

current dollar values for goods-producing industries. This is in contrast to the real domestic product series which includes all industries and revalues current production in terms of the prices (dollars) of the base year.

Tables 21.12 and 21.13 show census value added data by province and by industry. Census value added is derived by deducting the cost of intermediate material inputs from the gross value of production (excluding excise and other sales taxes) or revenue. The census value added in current prices increased 10.8% in 1972, 24.0% in 1973 and 23.2% in 1974.

### 21.2.3 Aggregate productivity trends

The level of, and changes in, productivity have a vital influence on economic growth, overall cost structure, international competitiveness and, in the final analysis, on the quality of life. In the measurement of productivity, output is related to one or more kinds of inputs utilized in the production process.

The measures of productivity presented here relate output to a single input only, namely labour time. It must be emphasized that changes in output per unit of labour input cannot be attributed directly and solely to labour; such measures reflect not only changes in the skills and effort of the labour force but also the contribution of other productive resources with which labour works as well as the effectiveness with which all are combined and organized for the purpose of production. In other words, changes in technology, capital investment, capacity utilization, work flow, managerial skills and labour-management relations each has a bearing on movements in what is termed "labour productivity". The measures of unit labour cost are the ratios of labour compensation to output. Unit labour cost can also be obtained as the ratio 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". Developed within the conceptual framework of the Canadian System of National Accounts, they 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 1975, output per person employed in the commercial industries increased at an annual average rate of 3.2%. Output per