

of average compensation to productivity; thus unit labour cost will increase when average compensation grows more rapidly than productivity.

Sources of data. The output components of the various indexes of output per unit of labour input and unit labour cost referred to here are the indexes of "real domestic product (RDP) by industry". These indexes, which were developed within the conceptual framework of the Canadian System of National Accounts, measure in constant dollar terms the contribution of each component industry to total output.

The major sources for the employment and man-hour indexes were the monthly labour force and employment surveys and these were supplemented by data from such sources as the annual censuses of manufactures and mining and the decennial census of population. Since the data from these diverse sources varied considerably in their coverage, concepts and methods of compilation, care had to be exercised in selection, adaptation and combination of the data into aggregate measures of labour input which would be conceptually and statistically consistent, both internally and in relation to the output data. Labour force survey data were used for the paid worker estimates of agriculture and of fishing and trapping while those for manufacturing and mining were based on adjusted annual census data. Estimates for most of the remaining industry divisions were derived from employment survey data. Estimates of other than paid workers (own-account workers, employers and unpaid family workers) were derived mainly from the labour force survey. Estimates of average hours worked, which were needed for the indexes of output per man-hour, were also based on labour force survey data except in the case of manufacturing where man-hours data reported in the census of manufactures were also utilized. Labour compensation is the sum of wages, salaries, supplementary labour income and an imputed labour income for self-employed workers. For imputed labour income the average hourly income of paid workers is attributed to self-employed persons in the same industry division. Indexes of output per person employed, output per man-hour and unit labour cost for commercial industries and the major components are presented in Table 21.14.

Growth rates. Between 1961 and 1974, output per person employed in the commercial industries increased at an annual average rate of 3.3%. Output per man-hour increased more rapidly, 4.1% a year, reflecting reductions in the average work week (Table 21.14). On reviewing the years since 1961 a decline in the rate of productivity growth can be observed. Output per man-hour increased at an average annual rate of 4.5% for the years 1961-66, 4.4% for the years 1966-71 and 1.8% for the years 1971-74.

Productivity growth in the commercial service-producing industries continued to lag behind the comparable rate of increase in the commercial goods-producing industries. From 1961 to 1974, the average annual rate of increase in output per man-hour was 3.0% in the commercial service sector and 5.0% in the commercial goods sector. In manufacturing, from 1961-74, output per man-hour rose 4.1% per annum.

Unit labour cost for commercial industries increased at an average annual rate of 1.0% for the period 1961-66, 3.6% for the years 1966-71 and 7.8% between 1971-74.

21.3 Price indexes

The price indexes provided here are classified into price indexes of goods and services paid by consumers at the retail level; manufacturers' selling price indexes of goods and services; purchase price indexes of selected capital goods; farm input price indexes; and securities price indexes.

21.3.1 Retail price indexes

This Section describes price indexes currently available for commodities purchased by consumers at the retail level.

Consumer price index. The consumer price index measures the movement from month to month in retail prices of goods and services bought by a representative cross-section of the Canadian urban population. It is a base-weighted index, measuring the effect of changing prices on the cost of purchasing a fixed basket. The basket on which the index was based from 1961 to April 1973 relates to 1957 family spending patterns. Since April 1973, the index has been based on the 1967 expenditure pattern of families ranging in size from two to six