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NOTICE OF CHANGE IN THE BASE OF EMPLOYMENT INDEXES

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The use of a new base for the employment index maintained by the Dominion Bureau of Statistics has long been under discussion, as the January, 1920, base heretofore used is now obsolete, besides possessing the disadvantage of being a single-month base in a highly abnormal period.

After much deliberation, it was decided that the new base should be the average of the 1926 payrolls of the reporting firms. The work of calculating the individual bases for the co-operating employers, and of recalculating the index numbers for past years upon the new base has now been effected, and from January 1, 1929, the indexes published in the press letters will refer to the calendar year 1926 as 100.

In order to give comparisons in greater detail than is possible in the monthly releases, the 1928 Annual Review of Employment has been somewhat enlarged to show monthly index numbers for every month from January, 1921, as recalculated upon the 1926 base, for the economic areas and main industrial groups. Index numbers for the leading cities are also given on the new base for each month since January, 1922, no earlier figures being available. Finally, monthly index numbers for some 65 cities are shown on the new base for the five years 1924-1928. Comparative data for the same months of earlier years will be given, as hitherto, in the different tables in each of the monthly press letters, so that those interested will continue to have five-year comparisons upon which to work.

A brief explanation regarding the method used in converting the 1921-1928 indexes may be desired. In the past, the index numbers have reflected the change in the employment afforded by the reporting firms in a given unit for any month, from that afforded by the same firms in January, 1920 as 100 p.c. The 1920 factor in the indexes having been constant throughout the record, it was only necessary to find the percentage relationship between the 1926 average index for any particular industry or locality, and that for the same unit in other months, in order that this new index might express for the particular month, the relationship existing between the current situation in that industry or locality and its 1926 average employment. This method, which possesses the great advantage of simplicity, has accordingly been followed in recalculating upon the 1926 base the indexes for past months. From January 1, 1929, the use of the figures for 1920 as 100 has ceased, and future indexes will be computed in the manner heretofore used, but with the 1926 average of employment afforded by the reporting firms as 100 p.c.

The Bureau feels that this occasion presents an opportunity of publicly expressing its appreciation of the prompt and regular co-operation that has been rendered by individual employers in all lines of industry, in furnishing the data upon which these indexes are based.

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