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Labour and Prices Division

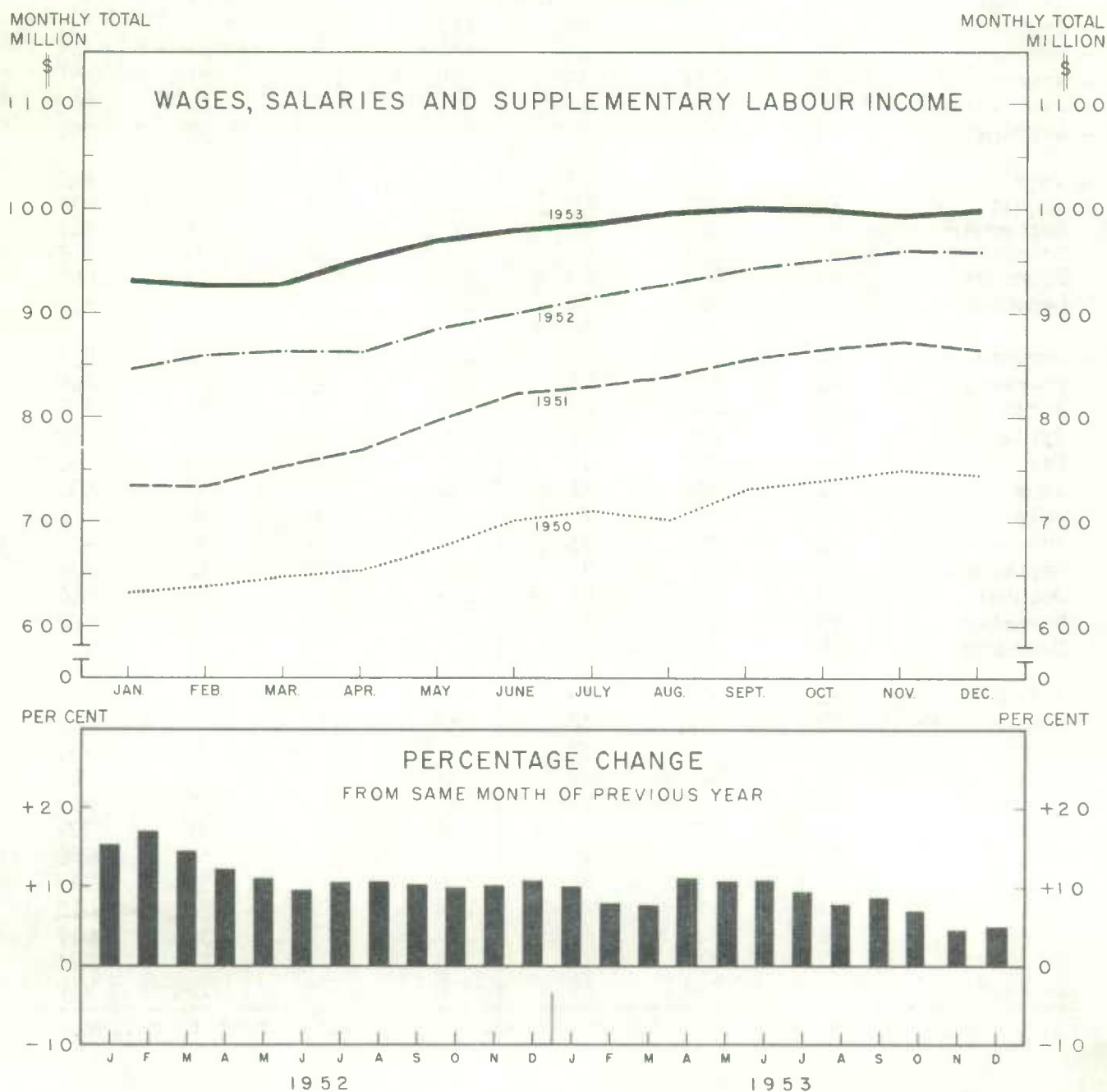
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ESTIMATES OF LABOUR INCOME
(\$ Millions)

