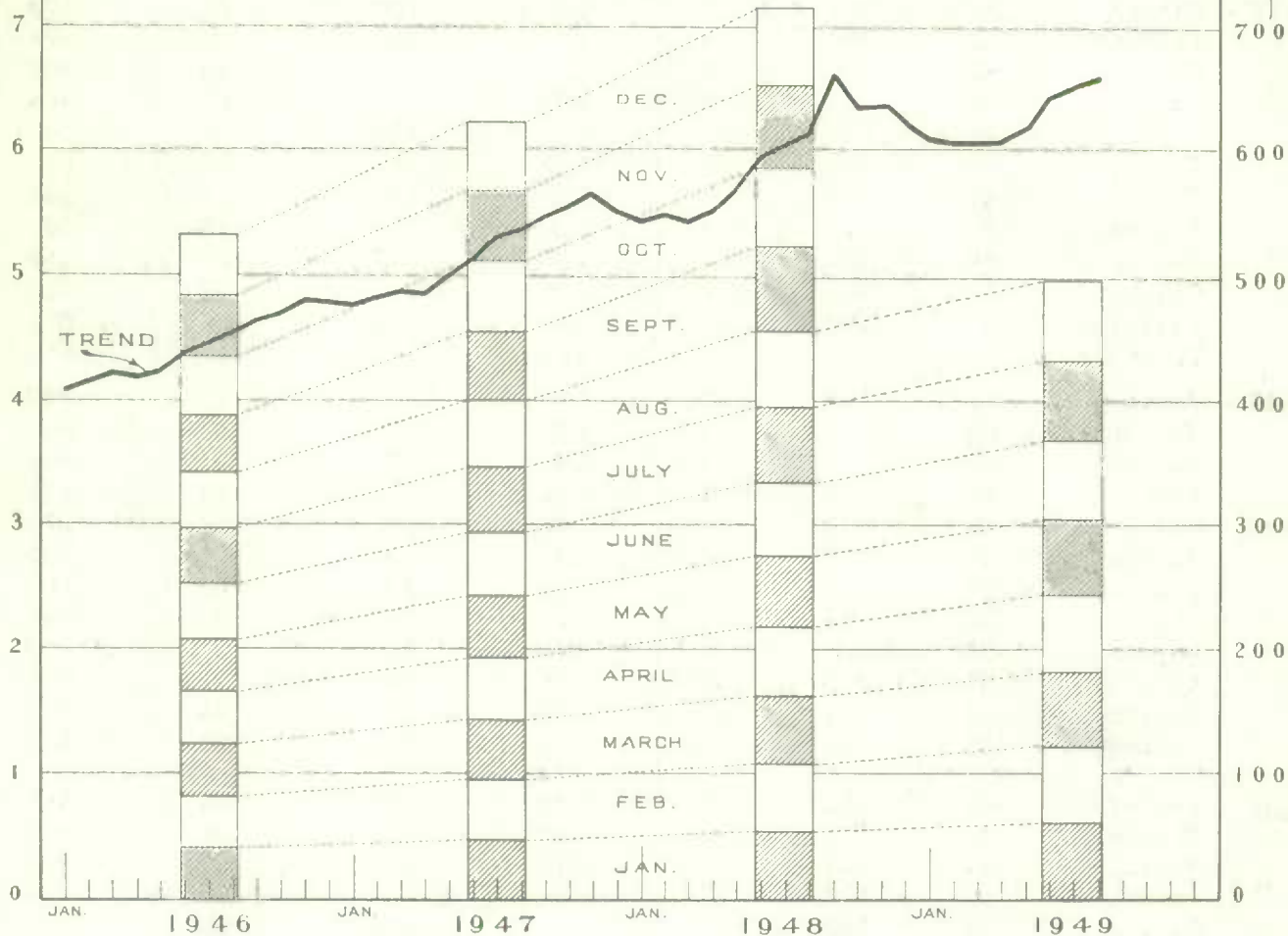
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CUMULATIVE TOTAL  
BILLION

WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME

MONTHLY TREND  
MILLION



Prepared in the Labour and Prices Division, Dominion Bureau of Statistics.

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OTTAWA, CANADA

MONTHLY ESTIMATES OF CANADIAN LABOUR INCOME

(\$ Millions)

