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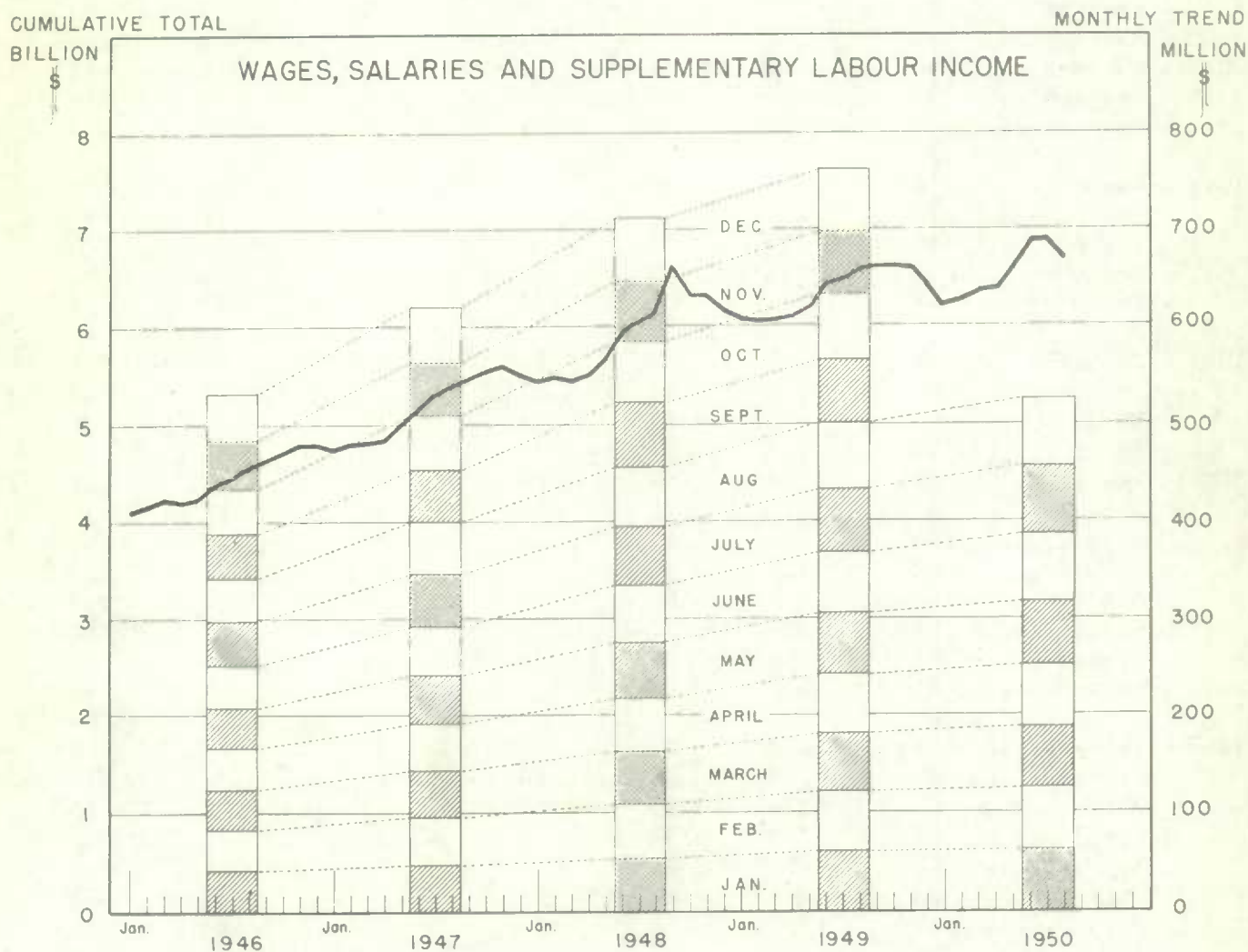
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ESTIMATES OF LABOUR INCOME

AUGUST 1950



ESTIMATES OF 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 - Average ... | 47 | 175 | 33 | 133 | 113 | 17 | 518 |
| 1948 - Average ... | 52 | 202 | 40 | 154 | 126 | 20 | 593 |
| 1948 - 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 |
| September .. | 54 | 220 | 53 | 174 | 138 | 22 | 662 |
| October ... | 53 | 219 | 52 | 175 | 141 | 22 | 663 |
| November .. | 51 | 218 | 50 | 177 | 143 | 23 | 661 |
| December .. | 47 | 217 | 41 | 174 | 141 | 22 | 642 |
| 1950 - January ... | 43 | 213 | 37 | 166 | 140 | 22 | 620 |
| February .. | 43 | 216 | 37 | 166 | 141 | 21 | 625 |
| March | 41 | 218 | 39 | 168 | 145 | 22 | 633 |
| April | 41 | 219 | 41 | 171 | 148 | 22 | 642 |
| May | 45 | 221 | 48 | 175 | 148 | 22 | 659 |
| June | 50 | 229 | 52 | 180 | 149 | 23 | 683 |
| July | 52 | 231 | 54 | 182 | 148 | 24 | 691 |
| August | 55 | 231 | 56 | 172 | 148 | 24 | 686 |

*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.

Estimates of Labour Income

August, 1950

The total of salaries, wages and supplementary labour income paid in all industrial groups decreased 0.7 p.c. to \$686 millions in August. This is the first time that a decrease has occurred between July and August since the monthly series was instituted in 1946.

With the number of paid workers in agriculture near its seasonal peak in August, and with improved employment conditions in other primary industries, the August labour income in "Agriculture, Forestry, Fishing, Trapping, Mining" rose \$3 millions to a 1950 peak of \$55 millions. The "Manufacturing" and "Finance, Services (Including Government)" groups, as well as supplementary income, maintained their July levels, while "Construction" continued its gradual increase to an all-time high of \$56 millions.

The only industrial group to decline was "Utilities, Transportation, Communication, Storage, Trade": in July this group earned \$182 millions in salaries and wages against \$172 millions in August. This decrease reflected the effect of a strike by non-operating groups of railroad employees from August 22 to 30, inclusive.

The employment index in the nine leading industries* rose 0.9 points to 135.6 at September 1, while the payrolls index was 231.4 (down 3.3 points) on the same date. The Canadian cost of living index was 169.8 in September.

*The Employment Situation at the beginning of September, 1950, together with Payrolls" Dominion Bureau of Statistics, Ottawa.



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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, 1948 and 1949, as well as the cumulative total to date in 1950. 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 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 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". The method of adjusting the estimates to the annual totals is outlined in "Monthly Estimates of Labour Income in Canada, September, 1949". Minor revision to the 1947, 1948 and 1949 monthly totals were made in August, 1949. Therefore, when dealing with these years bulletins published prior to August, 1949 should not be used. Since the 1946 monthly figures were not revised at that time, the latest figures for that year will be found in 1949 bulletins prior to the June issue.

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 Expenditures, 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.

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