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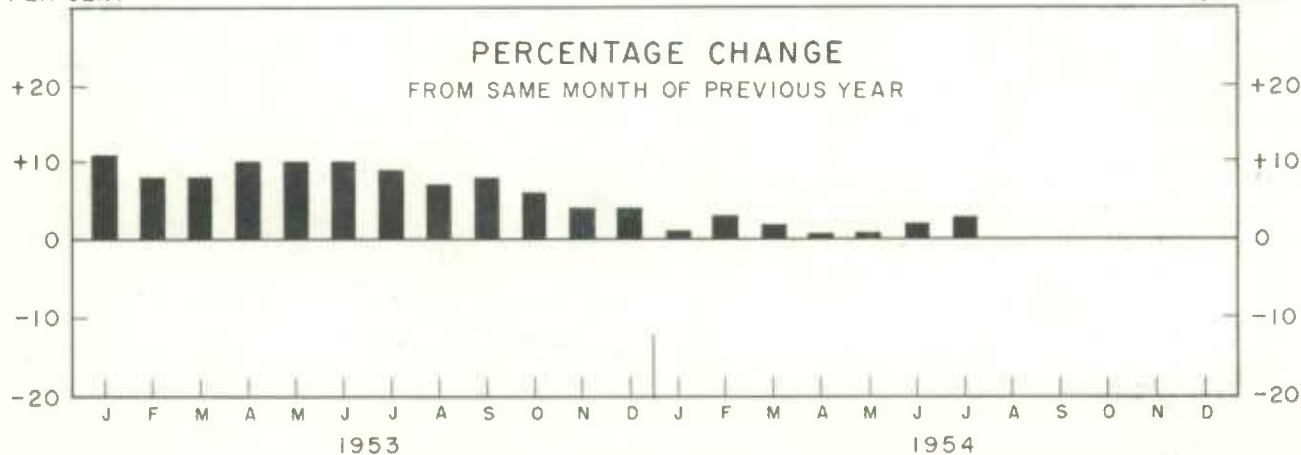
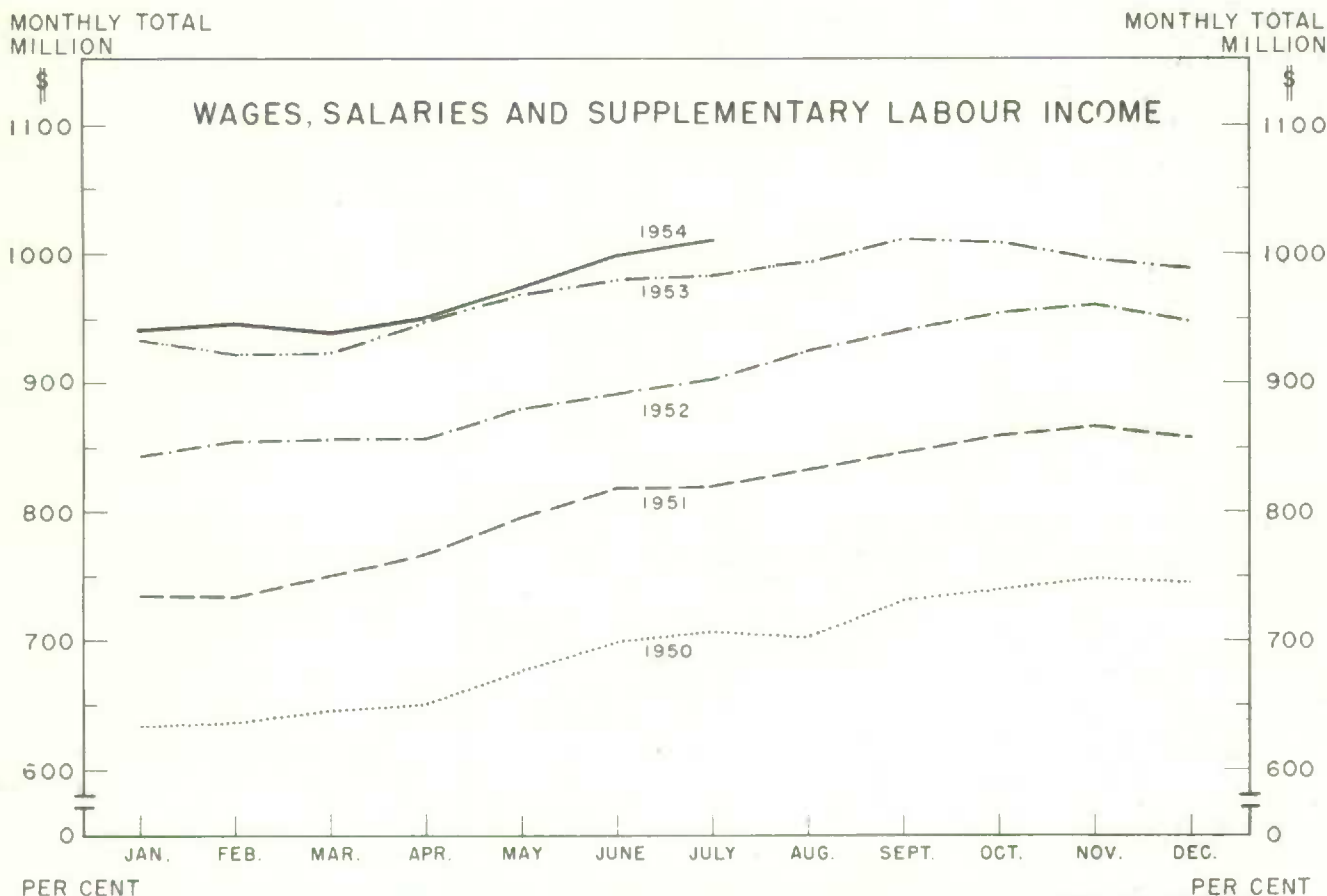
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VOLUME VIII No. 7