	Agriculture, Logging, Fishing, Trapping, Mining	Manu- fac- turing	Con- struc- tion	Utilities, Trans- portation, Communi- cation, Storage, Trade	Finance, Services (includ- ing Govern- ment)	Supple- mentary Labour Income	TOTAL
1938 - Average..	22	59	9	56	59	5	209
1939 - Average..	23	62	8	57	59	5	215
1940 - Average..	27	77	11	63	62	5	245
1941 - Average..	29	107	16	73	67	8	299
1942 - Average..	30	143	18	80	73	10	354
1943 - Average..	31	169	18	86	78	13	395
1944 - Average..	33	172	13	95	83	13	409
1945 - Average..	35	156	15	101	90	13	410
1946 - Average..	42	146	24	114	103	14	443
1947 - January..	43	161	23	122	108	16	473
February..	41	164	24	124	110	16	479
March....	40	166	25	125	111	15	480
April....	37	167	28	126	111	16	484
May.....	41	170	31	130	112	16	500
June.....	46	172	35	133	114	17	516
July.....	49	176	38	135	115	17	531
August...	52	178	39	135	116	17	538
September	52	182	40	137	116	17	546
October..	54	186	41	139	116	17	554
November.	56	190	38	142	116	18	561
December.	55	189	31	143	116	17	550
1948 - January..	52	187	30	139	119	18	543
February..	52	193	29	139	116	18	548
March....	47	189	28	140	120	19	544
April....	43	194	34	142	121	18	551
May.....	47	195	37	147	125	18	570
June.....	51	201	43	150	130	20	595
July .....	53	201	48	153	130	20	606
August...	55	204	48	157	130	20	614
September	57	220	48	185	130	22	663*
October..	57	213	48	164	130	21	633
November.	56	214	46	166	130	21	632
December.	52	211	39	164	129	21	614
1949 - January..	49	211	35	159	133	20	607
February..	47	213	34	159	131	20	605
March....	42	214	35	161	134	20	606
April....	40	213	39	163	134	19	610
May.....	46	209	42	166	138	20	622
June.....	51	216	46	170	141	20	645
July.....	51	214	49	172	142	21	649
August...	55	218	51	172	139	23	658

\* Includes retroactive wage payments to railway system employees.

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

MONTHLY ESTIMATES OF CANADIAN LABOUR INCOME

AUGUST, 1949

Canadian labour income in the month of August is estimated to be \$658 million. This total is \$9 million higher than July, 1949 and \$44 million or 7 per cent higher than the August, 1948 estimate.

Considerably higher employment, together with a moderate increase in wage rates, was responsible for higher labour income in agriculture. Manufacturing, after showing a decline for July, increased \$4 million in August. Seasonal increases in the manufacture of edible plant products occur at this time of the year. Construction activity continued high, and this was reflected in increased income payments in this field.

According to preliminary figures issued by the Department of Labour, the number of man-days lost through strikes and lockouts was 35,451 in August as compared to 57,744 in July.

The index of employment in nine leading non-agricultural industries increased from 131.3 on August 1 to 132.1 on September 1, while average weekly earnings for the same industries increased from \$42.98 to \$43.20 over the same period.

The monthly totals of labour income for 1947, 1948 and 1949 have been revised in this issue. This was done to bring them into agreement with revised annual totals, \$6,212 for 1947, and \$7,113 million for 1948, appearing in the bulletin "National Accounts Income and Expenditure 1941-48".



### The Chart

The chart on the front of the publication shows the annual totals of wages, salaries and supplementary labour income by months for 1946, 1947 and 1948, as well as the cumulative total to date in 1949. The annual totals can be measured against the scale on the left side of the chart. The monthly trend is plotted according to the scale on the right side of the chart and shows the month-to-month changes in the totals over the whole period.

### Methods

The monthly estimates are obtained from annual estimates 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 D.B.S. Bulletins on Employment and Payrolls. In a number of sectors where no suitable indexes of payrolls are available, data relating to changing numbers on 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 constant number of working days in each month is assumed in the estimation of monthly labour income figures. 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."

### Method of Adjusting the Estimates to the Annual Totals

Salaries and wages and supplementary labour income are produced on an annual basis and also currently on a monthly basis. As the annual totals are revised, it is necessary to adjust the monthly totals to bring them into agreement with the revisions. This is done for each year separately. The various industrial totals are projected monthly by using suitable indexes of month-to-month changes in income for these industries, e.g., payroll records. The ratio of any monthly index to the sum of the twelve monthly indexes is applied to the annual total for that industry to give the monthly estimate of labour income. By this method of revision the month-to-month trend within the given year is not distorted. It is the method recommended by the Statistical Commission of the Economic and Social Council of the United Nations.

Since the monthly figures for the current year are estimated by projecting the annual totals of the previous year on various monthly indexes, a separate annual estimate for labour income can be obtained by simply adding the figures for twelve months. This total can then be compared with annual revisions produced at a later date. For 1948 the sum of the monthly estimates of total labour income was \$7,130 million and the later annual revision amounted to \$7,113. This represents a discrepancy of less than one-half of one per cent in the two methods of estimation.

### Relation to the National Accounts

Labour income constituted about 56 per cent of "Net National Income at Factor Cost" in 1948. The relationship between labour income and other items of the National Accounts can be studied in the bulletin "National Accounts, Income and Expenditure, 1941-48."

### Components of Labour Income

Estimates of labour income include all wages, salaries and supplementary remuneration for employees' services. Salaries and Wages include bonuses and commissions and are reckoned before deductions for income tax or any other payments. 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 allowance for these provided by employers and other benefits.