	Agriculture, Forestry, 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
1939 - Average	23	62	8	58	59	5	215
1940 - Average	26	78	11	63	60	6	244
1941 - Average	29	106	16	73	66	8	298
1942 - Average	30	142	18	80	71	10	353
1943 - Average	32	168	21	86	78	14	399
1944 - Average	33	171	17	95	83	13	412
1945 - Average	35	156	19	100	90	13	413
1946 - Average	41	147	25	114	103	14	444
1947 - Average	42	177	34	134	114	17	518
1948 - Average	49	203	41	154	131	19	597
x1949 - Average	49	214	47	169	147	21	647
1950 - Average	55	231	47	180	156	24	693
1951 - Average	70	270	52	208	178	28	806
1952 - Average	76	299	62	230	197	31	895
1953 - Average	73	326	70	251	218	33	971
1951 - July	71	273	55	212	179	30	820
August	72	277	60	214	180	29	832
September	76	282	61	217	182	29	847
October	81	280	60	219	188	30	858
November	83	280	60	223	191	30	867
December	81	286	52	222	188	29	858
1952 - January	79	279	49	215	188	29	839
February	80	284	47	216	193	29	849
March	74	290	48	218	193	29	852
April	63	291	53	222	193	30	852
May	69	292	60	227	197	30	875
June	71	292	61	231	200	30	885
July	71	294	70	234	201	31	901
August	78	304	75	234	197	31	919
September	80	312	74	236	198	31	931
October	82	314	77	239	202	32	946
November	83	318	75	242	202	32	952
December	76	322	62	245	205	32	942
1953 - January	71	317	58	247*	203	32	928
February	69	322	56	235	207	31	920
March	61	325	57	236	213	32	924
April	61	326	63	253*	213	33	949
May	69	328	72	249	219	32	969
June	75	328	72	253	218	33	979
July	77	325	76	255	219	34	986
August	80	328	81	256	215	33	993
September	81	333	82	258	224	34	1,012
October	78	328	83	259	227	34	1,009
November	77	324	76	258	227	33	995
December	72	330	69	257	228	33	989

xIncludes Newfoundland, since 1949. *Includes retroactive wage payment to railway employees.

ESTIMATES OF LABOUR INCOME

December 1953

In continuation of a moderate contraction dating from September, Canadian labour income declined by \$6 million in December to \$989 million. This was, however, \$47 million or 5 per cent above the December 1952 estimate.

The slight decline during December was the net result of losses in labour income recorded in 3 major industrial divisions, offset in part by gains in manufacturing and in the finance and service group. The fall of \$7 million and \$5 million in construction and in the primary industry group, respectively, reflected a customary year-end reduction of construction and farming activity, and from the early completion in many areas of lumber and pulpwood cutting.

The average of labour income for the 12 months of 1953 was \$971 million, up \$76 million or 8½ per cent from the 1952 average. The changes in the component industrial divisions ranged from an increase of 12 1/2 per cent for construction to a decline of 4 per cent for the primary industry group. The remaining three divisions showed increases between 9 and 10 per cent. The high level of activity in residential building was mainly responsible for the larger than average gain in construction wages and salaries. The decline in the primary group of industries was attributable to a loss of 15 per cent in logging, which was partially counterbalanced by a 5 per cent increase in agriculture.

Within the year the flow of labour income reached a crest in September, and receded moderately in the last quarter. Percentage increases of the monthly estimates of 1953 over the corresponding estimates of 1952 became gradually smaller in the second half of 1953. The margin in favour of 1953 which averaged 10 per cent for the first half, was down to 5 per cent for the month of December. This change in the second half of the year could be ascribed largely to the decline between the third and last quarters of 1953 in the commodity producing industries in contrast to an increase of 2 per cent in distribution, finance and service. Over the corresponding quarters of 1952, the two sectors had increased by nearly 4 per cent and 3 per cent, respectively.

The estimate of non-farm paid workers in 1953 averaged nearly 2 per cent higher than in the previous year. Average weekly earnings stood at \$56.67 at the end of 1953, as compared with \$53.81 one year previously. The average work week in manufacturing for 1953 as a whole was 41.3 hours, 1/5 of an hour shorter than in 1952. The level of consumer price index in 1953 of 115.5 (1949=100) was slightly below the 1952 average of 116.5.



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Components of Labour Income

Estimates of total labour income include all wages, salaries and supplementary remuneration for employees' services. Gross earnings--before deductions for income tax or for unemployment insurance and pension contributions--are used in the calculation of wages and salaries, and include bonuses and commissions as well as allowances for food, clothing and living accommodation where these are provided by the employer. Employers' contribution to unemployment insurance, workmen's compensation, pensions and welfare are shown as supplementary labour income.

Methods of Estimation

The monthly estimates of total wages and salaries are projections from annual estimates; these projections are based mainly on the indexes of aggregate payrolls for major industries, published in the monthly bulletin "Employment and Payrolls". For other industries various wage rate and employment data are used to provide estimating series. The annual estimates of labour income are compiled from original sources within the Dominion Bureau of Statistics and from other statements and reports of governments and business. A full description of the concepts, sources and methods covering the annual estimates is found in the reference document "National Accounts, Income and Expenditure 1926-1950" (December 1951).

A constant number of working days in each month is assumed in the estimation of monthly labour income. A detailed account of concepts and methods is set out in the bulletin "Wages, Salaries and Supplementary Labour Income in Canada by Months, January 1946 to April 1947", and the method of adjusting the estimates to the annual totals is outlined in "Monthly Estimates of Labour Income in Canada, September 1949".

The figures included in this bulletin supersede those in earlier issues, and those for the most recent years are subject to further minor revisions as new source materials become available.

Relation to the National Accounts

Labour Income constituted 59 per cent of "Net National Income at Factor Cost" in 1952. The relationship between labour income and other items of the National Accounts can be studied in the bulletin. "National Accounts, Income and Expenditure, 1949-1952" (May 1953).