ESTIMATES OF LABOUR INCOME

JULY 1954



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	72	11	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	72	272	52	208	178	28	810
1952 - Average	76	302	62	230	199	32	901
1953 - Average	73	330	70	250	215	34	972
1952 - February	82	287	47	216	193	30	855
March	75	293	48	217	193	31	857
April	64	293	53	222	194	31	857
May	70	295	59	227	198	31	880
June	72	295	61	231	202	31	892
July	72	297	70	234	198	32	903
August	78	308	75	234	198	32	925
September	80	315	74	236	203	33	941
October	83	317	78	238	205	34	955
November	84	321	75	242	206	33	961
December	78	325	62	244	205	34	948
1953 - January	72	321	58	246*	203	34	934
February	70	326	55	234	205	33	923
March	62	328	57	234	210	33	924
April	60	328	63	251*	210	34	946
May	69	331	72	246	214	34	966
June	75	333	72	251	216	34	981
July	77	330	76	253	212	35	983
August	80	334	81	253	212	34	994
September	80	337	82	356	224	35	1,014
October	78	333	83	257	226	35	1,012
November	77	328	76	256	224	35	996
December	71	333	69	255	225	35	988
1954 - January	65	322	56	245	223	34	945
February	66	325	54	247	225	33	950
March	62	323	54	245	226	33	943
April	59	322	59	251	229	34	954
May	69	320	67	253	232	34	975
June	74	325	70	259	237	35	1,000
July	80	323	77	262	233	35	1,010

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

ESTIMATES OF LABOUR INCOME

July 1954

Labour income received in July by Canadian paid workers was estimated at \$1,010 million, up \$10 million over the previous month. The July total was \$27 million or 2.7 per cent higher than the figure for July 1953. The cumulative total for the first seven months of 1954 was \$6,777 million, as compared with \$6,657 million for the corresponding period a year ago.

The seasonal rise of outdoor activity in agriculture, fishing and logging mainly accounted for the increase during July of \$6 million in total wages and salaries of the primary industry group. The larger part of the \$7 million advance in construction was attributable to residential building. Most of the \$3 million increase in the distributive industries was derived from transportation, storage and communication.

Total wages and salaries in manufacturing declined \$2 million during July. Losses in aggregate payrolls in iron and steel products, transportation equipment and electric apparatus groups took place in the provinces of Quebec and Ontario. Further losses occurred in the latter province in rubber products, textile products, clothing and chemical products. The decline of \$4 million in total wages and salaries for the finance and service group was due to the annual closing of schools for summer vacation.

The estimated number of paid workers, according to the labour force survey, increased from 3,976,000 persons at mid-June to 3,991,000 persons in the survey week ended July 24th. There were 432,000 persons with jobs on vacation at the latter date as compared with 42,000 persons in the previous month. Vacation pay, however, received by workers on paid vacation is included in the labour income total.

The following table shows the percentage relationship between July 1950 and the July estimates of labour income for the succeeding years.

	<u>July</u>				
	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>
Primary industries	100	125	126	135	140
Manufacturing	100	119	129	143	140
Construction	100	106	135	146	148
Distributive industries	100	116	128	138	143
Finance, services	100	110	124	132	146
Supplementary labour income	100	129	133	146	146
Total	100	116	128	139	143

The Consumer Price Index (1949=100) increased from 116.2 at the beginning of July to 117.0 at August 2nd; it stood at 115.7 at the beginning of August 1953.



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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, 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, compiled by the Bureau's Employment Section. Federal and provincial government payroll statistics collected by the Public Finance and Transportation Division are incorporated; and various employment and wage rate data are used to compute monthly estimates for other industries. 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 also in the report "National Accounts, Income and Expenditure by Quarters 1947-1952" (November 1953).

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 61 per cent of "Net National Income at Factor Cost" in 1953. The relationship between labour income and other items of the National Accounts can be studied in the bulletin, "National Accounts, Income and Expenditure, 1950-1953" (June 1954).